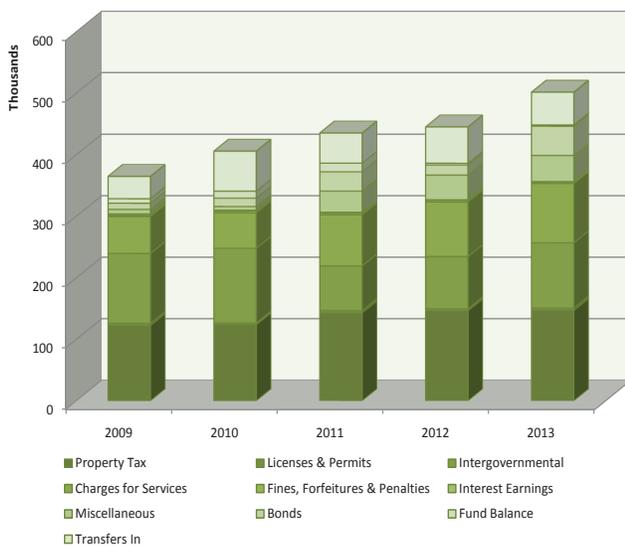


Financial Overview

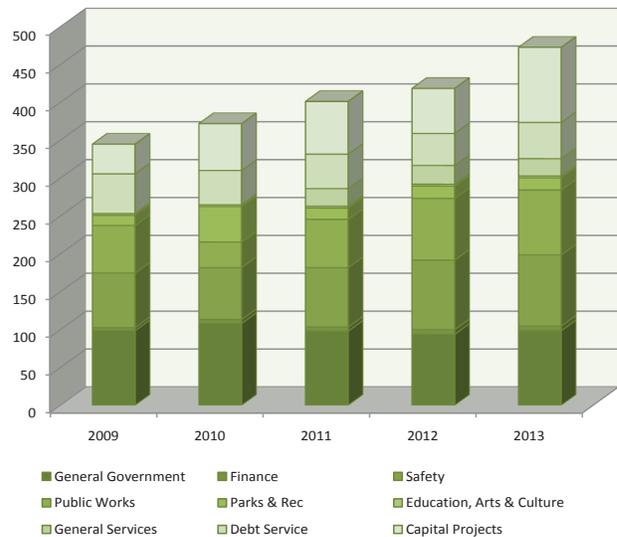
Revenue and Expenditure History

Total City revenues and operating transfers in for the fiscal year ended June 30, 2009 were \$364,203,646. Total projected City revenue for the fiscal year ended June 30, 2013 is \$501,564,867 an increase of \$137,361,221 or 37.7% over this five year period. Increases include tax increases, water quality fee increases, capital, Sewer rate increases, cost of operations largely due to market conditions and the economy, and the assumption of management of the City's share of sales tax. During this period the Undesignated General Fund Budget increased from \$170,070,000 in FY09 to \$209,320,000 in FY13, an increase of \$39,250,000 or 23.1%. The chart below shows the Undesignated General Fund revenues and expenditures during this time period. Also below are comparisons of total revenues and expenditures.

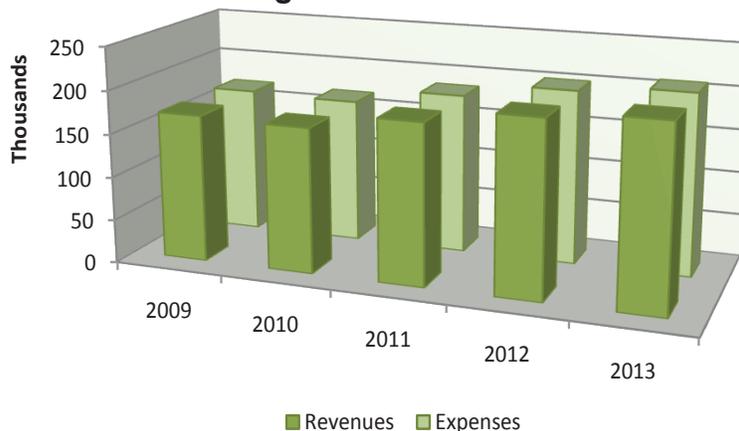
Budgeted Revenues
(in 1,000)



Budgeted Expenditures
(in 1,000)



Undesignated General Fund



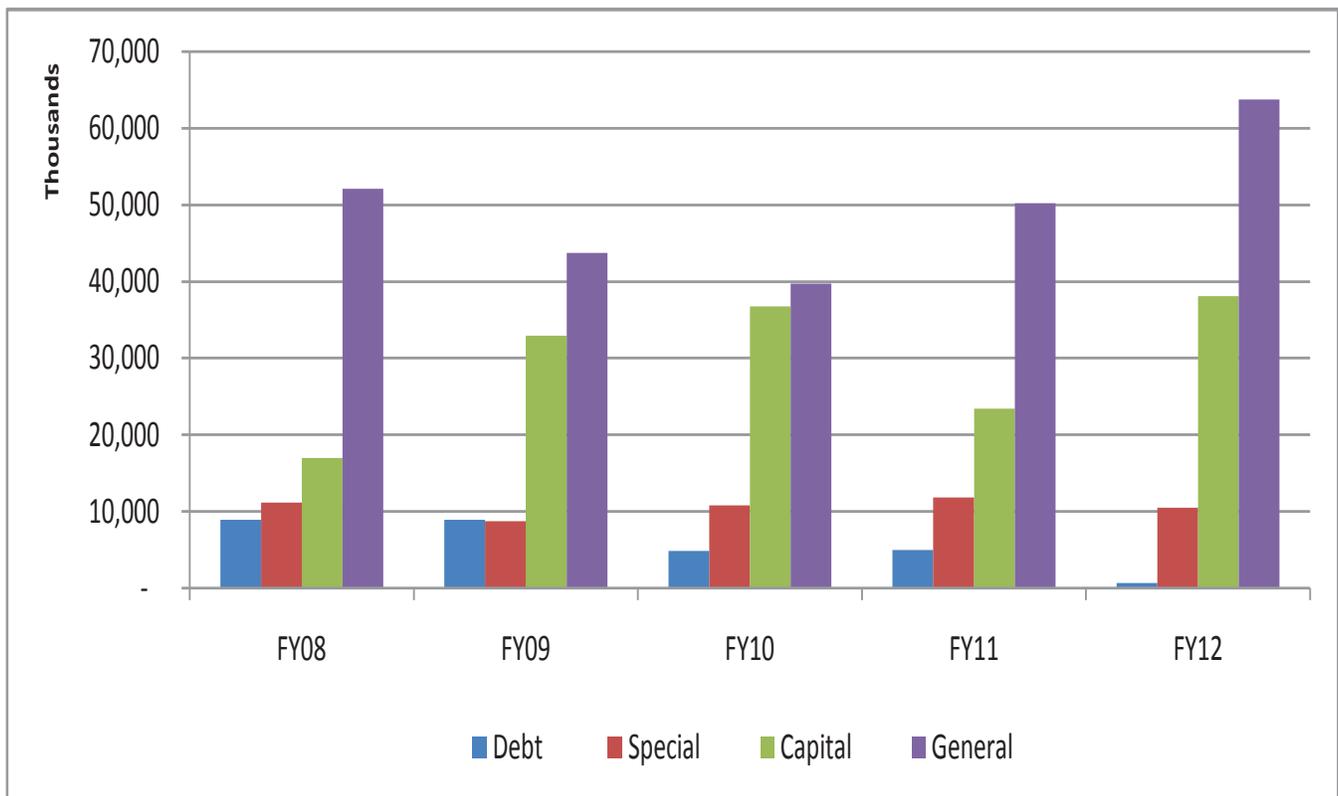
**BUDGETED REVENUES & APPROPRIATIONS
BY FUND TYPE
FY2013**

Revenues	Governmental Fund Types					Internal Service Funds	Budget Total Revenue FY2013	Budget Total Revenue FY2012
	Undesignated General	Special Revenue	Debt Service	Capital Projects	Proprietary Fund Types			
Taxes	130,619,360	16,588,000	-	-	-	-	147,207,360	146,537,860
Licenses & Permits	3,558,850	-	-	-	-	-	3,558,850	3,098,700
Intergovernmental	59,493,300	20,952,260	473,170	25,098,579	100,000	-	106,117,309	84,708,126
Charges for services	2,851,400	3,111,700	-	-	72,266,904	18,159,800	96,389,804	88,730,163
Fines, forfeitures and penalties	1,164,100	1,100,000	-	-	-	-	2,264,100	2,739,600
Interest earnings	476,900	5,000	-	-	300,000	-	781,900	1,052,660
Miscellaneous	4,525,300	752,617	356,320	530,000	47,968	36,214,238	42,426,443	40,105,849
Bonds	-	-	-	47,637,469	-	-	47,637,469	16,336,038
Fund Balance	-	-	-	-	-	2,000,000	2,000,000	2,856,266
Transfers In	6,630,790	1,033,477	21,411,323	23,376,042	-	730,000	53,181,632	58,961,640
Total Revenues	209,320,000	43,543,054	22,240,813	96,642,090	72,714,872	57,104,038	501,564,867	445,126,902
Appropriations								
General Government	26,810,315	28,773,446	-	-	-	730,000	56,313,761	53,764,792
Finance & Administration	5,119,066	1,100,000	-	-	-	-	6,219,066	6,259,979
Safety	93,610,020	312,000	-	-	-	-	93,922,020	91,718,821
Public Works	32,145,690	4,280,000	-	-	49,222,324	-	85,648,014	81,455,430
Parks & Recreation	14,403,404	1,768,200	-	-	-	-	16,171,604	16,335,167
Personnel	1,898,986	-	-	-	-	36,214,238	38,113,224	36,393,897
Neighborhood Services	2,147,967	-	-	-	-	-	2,147,967	2,147,967
Executive Branch	1,861,232	-	-	-	-	-	1,861,232	1,367,574
Education, Arts, & Culture	2,412,389	-	-	-	-	-	2,412,389	2,444,747
General Services	2,621,421	-	-	-	-	20,159,800	22,781,221	24,713,810
Debt Service	-	4,001,668	22,240,813	-	21,614,155	-	47,856,636	42,307,422
Capital Projects	-	2,057,153	-	96,642,090	428,393	-	99,127,636	59,427,262
Transfers Out	26,289,510	1,250,587	-	-	1,450,000	-	28,990,097	26,790,034
Total Appropriations	209,320,000	43,543,054	22,240,813	96,642,090	72,714,872	57,104,038	501,564,867	445,126,902

Fund Balance/Net Asset Summary

During the past five years the City of Chattanooga has seen a total net increase in its Governmental Fund Balances of \$23.8 million. This is due to the increase in the fund balance for the Capital Funds and increase in General Fund. Fund Balances for the Special Revenue Funds and Debt Service Fund have decreased during this period.

Changes in Fund Balance Governmental Funds Includes Designated Funds



	Governmental Fund Balances				
	FY08	FY09	FY10	FY11	FY12 unaudited
Debt Service Fund	\$ 8,925,003	\$ 8,925,003	\$ 4,870,365	\$ 4,954,374	\$ 652,700
Special Revenue Funds	\$ 11,176,061	\$ 8,762,909	\$ 10,791,021	\$ 11,839,913	\$ 10,501,890
Capital Funds	\$ 16,995,039	\$ 32,923,230	\$ 36,787,650	\$ 23,431,548	\$ 38,096,870
General Fund	\$ 52,094,869	\$ 43,746,999	\$ 39,746,939	\$ 50,197,576	\$ 63,761,184
Totals	\$ 89,190,972	\$ 94,358,141	\$ 92,195,975	\$ 90,423,411	\$ 113,012,644

Fund Balance/Net Asset Summary

The General Fund Balance was \$52,094,869 in FY08. This has risen to a current unaudited balance of \$63,761,184 for FY12. The increase is primarily due to conservative budgeting resulting in positive variances in expenditures largely because of funded vacancies. In FY12 Library was recategorized from Special Revenue to General Fund.

The Special Revenue Fund Balance decreased from a balance of \$11,176,061 in FY08 to a FY12 unaudited balance of \$10,501,809. The City earmarks .25 percent of its share of the local option sales tax for economic development. These funds are dedicated to supported capital and the payments for the retirement of the Lease Rental Revenue Bonds. There is a \$1.8 million increase in FY10 because Regional Planning Agency, Air Pollution Control Bureau, and Scenic Cities Beautiful funds were recategorized as Special Revenue Funds. In FY11 Tennessee Valley Regional Communications were recategorized as Special Revenue Funds.

Debt Service Fund Balance was \$8,925,003 in FY08, decreasing to \$652,700 by the end of FY12. In early 2007 the City refunded \$17.7M of the outstanding General Obligation Series 2001. In FY 10, \$5 million debt service fund balance was used to fund debt service thus allowing General Fund to fund pay go capital. In 2012, there was a \$4 million planned use of debt service fund balance.

The Capital Fund Balance has fluctuated most during the past few years. This is primarily due to the City's 21st Century Waterfront capital plan, which was substantially completed in FY07, also because the city recorded \$46 million bond proceeds in FY09. Since FY08, the balance has risen from \$16,995,039 to an unaudited \$38,096,870 at the beginning of FY13.

The growth of the Net Assets within the Enterprise Funds (excluding the Electric Power Board) has been most dramatic. Net Assets of \$268,483,869 in FY08 have increased to a FY12 unaudited balance of \$303,579,618. For more than fifteen years, the City was subject to federal mandates relative to water quality and landfill operations which necessitated the imposition of a water quality fee and increased landfill rates to fund such mandates. In FY06 there was no change in rate, but

prior to that, there were increases in sewer rates from FY03 to FY05 ranging from 2.54% to 7.29%. In FY07 an increase of 15.5% was applied, and for FY08 and FY09 a 6% increase will be phased in at 3% in October and 3% in April of each respective year. In FY11, 5% increase has been applied to sewer rates. The Water Quality fee had remained constant at \$24.00 for two (2) or less residential units on a lot of 10,000 square feet or less since 1993. Due to increased Federal and State requirements for the current NPDES Permit, the Water Quality fee has been adjusted to \$115.20 per ERU (equivalent residential unit). One ERU is equal to 3,200 square feet of impervious area of residential property.

The Internal Service Fund Balance was \$14,430,022 in FY08. At the beginning of FY13, this fund is projected to have an unaudited Fund Balance of \$29,655,196. This reflects \$2.4M in capital recovery funds from the Fleet Leasing Program for vehicle replacement that is factored into the current lease rate. There is \$11.7M for the purchase of Fleet Leasing vehicles. This fund is not intended to generate profits. Internal Service fund also includes Health & Wellness Fund which includes On Site Pharmacy, On Site Clinic & Wellness and employee healthcare. Balance includes \$7M in reserves to pay medical claims.

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

City of Chattanooga, Tennessee

General Fund

Includes Designated General Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on Budgetary Basis
Years Ended June 30, 2010 - 2013

	FY09/10	FY10/11	Unaudited FY11/12	Budget FY12/13
FUND BALANCE at beginning of year	<u>41,869,523</u>	<u>39,746,939</u>	<u>50,197,576</u>	<u>63,761,184</u>
Revenues				
Taxes	110,526,290	128,739,188	130,944,854	130,619,360
Licenses and permits	4,827,976	4,685,560	5,180,385	3,558,850
Intergovernmental Revenues	62,379,945	63,117,881	76,050,738	72,604,806
Charges for Services	5,558,025	4,891,144	5,263,474	6,150,100
Fines, forfeitures and penalties	3,256,983	2,657,310	2,105,600	2,399,100
Interest Income	659,658	655,298	771,009	445,000
Contributions and donations	181,798	140,710	221,687	-
Miscellaneous Revenues	<u>3,185,133</u>	<u>3,464,839</u>	<u>4,548,913</u>	<u>4,783,144</u>
Total Revenues	<u>190,575,808</u>	<u>208,351,930</u>	<u>225,086,660</u>	<u>220,560,360</u>
Expenditures				
General Government (1)	50,996,560	34,601,779	42,453,987	49,790,552
Finance & Administration	3,669,862	3,787,566	4,418,397	5,327,426
CARTA appropriation	3,851,000	4,231,000	4,675,000	4,772,000
Police	41,600,084	48,991,740	53,753,126	56,392,066
Fire	28,271,752	33,883,443	36,303,669	38,230,372
Public Works	27,660,933	35,035,739	34,479,910	32,317,690
Parks & Recreation	14,770,476	15,685,436	16,982,983	16,216,604
Education, Arts, & Culture	<u>2,208,588</u>	<u>2,318,552</u>	<u>2,476,913</u>	<u>2,414,189</u>
Total Expenditures	<u>173,029,255</u>	<u>178,535,255</u>	<u>195,543,985</u>	<u>205,460,899</u>
Excess (deficiency) of revenues over expenditures	17,546,553	29,816,675	29,542,675	15,099,461
Other Financing Sources (Uses)				
Operating transfers in (2)	4,012,552	4,898,833	14,235,316	13,122,947
Operating transfers out	(23,681,689)	(24,264,872)	(30,214,383)	(28,382,408)
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(19,669,137)</u>	<u>(19,366,039)</u>	<u>(15,979,067)</u>	<u>(15,259,461)</u>
Prior Year Surplus	-	-	-	160,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(2,122,584)</u>	<u>10,450,636</u>	<u>13,563,608</u>	<u>-</u>
FUND BALANCE at end of year	<u><u>39,746,939</u></u>	<u><u>50,197,576</u></u>	<u><u>63,761,184</u></u>	<u><u>63,761,184</u></u>

(1) General Government took on additional expenditure with the expiration of the Sales Tax agreement in FY12.

(2) In FY12, Library was recategorized from Special Revenue fund to General fund.

City of Chattanooga, Tennessee

Special Revenue Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 2010 - 2013

	FY09/10	FY10/11	Unaudited FY11/12	Budget FY 12/13
FUND BALANCE at beginning of year	<u>10,557,831</u>	<u>10,791,021</u>	<u>11,839,913</u>	<u>10,501,890</u>
Revenues				
Taxes	4,058,621	4,746,845	5,001,504	4,949,000
Licenses and permits	540,256	490,853	554,723	248,913
Intergovernmental Revenues	28,809,943	30,612,153	25,069,782	22,334,561
Charges for Services	624,954	711,289	698,491	1,343,500
Fines, forfeitures and penalties	-	48,642	43,352	-
Interest Income	92,922	78,143	117,461	5,000
Contributions and donations	113,104	254,286	189,179	-
Prior Year Surplus	-	-	-	31,600
Miscellaneous Revenues	<u>1,705,159</u>	<u>1,225,921</u>	<u>736,940</u>	<u>952,617</u>
Total Revenues	<u>35,944,959</u>	<u>38,168,132</u>	<u>32,411,432</u>	<u>29,865,191</u>
Expenditures				
General Government	10,218,794	11,634,645	5,660,275	8,746,778
Public safety	384,640	463,112	383,455	312,000
Public Works	3,940,663	4,224,891	4,803,415	4,280,000
Social Services	22,890,301	20,978,875	19,123,591	15,031,731
Capital Outlay/Fixed Assets	-	423,011	-	1,068,352
Total Expenditures	<u>37,434,398</u>	<u>37,724,534</u>	<u>29,970,736</u>	<u>29,438,861</u>
Excess (deficiency) of revenues over expenditures	(1,489,439)	443,598	2,440,696	426,330
Other Financing Sources (Uses)				
Operating transfers in	5,356,881	7,760,254	8,351,001	3,575,338
Operating transfers out	<u>(3,634,252)</u>	<u>(7,154,960)</u>	<u>(12,129,720)</u>	<u>(4,001,668)</u>
Total other financing sources (uses)	<u>1,722,629</u>	<u>605,294</u>	<u>(3,778,719)</u>	<u>(426,330)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>233,190</u>	<u>1,048,892</u>	<u>(1,338,023)</u>	<u>-</u>
FUND BALANCE at end of year	<u>10,791,021</u>	<u>11,839,913</u>	<u>10,501,890</u>	<u>10,501,890</u>

(2) In FY12, Library was recategorized from Special Revenue fund to General fund.

City of Chattanooga, Tennessee

Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 2010 - 2013

	FY09/10	FY10/11	Unaudited FY11/12	Budget FY12/13
FUND BALANCE at beginning of year	<u>8,925,003</u>	<u>4,870,365</u>	<u>4,954,374</u>	<u>652,700</u>
Revenues				
Intergovernmental funds	1,286,612	674,423	436,091	473,170
Other	<u>19,437</u>	-	-	<u>350,681</u>
Total Revenues	<u>1,306,049</u>	<u>674,423</u>	<u>436,091</u>	<u>823,851</u>
Expenditures				
Principal retirement	12,532,082	13,007,185	11,846,305	14,828,125
Interest	7,147,952	7,096,207	6,976,936	7,302,688
Fiscal agent fees	<u>93,970</u>	<u>114,804</u>	<u>90,112</u>	<u>110,000</u>
Total Expenditures	<u>19,774,004</u>	<u>20,218,196</u>	<u>18,913,353</u>	<u>22,240,813</u>
Excess (deficiency) of revenues over expenditures	<u>(18,467,955)</u>	<u>(19,543,773)</u>	<u>(18,477,262)</u>	<u>(21,416,962)</u>
Other Financing Sources (Uses)				
Operating transfers in	14,413,317	19,627,782	14,175,588	21,416,962
Total other financing sources (uses)	<u>14,413,317</u>	<u>19,627,782</u>	<u>14,175,588</u>	<u>21,416,962</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(4,054,638)</u>	<u>84,009</u>	<u>(4,301,674)</u>	<u>-</u>
FUND BALANCE at end of year	<u><u>4,870,365</u></u>	<u><u>4,954,374</u></u>	<u><u>652,700</u></u>	<u><u>652,700</u></u>

City of Chattanooga, Tennessee

Capital Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 2010 - 2013

	FY09/10	FY10/11	Unaudited FY11/12	Budget FY12/13
FUND BALANCE at beginning of year	<u>32,923,230</u>	<u>36,787,650</u>	<u>23,431,548</u>	<u>38,096,870</u>
Revenues				
Intergovernmental Revenues	3,802,069	6,036,562	2,154,474	19,748,579
Charges for services	-	-	-	-
Interest Income	208,397	134,691	211,910	-
Contributions and Donations	458,324	813,817	445,358	530,000
Sale of Property	1,036,053	114,756	449,040	-
Miscellaneous Revenues	-	7,755	(17,247)	-
Total Revenues	<u>5,504,843</u>	<u>7,107,581</u>	<u>3,243,535</u>	<u>20,278,579</u>
Expenditures				
General Government	3,668,866	-	4,177,249	3,250,000
Finance & Administration	2,145,039	-	2,551,255	1,855,000
Safety	3,201,313	-	2,354,182	3,150,000
Public Works	12,364,426	-	13,639,264	36,563,090
Parks & Recreation	2,616,410	-	2,307,338	2,553,000
Education, Arts, & Culture	281,778	-	76,821	500,000
General Services	-	-	-	2,321,000
Capital outlay/fixed assets	-	24,178,417	46,829	8,000,000
Total Expenditures	<u>24,277,832</u>	<u>24,178,417</u>	<u>25,152,938</u>	<u>58,192,090</u>
Excess (deficiency) of revenues over expenditures	<u>(18,772,989)</u>	<u>(17,070,836)</u>	<u>(21,909,403)</u>	<u>(37,913,511)</u>
Other Financing Sources (Uses)				
Operating transfers in	7,797,653	4,155,838	23,198,318	23,376,042
Operating transfers out	(251,910)	(571,104)	(15,336,809)	-
Bond/Note Proceeds	49,214,922	130,000	44,040,000	14,537,469
Refund Bond Escrow Agent	(34,123,256)	-	(15,326,784)	-
Total other financing sources (uses)	<u>22,637,409</u>	<u>3,714,734</u>	<u>36,574,725</u>	<u>37,913,511</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditure	<u>3,864,420</u>	<u>(13,356,102)</u>	<u>14,665,322</u>	<u>-</u>
FUND BALANCE at end of year	<u><u>36,787,650</u></u>	<u><u>23,431,548</u></u>	<u><u>38,096,870</u></u>	<u><u>38,096,870</u></u>

City of Chattanooga, Tennessee

Enterprise Funds

Statement of Revenues, Expenses and
Changes in Net Assets
Years Ended June 30, 2010 - 2013

	FY09/10	FY10/11	Unaudited FY11/12	Budget FY12/13
OPERATING REVENUES				
Customer Charges	66,448,096	69,771,572	74,024,530	73,153,904
Other	2,398,436	1,043,283	1,454,952	23,000
Total Revenues	<u>68,846,532</u>	<u>70,814,855</u>	<u>75,479,482</u>	<u>73,176,904</u>
OPERATING EXPENSES				
Sewer Plant Operation	28,119,595	30,214,431	32,583,201	30,652,032
Solid Waste Operation	2,795,870	3,190,967	3,094,827	4,603,105
Water Quality Management Operation	6,816,033	8,492,623	10,901,990	11,806,440
Depreciation and Amortization	14,853,915	16,261,295	14,990,601	16,065,000
Closure/Postclosure Costs	327,723	283,572	550,010	290,000
Other/Housing	665,891	874,324	1,122,213	899,000
Total Operating Expenses	<u>53,579,027</u>	<u>59,317,212</u>	<u>63,242,842</u>	<u>64,315,577</u>
OPERATING INCOME (LOSS)	<u>15,267,505</u>	<u>11,497,643</u>	<u>12,236,640</u>	<u>8,861,327</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	634,413	428,002	406,118	300,000
Interest Expense	(5,289,152)	(4,632,534)	(4,030,380)	(4,647,091)
Intergovernmental	-	-	-	100,000
Other Income (expense)	16,427	12,284	22,879	(3,164,236)
Net Gain on Sale of Property	-	-	-	-
Total Nonoperating Rev. (Exp.)	<u>(4,638,312)</u>	<u>(4,192,248)</u>	<u>(3,601,383)</u>	<u>(7,411,327)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS TRANSFERS AND SPECIAL ITEM	<u>10,629,193</u>	<u>7,305,395</u>	<u>8,635,257</u>	<u>1,450,000</u>
Capital Contributions	359,723	50,000	11,558	-
Operating Transfers In	87,963	239,508	339,100	-
Operating Transfers Out	(150,000)	-	-	(1,450,000)
NET INCOME (LOSS)	<u>10,926,879</u>	<u>7,594,903</u>	<u>8,985,915</u>	<u>-</u>
NET ASSETS - Beginning	<u>276,727,789</u>	<u>287,654,668</u>	<u>295,249,571</u>	<u>304,235,486</u>
NET ASSETS - Ending	<u>287,654,668</u>	<u>295,249,571</u>	<u>304,235,486</u>	<u>304,235,486</u>

City of Chattanooga, Tennessee

Internal Service Funds

Statement of Revenues, Expenses, and Changes in Net Assets
Years Ended June 30, 2010 - 2013

	FY09/10	FY10/11	Unaudited FY11/12	Budget FY12/13
OPERATING REVENUES				
Billings to Departments	37,555,068	44,779,308	53,147,951	54,374,038
Other	7,045,733	2,020,248	3,180,539	-
Intergovernmental Revenue	-	-	-	-
Misc Revenue	-	-	-	-
Prior Year surplus	-	-	-	2,000,000
Total Operating Revenues	44,600,801	46,799,556	56,328,490	56,374,038
OPERATING EXPENSES				
Repairs & Maintenance - Amnicola	3,446,612	3,556,496	3,663,942	3,690,032
Repairs & Maintenance - 12th St	2,945,043	3,266,344	3,481,853	3,466,968
Operations - Amnicola	1,058,658	1,120,910	1,433,593	1,299,767
Operations - 12th St	2,016,667	2,665,265	3,046,988	2,924,933
Fleet Leasing Capital	1,849,912	188,124	515,917	6,439,000
Fleet Leasing Operations	1,079,724	1,247,329	2,656,133	2,339,100
Judgments & Costs	3,187,835	-	267,129	240,150
Claims & Tort Liabilities	152,187	189,856	364,331	384,000
Special Counsel	177,289	330,510	204,921	5,000
TAWC Rate Hearing	-	265,219	16,753	100,850
Employee Healthcare	24,950,539	20,604,335	24,789,487	25,579,153
Pensioner Healthcare	540,325	465,913	780,583	949,885
On Site Pharmacy	919,320	4,565,494	4,807,753	5,706,656
On Site Clinic & Wellness	2,016,126	2,340,443	2,662,609	2,978,544
Health Center Capital	-	-	-	1,000,000
Depreciation*	-	2,063,883	2,554,280	-
Total Operating Expenses	44,340,237	42,870,121	51,246,272	57,104,038
OPERATING INCOME (LOSS)	260,564	3,929,435	5,082,218	(730,000)
NONOPERATING REVENUES (EXPENSES)				
Other income (expense)	-	(411,688)	(26,392)	-
Total nonoperating revenues (expenses)	-	(411,688)	(26,392)	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	260,564	3,517,747	5,055,826	-
Capital contributions	-	52,000	-	-
Transfers in	-	-	3,757,000	730,000
Transfers out	(87,963)	-	-	-
CHANGES IN NET ASSETS	172,601	3,569,747	8,812,826	730,000
NET ASSETS, beginning of year	17,100,022	17,272,623	20,842,370	29,655,196
NET ASSETS, ending of year	17,272,623	20,842,370	29,655,196	30,385,196

*FY09/10 Depreciation was included in individual department lines.

City of Chattanooga, Tennessee

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets Years Ended June 30, 2010 - 2013

	FY09/10	FY10/11	Unaudited FY11/12	Budget FY12/13
ADDITIONS				
Contributions:				
Employer	14,422,280	22,109,230	35,199,926	35,090,000
Employee	<u>4,209,541</u>	<u>4,277,012</u>	<u>4,559,594</u>	<u>4,500,000</u>
	18,631,821	26,386,242	39,759,520	39,590,000
Investment Income				
Net Deprec in Fair market value of investments	33,555,191	71,176,410	(1,118,260)	-
Interest	3,757,604	3,791,367	700,252	700,000
Dividends	<u>3,090,130</u>	<u>4,824,426</u>	<u>6,091,961</u>	<u>6,000,000</u>
	40,402,925	79,792,203	5,673,953	6,700,000
Less Investment expense	<u>(894,602)</u>	<u>(1,147,015)</u>	<u>(1,144,858)</u>	<u>(1,145,000)</u>
Net investment income (loss)	39,508,323	78,645,188	4,529,095	5,555,000
Total Additions	58,140,144	105,031,430	44,288,615	45,145,000
DEDUCTIONS				
Benefits paid to participants	33,013,568	35,372,643	48,572,600	48,500,000
Administrative expenses	<u>757,459</u>	<u>853,771</u>	<u>933,648</u>	<u>930,000</u>
Total Deductions	33,771,027	36,226,414	49,506,248	49,430,000
CHANGES IN NET ASSETS	24,369,117	68,805,016	(5,217,633)	(4,285,000)
NET ASSETS, beginning	<u>358,195,575</u>	<u>382,564,692</u>	<u>451,369,708</u>	<u>446,152,075</u>
NET ASSETS, ending	<u><u>382,564,692</u></u>	<u><u>451,369,708</u></u>	<u><u>446,152,075</u></u>	<u><u>441,867,075</u></u>



Undesignated General Fund

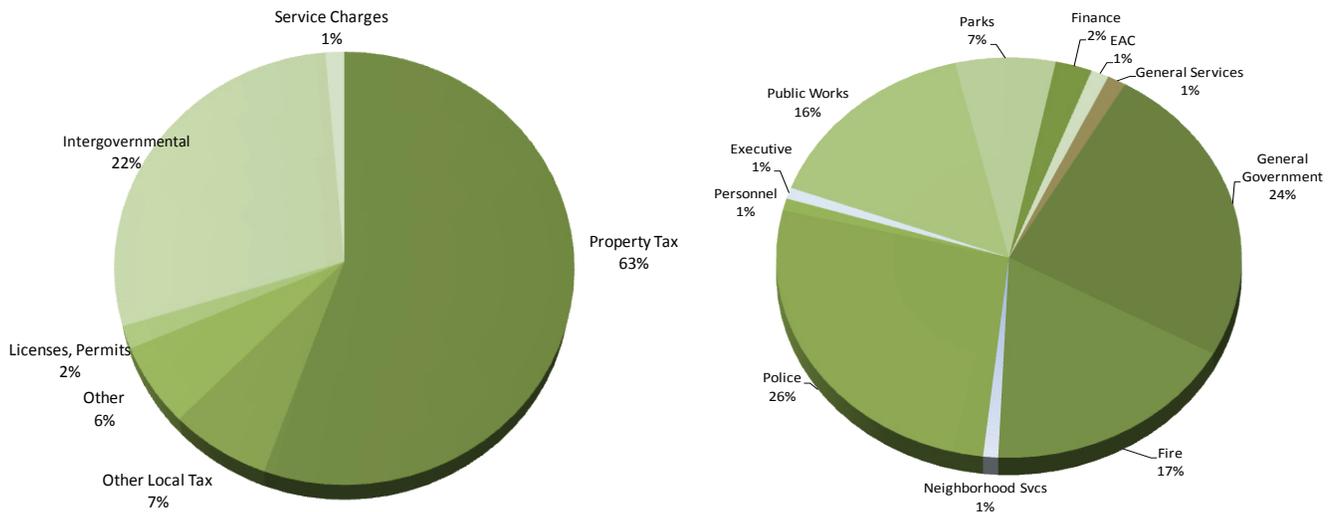
Fund Structure

The Undesignated General Fund accounts for all financial resources applicable to the general operations of city government which are not accounted for in another fund. This fund is the only unrestricted fund of a government unit. The basis of budgeting is modified accrual. Undesignated general fund operations budget is \$209,320,000. The charts on this page relate to the undesignated general fund operations. In FY 2013, the budgeted revenues and expenses for all reported General Fund is \$233,843,307 including designated general government operations totaling \$24,523,307. The largest is the Economic Development Fund with a budget of \$11,639,000.

The major revenues of the general fund include: property taxes; other local taxes; licenses and permits; fines, forfeitures, and penalties; investment income; revenue from other agencies; and services charges. Departments of the General Fund include: General Government which includes Debt Service and Supported Agencies; Executive Branch; Finance & Administration; General Services; Personnel; Neighborhood Services; Police; Fire; Public Works; Parks & Recreation; and Education, Arts, & Culture.

Fiscal Year 2012/2013

Undesignated Revenues & Appropriations \$209,320,000

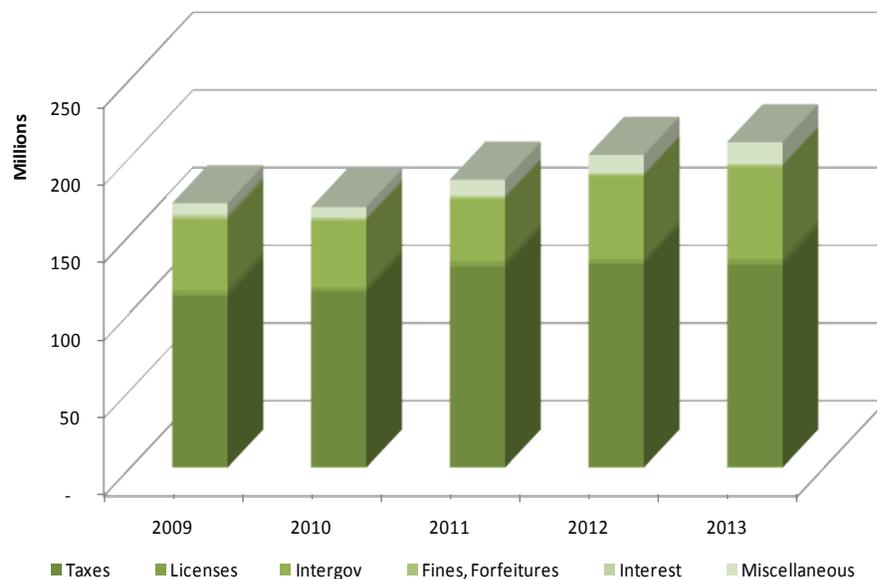


Undesignated General Fund Revenue Summary						
	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg
Undesignated General Fund:						
Property Tax	97,196,852	114,785,868	117,026,660	116,175,060	(851,600)	-0.73%
Other Local Taxes	13,329,440	13,953,332	13,979,500	14,444,300	464,800	3.32%
Licenses & Permits	3,068,471	3,260,012	3,098,700	3,558,850	460,150	14.85%
Fines, Forfeitures, & Penalties	1,426,587	1,158,118	1,215,600	1,164,100	(51,500)	-4.24%
Investment Income	584,387	676,199	462,900	476,900	14,000	3.02%
Intergovernmental	42,290,079	45,440,828	53,491,540	59,493,300	6,001,760	11.22%
Service Charges	3,518,935	2,957,755	2,799,500	2,851,400	51,900	1.85%
Miscellaneous Revenues	3,078,219	3,292,221	3,041,300	4,525,300	1,484,000	48.79%
Transfers In	4,285,201	4,697,231	6,139,300	6,630,790	491,490	8.01%
Grand Totals	168,778,171	190,221,564	201,255,000	209,320,000	8,065,000	4.01%

Revenues

The proposed Budget for FY 2013 shows an increase of \$8,065,000 or 4.01%, including transfers in. The increase is primarily due to the expiration of the Sales Tax Agreement with Hamilton County dated 1966. Previously, Hamilton County was receiving a portion of the City's sales tax dollars to be distributed to certain specified agencies. Beginning FY 2012, these dollars will remain with the City. Current Local Option Sales Tax is estimated to increase \$4,083,300 or 11.14%, State Sales Tax is estimated to increase \$1,246,900 or 11.97%. The chart shows the General Fund Revenues by Source for the fiscal years 2009 thru 2013.

General Fund Revenues by Source



Property Taxes

FY 2013 Estimate: **\$116,175,060%**
of General Fund: **55.5%**
Decline From FY 12: **(851,600)**
Change: **-0.73%**

Current Real Property Taxes remain the primary source of funds for the City of Chattanooga, with the FY 2013 estimate of \$106,780,000 representing 51.01% of the total undesignated General Fund Budget. All property tax estimates inclusive of delinquencies and in lieu of tax payments total \$116,175,060 or 55.5% of the total undesignated General Fund budget. The current tax rate is \$2.309 per \$100 of the assessed valuation. This is considerably less than the 1995 rate of \$2.98, and is the lowest tax rate in nearly 50 years. Revenues generated in 1997 with a \$2.70 tax rate amounted to \$61,533,569, while the estimate for FY 2013 is \$116,175,060, an increase of \$54,641,461 or 88.8%. Assessments for 1997 were \$2,295,859,675. This figure has risen to \$4,820,825,577 in 2012, an increase of \$2,290,815,706 or 99.78% in the last 15 years. Based on the City's economic climate, this trend is expected to continue.

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

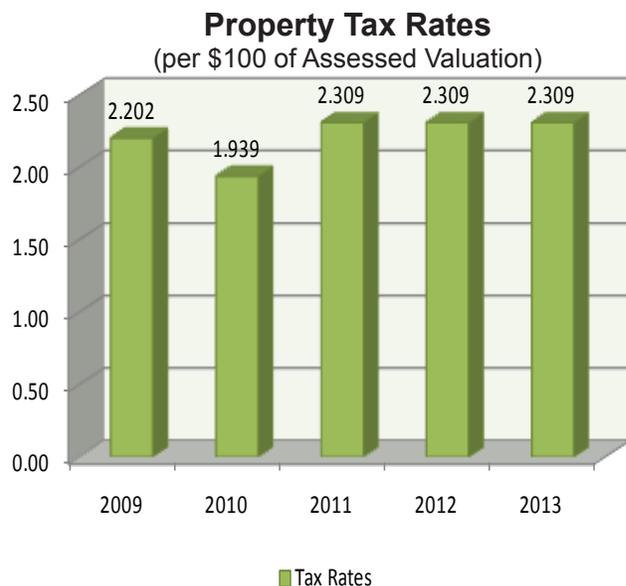
The property taxes levied on taxable assessed valuation in the City are billed by the City on October 1st of each year and are due without penalty by the last day of February of the following year. Effective August 1, 2003 taxes not paid by the due date shall bear interest at twelve percent (12%) per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

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

Fiscal Year		
From	Rate	Rate Change Explanation
1993-1994	2.620	
1994-1996	2.980	City Tax Increase - FY1995
1996-1997	2.700	Property Reappraisal - FY1997
1997-2001	2.310	City Tax Decrease - FY1997
2001-2005	2.516	City Tax Increase - FY2001
2005-2009	2.202	Property Reappraisal - FY2005
2009-2010	1.939	Property Reappraisal - FY2009
2010-2013	2.309	City Tax Increase - FY 2010

The 1995 increase in tax rates from \$2.62 to \$2.98 was the first tax increase imposed by the City since 1987 and was imposed primarily to provide funds for capital purposes. In FY02, a reappraisal year, the new certified tax rate was \$2.036. A property tax increase of \$0.48 was approved increasing the rate to \$2.516. After the reappraisal in FY06, the tax rate was decreased to \$2.202. FY10 was a reappraisal year resulting in a decrease to \$1.939. In FY11, the City Council approved a \$0.37 or 19% increase in the tax rate. The approved rate is \$2.309. A one penny increase produces additional income of \$503,140. Current City policy for budgeting is to estimate collections at 95% of the property tax levy.

Payments In Lieu of Taxes. Through a series of tax incentives and agreements the City receives sizeable in lieu of tax payments each year. Companies paying in lieu of taxes include Tennessee Valley Authority, LJT



Hotel Group, American Plastics Inc, Blue Cross Blue Shield, Westinghouse, US Express, and United Packers of Chattanooga. The collection of in lieu of taxes accounts for \$3,678,060, or 1.76% of the operating budget in FY13.

Pursuant to Tennessee Code Annotated 5-52-301 to 7-52-310, known as the Municipal Electric System Tax Equivalent Law of 1987, the minimum levy for the EPB is \$2,296,692, according to a new formula specified in the 1987 Law based on a revenue floor of \$5,635,434. This revenue floor was exceeded in fiscal year 1994, resulting in a calculation which generated less PILOT collection for the City. The estimate to be received from Electric Power Board for FY 2013 is \$6,630,790, which is 8.01% over FY12. The EPB Internet in lieu of tax due from the EPB is \$199,400, a .98% increase over FY12. The Fiber Optics increase \$189,300 or 1.99% over FY12.

Other Local Taxes:

FY 2013 Estimate:	\$14,444,300
% of General Fund:	6.9%
Increase From FY 12:	464,800
Change:	3.32%

Gross Receipts Taxes

FY 2013 Estimate:	\$4,122,300
of General Fund:	1.97%
Growth From FY 12:	450,300
Change:	12.26%

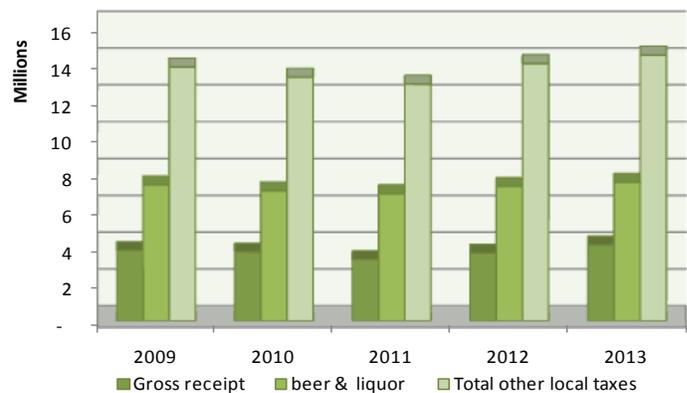
Even though Gross Receipts Taxes are a steady source in the General Fund, they represent only 1.97% of total collections this year. The trend over the past five years shows a slight downturn of collections for the previous three years, but the recovering economic conditions in FY12 is expected to produce an increase in growth for FY13.

Beer & Liquor Taxes

FY 2013 Estimate:	\$7,528,000
% of General Fund:	3.60%
Growth From FY 12:	216,800
Change:	2.97%

Beer & Liquor Taxes make up approximately half of Other Local Taxes. They represent 52% of total collections each year. The trend over the past five years shows a downturn in 2010 and 2011. In 2012, and continuing into 2013 an increase is expected.

Other Local Taxes



Licenses & Permits:

FY 2013 Estimate:	\$3,558,850
% of General Fund:	1.70%
Growth from FY 12:	460,150
% Change:	14.85%

Building Permits

FY 2013 Estimate :	\$1,293,500
% of General Fund:	.62%
Growth from FY 12:	508,100
% Change:	64.69%

Building Permits are the single greatest revenue generator in the category of Licenses & Permits. As shown in the chart below, revenue budgets for Building Permits have increase since 2009, reflecting the rebuilding of the housing market over that period of time. Due to incoming industry in Chattanooga, Permits are starting to show an increase, but were not as high as expected in FY11. Actual revenue in FY11 was 12% below budget. FY12 Actual collection is \$575,545 above budget. In FY 2013, we are projecting a 14.85% over FY12 budget.

Revenue from Other Agencies:

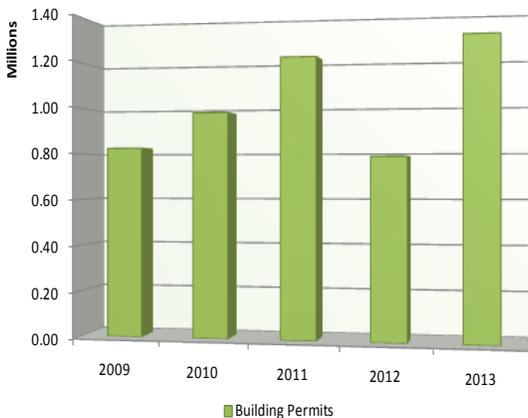
FY 2013 Estimate:	\$59,493,300
% of General Fund:	28.42%
Growth From FY 12:	6,001,760%
Change:	11.22%

City Allocation State Sales Tax

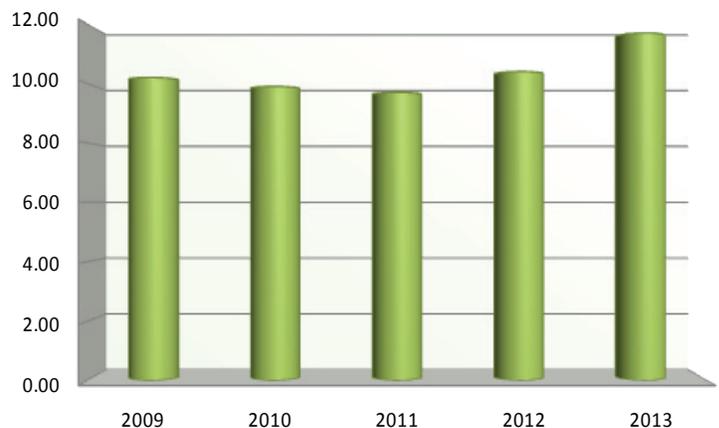
FY 2013 Estimate:	\$11,667,000
% of General Fund :	5.57%
Growth From FY 12:	1,246,900
% Change:	11.97%

The State of Tennessee imposes a 7% tax on sales. Under TCA 67-6-103(3)(A), 5.5% to 5.75% is returned to all municipalities. This distribution is based on population data from the latest certified census. The City of Chattanooga has a certified population of 167,674 and its per capita allocation from state sales tax for Fiscal Year 2012 was \$64.65. In 2013, the per capita allocation is \$67.91, or a 5% increase, with a population of 167,674. The State Sales Tax is expected to increase by 11.97% or \$1,246,900 in FY 2013.

Building Permits



State Sales Tax



Local Option Sales Taxes

FY 2013 Estimate:	\$40,741,000
% of General Fund:	19.46%
Growth From FY 12:	4,083,300
% Change:	11.14%

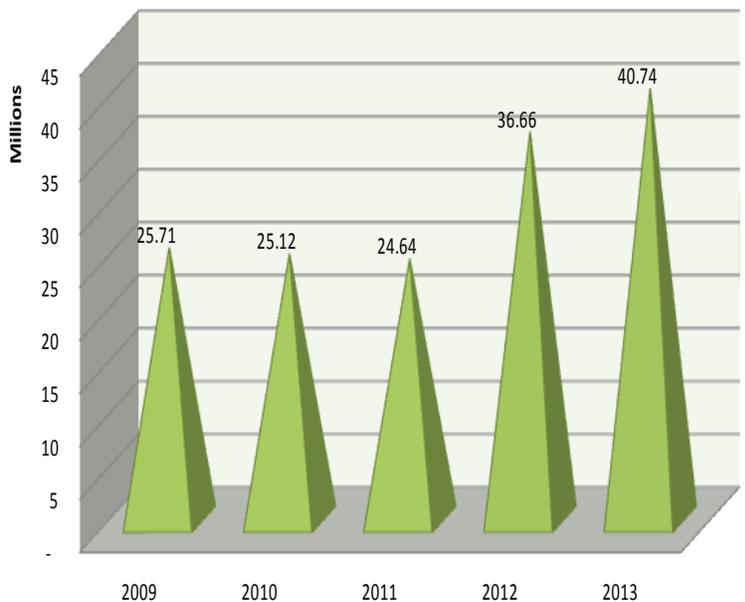
The Local Option Sales Tax, is another principal source of revenue for the City. In accordance with the 1993 Local Option Revenue Act Title 67, Chapter 6, Part 7 of the Tennessee Code Annotated, as amended. The City of Chattanooga and the citizens of Hamilton County have adopted, by referendum, a county-wide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

The revenues from the county-wide sales tax are distributed pursuant to the provisions of the Act and other provisions of the Tennessee Code Annotated. Fifty percent of the revenues raised through a county wide sales tax are directed to education. .25% of the sales tax collected in Chattanooga is earmarked and reported in the Economic Development Fund.

From FY2009 thru FY2011 there was a steady decline in Local Option sales tax revenues. This was a reflection of the economic climate during those years. In FY2012, the City regained control of approximately \$10 million of sales tax managed on its behalf by Hamilton County under a 1966 Sales Tax agreement. This accounts for the spike in revenues in FY2012 over FY2011, with expected growth in FY13.

The Local Option Sales Tax represents 19.46% of the total General Fund revenues for FY 2013.

Local Option Sales Tax



Undesignated General Fund Expenditure Summary						
	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg
General Fund						
General Government (1)	47,413,160	41,170,682	47,292,090	53,099,825	5,807,735	12.28%
Executive Branch	1,442,926	1,209,269	1,367,574	1,861,232	493,658	36.10%
Finance & Administration	3,647,809	3,787,173	5,103,479	5,119,066	15,587	0.31%
General Services (2)	-	2,375,340	2,642,487	2,621,421	(21,066)	-0.80%
Personnel	6,896,201	1,537,560	1,909,637	1,898,986	(10,651)	-0.56%
Neighborhood Services	1,877,782	1,922,332	2,147,967	2,147,967	-	0.00%
Police	41,125,562	47,842,252	54,342,130	55,704,648	1,362,518	2.51%
Fire	27,983,309	33,560,226	37,064,691	37,905,372	840,681	2.27%
Public Works	27,476,923	30,800,298	32,403,031	32,145,690	(257,341)	-0.79%
Parks & Recreation	11,714,239	13,542,085	14,537,167	14,403,404	(133,763)	-0.92%
Education, Arts, & Culture	2,198,944	2,317,515	2,444,747	2,412,389	(32,358)	-1.32%
Total General Fund	171,776,855	180,064,731	201,255,000	209,320,000	8,065,000	4.01%

(1) Amount includes amendment for capital appropriation of \$1,000,000 for FY11 & \$2,000,000 in FY12.

(2) General Services reported in General Government previously.

Expenses

General Government

FY 2013 Appropriation: \$53,099,825
% of General Fund: 25.37%
Increase From FY 12: 5,807,735
% Change: 12.28%

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

CARTA Subsidy

FY 2013 Appropriation: \$4,772,000
% of General Fund: 2.28%
Increase From FY 12: 97,000
% Change: 2.07%

The City finances part of the Chattanooga Area Regional Transportation Authority's operating cost. The CARTA appropriation of \$4,772,000 enables CARTA to provide additional services to those citizens using bus service as their only means of transportation to work, school, shopping and other activities.

Chattanooga Public Library

FY 2013 Appropriation: \$5,771,950
% of General Fund: 2.76%
Increase From FY 12: 116,177
% Change: 2.05%

The City assumed full funding of the cost of the public library system as a result of the dissolution of Sales Tax Agreement with Hamilton County in FY 2011.

Chattanooga Neighborhood Enterprises

FY 2013 Appropriation: \$900,000
% of General Fund: 0.43%
Decrease From FY 12: (250,000)
% Change: -21.74%

This is an ongoing appropriation for efforts to upgrade housing in Chattanooga. The \$250,000 in FY12 set aside to fund a program for incentive for Police officers to purchase housing in revitalizing areas was sufficient to carry over to FY13.

Debt Service Fund

FY 2013 Appropriation: \$16,942,222
% of General Fund: 8.09%
Increase From FY 12: 6,642,222
% Change: 64.49%

Funds are provided for appropriation to the Debt Service Fund for payment of current interest and principal on the City's outstanding General Fund debt and to fund planned or anticipated new debt. Increase due to use of \$4M from debt service reserves in FY2012. Total increase in debt service for FY2013 is \$6,642,222.

Renewal & Replacement

FY 2013 Appropriation: \$1,500,000
% of General Fund: 0.72%
Increase From FY 12: 0.00
% Change: 00%

Funds are provided here to be distributed to various departments for use in replacing equipment. This remains the same level as FY12.

Tennessee Riverpark

FY 2013 Appropriation: \$1,077,154
% of General Fund: 0.51%
Increase From FY 12: 26,453
% Change: 2.52%

Executive Branch

FY 2013 Appropriation:	\$1,861,232
% of General Fund:	0.89%
Increase From FY 12:	493,658
% Change:	36.10%

The Executive Branch consists of functions under direct control of the Office of the Mayor. The Executive Branch increase is due to increases in salaries, fringe benefits and the newly created Gang Task Force Office.

Department of Finance & Administration

FY 2013 Appropriation:	\$5,119,066
% of General Fund:	2.45%
Increase From FY 12:	15,587
% Change:	0.31%

This department oversees all aspects of the City's financial program. The major expenses for this department are personnel costs. The primary factor for the increase in FY13 is increases for salaries, pension contributions, other post-employment benefits and the county trustee fee to collect and distribute local sales tax.

Department of General Services

FY 2013 Appropriation:	\$2,621,421
% of General Fund:	1.25%
Decrease From FY 12:	(21,066)
% Change:	-0.80%

This department manages Building & Property Maintenance, Purchasing, and Real Estate. Utility expense was increased due to rising costs and demand from additional properties. In FY13, 3 positions remain frozen. Decrease mainly results from changes in personnel.

Department of Personnel

FY 2013 Appropriation:	\$1,898,986
% of General Fund :	.91%
Decrease From FY 12:	(10,651)
% Change:	-0.56%

The decrease in appropriations in FY13 is primarily attributable to the personnel and staffing changes.

Department of Neighborhood Services

FY 2013 Appropriation:	\$2,147,967
% of General Fund:	1.03%
Increase From FY 12:	0.00
% Change:	0.00%

The FY13 appropriation for the Department of Neighborhood Services did not change compared to the FY12 appropriation.

Department of Police

FY 2013 Appropriation:	\$55,704,648
% of General Fund:	26.61%
Increase From FY 12:	1,362,518
% Change:	2.51%

In FY13, increases are due to increases in fringes for health, retiree medical (OPEB) and pension. Also included in their appropriation is \$1,000,00 for the career ladder program for Police Officers.

Department of Fire

FY 2013 Appropriation:	\$37,905,372
% of General Fund:	18.11%
Increase From FY 12:	840,681
% Change:	2.27%

The increase in appropriations for FY2013 are due to an increase in salaries, pension contributions, and other post-employment benefits for both civilian, sworn, and 6 months funding for 15 new fire positions (company) for a new firehall due to annexation and the academy's associated operational cost. This will ensure that the Fire Department maintains the #2 ISO rating and continues providing exceptional Fire protection services to the citizens of Chattanooga.

Department of Public Works

FY 2013 Appropriation:	\$32,145,690
% of General Fund:	15.36%
Decrease from FY 12:	(257,341)
% Change:	-0.79%

The Department of Public Works General Fund decrease in FY13 appropriations represent changes in employee make up in authorized positions. Also included in the Public Works budget is an appropriation of \$2,000,000 to capital for street paving.

Department of Parks & Recreation

FY 2013 Appropriation:	\$14,403,404
% of General Fund:	6.88%
Increase From FY 12:	(133,763)
% Change:	- 0.92%

The overall decrease in the budget for FY13 reflects a reduction in personnel costs as well as a change in the department's use of temporary staffing to employment agencies.

Education, Arts, & Culture

FY 2013 Appropriation:	\$2,412,389
% of General Fund:	1.15%
Decrease From FY 12:	(32,358)
% Change:	-1.32%

The FY13 decrease is attributed to temporary staffing due to outsourcing of concession operations. EAC had 1 frozen position.

Undesignated General Fund Revenue							
Source	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of total
Property Taxes:							
Current Property Taxes	88,829,178	105,335,894	106,442,960	106,780,000	337,040	0.32%	51.01%
Interest & Penalty-Current Year	148,815	143,028	150,000	150,000	-	0.00%	0.07%
Interest & Penalty-Prior Year	746,396	838,841	725,000	867,000	142,000	19.59%	0.41%
Prior Year Property Taxes	3,311,966	3,401,076	4,290,000	4,500,000	210,000	4.90%	2.15%
City Fee-Collection of Delinquent taxes	240,216	353,598	285,600	200,000	(85,600)	-29.97%	0.10%
Payments in Lieu of Taxes	3,920,281	4,713,431	5,133,100	3,678,060	(1,455,040)	-28.35%	1.76%
Total Property Tax	\$ 97,196,852	\$ 114,785,868	\$ 117,026,660	\$ 116,175,060	\$ (851,600)	-0.73%	55.50%
Other Local Taxes:							
Franchise Taxes-Chatt Gas	289,883	258,356	1,100,000	935,100	(164,900)	-14.99%	0.45%
Franchise Taxes-Century Tel	17,142	26,172	21,500	19,100	(2,400)	-11.16%	0.01%
Corporate Excise Tax-State	224,020	41,035	41,000	80,000	39,000	95.12%	0.04%
Franchise Taxes-CCTV	1,941,254	1,823,788	1,740,000	1,710,000	(30,000)	-1.72%	0.82%
Franchise Taxes-AT&T Mobility	-	11,230	21,000	46,900	25,900	N/C	0.02%
Liquor Taxes	2,160,674	1,964,432	1,958,200	2,020,000	61,800	3.16%	0.97%
Beer Taxes	4,902,027	5,387,951	5,353,000	5,508,000	155,000	2.90%	2.63%
Gross Receipts Taxes-Interest & Penalty	59,569	9,983	70,000	-	(70,000)	-100.00%	0.00%
Gross Receipts Tax	3,731,345	4,427,900	3,672,000	4,122,300	450,300	12.26%	1.97%
Local Litigation Taxes	3,526	2,485	2,800	2,900	100	3.57%	0.00%
Total Other Local Taxes	\$ 13,329,440	\$ 13,953,332	\$ 13,979,500	\$ 14,444,300	\$ 464,800	3.32%	6.90%
Licenses & Permits.:							
Motor Vehicle License	404,595	390,195	378,900	380,000	1,100	0.29%	0.18%
Business License excluding Liquor	101,130	3,650	3,400	-	(3,400)	-100.00%	0.00%
Building Permits	976,155	901,990	785,400	1,293,500	508,100	64.69%	0.62%
Other Licenses,Permits, Fees	1,586,591	1,964,177	1,931,000	1,885,350	(45,650)	-2.36%	0.90%
Total Licenses & Permits	\$ 3,068,471	\$ 3,260,012	\$ 3,098,700	\$ 3,558,850	\$ 460,150	14.85%	1.70%
Fines, Forfeitures, & Penalties:							
City Court Fines	617,019	514,581	543,900	592,300	48,400	8.90%	0.28%
Criminal Court Fines	155,746	121,377	110,000	120,000	10,000	9.09%	0.06%
Parking Ticket Fines	577,052	519,612	560,500	448,600	(111,900)	-19.96%	0.21%
Other Fines Forfeitures, & Penalties	76,770	2,548	1,200	3,200	2,000	166.67%	0.00%
Total Fines, Forfeitures, & Penalties	\$ 1,426,587	\$ 1,158,118	\$ 1,215,600	\$ 1,164,100	\$ (51,500)	-4.24%	0.56%
Investment Income							
Interest on Investments	554,057	616,428	428,300	445,000	16,700	3.90%	0.21%
Sale of Back Tax Lots	15,710	49,061	17,000	17,000	-	0.00%	0.01%
Sale of City Owned Property	9,855	2,754	9,900	9,900	-	0.00%	0.00%
Other Sales	4,765	7,956	7,700	5,000	(2,700)	-35.06%	0.00%
Total Investment Income	\$ 584,387	\$ 676,199	\$ 462,900	\$ 476,900	\$ 14,000	3.02%	0.23%

Continued on Next Page

Undesignated General Fund Revenue Source	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of total
Revenue From Other Agencies:							
Local Option Sales Taxes-GF	25,116,025	26,462,886	36,657,700	40,741,000	4,083,300	11.14%	19.46%
State Beer Tax	77,086	81,152	81,400	88,000	6,600	8.11%	0.04%
Hall Income Tax	2,578,926	2,714,695	1,800,000	2,200,000	400,000	22.22%	1.05%
State Sales Tax	9,904,220	10,357,166	10,420,100	11,667,000	1,246,900	11.97%	5.57%
State Mixed Drink Tax	1,888,061	1,942,779	1,919,000	2,088,300	169,300	8.82%	1.00%
State Gas Inspection Fees	318,287	333,865	335,500	346,000	10,500	3.13%	0.17%
State Maintenance of Streets	334,015	280,528	320,000	320,000	-	0.00%	0.15%
State Alcohol Beverage Tax	99,820	104,086	107,500	104,100	(3,400)	-3.16%	0.05%
State-Special Training Funds	484,200	493,200	469,800	469,800	-	0.00%	0.22%
State-Telecom Sales Tax	13,500	10,515	11,000	9,900	(1,100)	-10.00%	0.00%
State-Misc Receipts	77,042	190,906	-	-	-	N/C	0.00%
Ham.County-Ross Landing Plaza	897,203	895,515	1,093,740	1,093,700	(40)	0.00%	0.52%
Ham.County-Radio & Electronics	151,089	-	-	-	-	N/C	0.00%
Miscellaneous	350,605	1,573,535	275,800	365,500	89,700	32.52%	0.17%
Total Revenue from Other Agencies	\$ 42,290,079	\$ 45,440,828	\$ 53,491,540	\$ 59,493,300	\$ 6,001,760	11.22%	28.42%
Service Charges:							
City Court Cost	286,455	197,676	200,000	257,600	57,600	28.80%	0.12%
Clerk's Fee	1,019,769	838,136	868,400	954,100	85,700	9.87%	0.46%
State Court Cost	2,498	2,077	2,500	1,200	(1,300)	-52.00%	0.00%
Other Charges for Services	202,400	84,026	71,900	85,100	13,200	18.36%	0.04%
Service Charges	2,210,213	1,835,840	1,656,700	1,553,400	(103,300)	-6.24%	0.74%
Total Service Charges	\$ 3,518,935	\$ 2,957,755	\$ 2,799,500	\$ 2,851,400	\$ 51,900	1.85%	1.36%
Miscellaneous Revenues:							
Indirect Cost	2,789,981	2,815,900	2,815,900	4,179,024	1,363,124	48.41%	2.00%
Other General Government Misc.	288,238	476,321	225,400	346,276	120,876	53.63%	0.17%
Total Miscellaneous Revenues	\$ 3,078,219	\$ 3,292,221	\$ 3,041,300	\$ 4,525,300	\$ 1,484,000	48.79%	2.16%
Transfers In	4,285,201	4,697,231	6,139,300	6,630,790	491,490	8.01%	3.17%
Grand Totals	\$ 168,778,171	\$ 190,221,564	\$ 201,255,000	\$ 209,320,000	\$ 8,065,000	4.01%	0.00%

Undesignated General Fund Expenditure Summary							
	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of Total
General Government & Agencies:							
AIM Center, Inc.				60,000	60,000	N/A	0.03%
Air Pollution	270,820	270,820	270,820	289,626	18,806	6.94%	0.14%
Alexian Brothers/Sr Neighbors	22,094	17,700	12,720	12,720	-	0.00%	0.01%
Allied Arts	231,250	161,200	176,472	226,472	50,000	28.33%	0.11%
Bessie Smith Cultural Center	64,000	54,000	54,000	54,000	-	0.00%	0.03%
Bethlehem Center				25,000	25,000	N/A	0.01%
CARCOG & SETDD	31,111	36,038	36,038	38,544	2,506	6.95%	0.02%
CARTA	3,851,000	4,231,000	4,675,000	4,772,000	97,000	2.07%	2.28%
Carter Street Corporation	185,000	161,257	200,000	200,000	-	0.00%	0.10%
Chattanooga Area Food Bank	15,000	12,700	-	-	-	N/A	0.00%
Chattanooga Urban League	50,000	42,200	50,000	40,000	(10,000)	-20.00%	0.02%
Chattanooga Comm Resource Cntr	-	-	-	-	-	N/A	0.00%
Chattanooga History Center	18,000	15,200	15,200	15,200	-	0.00%	0.01%
Chattanooga Neighborhood Enterprises	900,000	1,000,000	1,150,000	900,000	(250,000)	-21.74%	0.43%
Children's Advocacy Center	22,500	19,000	19,000	30,000	11,000	57.89%	0.01%
Children's Home - Chambliss Shelter			275,000	347,500	72,500	26.36%	0.17%
Choose Chattanooga	20,000	16,900	16,900	16,900	-	0.00%	0.01%
City Code Revision	-	-	-	-	-	N/A	0.00%
Community Foundation Scholarships	120,000	101,300	101,300	101,300	-	0.00%	0.05%
Community Impact Fund	208,511	175,600	100,000	-	(100,000)	-100.00%	0.00%
Downtown Partnership	40,000	-	-	-	-	N/A	0.00%
RiverCity	-	67,500	67,500	67,500	-	0.00%	0.03%
East Chattanooga Improvement	-	-	20,000	-	(20,000)	-100.00%	0.00%
Enterprise Center	137,500	260,500	160,500	160,500	-	0.00%	0.08%
Enterprise South Nature Park	233,810	434,600	1,239,750	682,200	(557,550)	-44.97%	0.33%
ESIP Security	55,496	53,488	53,827	55,427	1,600	2.97%	0.03%
Finley Stadium	60,000	60,000	-	-	-	N/A	0.00%
Friends of Moccasin Bend	30,000	25,300	30,000	30,000	-	0.00%	0.01%
Fortwood Center	-	-	105,000	55,000	(50,000)	-47.62%	0.03%
Fortwood Center Capital Campaign				50,000	50,000	N/A	0.02%
Front Porch Alliance	27,000	22,800	22,800	-	(22,800)	-100.00%	0.00%
Go!Fest	15,000	8,440	-	-	-	N/A	0.00%
Heritage Hall Fund	62,653	62,653	62,653	82,707	20,054	32.01%	0.04%
Homeless Coalition	-	-	15,000	-	(15,000)	-100.00%	0.00%
Homeless Health Center	15,750	13,300	13,300	25,000	11,700	87.97%	0.01%
Joe Johnson Mental Health	-	-	60,156	60,000	(156)	-0.26%	0.03%
Orange Grove	-	-	32,000	30,000	(2,000)	-6.25%	0.01%
Partnership/Rape Crisis	-	-	56,522	56,522	-	0.00%	0.03%
Public Library	2,659,000	2,777,468	5,655,773	5,771,950	116,177	2.05%	2.76%
Railroad Authority	-	-	10,311	16,923	6,612	64.13%	0.01%
Regional Planning Agency	1,188,584	1,378,500	2,631,648	2,247,235	(384,413)	-14.61%	1.07%
Scenic Cities	5,000	4,220	5,000	5,000	-	0.00%	0.00%
Signal Center	-	-	30,006	30,000	(6)	-0.02%	0.01%
Speech & Hearing Center	-	-	67,700	67,700	-	0.00%	0.03%
Tennessee Riverpark	1,154,397	1,021,241	1,050,701	1,077,154	26,453	2.52%	0.51%
The Team Centers/ Team Evaluation	-	-	50,000	-	(50,000)	-100.00%	0.00%
Water Quality Management Fee	274,627	332,175	356,300	426,371	70,071	19.67%	0.20%
WTCl -TV 45	45,000	50,650	80,000	85,000	5,000	6.25%	0.04%
Audits, Dues & Surveys	128,947	166,931	306,000	306,000	-	0.00%	0.15%
Capital Improvements	9,461,261	1,163,500	4,350,000	-	(4,350,000)	-100.00%	0.00%
City Attorney/Operations	1,108,136	1,182,056	1,387,359	1,427,490	40,131	2.89%	0.68%
City Attorney Liability Insurance Fund	3,478,237	1,960,000	1,000,000	730,000	(270,000)	-27.00%	0.35%
City Council	690,361	729,754	784,351	788,113	3,762	0.48%	0.38%
City Judges Division 1	360,515	394,204	403,374	418,548	15,174	3.76%	0.20%
City Judges Division 2	355,502	380,588	396,888	399,890	3,002	0.76%	0.19%
Contingency Fund	1,072	50,000	1,579,220	5,379,559	3,800,339	240.65%	2.57%
Debt Service Fund	10,906,307	15,494,469	10,300,000	16,942,222	6,642,222	64.49%	8.09%
Election Expense	-	19,735	-	200,000	200,000	N/A	0.10%
Human Services	1,233,477	733,477	733,477	1,033,477	300,000	40.90%	0.49%
Internal Audit	458,219	450,546	543,732	548,543	4,811	0.88%	0.26%
Intergovernmental Relations	310,850	199,906	357,000	357,000	-	0.00%	0.17%
Pensions, FICA & UIC	95,744	100,067	133,000	133,000	-	0.00%	0.06%
T.A.P (tuition & books)	12,262	12,369	20,000	20,000	-	0.00%	0.01%
Renewal & Replacement	466,311	1,057,332	1,500,000	1,500,000	-	0.00%	0.72%
General Services Administration	2,682,072	-	-	-	-	N/A	0.00%
Information Services	2,833,498	3,474,464	3,804,837	4,047,516	242,679	6.38%	1.93%
Telecommunications	329,107	188,517	56,975	52,300	(4,675)	-8.21%	0.02%
311 Call Center	488,179	525,016	606,980	604,716	(2,264)	-0.37%	0.29%
Total	\$ 47,413,160	\$ 41,170,682	\$ 47,292,090	\$ 53,099,825	5,807,735	12.28%	25.37%

Undesignated General Fund Expenditure Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of Total
Department of Finance & Administration							
Finance Office	2,034,358	2,141,759	2,651,040	2,627,940	(23,100)	-0.87%	1.26%
City Treasurer	707,961	680,202	865,133	857,933	(7,200)	-0.83%	0.41%
City Court Clerk's Office	905,490	940,642	1,154,806	1,154,806	-	0.00%	0.55%
Delinquent Tax	-	24,570	65,000	72,200	7,200	11.08%	0.03%
City General Tax Revenue (Trustee Fee) ⁽¹⁾	-	-	367,500	406,187	38,687	10.53%	0.19%
Total	\$ 3,647,809	\$ 3,787,173	\$ 5,103,479	\$ 5,119,066	\$ 15,587	0.31%	2.45%
⁽¹⁾ Was previously reported in Gen Gov & Agencies							
Department of Police:	\$ 41,125,562	\$ 47,842,252	\$ 54,342,130	\$ 55,704,648	\$ 1,362,518	2.51%	26.61%
Department of Fire:	\$ 27,983,309	\$ 33,560,226	\$ 37,064,691	\$ 37,905,372	\$ 840,681	2.27%	18.11%
Department of Public Works:							
Administration	900,871	865,234	1,283,293	1,266,030	(17,263)	-1.35%	0.60%
City Engineer	2,119,953	2,213,475	4,228,268	3,758,884	(469,384)	-11.10%	1.80%
City Wide Services	4,052,562	5,538,902	4,328,009	4,372,609	44,600	1.03%	2.09%
Land Development Office	2,461,333	2,755,389	2,832,174	2,831,929	(245)	-0.01%	1.35%
Utilities	165,387	175,158	170,013	188,666	18,653	10.97%	0.09%
Pump Stations, Levee & Storm Stations	54,058	67,265	96,300	92,300	(4,000)	-4.15%	0.04%
Traffic Management	2,508,341	2,780,755	2,986,721	3,058,643	71,922	2.41%	1.46%
Street Lighting	2,942,943	3,234,880	2,924,000	2,986,462	62,462	2.14%	1.43%
Solid Waste Disposal	5,740,775	5,907,775	5,773,587	5,773,587	-	0.00%	2.76%
Municipal Forestry	558,451	695,674	705,740	715,814	10,074	1.43%	0.34%
Waste Pickup - Brush	2,657,094	1,201,816	1,350,643	1,264,612	(86,031)	-6.37%	0.60%
Waste Pickup -Garbage, Trash Flash & Recycle	3,315,155	5,363,978	5,724,283	5,836,154	111,871	1.95%	2.79%
Total	\$ 27,476,923	\$ 30,800,298	\$ 32,403,031	\$ 32,145,690	\$ (257,341)	-0.79%	15.36%
Department of Parks & Recreation:							
Administration	744,105	742,249	1,057,629	720,806	(336,823)	-31.85%	0.34%
Recreation	4,999,441	6,733,712	7,085,189	7,224,892	139,703	1.97%	3.45%
Parks	5,970,693	6,066,124	6,394,349	6,457,706	63,357	0.99%	3.09%
Total	\$ 11,714,239	\$ 13,542,085	\$ 14,537,167	\$ 14,403,404	\$ (133,763)	-0.92%	6.88%
Department of Personnel:							
Administration	918,719	1,111,807	1,455,136	1,329,965	(125,171)	-8.60%	0.64%
Physicals	6,630	18,690	18,000	15,000	(3,000)	-16.67%	0.01%
Employee's Insurance Office	253,791	289,212	315,851	317,631	1,780	0.56%	0.15%
Safety Programs	-	-	-	112,540	112,540	N/A	0.05%
Employee's Insurance Program	5,642,020	44,103	45,650	45,350	(300)	-0.66%	0.02%
Job Injury Administration	75,041	73,747	75,000	78,500	3,500	4.67%	0.04%
Total	\$ 6,896,201	\$ 1,537,560	\$ 1,909,637	\$ 1,898,986	\$ (10,651)	-0.56%	0.91%
Department of Neighborhood Services:							
Administration	494,391	505,756	628,391	597,990	(30,401)	-4.84%	27.84%
Codes & Community Services	1,280,983	1,316,171	1,387,350	1,445,477	58,127	4.19%	67.30%
Grants Administration	47,408	45,405	77,226	49,500	(27,726)	-35.90%	2.30%
Neighborhood Grants	55,000	55,000	55,000	55,000	-	0.00%	2.56%
Total	\$ 1,877,782	\$ 1,922,332	\$ 2,147,967	\$ 2,147,967	\$ -	0.00%	1.03%
Executive Branch:							
Mayor's Office	865,286	923,452	968,661	957,610	(11,051)	-1.14%	0.46%
Comprehensive Gang Initiative	-	-	-	499,878	499,878	N/A	0.24%
Multicultural Affairs	308,071	241,795	398,913	403,744	4,831	1.21%	0.19%
Office of Faith Based Initiatives	269,569	44,022	-	-	-	N/A	0.00%
Total	\$ 1,442,926	\$ 1,209,269	\$ 1,367,574	\$ 1,861,232	\$ 493,658	36.10%	0.89%
Department of Education, Arts, & Culture:							
Administration	341,990	373,066	401,415	389,992	(11,423)	-2.85%	0.19%
Civic Facilities	1,557,522	1,643,409	1,721,640	1,700,312	(21,328)	-1.24%	0.81%
Arts & Culture	299,432	301,040	321,692	322,085	393	0.12%	0.15%
Total	\$ 2,198,944	\$ 2,317,515	\$ 2,444,747	\$ 2,412,389	\$ (32,358)	-1.32%	1.15%
Department of General Services:							
General Services Administration	-	366,161	582,416	498,934	(83,482)	-14.33%	0.24%
Purchasing	-	751,489	836,224	850,771	14,547	1.74%	0.41%
Building Maintenance	-	1,146,412	1,166,207	1,135,191	(31,016)	-2.66%	0.54%
Storage on Main Street	-	-	-	70,900	70,900	N/A	0.03%
Real Estate	-	71,189	15,575	13,625	(1,950)	-12.52%	0.01%
Property Maintenance	-	30,243	26,000	34,800	8,800	33.85%	0.02%
Farmer's Market Operations	-	9,846	16,065	17,200	1,135	0	0.01%
Total	\$ -	\$ 2,375,340	\$ 2,642,487	\$ 2,621,421	\$ (21,066)	-0.80%	1.25%
Expenditure Total	\$ 171,776,855	\$ 180,064,731	\$ 201,255,000	\$ 209,320,000	\$ 8,065,000	4.01%	100%

Special Revenue Funds

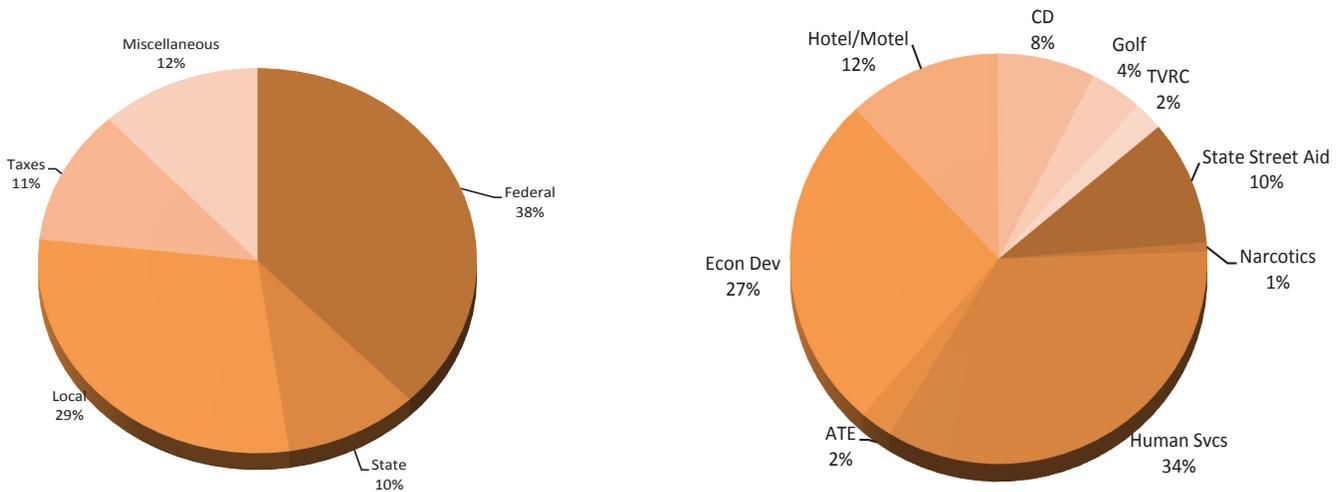
Fund Structure

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government. The basis of budgeting for these funds is modified accrual. Included funds are State Street Aid, Human Services, Economic Development, Narcotics, Community Development, Hotel/Motel Occupancy Tax Fund, and Municipal Golf Course Fund. For fiscal year ended June 30, 2013 the budgeted revenue and expenses were as follows:

FY 12 Results	Budget Rev & Exp	(unaudited) FY 12 Actual Rev	(unaudited) FY 12 Actual Exp
State Street Aid	4,280,000	4,335,115	4,457,109
Human Services	14,929,403	14,233,065	14,725,016
Economic Development Fund	11,639,000	10,747,974	11,279,370
Narcotics	312,000	256,790	983,455
Hotel/Motel Tax Fund	5,199,000	4,550,085	4,550,179
Community Development Fund	3,304,951	3,587,972	3,587,972
Municipal Golf Course	1,768,200	1,778,118	1,730,488
Automated Traffic Enforcement	1,100,000	856,997	981,219
Tenn Valley Region Communication	1,010,500	927,786	1,052,663
Total Special Revenue Fund	43,543,054	41,273,902	43,347,471

(1) While presented here, the Economic Development Fund, Golf Course, and Automated Traffic Enforcement are reported as a designated portion of General Fund.

Fiscal Year 2012/2013 Revenue & Appropriation by Fund \$43,543,054



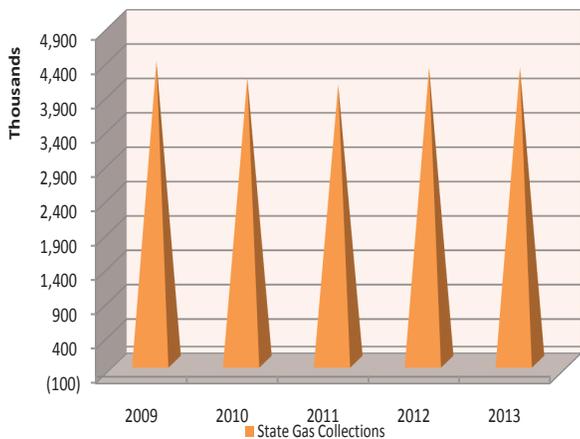
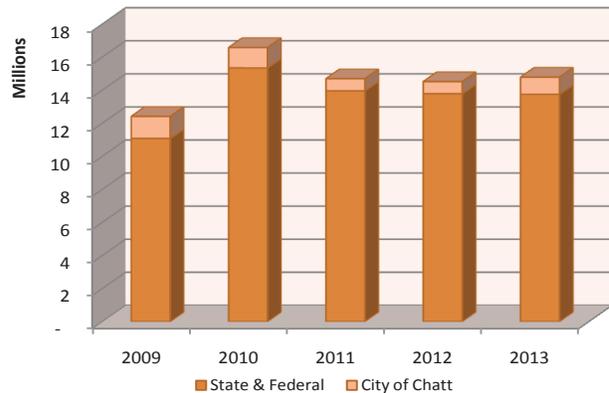
Special Revenue Fund Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg
REVENUES						
State Street Aid	4,159,108	4,569,017	4,315,000	4,280,000	(35,000)	-0.81%
Human Services	16,783,009	16,524,748	15,000,825	14,929,403	(71,422)	-0.48%
Economic Development Fund	12,587,891	10,652,849	13,073,368	11,639,000	(1,434,368)	-10.97%
Narcotics	833,550	624,225	312,000	312,000	-	0.00%
Hotel/Motel Tax Fund	4,372,109	4,999,916	5,725,476	5,199,000	(526,476)	-9.20%
Community Development Fund	4,738,679	5,391,927	3,587,972	3,304,951	(283,021)	-7.89%
Municipal Golf Course	1,677,870	1,732,910	1,798,000	1,768,200	(29,800)	-1.66%
Automated Traffic Enforcement	1,830,713	1,519,702	1,524,000	1,100,000	(424,000)	-27.82%
Tenn Valley Region Communication	-	854,716	1,068,821	1,010,500	(58,321)	-5.46%
Total Special Revenue Fund	46,982,929	46,870,010	46,405,462	43,543,054	(2,862,408)	-6.17%

Revenues

State Street Aid

This fund was established to receive and account for the State's distribution of the gasoline fuel tax. Funds received in this fund are restricted to municipal street related projects. The allocation to cities is based on per capita and set annually by the Tennessee State Legislature.

Collections in this fund have remained fairly constant thru FY2009. In FY10 & FY11 we saw a significant drop in state gas collections due to low usage and collections from the state. In FY12, revenue slightly increased, which is expected to continue in FY13.



Economic Development Fund

In August 1997, the citizens of Chattanooga approved a half-percent tax on retail sales in the city. Revenues from this tax were shared on a 50/50 basis for education and economic development. In a county-wide election in February 2004, the residents of Hamilton County voted to increase the county-wide local option tax rate from 1.75% to 2.25% thereby repealing the city-only 1/2% tax. The additional taxes generated by the 1/2% increase in the county-wide tax will be distributed to the county, city and education in accordance with TCA 67-6-712 which requires that 50% is used for education and the remainder on a situs basis. The education component is distributed directly to the Hamilton County Department of Education. Between FY09 and FY11 there was a decrease in revenues by 12.7% due to the economic decline in sales. In FY12 there was growth of 10% over FY11. FY 13 estimates an additional increase of 6%.

Human Services Fund

Human Services receives Federal, State, and City appropriations. This fund for FY13 is estimated to decrease by .5% from FY12. The chart for revenues shows a significant increase in state and federal funding in FY10 due to additional State funds for Weatherization programs received under the American Recovery & Reinvestment Act (ARRA).

Narcotics Fund

Revenues come mainly from confiscated funds which include forfeited cash and proceeds from the sale of items seized. Funds are also received from Federal and State. Collections have decreased by more than 14% since 2008 due to the drop in collections from federal, state, and confiscated funds.

Hotel-Motel Occupancy Privilege Tax Fund

The City of Chattanooga has the authority to levy a privilege tax on the occupancy of hotel/motel rooms by transients. Pursuant to T.C.A 67-4-1401, et seq. and City Ordinance No 11303, the City has levied such a tax. The tax is set at 4%.

The FY13 budgeted revenue totals \$5,199,000 or 9.2% below FY12, due to a budgeted use of Fund Balance for Capital repairs at the 21st Century Waterfront. The budget is \$5,725,476.

Community Development

Annual funding is allocated by the U.S. Department of Housing and Urban Development which amounts awarded fluctuates each year.

The FY13 budgeted revenue totals \$3,304,951, which is 8% less than FY12. This is due to a reduction in Federal funds. As with most Federal funds, allocations are being reduced due to the economy.

Municipal Golf Course Fund

Revenues come mainly from green fees and golf cart rentals. Overall, estimated revenues are expected to be slightly down from FY12 budget due to storm damage and the replacement of greens at Brainerd Golf Course.

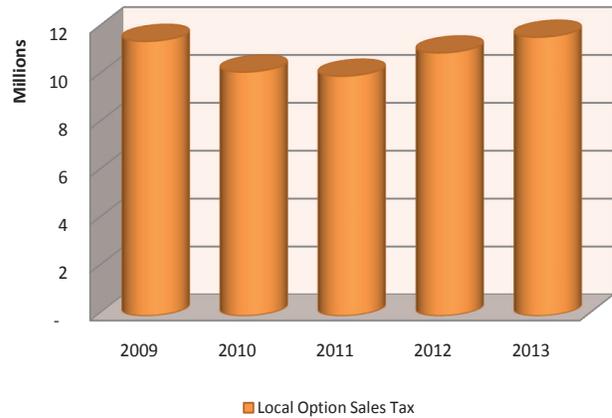
Automated Traffic Enforcement Fund

Revenues comes primarily from automated traffic and speeding fines. The FY13 revenues are estimated at \$1,100,000 or 27.82% below FY12 budget of \$1,524,000. Collections are being decreased based on actual collections in FY11 and FY12. The City suspended the contract with the initial vendor for poor performance. We have negotiated a contract with a new vendor for installation in FY13.

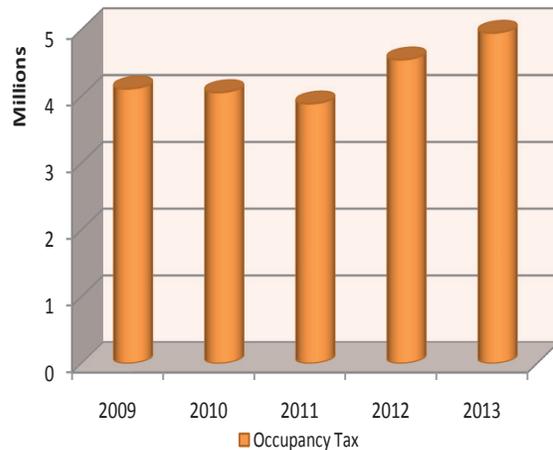
Tennessee Valley Regional Communication Fund

Revenues come mainly from maintenance fees on equipment and member fees for the communications system. Revenues are expected to decrease by 5.46% in FY13 because of a planned use of Fund Balance in FY12 for the expansion of the facility. Although reported a s aspecial revenue fund, it is intended that total fees charged will be sufficient to cover all operations cost excluding depreciation.

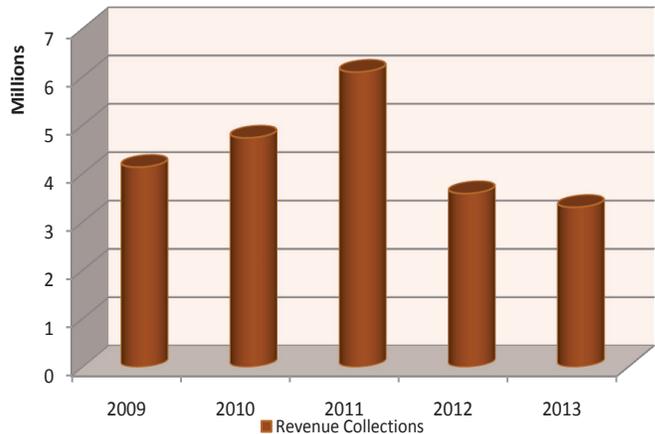
Economic Development Collections



Hotel-Motel Tax Collections



Community Development Collections



Special Revenue Fund Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg
EXPENDITURES						
State Street Aid	3,940,663	4,224,893	4,315,000	4,280,000	(35,000)	-0.81%
Human Services	16,783,009	16,523,747	15,000,825	14,929,403	(71,422)	-0.48%
Economic Development Fund	11,972,740	10,135,514	13,073,368	11,639,000	(1,434,368)	-10.97%
Narcotics	415,746	451,912	312,000	312,000	-	0.00%
Hotel/Motel Tax Fund	2,956,626	3,926,977	5,725,476	5,199,000	(526,476)	-9.20%
Community Development Fund	7,015,355	5,378,176	3,587,972	3,304,951	(283,021)	-7.89%
Municipal Golf Course	1,747,891	1,847,526	1,798,000	1,768,200	(29,800)	-1.66%
Automated Traffic Enforcement	1,873,892	1,374,079	1,524,000	1,100,000	(424,000)	-27.82%
Tenn Valley Region Communication	-	682,985	1,068,821	1,010,500	(58,321)	-5.46%
Total Special Revenue Fund	46,705,922	44,545,809	46,405,462	43,543,054	(2,862,408)	-6.17%

Expenditures

State Street Aid

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

Human Services

Human Services' FY13 estimated expenditures have decreased by .5%. Fund accounts for Head Start, and other Federal programs administered by the City.

Economic Development Fund

During FY2013, \$9,683,809 will be spent on lease rental payments for Lease Rental Revenue Bonds on behalf of the CDRC. The remaining funds are dedicated to economic development projects in downtown Chattanooga and Enterprise South.

Narcotics Fund

This fund accounts for the cost of drug enforcement activity which includes purchase of surveillance equipment, drug identification kits, maintenance on narcotics officers' vehicles and pay to informants. Funds can also be used for local drug treatment and educational programs.

Hotel-Motel Occupancy Privilege Tax Fund

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

Community Development

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

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

Municipal Golf Course Fund

Funds are used to cover the operational cost of the City's two golf courses. The primary costs are personnel and purchase services. Expenses for FY13 are estimated to remain about the same with a slight decrease of 1% from FY12.

Automated Traffic Enforcement Fund

Funds used to account for automated traffic enforcement operations including student driver training. Expenses for FY13 are estimated to be decreased 27.82% or \$424,000 due to declining revenues and change in traffic camera vendors.

Tennessee Valley Regional Communication Fund

The Fund is for the Operations, Management, & Maintenance of the a Regional Communications System. The TVRCS is a jointly funded Interoperable Public Safety communications system made up of Partners from the City of Chattanooga, 13 Counties in Tennessee & Georgia, & the State of Tennessee. The governance of the system is handled by an Advisory Committee composed of a member from each of the Partners and an Executive Commission composed of the Advisory Committee member from the City of Chattanooga, Hamilton County, Catoosa County and two at large members elected by the Advisory Committee. Expenses for FY13 are estimated to be \$1,010,500.

Special Revenue Revenue Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of total
State Street Aid (Fund 2050)							
State of Tennessee	4,134,448	4,239,547	4,280,000	4,280,000	-	0.00%	9.83%
State Maintenance of Streets	20,472	58,652	35,000		(35,000)	-100%	0.00%
Investment Income	4,188	4,141	-		-	N/A	0.00%
Other (EPA, FEMA, TEMA)	-	266,677	-		-	N/A	0.00%
Total State Street Aid	\$ 4,159,108	\$ 4,569,017	\$ 4,315,000	\$ 4,280,000	\$ (35,000)	-0.81%	9.83%
Human Service (Fund 2030)							
Federal - State Grants	15,348,742	14,570,680	13,788,108	13,755,326	(32,782)	-0.24%	31.59%
City of Chattanooga	1,233,477	733,477	733,477	1,033,477	300,000	40.90%	2.37%
Day Care Fees	39,204	50,870	83,000	83,000	-	0.00%	0.19%
Miscellaneous	118,399	150,360	383,077	52,600	(330,477)	-86.27%	0.12%
Interest Income	20,534	15,042	5,000	5,000	-	0.00%	0.01%
Fund Balance	22,653	1,004,320	8,163	-	(8,163)	-100.00%	0.00%
Total Human Services	\$ 16,783,009	\$ 16,524,748	\$ 15,000,825	\$ 14,929,403	\$ (71,422)	-0.48%	34.29%
Economic Development (Fund 1111)							
Local Option Sales Tax	12,541,791	10,652,849	10,983,200	11,639,000	655,800	5.97%	26.73%
Interest Income	46,100	-	-	-	-	N/A	0.00%
Fund Balance	-	-	2,090,168	-	(2,090,168)	-100%	0.00%
Total Economic Development	\$ 12,587,891	\$ 10,652,849	\$ 13,073,368	\$ 11,639,000	\$ (1,434,368)	-10.97%	26.73%
Narcotics (Fund 9250)							
Federal	-	-	50,000	50,000	-	0.00%	0.11%
State	-	-	12,000	12,000	-	0.00%	0.03%
Confiscated Narcotics Funds	693,823	528,338	200,000	200,000	-	0.00%	0.46%
Other	139,727	95,887	50,000	50,000	-	0.00%	0.11%
Total Narcotics	\$ 833,550	\$ 624,225	\$ 312,000	\$ 312,000	\$ -	0.00%	0.72%
Hotel/Motel Tax (Fund 2070)							
Occupancy Tax	4,058,621	4,746,845	4,548,500	4,949,000	400,500	8.81%	11.37%
SRC Parking Garage Revenue	296,876	253,071	250,000	250,000	-	0.00%	0.57%
River Pier Capital Contribution	-	-	60,000	-	(60,000)	-100.00%	0.00%
Fund Balance	-	-	866,976	-	(866,976)	-100.00%	0.00%
Interest Income	16,612	-	-	-	-	N/A	0.00%
Total Hotel/Motel Tax	\$ 4,372,109	\$ 4,999,916	\$ 5,725,476	\$ 5,199,000	\$ (526,476)	-9.20%	11.94%
Community Development (Fund 2060)							
<i>(includes HOME program)</i>							
Federal	3,988,357	4,872,376	2,937,955	2,654,934	(283,021)	-9.63%	6.10%
Miscellaneous/Program	750,322	519,551	650,017	650,017	-	0.00%	1.49%
Total Community Development	\$ 4,738,679	\$ 5,391,927	\$ 3,587,972	\$ 3,304,951	\$ (283,021)	-7.89%	7.59%
Total Municipal Golf Course (1105)	\$ 1,677,870	\$ 1,732,910	\$ 1,798,000	\$ 1,768,200	\$ (29,800)	-1.66%	4.06%
Automated Traffic Enforcement (Fund 9091)							
Automated Traffic & Speeding Fines	1,830,713	1,499,192	1,524,000	1,100,000	(424,000)	-27.82%	2.53%
Other	-	20,510	-	-	-	N/A	0.00%
Total Automated Traffic Enforcement	\$ 1,830,713	\$ 1,519,702	\$ 1,524,000	\$ 1,100,000	\$ (424,000)	-27.82%	2.53%
Tenn Valley Regional Communications (Fund 2110)							
Operations	-	854,716	988,600	1,010,500	21,900	2.22%	2.32%
Use of Fund Balance	-	-	80,221	-	(80,221)	-100.00%	0.00%
Total TVRC	\$ -	\$ 854,716	\$ 1,068,821	\$ 1,010,500	\$ (58,321)	-5.46%	2.32%
Grand Total	\$ 46,982,929	\$ 46,870,010	\$ 46,405,462	\$ 43,543,054	\$ (2,862,408)	-6.17%	4.85%

In FY12 \$866,976 of Fund Balance was appropriated as an amendment to the Hotel Motel Fund as part of the Capital Ordinance #12534.

In FY12 \$2,090,168 of Fund Balance was appropriated as an amendment to the Economic Development Fund as part of the Capital Ordinance #12534.

Special Revenue Expenditure Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of total
State Street Aid (Fund 2050)							
Street Maintenance	3,940,663	4,224,893	4,315,000	4,280,000	(35,000)	-0.81%	9.83%
Total State Street Aid	\$ 3,940,663	\$ 4,224,893	\$ 4,315,000	\$ 4,280,000	\$ (35,000)	-0.81%	9.83%
Human Services (Fund 2030)							
Administration	1,066,079	872,613	768,625	615,625	(153,000)	-19.91%	1.41%
Headstart	7,932,990	8,294,612	8,836,859	8,836,859	-	0.00%	20.29%
Daycare	890,002	921,678	864,944	865,145	201	0.02%	1.99%
Wealthertization	37,205	3,790	-	-	-	N/A	0.00%
Foster Grandparents	494,292	521,925	502,643	506,243	3,600	0.72%	1.16%
LIHEAP	2,311,476	3,612,758	3,129,132	3,127,132	(2,000)	-0.06%	7.18%
Community Service Block Grant	639,651	580,714	693,234	693,234	0	0.00%	1.59%
Human Services Programs	247,652	242,686	142,464	225,256	82,792	58.11%	0.52%
City General Relief-	62,554	57,356	59,909	59,909	-	0.00%	0.14%
ARRA	3,099,061	1,415,615	-	-	-	N/A	0.00%
Other	2,047	-	3,015	-	(3,015)	-100.00%	0.00%
Total Human Services	\$16,783,009	\$16,523,747	\$15,000,825	\$14,929,403	\$ (71,422)	-0.48%	34.29%
Economic Development (Fund 1111)							
Capital Projects_Economic Development	2,999,500	2,157,131	2,775,817	1,238,801	(1,537,016)	-55.37%	2.85%
Minority Business Development	75,000	75,000	-	75,000	75,000	N/A	0.17%
Chattanooga Chamber of Commerce	450,000	450,000	450,000	450,000	-	0.00%	1.03%
Chamber of Comm Marketing-Enterprise South	75,000	75,000	75,000	75,000	-	0.00%	0.17%
Commission to Hamilton County	-	-	109,832	116,390	-	-	-
Lease Payments	6,760,434	8,567,744	10,262,719	10,283,809	21,090	0.21%	23.62%
Less: Chattanooga Lease Payment offset	(746,743)	(1,189,361)	(600,000)	(600,000)	-	0.00%	-1.38%
Tourist Development Zone	2,359,549	-	-	-	-	N/A	0.00%
Total Economic Development	\$11,972,740	\$10,135,514	\$13,073,368	\$11,639,000	\$ (1,434,368)	-10.97%	26.73%
Narcotics (Fund 9250)							
Operations	415,746	451,912	312,000	312,000	-	0.00%	0.72%
Total Narcotics	\$ 415,746	\$ 451,912	\$ 312,000	\$ 312,000	\$ -	0.00%	0.72%
Hotel/Motel Tax (Fund 2070)							
21st Century Waterfront	-	350,000	333,024	818,352	485,328	145.73%	1.88%
Capital Approp from Fund Balance	-	-	866,976	-	(866,976)	-100.00%	N/A
River Pier Garage Operations	161,048	143,696	250,000	250,000	-	0.00%	N/A
River Pier Capital	-	-	60,000	-	(60,000)	-100.00%	N/A
Hamilton County	30,000	30,000	30,000	30,000	-	0.00%	N/A
Debt Service	2,685,160	3,320,547	4,094,506	4,001,668	(92,838)	-2.27%	9.19%
Hotel/Motel Collection Fee	80,418	82,734	90,970	98,980	8,010	8.81%	0.23%
Total Hotel/Motel Tax	\$ 2,956,626	\$ 3,926,977	\$ 5,725,476	\$ 5,199,000	\$ (526,476)	-9.20%	11.94%
Community Development (Fund 2060) (includes HOME Program)							
Administration	451,000	354,467	497,954	497,954	-	0.00%	1.14%
Chattanooga Neighborhood Enterprise	1,400,000	815,230	908,426	315,000	(593,426)	-65.32%	0.72%
Other Community Development Projects	4,256,292	3,284,432	1,238,276	1,241,410	3,134	0.25%	2.85%
Transfers	908,063	924,047	943,316	1,250,587	307,271	32.57%	2.87%
Total Community Development	\$ 7,015,355	\$ 5,378,176	\$ 3,587,972	\$ 3,304,951	\$ (283,021)	-7.89%	7.59%
Total Municipal Golf Course (1105)	\$ 1,747,891	\$ 1,847,526	\$ 1,798,000	\$ 1,768,200	\$ (29,800)	-1.66%	4.06%
Automated Traffic Enforcement (Fund 9091)							
Automated Traffic	1,830,713	1,374,079	1,524,000	1,100,000	(424,000)	-27.82%	2.53%
Use of Fund Balance	43,179	-	-	-	-	N/A	0.00%
Total Automated Traffic Enforcement	\$ 1,873,892	\$ 1,374,079	\$ 1,524,000	\$ 1,100,000	\$ (424,000)	-27.82%	2.53%
Tenn Valley Regional Communications (Fund 2110)							
Operations	-	682,985	1,068,821	1,010,500	(58,321)	-5.46%	2.32%
Total TVRC	\$ -	\$ 682,985	\$ 1,068,821	\$ 1,010,500	\$ (58,321)	-5.46%	2.32%
Grand Totals	\$46,705,922	\$44,545,809	\$46,405,462	\$43,543,054	\$ (2,862,408)	-6.17%	100.00%

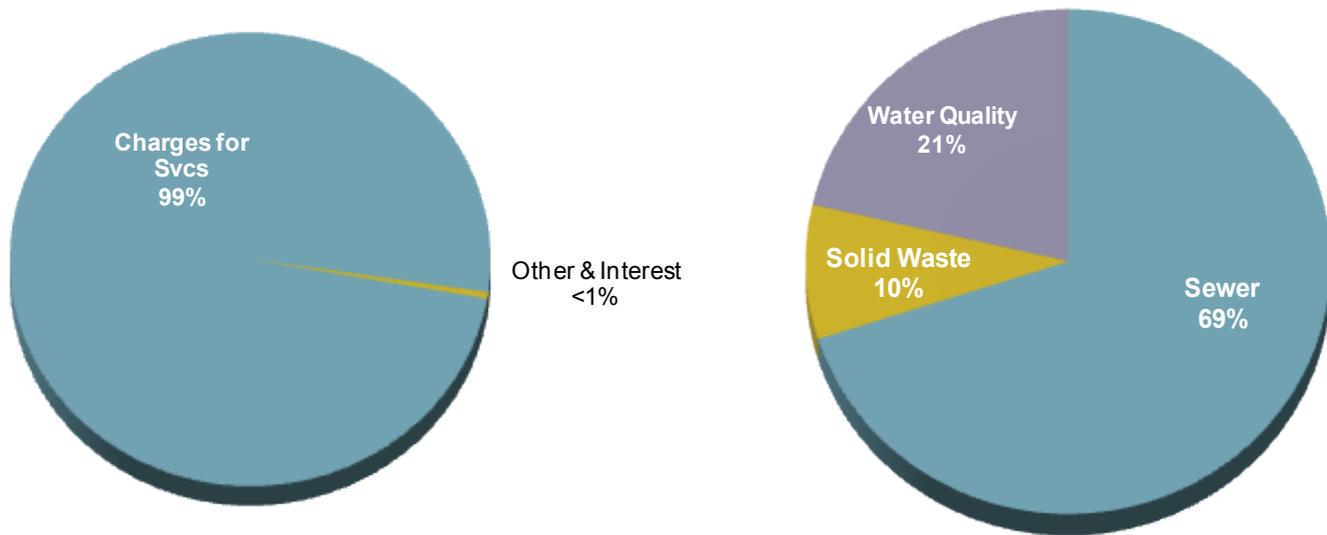
Enterprise Funds

Fund Structure

Enterprise Funds are established for operations that the City accounts for as though they were private enterprises. An Enterprise Fund might be established because an operation is expected to cover its costs (including depreciation expense) through user charges or because the City believes it is necessary to account for income and capital maintenance. The budgetary basis of accounting for these funds is the full accrual method where measurement focus is their economic resources, much like that of a private-sector business. Revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows. The CAFR shows the status of the funds finances on the basis of GAAP. The City of Chattanooga has three (3) budgeted Enterprise Funds: Interceptor Sewer Fund, Water Quality Management Fund and Solid Waste and Sanitation Fund. As of June 30, 2012 the budgeted revenue and expenses were as follows:

FY 12 Results	Budget Rev & Exp	(unaudited) FY12 Actual Rev	(unaudited) FY12 Actual Exp
Interceptor Sewer Fund	49,533,000	48,258,814	46,241,412
Solid Waste Fund	6,888,100	6,596,180	5,766,869
Water Quality Fund	14,298,800	14,211,876	13,161,690

Fiscal Year 2012/2013 Revenue & Appropriation by Fund \$72,714,872



Enterprise Funds						
Revenue Fund Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg
Interceptor Sewer System	46,074	49,273	49,533	50,923	1,390	2.8%
Solid Waste	6,865	6,936	6,888	6,234	(654)	-9.5%
Water Quality Fund	14,021	16,887	14,299	15,558	1,259	8.8%
Total Enterprise Funds	66,960	73,096	70,720	72,715	1,995	2.8%

Revenues

Interceptor Sewer Fund

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

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

The sewer service charges for the regional users (Windstone, Rossville, Northwest Georgia, Dade County, Ringgold, Collegedale, Lookout Mountain, TN, Lookout Mountain, GA, Hamilton County, East Ridge, Soddy Daisy, Red Bank and Walker County) are based on a regional service charge rate schedule (wheelage and treatment). The regional service charge rate schedule currently in effect provides rate schedules for billing the regional users on either a metered water consumption basis (billable flow method) or a total measured wastewater flow basis (total flow method). This allows the City to begin billing the regional users on a total flow method immediately upon completion of successful contract negotiation for total flow method billing. Other System revenues come from an industrial

user sewer surcharge, truck discharge operation permit fees, septic tank discharge fees, holding tank discharge fees, service line connection fees and garbage grinder usage fees.

The City operates the System on a self-supporting basis from sewer service charges and fees. The July 1, 2012 approved 2-tiered rate schedule, is as follows:

Enumeration Of Charges - Quantity of Water Used

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

User Class	FY2012/2013-1 Total Charges (\$/1,000 gal) 10/01/2012	FY2012/2013 - 2 Total Charges (\$/1,000 gal) 04/01/2013
First 100,000	\$ 6.15	\$ 6.43
Next 650,000	4.57	4.78
Next 1,250,000	3.71	3.88
Next 30,000,000	3.13	3.27
Over 32,000,000	3.04	3.18

Regional Service Charge Rate (Wheelage and Treatment)

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

Billable Flow

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

User Class	Regional Operation & Maintenance Charge (\$/1,000 gal)	Regional Debt Charge (\$/1,000 gal)	Regional Total Charge Wheelage & Treatment (\$/1,000 gal)
Wheelage & Treatment	\$ 1.8540	\$ 0.6264	\$ 2.4804

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

Total Flow

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

User Class	Regional Operation & Maintenance Charge (\$/1,000 gal)	Regional Debt Charge (\$/1,000 gal)	Regional Total Charge Wheelage & Treatment (\$/1,000 gal)
Wheelage & Treatment	\$ 0.9397	\$ 0.3049	\$1.2446

Monthly Minimum Sewer Service Charges

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

Meter Size	FY2012/2013 - 1 Charge per Month	FY2012/2013 - 2 Charge per Month
5/8"	\$ 12.67	\$ 13.25
3/4"	45.19	47.28
1"	78.96	82.61
1 1/2"	176.72	184.88
2"	312.90	327.35
3"	733.47	767.34
4"	1,355.46	1,418.07
6"	3,228.49	3,377.61
8"	5,710.62	5,674.39

Industrial User Sewer Surcharge

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

- \$0.1120 per pound of 5-day biochemical oxygen demand (BOD₅) for concentrations in excess of three hundred (300) milligrams per liter, and,
- \$0.0795 per pound of total suspended solids for concentrations in excess of four hundred (400) milligrams per liter.

The City has also established the following fees and charges:

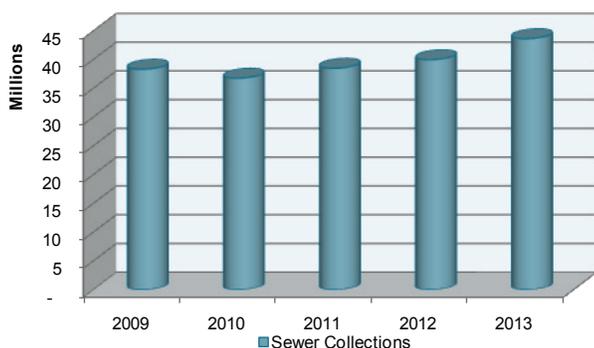
- A Sewer Service Line Connection Fee of \$800;
- A Truck Discharge Operation Permit Fee of \$100 per truck per year;
- A Septic Tank Discharge Fee of \$74.00 per 1,000 gallons of waste;
- Holding Tank Waste Fee of \$6.43 per 1,000 gallons of waste and
- Garbage Grinders Fee of \$196.00 per month per unit.

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

Since the City successfully accomplished its goal of enacting 6.14% sewer rate increases for the five consecutive fiscal years, the City planned to enact future annual rate increases at a lower level than 5%. As evidenced by its program since 1985, the City remains committed to keeping the System self-supported from sewer revenues including adoption of any necessary sewer rate increases to ensure that it remains self supporting. Following is a history of rate increases since 1988:

FY 87/88	6.14%	FY 96/97	0.00%	FY 04/05	2.54%
FY 88/89	6.14%	FY 97/98	0.00%	FY 05/06	0.00%
FY 89/90	6.14%	FY 98/99	0.00%	FY 06/07	15.48%
FY 90/91	5.24%	FY 99/00	(10.00%)	FY 07/08	6.00%
FY 91/92	3.32%	FY 00/01	0.00%	FY 08/09	6.00%
FY 92/93	5.79%	FY 01/02	0.00%	FY 09/10	3.00%
FY 93/94	3.00%	FY 02/03	7.29%	FY 10/11	3.00%
FY 94/95	0.00%	FY 03/04	7.07%	FY 11/12	5.00%
				FY12/13	9.50%

Below is the sewer system's historical trend of collections. Revenue increases can be attributed to the completion of several construction projects bringing more taps on line and rate increases to address the CMOM (Capacity, Management, Operations and Maintenance) project proactively.



Solid Waste Fund

This fund accounts for the costs associated with the disposal of solid waste and recyclable materials. Section 68-31-874 (a) of the Tennessee Code Annotated sets forth the accounting requirements for financial activities related to the management of solid waste. Effective July 1, 1993, it became a requirement to account for the operation of a landfill as an enterprise fund.

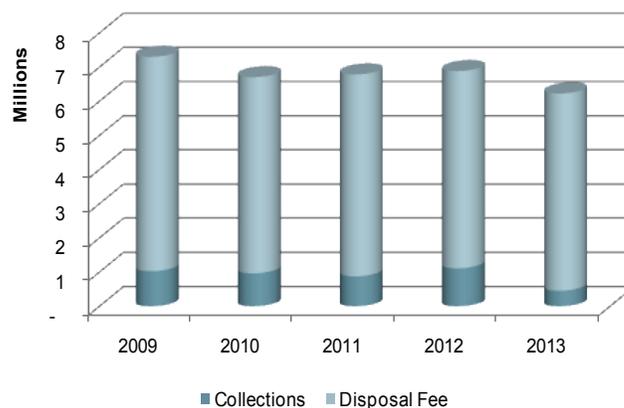
Landfill Tipping Fees. Revenues to operate, maintain and finance the Solid Waste Disposal System are derived primarily from tipping fees charged at the disposal sites. Municipalities may impose such a fee upon each ton of waste or its volume equivalent received at such a disposal facility. During FY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

Solid Waste Disposal Fee. Since the revenue from the landfill tipping fees does not totally fund the expenditures

of the fund, it is necessary for the General Fund to support the Solid Waste & Disposal Fund through a General Fund Waste Disposal Fee. This FY12/13 fee of \$5,773,587 accounts for 92.6% of the total budget.

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

Solid Waste Revenue



Water Quality Management Fund

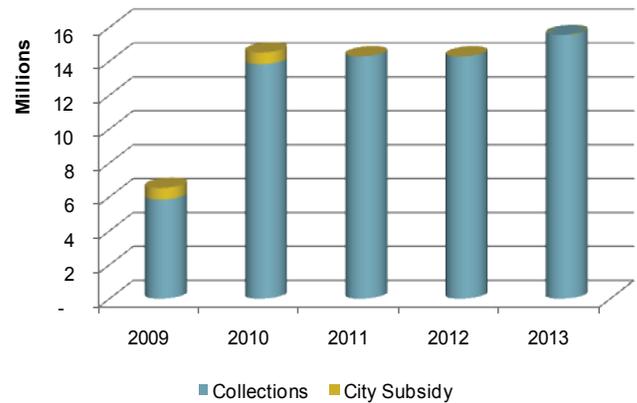
The Water Quality Management Fund was established in 1993 to comply with a Federal mandate for the City to control storm water runoff. The City is required to impose controls to reduce the discharge of pollutants in storm water to the maximum extent practicable using management practices, control techniques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

For the purpose of operating the water quality program of the City and the payment of the cost and expenses appurtenant, incident or necessary thereto for the construction, extension, enlargement or acquisition of necessary storm water facilities or flood control improvement, including replacement thereof, and for the operation and maintenance thereof, there is imposed a water quality user's fee upon the owner of property served directly or indirectly by the City's storm water system. The Water Quality fee has remained constant since 1993. Over the past couple of years the City has conducted a water quality utility program level of service analysis, cost of service analysis, rate study analysis and cash flow analysis which has identified water quality and water quantity problems and needs. As a result of this study the Council determined that was in the best interest of the City, its citizens, and the users of the City storm water system to revise the mechanism for the financing of storm water and water quality facilities, systems, and services provided by the City through a revised water quality fee. The Water Quality fee for Fiscal Year 2013 is \$115.20 per ERU for residential properties; \$105.00 per ERU for non-residential properties passed June 28, 2011 per City Ordinance 12523.

The revenue for this fund is derived from water quality fees totaling \$15,558,000 for FY2013.

Following is a chart showing the historical trend of fees collected:

Water Quality Collections



Enterprise Funds						
Expend Fund Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg
Interceptor Sewer System	54,302	58,024	49,533	50,923	1,390	2.8%
Solid Waste	6,691	8,929	6,888	6,234	(654)	-9.5%
Water Quality Fund	8,877	14,278	14,299	15,558	1,259	8.8%
Total Enterprise Funds	69,870	81,231	70,720	72,715	1,995	2.8%

Expenses

Interceptor Sewer Fund

Expenses for the Interceptor Sewer System reflect major cost areas: personnel costs, chemical costs for liquid and solid handling, maintenance costs, electricity costs, pump stations, combined sewer overflow facilities and depreciation. Major capital expenses needed for the Moccasin Bend Wastewater Treatment Plant (MBWWTP), such as vehicle replacement, pump replacement, and major system repairs occur here. In FY 12/13, the operations and maintenance budget increased \$1,390,117, or 2.8%, due to increases related to rates to meet operations, maintenance, and capital requirements based on current agreements with EPA and TDEC-DWPC. The largest single change in the ISS budget for FY12/13 is the \$1.3M appropriation for liquid handling operations at MBWWTP and \$860K increase in administration for the operations of the system pump stations.

The debt service portion of the proposed budget for FY 12/13 increased \$3,890,117 from FY 11/12. This change is due to the varying interest and principal payments on bonded debt and/or capital outlay notes required from one fiscal year to the next and the anticipation of new debt issuance in FY13 through the State Revolving Loan.

Solid Waste Fund

Expenses in the Solidwaste & Sanitation Fund include:

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

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

In March 1998 and March 2001, the City issued

general obligation bonds totaling \$17.9 million and \$6.7 million respectively, to fund capital improvements at the Summit landfill and the new landfill located in Birchwood. In fiscal year 2004, the City issued \$540,000 general obligation bonds for capital improvements at the Summit landfill and \$5,705,097 in fiscal year 2006 for construction of additional landfill area located in Birchwood.

Major expenses of this fund are personnel costs and vehicle related costs. The Solid Waste Fund budget for FY 09/10 decreased \$647,154 due mainly to the City not funding the post closure care cost for FY2010. The Solid Waste Fund budget for FY 10/11 increased \$479,151 due mainly to the City reinstating funding the post closure care cost, and increased cost of hauling and handling for FY2011. The FY2012 major changes are due to salary and benefits increases and a \$700,000 appropriation for capital expenditures. In FY12/13, a decrease of 9.5% or \$653K was due to reduced capital funding offset by increases in salary and benefits.

Water Quality Management Fund

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

- Personnel
- Operations
- Debt Service
- Capital Projects

Prior to FY2010, the City has maintained the same level of General Fund support for water quality maintenance and repairs as prior to the implementation of the water quality fee. Due to requirements from the Tennessee Department of Environment and Conservation to obtain a NPDES Phase I permit, the City will be required to implement new programs to improve the quality of storm water entering the system. As a part of this process the Public Works Department was reorganized in fiscal year 2011 to consolidate Water Quality related expenses. General Fund and State Street Aid costs were transferred to Water Quality along with thirty (30) General Fund and nineteen (19) State Street Aid positions.

Enterprise Funds							
Revenue Fund Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of total
Interceptor Sewer System (Fund 6010):							
Sewer Service Charges	36,572,568	38,788,897	37,453,990	41,110,939	3,656,949	9.8%	56.54%
Industrial Surcharges	2,789,097	3,607,814	2,500,000	2,500,000	0	0.0%	3.44%
Septic Tank Charges	419,693	315,554	200,000	219,400	19,400	9.7%	0.30%
Wheelage & Treatment:							
Lookout Mountain, TN	210,131	202,962	226,233	222,876	(3,357)	-1.5%	0.31%
Dade County, GA	13,233	11,529	11,723	13,310	1,587	13.5%	0.02%
Walker County, GA	401,848	416,262	412,470	467,003	54,533	13.2%	0.64%
Collegedale, TN	310,421	315,384	341,307	353,530	12,223	3.6%	0.49%
Soddy-Daisy, TN	187,079	187,674	204,218	212,686	8,468	4.1%	0.29%
East Ridge, TN	1,379,078	1,513,002	1,644,098	1,665,598	21,500	1.3%	2.29%
Windstone	85,449	72,558	32,797	32,880	83	0.3%	0.05%
Hamilton County, TN	695,824	764,334	796,738	847,230	50,492	6.3%	1.17%
Northwest Georgia	680,331	717,440	804,913	784,645	(20,268)	-2.5%	1.08%
Lookout Mountain, GA	63,518	61,059	65,035	67,953	2,918	4.5%	0.09%
Ringgold, GA	470,765	372,004	447,541	480,593	33,052	7.4%	0.66%
Rossville, GA	344,173	421,534	407,217	406,799	(418)	-0.1%	0.56%
Red Bank, TN	521,488	582,375	668,695	692,874	24,179	3.6%	0.95%
Debt Service Northwest Georgia	447,353	447,353	447,353	447,353	0	0.0%	0.62%
Industrial User Permits	40,500	44,000	41,000	41,000	0	0.0%	0.06%
Industrial Violation Fines	5,067	4,100	0	0	0	N/A	0.00%
Garbage Grinder Fees	45,290	46,804	57,672	56,448	(1,224)	-2.1%	0.08%
Miscellaneous Revenue	24,509	17,331	0	0	0	N/A	0.00%
Fund Balance for Capital	0	0	2,500,000	0	(2,500,000)	-100.0%	0.00%
Interest Earnings	366,601	362,693	270,000	300,000	30,000	11.1%	0.41%
Total Interceptor Sewer	\$46,074,016	\$49,272,664	\$49,533,000	\$50,923,117	\$1,390,117	2.8%	70.0%
Solid Waste (Fund 6020):							
Landfill Tipping Fees	472,878	456,641	457,553	321,000	(136,553)	-29.8%	0.44%
Landfill Permit Fees	2,160	1,032	2,200	2,200	0	0.0%	0.00%
City of Chattanooga Tipping Fees	5,740,775	5,907,775	5,773,587	5,773,587	0	0.0%	7.94%
Sale of Mulch	179,211	188,106	180,000	25,000	(155,000)	-86.1%	0.03%
State Sub Recyclable Material	0	0	60,000	15,000	(45,000)	-75.0%	0.02%
Interest	134,069	58,649	299,760	0	(299,760)	-100.0%	0.00%
Fund Balance	276,014	72,574	0	0	0	N/A	0.00%
State THHWG	48,771	133,504	85,000	85,000	0	0.0%	0.12%
Misc Revenues	11,129	117,228	30,000	11,968	(18,032)	-60.1%	0.0%
Total Solid Waste	\$6,865,007	\$6,935,509	\$6,888,100	\$6,233,755	(\$654,345)	-9.5%	8.6%
Water Quality (Fund 6030):							
Water Quality Fee	13,987,535	15,345,974	14,222,600	15,522,000	1,299,400	9.1%	21.35%
Land Disturbing Fee	26,393	26,530	20,800	25,000	4,200	20.2%	0.03%
Fund Balance for Capital	0	1,330,390	0	0	0	N/A	0.00%
Misc Revenue	6,882	184,469	55,400	11,000	(44,400)	-80.1%	0.02%
General Fund Subsidy	0	0	0	0	0	N/A	0.00%
Total Water Quality	\$14,020,810	\$16,887,363	\$14,298,800	\$15,558,000	\$1,259,200	8.8%	21.40%
Grand Totals:	\$66,959,833	\$73,095,536	\$70,719,900	\$72,714,872	\$1,994,972	2.8%	100.00%

Enterprise Funds							
Revenue Fund Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of total
Interceptor Sewer System (Fund 6010):							
Operations & Maintenance:							
Administration	2,683,671	2,895,190	2,651,679	3,512,511	860,832	32.5%	4.83%
Laboratory	646,375	629,888	624,934	702,475	77,541	12.4%	0.97%
Engineering	363,371	414,543	539,296	589,551	50,255	9.3%	0.81%
Plant Maintenance	1,426,557	1,292,235	1,783,679	1,914,887	131,208	7.4%	2.63%
Sewer Maintenance	2,169,992	2,283,564	3,677,813	3,663,474	(14,339)	-0.4%	5.04%
Moccasin Bend - Liquid Handling	10,674,429	11,787,040	10,553,161	11,864,049	1,310,888	12.4%	16.32%
Inflow & Infiltration	1,513,590	1,714,176	1,261,124	1,333,405	72,281	5.7%	1.83%
Safety & Training	114,870	118,249	145,862	146,527	665	0.5%	0.20%
Pretreatment/Monitoring	430,571	449,624	602,484	717,778	115,294	19.1%	0.99%
Moccasin Bend - Solid Handling	3,638,084	3,564,626	3,572,322	3,928,130	355,808	10.0%	5.40%
Landfill Handling	1,422,181	1,281,718	1,600,000	1,600,000	0	0.0%	2.20%
Combined Sewer Overflow	320,887	248,254	388,902	309,178	(79,724)	-20.5%	0.43%
Subtotal O & M	25,404,578	26,679,105	27,401,256	30,281,965	2,880,709	10.8%	41.64%
Pumping Stations							
19th Street	66,754	101,655	114,400	62,295	(52,105)	-45.5%	0.09%
23rd Street	139,792	116,977	141,250	135,250	(6,000)	-4.2%	0.19%
Big Ridge 1 - 5	45,515	105,177	113,400	93,185	(20,215)	-17.8%	0.13%
Brainerd	17,369	15,199	51,525	70,834	19,309	37.5%	0.10%
Citico	308,674	400,110	360,300	322,010	(38,290)	-10.6%	0.44%
Dupont Parkway	47,449	33,003	26,110	25,725	(385)	-1.5%	0.04%
East Brainerd	53,364	41,641	53,120	54,125	1,005	1.9%	0.07%
Enterprise South	1,861	17,235	24,395	44,770	20,375	83.5%	0.06%
Friar Branch	219,162	187,351	193,700	220,975	27,275	14.1%	0.30%
Highland Park	25,272	32,875	10,300	27,050	16,750	162.6%	0.04%
Hixson 1,2,3,&4	108,936	159,985	198,196	135,745	(62,451)	-31.5%	0.19%
Latta Street	26,753	30,504	14,100	21,650	7,550	53.5%	0.03%
Mountain Creek	6,585	19,552	53,400	28,470	(24,930)	-46.7%	0.04%
Murray Hills	16,789	26,376	24,610	40,865	16,255	66.1%	0.06%
North Chattanooga	24,867	27,180	23,325	28,155	4,830	20.7%	0.04%
Northwest Georgia	41,831	46,305	113,650	65,724	(47,926)	-42.2%	0.09%
Odor Control Pump Stations	718,256	750,604	800,000	800,000	0	0.0%	1.10%
Ooltewah-Collegedale	77,437	88,534	93,400	94,875	1,475	1.6%	0.13%
Orchard Knob	39,535	45,090	53,045	137,310	84,265	158.9%	0.19%
Residential Pump Stations	4,578	51,069	38,500	40,000	1,500	3.9%	0.06%
Ringgold Pump Station	78,900	47,271	57,850	65,195	7,345	12.7%	0.09%
River Park	861	987	4,350	4,750	400	9.2%	0.01%
South Chattanooga	11,657	2,393	8,270	11,070	2,800	33.9%	0.02%
South Chickamauga Creek	346,409	406,065	413,025	481,550	68,525	16.6%	0.66%
Tiftonia 1&2	97,948	188,430	159,575	104,325	(55,250)	-34.6%	0.14%
West Chickamauga	7,247	2,071	-	9,000	9,000	N/A	0.01%
Other (Warner Park #1)	9,215	-	-	7,500	7,500	N/A	0.01%
VAAP	-	2,573	6,490	9,065	2,575	39.7%	0.01%
Subtotal Pumping Stations	2,543,016	2,946,213	3,150,286	3,141,468	(8,818)	-0.3%	4.32%
Bad Debt Expense		259,727				N/A	0.00%
Other		289				N/A	0.00%
Depreciation		14,360,784			0	N/A	0.00%
Capital Improvements Program	1,242,285	1,015,063	2,737,985	428,393	(2,309,592)	-84.4%	0.59%
Debt Service & Reserve							
Principal	9,492,618	7,972,785	8,941,261	11,200,206	2,258,945	25.3%	15.40%
Interest	3,755,185	3,214,977	3,114,417	3,516,424	402,007	12.9%	4.84%
Reserve Coverage	1,059,825	1,575,012	1,687,795	2,354,661	666,866	39.5%	3.24%
	14,307,628	12,762,774	13,743,473	17,071,291	3,327,818	26.1%	
Construction Trust Fund (6011)	10,804,000	0	2,500,000		(2,500,000)	-100.0%	0.00%
Total Interceptor Sewer	\$54,301,507	\$58,023,955	\$49,533,000	\$50,923,117	\$3,890,117	6.7%	70.03%

Enterprise Funds Revenue Fund Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of total
Solid Waste (Fund 6020):							
Recycle	776,790	772,345	923,224	944,674	21,450	2.3%	1.30%
Capital Improvements	25,983	1,127,000	700,000	0	(700,000)	-100.0%	0.00%
Sanitary Landfill (Summitt)	218,069	265,175	399,760	308,510	(91,250)	-22.8%	0.42%
Waste Disposal - City Landfill	1,289,520	1,615,117	1,676,269	1,535,738	(140,531)	-8.4%	2.11%
Compost Waste Recycle	569,982	681,367	685,542	781,827	96,285	14.0%	1.08%
Household Hazardous Waste	60,616	94,179	100,000	100,000	0	0.0%	0.14%
Solid Waste Reserve	0	0	0	173,868	173,868	N/A	0.24%
Montague Park Monitoring	3,971	25,444	9,750	10,500	750	7.7%	0.01%
Other	0	95,900	0		0	N/A	0.00%
Depreciation	0	564,339	0		0	N/A	0.00%
Debt Service	3,746,415	3,688,207	2,393,555	2,378,638	(14,917)	-0.6%	3.27%
Total Solid Waste	\$6,691,346	\$8,929,073	\$6,888,100	\$6,233,755	(\$654,345)	-9.5%	8.57%
Water Quality (Fund 6030):							
Water Quality Management	2,690,552	2,038,183	2,240,247	3,159,912	919,665	41.1%	4.35%
Water Quality Operations	3,828,793	5,194,044	5,899,024	6,704,420	805,396	13.7%	9.22%
Water Quality Site Development	0	375,973	1,164,187	1,113,868	(50,319)	-4.3%	1.53%
Water Quality Engineering	0	575,749	798,131	798,131	0	0.0%	1.10%
Water Quality Public Education	0	74,017	89,034	68,158	(20,876)	-23.4%	0.09%
Renewal & Replacement	58,523	133,952	200,689	99,285	(101,404)	-50.5%	0.14%
Capital Improvement	0	1,450,000	1,450,000	1,450,000	0	0.0%	1.99%
Depreciation and Bad Debt	0	2,179,779	0		0	N/A	0.00%
Debt Service & Reserve	2,299,462	2,256,013	2,457,488	2,164,226	(293,262)	-11.9%	2.98%
Total Water Quality	\$8,877,330	\$14,277,711	\$14,298,800	\$15,558,000	\$1,259,200	8.8%	21.40%
Grand Totals:	\$69,870,183	\$81,230,739	\$70,719,900	\$72,714,872	\$4,494,972	5.5%	100.00%



Internal Service Funds

Fund Structure

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

Municipal Fleet Services Fund accounts for revenues and expenditures associated with the operation of the City's garage, service station, and fleet leasing services. The cost for these services are paid by the departments and agencies of City government and charges to external agencies. Fleet disbursements for FY13 include a use of Fund Balance of \$2,000,000 accumulated as part of the program for vehicle purchases to be placed in the lease program.

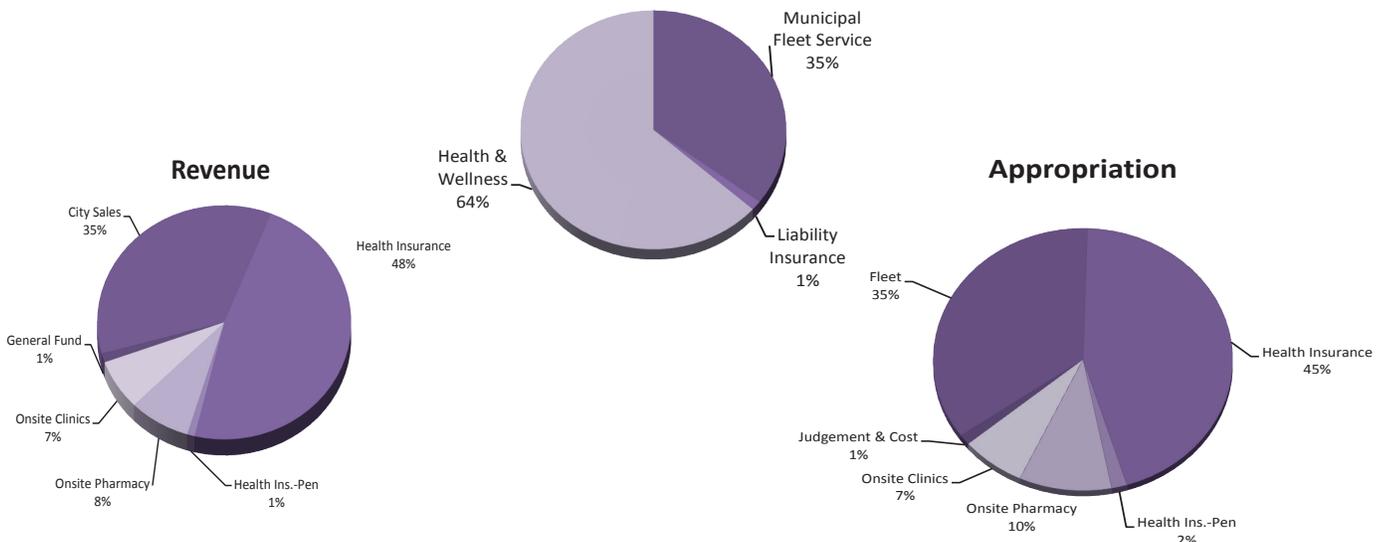
FY 12 Results	Budget Rev & Exp	(unaudited) FY 12 Actual Rev	(unaudited) FY 12 Actual Exp
Municipal Service Station	\$ 3,365,000	\$ 4,343,779	\$ 4,392,143
Municipal Garage	\$ 6,874,323	\$ 7,908,959	\$ 7,183,924
Fleet Leasing Capital	\$ 10,082,000	\$ 10,674,016	\$ 6,225,930
Fleet Leasing Operations	\$ 2,207,000	\$ 2,477,202	\$ 2,656,133
Liability Insurance	\$ 1,000,000	\$ 1,000,000	\$ 853,134
Health & Wellness Fund	\$ 34,484,260	\$ 36,881,533	\$ 35,268,894
Total Internal Service Fund	58,012,583	63,285,489	56,580,158

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

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

Fiscal Year 2012/2013 Budgeted Amount by Fund \$57,104,038

Budget



Internal Services Funds						
Revenue Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg
Municipal Service Station	3,068,354	3,651,505	3,365,000	4,294,600	929,600	27.6%
Municipal Garage	6,328,044	6,985,640	6,874,323	7,051,200	176,877	2.6%
Fleet Leasing Operations	1,669,292	2,000,524	2,207,000	2,375,000	168,000	7.6%
Fleet Leasing Capital	3,483,827	9,106,280	10,082,000	6,439,000	(3,643,000)	-36.1%
Liability Insurance	3,517,311	1,960,351	1,000,000	730,000	(270,000)	-27.0%
Health & Wellness Fund	29,533,535	28,500,758	34,484,260	36,214,238	1,729,978	5.0%
Total Internal Services	47,600,363	52,205,058	58,012,583	57,104,038	(908,545)	-1.6%

Revenues

Municipal Fleet Services Fund

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

The garages collections have increased for FY13. Users will continue to pay a \$65.00 per hour charge for garage services for vehicles that are not part of the lease program. For budgeting or planning purposes during FY13, a 25% premium is applied to parts billed to departments. Gasoline and diesel fuel will be billed to departments with an approximate 10% premium applied to cost.

Fleet Leasing Program. Continuing in FY13 is the Fleet Leasing Program, in which new vehicles will be purchased, owned and maintained by Fleet Services and leased back to the various departments and agencies at a fixed rate. Started in FY07 and designed to replace the entire fleet over a period of six years, the program is expected to both provide the capital for vehicle replacement going forward and reduce maintenance costs with the progressive replacement of the oldest vehicles in the city fleet with new vehicles. In FY10, in order to relieve some expenses to the departments, the capital replacement component of the lease rate was suspended temporarily. This component was restored in FY11.

Liability Insurance Fund

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

Health & Wellness Fund

Revenues are generated from health insurance premiums charged to employees, retirees, departments, and agencies, and from charges to departments and agencies for the onsite medical clinics and wellness initiatives. The city currently operates two clinics, one employee fitness facility, and an onsite pharmacy.

Internal Services Funds						
Expenditure Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg
Municipal Service Station	3,069,300	3,786,174	3,986,849	4,224,700	237,851	6.0%
Municipal Garage	6,424,035	6,855,850	6,664,080	7,157,000	492,920	7.4%
Fleet Leasing Operations	1,079,724	1,247,329	1,795,394	2,339,100	543,706	30.3%
Fleet Leasing Capital	5,113,732	4,881,405	10,082,000	6,439,000	(3,643,000)	-36.1%
Liability Insurance	3,517,311	567,637	1,000,000	730,000	(270,000)	-27.0%
Health & Wellness Fund	28,443,085	27,730,596	34,484,260	36,214,238	1,729,978	5.0%
Total Internal Services	47,647,187	45,068,991	58,012,583	57,104,038	(908,545)	-1.6%

Expenses

Municipal Fleet Services Fund

Expenses for these funds are primarily for personnel, inventory supplies, and vehicle purchases. Rising fuel costs has continued to impact the expenses in the Municipal Service Station. The City has begun purchasing more fuel efficient vehicles in an effort to minimize costs. FY13 projects a 6% rise in expenses over FY12 budget for Service Stations due to rising fuel costs. As more vehicles are added to the Fleet Leasing program, Leasing Operations cost will continue to rise. FY13 projects an increase of 30.3% over FY12 budget.

Liability Insurance Fund

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

Health & Wellness Fund

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

Internal Service Fund Revenue Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of total
Municipal Service Station (Fund 6501):							
Amnicola Service Station:							
Fleet Fuel-City Sales	996,761	1,077,438	1,100,000	1,310,000	210,000	19.09%	2.29%
Fleet Fuel-Outside Sales	25,096	25,871	25,000	31,100	6,100	24.40%	0.05%
Total Amnicola Station	1,021,857	1,103,309	1,125,000	1,341,100	\$ 216,100	19.21%	2.35%
12th & Park Service Station:							
Fleet Fuel- City Sales	2,005,225	2,501,562	2,195,000	2,895,300	700,300	31.90%	5.07%
Fleet Fuel- Outside Sales	41,272	46,634	45,000	58,200	13,200	29.33%	0.10%
Total 12th & Park Station	2,046,497	2,548,196	2,240,000	2,953,500	\$ 713,500	31.85%	5.17%
Total Municipal Service Station	\$ 3,068,354	\$ 3,651,505	\$ 3,365,000	\$ 4,294,600	\$ 929,600	51.06%	7.52%
Municipal Garage (Fund 6502):							
Amnicola Garage:							
Sale of Surplus Equip/Scrap	14,243	2	10,000	-	(10,000)	-100.00%	0.00%
Fleet - Sale of Parts	1,463,146	1,557,633	1,500,000	1,472,700	(27,300)	-1.82%	2.58%
Outside Sale of Parts	212,655	269,955	226,323	276,600	50,277	22.21%	0.48%
Sales - Labor	1,431,434	1,276,128	1,305,000	1,447,200	142,200	10.90%	2.53%
Outside Sales - Labor	207,215	190,402	185,000	222,400	37,400	20.22%	0.39%
Total Amnicola Garage	3,328,693	3,294,120	3,226,323	3,418,900	\$ 192,577	5.97%	5.99%
12th & Park Garage:							
Fleet - Sale of Parts	1,480,006	1,564,133	1,525,000	1,660,700	135,700	8.90%	2.91%
Outside Sale of Parts	36,893	43,404	46,000	29,000	(17,000)	-36.96%	0.05%
Sales - Labor	1,441,096	2,028,343	2,020,000	1,918,300	(101,700)	-5.03%	3.36%
Outside Sales - Labor	41,356	55,640	57,000	24,300	(32,700)	-57.37%	0.04%
Total 12th & Park Garage	2,999,351	3,691,520	3,648,000	3,632,300	(15,700)	-0.43%	6.36%
Total Municipal Garage	\$ 6,328,044	\$ 6,985,640	\$ 6,874,323	\$ 7,051,200	\$ 176,877	5.54%	12.35%
Fleet Leasing Operations(Fund 6503)							
Fleet Leased Vehicles	1,418,848	1,663,447	1,957,000	1,923,000	(34,000)	-1.74%	3.37%
Fleet Mileage Surcharge	250,444	337,077	250,000	452,000	202,000	80.80%	0.79%
Total Fleet Leasing Operations	\$ 1,669,292	\$ 2,000,524	\$ 2,207,000	\$ 2,375,000	\$ 168,000	7.61%	4.16%
Fleet Leasing Capital(Fund 6504-6505)							
Damage Settlements	111,729	98,100	115,000	115,000	-	0.00%	0.20%
Sale of Surplus Equip/Scrap	142,620	264,080	140,000	300,000	160,000	114.29%	0.53%
Vehicle Replacement Reserve	171,445	2,261,540	2,500,000	3,400,000	900,000	36.00%	5.95%
Fleet Mileage Surcharge	58,033	482,560	370,000	624,000	254,000	68.65%	1.09%
Use of Fund Balance	3,000,000	2,000,000	3,200,000	2,000,000	(1,200,000)	-37.50%	3.50%
Transfers In-General Fund	-	-	2,807,000	-	(2,807,000)	-100.00%	0.00%
Transfers In-Economic Development	-	-	950,000	-	-	-	-
Transfers In-Gen.Govt. Cap.Fund 4103	-	4,000,000	-	-	-	N/A	0.00%
Total Fleet Leasing Capital	\$ 3,483,827	\$ 9,106,280	\$ 10,082,000	\$ 6,439,000	\$ (3,643,000)	-36.13%	11.28%
Total Fleet Services	\$ 14,549,517	\$21,743,949	\$ 22,528,323	\$ 20,159,800	(2,368,523)	-10.51%	35.30%
Liability Insurance Fund (0651)							
Prior Year Surplus	-	351	-	-	-	N/A	0.00%
General Fund Transfer-1100	3,517,311	1,960,000	1,000,000	730,000	(270,000)	-27.00%	1.28%
Total Liability Insurance	\$ 3,517,311	\$ 1,960,351	\$ 1,000,000	\$ 730,000	\$ (270,000)	-27.00%	1.28%
Health & Wellness Fund (0652)							
Dept Prem Empl/Ret Healthcare	26,210,692	21,980,564	26,081,726	27,255,593	1,173,867	4.50%	47.73%
Dept Prem Pensioners	744,453	488,446	510,873	546,066	35,193	6.89%	0.96%
Dept Prem On Site Clinic & Wellness	1,986,164	2,014,133	2,570,238	2,520,987	(49,251)	-1.92%	4.41%
On Site Pharmacy Co Pay & OTC sales	592,226	4,017,615	4,404,329	4,466,952	62,623	1.42%	7.82%
Dept Prem Employee Health Center	-	-	917,093	1,424,640	507,547	55.34%	2.49%
Total Health & Wellness	\$ 29,533,535	\$28,500,758	\$ 34,484,260	\$ 36,214,238	\$ 1,729,978	5.02%	63.42%
Grand Total:	\$ 47,600,363	\$52,205,058	\$ 58,012,583	\$ 57,104,038	\$ (908,545)	-1.57%	100.00%

Internal Service Fund Expenditure Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of total
Municipal Service Station (Fund 6501):							
Amnicola Service Station							
Salaries & Wages	43,047	25,131	22,036	23,679	1,643	7.46%	0.04%
Fringes	14,054	12,547	11,833	13,977	2,144	18.12%	0.02%
Purchased Services	14,385	10,865	17,730	16,500	(1,230)	-6.94%	0.03%
Materials & Supplies	456	1,204	-	-	-	N/A	0.00%
Vehicle Operating Expenses	871	8,070	5,000	2,500	(2,500)	-50.00%	0.00%
Inventory Supplies	910,726	1,000,796	1,170,000	1,227,832	57,832	4.94%	2.15%
Gov'tl Charges, Taxes, Fees, Misc.	62,297	62,297	62,097	15,279	(46,818)	-75.39%	0.03%
Total Amnicola Station	1,045,836	1,120,910	1,288,696	1,299,767	11,071	-101.81%	2.28%
12th & Park Service Station							
Salaries & Wages	59,077	43,117	66,417	70,126	3,709	5.58%	0.12%
Fringes	19,274	19,721	38,070	44,674	6,604	17.35%	0.08%
Purchased Services	20,526	6,617	14,025	14,025	-	0.00%	0.02%
Materials & Supplies	1,003	2,149	1,000	1,000	-	0.00%	0.00%
Vehicle Operating Expenses	1,993	6,199	2,500	2,650	150	6.00%	0.00%
Insurance, Claims, Damages	87	76	-	-	-	N/A	0.00%
Inventory Supplies	1,794,646	2,458,335	2,450,000	2,757,700	307,700	12.56%	4.83%
Capital Outly	-	2,500	-	-	-	N/A	0.00%
Gov'tl Charges, Taxes, Fees Misc.	126,858	126,550	126,141	34,758	(91,383)	-72.45%	0.06%
Total 12th & Park Station	2,023,464	2,665,264	2,698,153	2,924,933	226,780	8.41%	5.12%
Total Municipal Service Station	\$ 3,069,300	\$ 3,786,174	\$ 3,986,849	\$ 4,224,700	\$ 237,851	5.97%	7.40%
Municipal Garage (Fund 6502):							
Amnicola Garage - Repair & Maint.							
Salaries & Wages	1,004,667	988,707	1,032,615	1,109,906	77,291	7.48%	1.94%
Fringes	378,760	455,817	516,988	588,201	71,213	13.77%	1.03%
Purchased Services	280,249	330,501	237,564	207,941	(29,623)	-12.47%	0.36%
Materials & Supplies	38,487	67,187	15,550	21,250	5,700	36.66%	0.04%
Vehicle Operation Expenses	83,375	107,322	68,505	112,300	43,795	63.93%	0.20%
Insurance, Claim, Damages	133,078	3,321	130,000	4,000	(126,000)	-96.92%	0.01%
Inventory Supplies	1,378,496	1,392,506	1,365,000	1,380,000	15,000	1.10%	2.42%
Capital Outlay	-	16,188	16,450	10,200	(6,250)	-37.99%	0.02%
Gov'tl Charges, Taxes, Fees, Misc.	186,850	198,798	180,200	256,234	76,034	42.19%	0.45%
Total Amnicola Garage	3,483,962	3,560,347	3,562,872	3,690,032	\$ 127,160	3.57%	6.46%
12th & Park Garage - Repair & Maint.							
Salaries & Wages	849,451	985,076	1,019,215	1,103,335	84,120	8.25%	1.93%
Fringes	313,639	473,405	514,769	618,379	103,610	20.13%	1.08%
Purchased Services	155,957	133,903	120,840	117,788	(3,052)	-2.53%	0.21%
Materials & Supplies	56,826	52,265	25,700	23,000	(2,700)	-10.51%	0.04%
Travel	492	-	-	500	500	N/A	0.00%
Vehicle Operating Expenses	126,944	160,691	112,000	119,700	7,700	6.88%	0.21%
Insurance, Claims, Damages	35,468	1,197	36,000	1,200	(34,800)	-96.67%	0.00%
Inventory Supplies	1,302,352	1,299,260	1,120,000	1,224,000	104,000	9.29%	2.14%
Capital Outlay	21,631	7,576	-	1,000	1,000	N/A	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	77,313	182,130	152,684	258,066	105,382	69.02%	0.45%
Total 12th & Park Garage	2,940,073	3,295,503	3,101,208	3,466,968	365,760	11.79%	6.07%
Total Municipal Garage	\$ 6,424,035	\$ 6,855,850	\$ 6,664,080	\$ 7,157,000	\$ 492,920	7.40%	12.53%
Fleet Leasing Operations(Fund 6503)							
Vehicle Operating Expenses	1,079,724	1,247,329	1,795,394	2,339,100	543,706	30.28%	4.10%
Total Fleet Leasing Operations Progr	\$ 1,079,724	\$ 1,247,329	\$ 1,795,394	\$ 2,339,100	543,706	30.28%	4.10%
Fleet Leasing Capital(Fund 6504-6505)							
Capital Outlay	2,113,732	2,881,405	6,882,000	4,439,000	(2,443,000)	-35.50%	7.77%
Fund Balance Reserve	3,000,000	2,000,000	3,200,000	2,000,000	(1,200,000)	-37.50%	3.50%
Total Fleet Leasing Capital Program	\$ 5,113,732	\$ 4,881,405	\$ 10,082,000	\$ 6,439,000	(3,643,000)	-36.13%	11.28%
Total Fleet Services	\$ 15,686,791	\$ 16,770,758	\$ 22,528,323	\$ 20,159,800	(2,368,523)	-10.51%	35.30%
Liability Insurance Fund(6200)							
Special Council & Claims	3,517,311	567,637	1,000,000	730,000	(270,000)	-27.00%	1.28%
Total Liability Insurance	\$ 3,517,311	\$ 567,637	\$ 1,000,000	\$ 730,000	(270,000)	-27.00%	1.28%

Internal Service Fund Expenditure Summary	Actual 10	Actual 11	Budget 12	Budget 13	Inc(Dec)	% chg	% of total
Health & Wellness Fund(6300)							
Employee/Retiree Healthcare	24,958,182	20,604,335	22,744,413	25,579,153	2,834,740	12.46%	44.79%
Pensioners	540,325	465,913	510,873	949,885	439,012	85.93%	1.66%
On Site Clinic & Wellness	2,013,634	2,094,854	2,723,930	2,978,544	254,614	9.35%	5.22%
On Site Pharmacy	930,945	4,565,494	5,005,043	5,706,656	701,613	14.02%	9.99%
Employee Health Center	-	-	3,500,000	1,000,000	(2,500,000)	-71.43%	1.75%
Total Health & Wellness	\$ 28,443,085	\$ 27,730,596	\$ 34,484,260	\$ 36,214,238	1,729,978	5.02%	63.42%
Grand Totals	\$ 47,647,187	\$ 45,068,991	\$ 58,012,583	\$ 57,104,038	(908,545)	-1.57%	100.00%



General Government

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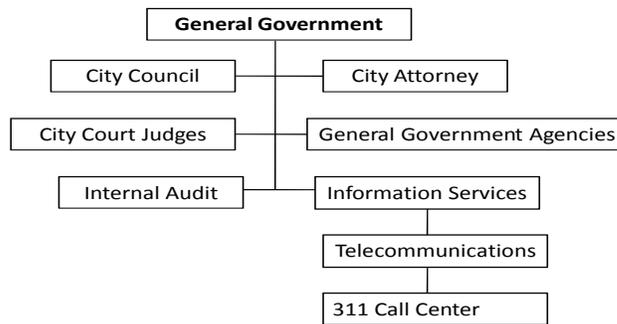
Mission:

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

Description:

The General Government budget provides for legal and legislative functions of government that pertain to the general day to day operations of the City of Chattanooga, as well as appropriations for most agencies and nonprofit organizations or other special funds to which the City contributes funding. The City Council Office and City Court Judges represent the elected officials of the City and their respective operations. The City Attorney's Office represents the City in all legal matters, litigating on behalf of the City, as well as providing legal advice to the governing body and other departments where appropriate. 311 Call Center simplifies citizen access to government by providing a single point of contact for all City services. In addition, 311 provides City departments with data needed to identify service needs, trends, and outcomes. Information Systems is under General Government. This area includes information service and telecommunications. It is the policy of the Mayor to maintain a comprehensive program of internal auditing as an overall control measure and as a service to the City. Its purpose is to aid City management in achieving City goals without undue risk. It is in internal control that functions by measuring and evaluating the effectiveness of other controls. It also serves as a deterrent to fraud, waste, and abuse.

Other functions in General Government include funding for memberships in organizations such as the Tennessee Municipal League. Funds are also provided for promotion of the city through various means as determined by the Mayor or the City Council. Administrative expenses for the annual audit, various general studies and surveys which the City deems necessary are administered through this department.



Goals and Objectives

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

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

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

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

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

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

To provide timely, efficient and quality telecommunications and information services for all City departments and agencies.

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

Deliver a quality customer experience to 311 customers

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

Performance Measures	Actual FY11	Goal FY12	Actual FY12	Goal FY13
311 service requests created	135,692	118,000	111,879	118,000
311 service requests closed	93.0%	100%	96.6%	100%
Days from Council Meeting to minutes	2	2	2	2

Department Summary				
	Actual FY 09/10 *	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13
City Council Office	\$ 690,361	\$ 729,754	\$ 784,351	\$ 788,113
Office of City Court Judges	716,017	774,791	806,734	818,438
Office of City Attorney	1,108,136	1,182,055	1,387,359	1,427,490
Supported Agencies	13,606,953	13,289,052	19,386,074	18,768,557
Debt Service	10,906,307	15,494,469	14,400,000	16,942,222
Liability Insurance Fund	800,000	1,960,000	1,000,000	730,000
311 Call Center	488,179	525,015	606,980	604,716
Internal Audit	458,219	450,547	543,732	548,543
Information Services	3,162,605	3,662,983	3,861,812	4,099,816
General Services	2,682,072	-	-	-
Other General Government Activities	10,112,239	3,102,015	4,882,548	8,371,930
Total Expenditures	\$44,731,088	\$41,170,681	\$47,659,590	\$53,099,825
Per Capita	\$261.77	\$240.27	\$284.24	\$316.68
Positions Authorized	181	91	90	90

Resources				
	Actual FY 09/10 *	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13
Personnel	\$ 5,388,511	\$ 6,038,024	\$ 6,984,314	\$ 7,350,274
Overtime	12,195	9,504	-	5,000
Operating	39,330,382	35,059,038	40,675,276	45,639,975
Revenue	-	-	-	-

* Note: General Services reported as separate department in FY11

Supported Agencies

Supported agencies are a portion of General Government and are primarily in two different categories. The first category is appropriations to special funds that were either jointly supported with Hamilton County and/or some other agency which are accounted for in another fund on the City's books. These included Public Library, Regional Planning Agency and the Air Pollution Control Bureau. The Sales Tax Agreement that jointly funded those agencies ended during FY2011. The second category is appropriations to other organizations which the City Government determines meet the definition of serving a public purpose that are not accounted for on the City books. These include agencies such as Urban League, Allied Arts, and Chattanooga Neighborhood Enterprise (CNE). The following descriptions give a short explanation of each general government agency. Some of the appropriations are for closed-ended programs, but most are for ongoing programs or agencies which the City Government supports on a continual basis. Amounts are provided for Fiscal Year 2012/2013 per Ordinance 12622.

Air Pollution Control Bureau

The overall mission is to achieve and maintain levels of air quality which will protect human health and safety and prevent injury to plant and animal life and property. The Chattanooga Area has progressed from being listed as one of the nation's most polluted cities in the late 1960's to being held out as a model of improvement. The City currently meets all federal air quality standards. The bureau provides a program of air pollution prevention, abatement, and control to foster the health, comfort and convenience of all citizens of Hamilton County.

City's Contribution.....\$289,626

Alexian Brothers Senior Neighbors

Since 1960, Senior Neighbors, an Alexian Brothers ministry, has been Chattanooga's resource for all things related to aging well. Senior Neighbors provides vocational, social, mental, spiritual and physical opportunities designed to maintain and improve health and wellness.

City Contribution\$12,720

Allied Arts Council

The overall mission is to provide a united voice for all cultural organizations and activities, further the significance of their roles in the life of the community, provide financial assistance and such other measures necessary to strengthen the area's cultural resources, and work with other agencies in the public and private sectors to make quality of life a priority issue for the community. Through its annual fund drive, Allied Arts provides essential operating funds to the following cultural institutions:

*Arts and Education Council
Association for Visual Arts
Ballet Tennessee
Bessie Smith Cultural Center
Chattanooga Ballet
Chattanooga Boys Choir*

*Chattanooga Girls Choir
Chattanooga History Center
Chattanooga Symphony and Opera
Chattanooga Theatre Centre
Choral Arts of Chattanooga
Creative Discovery Museum
Houston Museum of Decorative Arts
Hunter Museum of American Art
Shaking Ray Levi Society*

City's Contribution.....\$226,472
(\$50,000 of City appropriation helps to fund the Pops on the River concert held in July)

Bessie Smith Cultural Center

The mission of the Bessie Smith Cultural Center is to collect, preserve, interpret and present art and artifacts relating to the history and culture of African Americans while serving as a resource for local and national history. The Cultural Center also houses artifacts and documents to support educational programs, services and resources for the community. The programs promote ethnic pride, self-esteem, cultural enrichment, cross-cultural awareness, improved human relations within the community and sensitivity to the African-American experience. The museum helps one to understand the culture and heritage of African-Americans.

City's Contribution.....\$54,000

Carter Street Corporation

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

City's Contribution.....\$200,000

Chattanooga Area Regional Council of Governments / Southeast Tennessee Development District

The mission is to provide area-wide planning and coordination on a regional basis and to assist local governments in project and program development within the thirteen counties of Southeast Tennessee and the bi-state metropolitan Chattanooga region. This agency’s program represents local governments in their relationships to State and Federal programs and seeks to maximize the amount of external funding that can be brought to bear on the area’s development needs. Examples of funding secured in past years include funding for CARTA, the regional sewage treatment facility, industrial parks, water and sewer projects and a number of social service agencies for the elderly.

City’s Contribution.....\$38,544

Chattanooga Public Library

The library serves the community by making materials and services available to all residents. To meet patrons’ educational, professional, and personal needs, the library provides current information, promotes learning, and preserves the community’s history. The library provides access to information through books, periodicals, newspapers, pamphlets, government documents, phonograph records, audiocassettes, videocassettes, films, internet, and brochures. Through state, regional, national and international networks, the library can provide access to resources. The library encourages the love of reading in children and adults and provides information for both leisure and professional use.

City’s Contribution.....\$5,771,950

Chattanooga African-American Museum/Building Maintenance

The City & Hamilton County are responsible for the overall management and maintenance of the Heritage Center in which the Center houses the Bessie Smith Hall and the African-American Museum. FY13 appropriation includes capital funds to replace the HVAC system.

City’s Contribution.....\$82,707

Chattanooga Area Regional Transportation Authority (CARTA)

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

City’s Contribution.....\$4,772,000

Chattanooga Area Urban League

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

City’s Contribution.....\$40,000

Chattanooga History Center

The overall mission is to collect, preserve, research, interpret and display the written, spoken, pictorial and artifactual record of the Chattanooga and Tri-State region from the earliest times to the present. This is accomplished by operating a museum and providing appropriate publications, exhibits and educational programs for all segments of the community. The museum has a working board and staff, and a proven track record of helping to improve the quality of life for current and future Hamilton County residents. Education is the primary purpose, which the education department fulfills with a full schedule of school tours, adult programs and outreach programs. The “Traveling Trunks” outreach program includes hands-on activities that bring to life specific historical periods in our area.

City’s Contribution.....\$15,200

Chattanooga Neighborhood Enterprise

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

City’s Contribution.....\$900,000

Chattanooga/Hamilton County Regional Planning Agency

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

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

City's Contribution.....\$2,247,235

Children's Advocacy Center

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

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

Choose Chattanooga

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

City's Contribution.....\$16,900

Community Foundation Scholarships

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

City's Contribution.....\$101,300

Enterprise Center

The Enterprise Center promotes high-tech economic development in the Chattanooga community to create jobs and build wealth. Through public/private partnerships, the Enterprise Center connects local entrepreneurs, business and industry to National laboratories, research universities and federal research-oriented programs. Their core initiatives are alternative energy, advanced transportation, technology development and transfer, and community revitalization. The Center manages the HUD-designated Renewal Community program and assists with Brownfields redevelopment issues in the community.

City's Contribution\$160,500

Enterprise South Nature Park

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

City's Contribution.....\$682,200

Enterprise South Industrial Park Security

This activity is to provide security services specific to the Enterprise South Industrial Park and is equally funded between Hamilton County and the City. The park is managed by the County with the City contributing half of the cost of operations.

City's Contribution\$55,427

Friends of Moccasin Bend

The purpose of the Friends of Moccasin Bend National Park is to support the preservation, protection and interpretation of the cultural, historical and natural resources of Moccasin Bend National Archeological District in partnership with the National Park Service. The Friends will also support the design, construction and sustainability of an interpretive center/visitor facility at Moccasin Bend.

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

Homeless Healthcare Center

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

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

Human Services

This City department provides for the administration and the operations of all public programs and projects of a human nature in the city such as the following:

- Foster Grandparents program enables eligible older adults to help special needs children within their community, while strengthening their bond to the neighborhood
- Offer emergency assistance including food vouchers, clothing, and rent or utility funds to prevent eviction or service interruption
- Increase the availability of decent and affordable shelter through the Low Income Home Energy Assistance Program (LIHEAP), Mortgage Assistance, Rental Assistance and Reverse Mortgage counseling
- Reduce foreclosures, evictions and utility cutoffs within the very low income population

- Offer numerous channels to reduce hunger and improve nutrition
 - Provide early education for low income children through Head Start and Early Head Start
 - Seek constant improvement in each child's skill attainment level, tracked in a Child Portfolio, as a gauge of school readiness
 - Increase the numbers of children in Early Head Start
 - Increase childhood immunizations
- City's Contribution.....\$1,033,477

Railroad Authority

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

City's Contribution.....\$16,923

RiverCity

The RiverCity Company is a private, not-for-profit corporation. RiverCity's Board of Directors is made up of the City and County Mayors, the Chairs of the City Council and the County Commission and community leaders. The primary mission is to ensure a vibrant and attractive downtown that is the economic, social and cultural centerpiece of the Chattanooga region by developing downtown real estate, making and programming great urban spaces and employing creative urban design.

City's Contribution\$67,500

Scenic Cities Beautiful

The organization's focus is to study, investigate, develop, and carry out programs for improving the cleanliness and beauty of the community through organized cleanups and beautification efforts. The organization also works with groups to implement proper waste handling practices, and to support and promote community wide recycling. Scenic Cities serves as the coordinating body for county-wide cleanups and beautification programs, and provides support, information, and materials to those involved in promoting a cleaner community. It also provides speakers and environmental exhibits for community affairs, garden clubs, civic groups, and neighborhood organizations.

City's Contribution.....\$5,000

Tennessee Riverpark

This is a jointly funded activity in partnership with the Hamilton County Government. The local leaders have committed to a redevelopment of the riverfront area which includes a park connecting the north shore and downtown area with the Chickamauga Dam. This park is overseen by

the County government, with the City contributing half of the cost of operations.

City's Contribution.....\$1,077,154

WTCTV 45

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

City's Contribution.....\$85,000

Partnership for Families, Children and Adults/ Rape Crisis

The Partnership's Crisis Resource Center provides safe and secure shelter to victims of domestic and family violence, sexual assault, chronically homeless women and in the case of an emergency. The trained staff offer counseling to victims, assistance with legal matters, court advocacy and shelter. It is a "one stop shop" for victims of violence.

City's Contribution.....\$56,522

Children's Home/Chambliss Shelter

The Children's Home has two programs, both of which care for the at-risk children in the City. The Extended Child Care Program focuses on early childhood education and school preparedness, while allowing parents to work or stay in school. Fees are based on income, so that low-income families can afford child care and continue to work or further their education. The residential side of the Home, called Chambliss Shelter, cares for children who have been removed from their homes either due to neglect, abuse, or delinquency. Children in this program are cared for in their group home or in their foster homes. Caring for the children in both of these programs allows for a better quality of life for the children, brings some of them out of the cycle of poverty, and helps families who struggle financially. The result is that more parents can hold down a job, more children begin school with the necessary skills, and hundred of children are kept safe every day.

City's Contribution.....\$347,500

Fortwood Center

Fortwood provides mental health services for adults and children residing in the City that are uninsured or underinsured. This also includes training of graduate students in mental health clinical care.

City's Contribution.....\$55,000

Joe Johnson Mental Health Center

Our community depends upon the mental wellness of its citizens. When citizens receive treatment for their mental illness and substance abuse problems, they increase their ability to live as contributing members of our community. When people are engaged in their treatment, they often use less community resources. For the mentally ill this often means less encounters with police officers and lower rates of jail incarceration, less visits to local emergency rooms, etc. Community mental health services are delivered in the least restrictive environment, which produces a savings to the City.

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

Speech and Hearing Center

The Center is the only nonprofit of its kind in the Chattanooga area that provides audiological and speech pathology services to individuals at or below the poverty line who are unable to afford the full fees for services. They also are an early identification and intervention program for children under five years old who have communication disorders. The services they provide the community ensure that children are prepared to enter school and perform at grade level, and that older individuals with communication disorders are able to find or maintain gainful employment, take part in educational opportunities, and remain connected to others socially. Each of these items creates a purposeful existence for our clients, and produces productive, stable citizens for Chattanooga.

City's Contribution.....\$67,700

Orange Grove Center

The Center is a private, non-profit organization serving adults and children with developmental disabilities. The Adult Comprehensive Training Program provides individualized services and supports that enables enrollees to acquire, retain or improve self-help skills, participate in community activities, and work.

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

Signal Centers

Signal Centers' Adult Services is designed to benefit and, serve the needs of two groups who are in need of day services:

- a) adults with a primary diagnosis of a physical disability
- b) low-income individuals over the age of sixty

The overall goals for both groups are:

- To increase or maintain independence
- Reduce feelings of isolation and depression
- To provide learning opportunities to develop, maintain, or increase skills in the areas of:

- 1)Work/employment
- 2)Socialization
- 3)Daily living skills

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

AIM Center, Inc.

AIM Center offers critically-needed psychosocial, employment, and housing services in the Chattanooga public System of Care (SOC) for mentally ill adults age 18 and older. According to average national statistics released January 2012 by the Substance Abuse and Mental Health Services Administration, the City of Chattanooga would be comprised of 20% or 33,535 individuals with a mental illness at any given time with 25% or 8,494 of those having a severe mental illness.

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

Bethlehem Center

The Bethlehem center has been in the business of training leaders for the last 92 years. Leaders are important to our future; therefore The Bethlehem Center specializes in training leaders with the V-Team Leadership Curriculum, an international curriculum developed by the International Leadership Institute. The 8 core values of effective leadership include: 1) Intimacy with God, 2) Passion for People, 3) Visionary Leadership, 4) Culturally Relevant Communication, 5) Multiplication of Leaders, 6) Family as Priority, 7) Good Stewardship and 8) Integrity. Teaching these values reduces the chances of our youth being involved with gangs, drugs and other criminal activities.

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

Agencies	Actual FY09/10	Actual FY10/11	Budget FY11/12	Budget FY12/13
Air Pollution Control Bureau	270,820	270,820	270,820	289,626
Alexian Brothers Senior Neighbors ¹⁾		17,700	12,720	12,720
Allied Arts Council	191,250	161,200	176,472	226,472
Bessie Smith Cultural Center	64,000	54,000	54,000	54,000
Carter Street Corp	185,000	161,257	200,000	200,000
Chatt. Area Regional Council of Gov. Southeast Tennessee Dev. District	31,111	36,038	36,038	38,544
Chattanooga Public Library	2,640,000	2,777,468	5,655,773	5,771,950
Chattanooga African-Museum Building Maintenance	62,653	62,653	62,653	82,707
Chattanooga Area Food Bank	15,000	12,700	0	0
Chattanooga Area Regional Transportation Authority (CARTA)	3,851,000	4,231,000	4,675,000	4,772,000
Chattanooga Area Urban League	50,000	42,200	50,000	40,000
Chattanooga Downtown Partnership	80,000	0	0	0
Chattanooga History Center	18,000	15,200	15,200	15,200
Chattanooga Neighborhood Enterprises	900,000	1,000,000	1,150,000	900,000
Chattanooga/ Hamilton County Regional Planning Agency	1,115,712	1,378,500	2,631,648	2,247,235
Children's Advocacy Center	22,500	19,000	19,000	30,000
Choose Chattanooga	20,000	16,900	16,900	16,900
Community Foundation Scholarships	120,000	101,300	101,300	101,300
Community Impact of Chattanooga	208,511	175,600	100,000	0
Enterprise Center	237,500	260,500	160,500	160,500
Enterprise South Nature Park	283,861	434,600	1,239,750	682,200
GO Fest		8,440		
ESIP Security	55,496	53,488	53,827	55,427
Finley Stadium	60,000	60,000	0	0
Friends of Moccasin Bend	30,000	25,300	30,000	30,000
Front Porch Alliance	27,000	22,800	22,800	0
Homeless Healthcare Center	15,750	13,300	13,300	25,000
Human Services	1,233,477	733,477	733,477	1,033,477
Railroad Authority	67,822	0	10,311	16,923
RiverCity	0	67,500	67,500	67,500
Scenic Cities Beautiful	5,000	4,220	5,000	5,000
Tennessee Riverpark	1,219,775	1,021,241	1,050,701	1,077,154
WTCI TV 45	45,000	50,650	80,000	85,000
Partnership/Rape Crisis ²⁾	0	0	56,522	56,522
Children's Home - Chambliss Shelter ²⁾	0	0	275,000	347,500
Team Centers ²⁾	0	0	50,000	0
Fortwood Center ²⁾	0	0	105,000	55,000
Joe Johnson Mental Health ²⁾	0	0	60,156	60,000
Speech & Hearing Center ²⁾	0	0	67,700	67,700
Orange Grove ²⁾	0	0	32,000	30,000
Signal Center ²⁾	0	0	30,006	30,000
Homeless Coalition ²⁾	0	0	15,000	0
AIM Center, Inc ²⁾	0	0	0	60,000
Bethlehem Center ²⁾	0	0	0	25,000
TOTAL	13,126,238	13,289,052	19,386,074	18,768,557

1) Alexian Brothers was previously funded in Parks & Recreation Department

2) New requests as a result of Sales Tax Agreement with Hamilton County ending in FY 2011



Economic Development

Ron Littlefield, Mayor

www.chattanooga.gov

Description:

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

Department Summary

	Actual FY 09/10	Budget FY 10/11	Budget FY 11/12	Budget FY 12/13
Capital fund	2,999,500	2,157,131	2,775,817	1,238,801
TN Multi-Cultural Chamber of Commerce	75,000	75,000	0	0
Chamber for Economic Devel	450,000	450,000	450,000	450,000
Chamber Marketing-Enterprise South	75,000	76,358	75,000	75,000
Chamber of Commerce - Minority Business Development	0	0	25,000	25,000
Chattanooga Area Urban League - Minority Business Development	0	0	50,000	50,000
Commission to Hamilton County	0	0	109,832	116,390
Net Debt Service	6,013,700	7,378,383	9,662,719	9,683,809
Tourist Development Debt Service	2,359,549	0	0	0
Total Expenditures	\$ 11,972,749	\$ 10,136,873	\$ 13,148,368	\$ 11,639,000
City Only Sales Tax	\$ 10,182,243	\$ 10,652,849	\$ 10,983,200	\$ 11,639,000
Unreserved Fund Balance	0	0	0	0
TDZ State Sales Tax	1,809,793	0	0	0
TDZ County Sales tax	549,755	0	0	0
Interest Income	46,111	0	0	0
Total Revenues	\$ 12,587,902	\$ 10,652,849	\$ 10,983,200	\$ 11,639,000
Per Capita	\$ 70.07	\$ 59.16	\$ 78.42	\$ 69.41

Note: Ordinance # 12533 for Fiscal Year 11/12 authorized the allocation of \$75,000 from the Economic Development Fund for the purpose of supporting an agency with the goal of assisting small businesses, multicultural, minority and women-owned businesses in the City of Chattanooga. Ordinance # 12568 reallocated the \$75,000 - \$25,000 to the Chamber of Commerce and \$50,000 to the Chattanooga Urban League.





Community Development

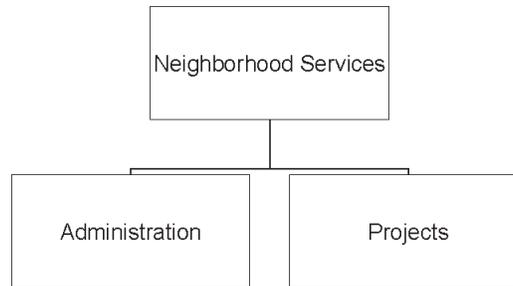
Beverly P. Johnson, Administrator

Anthony Sammons, Deputy Administrator

www.chattanooga.gov/communitydev

Mission:

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



Description:

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

Goals & Objectives:

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

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

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

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

To increase employment in lower income areas.

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

Performance Measures	Actual	Goal	Actual	Goal
	FY11	FY12	FY12	FY13
Increase the stock of safe, affordable rental units	19	20	16	19
Rehabilitate substandard housing # of units	76	104	48	76
Assist first time LMI(low/moderate income) purchase with mortgages	63	50	15	63
# of Participants in Homebuyer Education Programs	303	160	119	160

*N/A=Not Available

Community Development

Beverly P. Johnson, Administrator

Anthony Sammons, Deputy Administrator

www.chattanooga.gov/communitydev

Department Summary

	Actual FY09/10	Actual FY10/11	Budget FY11/12	Budget FY12/13
Administration	451,000	354,467	522,861	497,954
Community Dev Projects	4,287,679	5,023,709	3,065,111	2,806,997
Total Expenditures	\$ 4,738,679	\$ 5,378,176	\$ 3,587,972	\$ 3,304,951
Per Capita	\$ 27.73	\$ 31.39	\$ 21.40	\$ 19.71
Positions Authorized	7	7	7	7

Resources

	Actual FY 09/10	Actual FY10/11	Budget FY11/12	Budget FY12/13
Personnel	\$ 390,000	\$ 442,739	\$ 497,954	\$ 494,324
Overtime	0	0	0	0
Operating	4,348,679	4,939,247	3,090,018	2,810,627
Revenue	4,738,679	5,381,986	3,587,972	3,304,951



Department of Finance & Administration

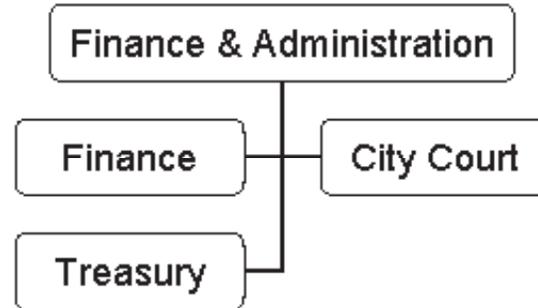
Daisy W. Madison, Administrator
 Vickie C. Haley, Deputy Finance Officer
www.chattanooga.gov/finance

Mission:

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

Description:

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



Goals & Objectives:

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

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

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

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

Performance Measures	Actual FY11	Goal FY12	Actual FY12	Goal FY13
Cash Management Yield on investment portfolio	0.58%	0.5%	0.59%	0.5%
% of Current Levy Collected	94.0%	95.0%	94.4%	95.0%
Annual Debt Service Requirement as % of General Fund	5.0%	5.0%	9.7%	5.0%
Bond Rating by Standard & Poor's	AA+	AA+	AA+	AA+
Bond Rating by Fitch Ratings Ltd.	AA+	AA+	AA+	AA+

Department of Finance & Administration

Daisy W. Madison, Administrator

Vickie C. Haley, Deputy Finance Officer

www.chattanooga.gov/finance

Department Summary

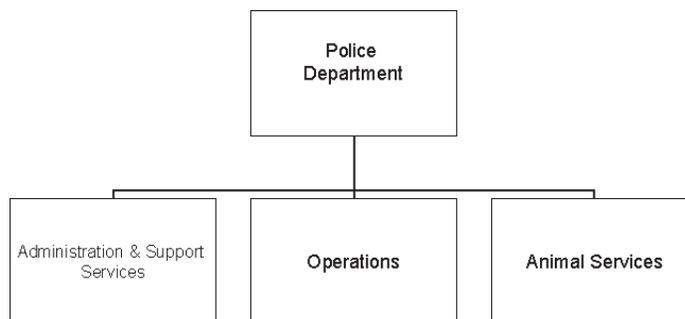
	Actual FY 09/10	Actual FY 10/11	Budget FY11/12	Budget FY12/13
Finance	\$2,034,358	\$2,141,755	\$3,018,540	\$3,034,127
Treasurer	707,961	680,202	865,133	930,133
City Court Clerk	905,490	965,214	1,219,806	1,154,806
Total Expenditures	\$ 3,647,809	\$ 3,787,171	\$ 5,103,479	\$ 5,119,066
Per Capita	\$ 23.57	\$ 24.47	\$ 30.44	\$ 30.53
Positions Authorized	67	68	68	68

Resources

	Actual FY 09/10	Actual FY 10/11	Budget FY11/12	Budget FY12/13
Personnel	\$ 3,037,380	\$ 3,162,410	\$ 4,087,680	\$ 4,055,957
Overtime	1,233	1,838	2,700	2,700
Operating	609,196	622,923	1,013,099	1,060,409
Revenue	161,795,416	182,261,252	194,845,260	202,471,750

Mission:

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



Description:

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

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

Although, the Animal Services remain a division of the department, the function of Animal Services is no longer performed by the City directly, we only oversee. In 2008 the McKamey Animal Care and Adoption Center was created to provide essential services to residents of Chattanooga. The mission of the Animal Care Trust/McKamey Animal Center is to protect animals from neglect, abuse and exploitation; to advocate for their interests and welfare; to reduce the unwanted pet population through an effective spay/neuter program; and to inspire and educate the citizens of the City of Chattanooga toward an awareness and compassion for all living beings.

Goals & Objectives:

Reduce Index Offenses Crime

- ① Reduce all Crime 3% in 2012 (Calendar Year)
- ② Reduce all Property Crime 5% in 2012 (Calendar Year)
- ③ Meet or surpass national Uniform Crime Report crime reduction trends each year.

Prevent Crime and Make Citizens Safe

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

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

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

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

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

Calendar Year

Performance Measures	Actual 2010	Goal 2011	Actual 2011	Goal 2012
Crimes Committed	-15.5%	-3%	-1.0%	-3%
Moving Violations	-15.2%	-5%	-6.8%	-5%
Parking Violations	-24.8%	-3%	-32.9%	-3%
Traffic fatalities	25	15	19	15
Weapons Seized	530	400	465	400
Citizen Complaints	63	50	44	50

N/A = Not Available

Department of Police

Bobby H. Dodd, Chief of Police

Tom Kennedy, Deputy Police Chief

www.chattanooga.gov/police/

Department Summary

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13
Police Administration	\$ 3,463,446	\$ 2,423,005	\$ 3,715,670	\$ 2,850,483
Operations	24,333,200	29,292,333	31,994,562	34,274,999
Animal Services	1,474,574	1,518,809	1,564,373	1,564,373
Support Services	11,854,342	14,608,107	17,067,525	17,014,793
Total	\$ 41,125,562	\$ 47,842,254	\$ 54,342,130	\$ 55,704,648
Per Capita	\$ 265.73	\$ 309.13	\$ 324.09	\$ 332.22
Positions Authorized	601	597	597	* 597

*Automated Traffic Control (Special Revenue Fund) includes 7 authorized sworn positions. FY 13 total is 604.

Resources

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13
Personnel	\$ 30,957,802	\$ 35,795,691	\$ 41,618,651	\$ 43,020,327
Overtime	519,095	555,120	722,000	722,000
Operating	9,648,665	11,491,443	12,001,479	11,962,321
Revenue	433,714	495,661	353,100	461,900



Department of Fire

Randall Parker, Fire Chief
Lamar Flint, Exec Dep Fire Chief

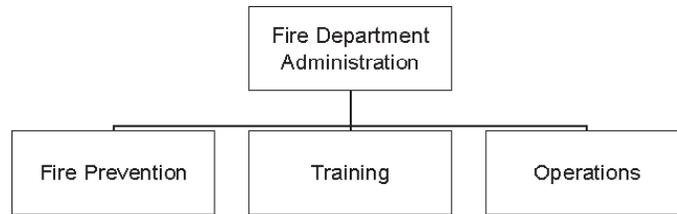
www.chattanooga.gov/fire/fire

Mission:

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

Description:

The department has four core divisions: Fire Administration, Operations, Fire Prevention, and Training. Operations includes 19 fire stations and more than 400 firefighters who respond to fire, automobile accidents, first response medical emergencies, hazardous materials incidents and other emergencies. The Fire Prevention Bureau includes code enforcement, fire investigation, and fire safety education. The Training Division provides instruction to all fire fighters on the latest tactics and technology in the fire service, and also trains new recruits in fire academies.



Goals & Objectives:

Reduce fire fatalities and injuries for civilians and firefighters.

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

Reduce property loss resulting from fire.

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

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

Provide a Homeland Security regional response

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

Performance Measures	Actual	Goal	Actual	Goal
	FY11	FY12	FY12	FY13
Average response time (Department)	5:12	5:00	5:36	5:00
Inspections	4,750	6,500	4,298	6,500
Civilian Deaths	4	-	3	-
Civilian injuries	6	-	8	-
Firefighter Injuries	66	-	56	-
Property Damage (\$million)	\$7.35	\$ 5.45	\$6.31	\$ 5.45
Fire Calls	951	-	775	-
Non-Fire Calls	15,412	-	15,386	-

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

Department of Fire

Randall Parker, Fire Chief

Lamar Flint, Exec Dep Fire Chief

www.chattanooga.gov/fire/fire

Department Summary

	Actual FY9/10	Actual FY10/11	Budget FY11/12	Budget FY12/13
Fire Administration	\$ 1,643,182	\$ 1,917,325	\$ 3,410,016	\$ 3,231,527
Operations	\$ 24,051,930	\$ 29,195,484	\$ 31,442,230	\$ 32,490,311
Prevention	\$ 1,020,552	\$ 1,186,586	\$ 1,331,047	\$ 1,386,449
Training	\$ 1,267,645	\$ 1,225,735	\$ 881,398	\$ 797,085
Total Expenditures	\$ 27,983,309	\$ 33,525,130	\$ 37,064,691	\$ 37,905,372
Per Capita	\$ 163.76	\$ 195.65	\$ 221.05	\$ 226.07
Positions Authorized	417	429	431	446

Resources

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY12/13
Personnel	\$ 25,268,402	\$ 30,705,799	\$ 34,011,200	\$ 34,429,657
Overtime	22,032	19,592	15,700	9,400
Operating	2,692,875	2,799,740	3,037,791	2,915,790
Revenue ¹⁾	750	48,664	22,000	11,400

1) During FY10 by Ord.# 12356 the City Council amended the fees for services rendered by the Fire Department.



Department of Public Works

Steve Leach, Administrator

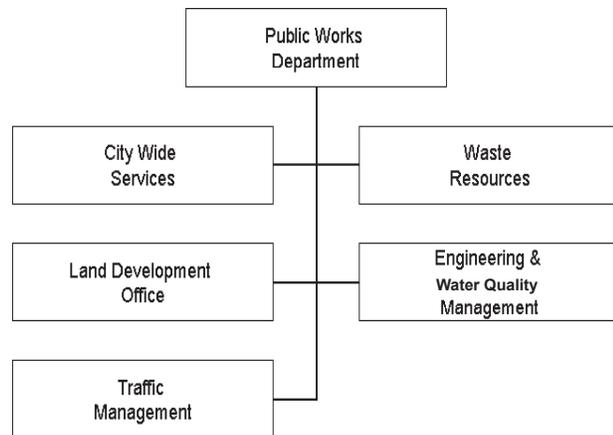
Lee Norris, Deputy Administrator

www.chattanooga.gov/pubworks/

Mission:

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

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



Goals & Objectives:

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

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

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

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

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

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

Department of Public Works

Steve Leach, Administrator

Lee Norris, Deputy Administrator

www.chattanooga.gov/pubworks/

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

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

Performance Measures	Actual FY11	Goal FY12	Actual FY12	Goal FY13
City Wide Service CSRs closed on time	92.2%	95.0%	72.7%	95.0%
Trash Flash CSRs closed on time	96.8%	96.0%	96.4%	96.0%
Engineering CSRs closed on time	38.3%	95.0%	33.4%	95.0%
Missed Garbage CSRs closed on time	94.0%	96.0%	97.2%	96.0%
Traffic Engineering CSRs closed on time	85.1%	95.0%	80.1%	95.0%
Waste Resources CSRs closed on time	89.3%	96.0%	95.4%	96.0%

Department Summary

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13
General Fund	\$ 27,476,923	\$ 30,800,318	\$ 32,403,031	\$ 32,145,690
Interceptor Sewer Fund	\$ 52,765,259	\$ 47,130,129	\$ 49,533,000	\$ 50,923,117
Solid Waste Fund	\$ 4,965,917	\$ 8,323,291	\$ 6,888,100	\$ 6,233,755
Water Quality Fund (1)	\$ 8,877,330	\$ 22,328,857	\$ 14,298,800	\$ 15,558,000
State Street Aid Fund	3,940,663	4,224,893	4,315,000	4,280,000
Total Expenditures	\$ 98,026,092	\$ 112,807,488	\$ 107,437,931	\$ 109,140,562
Per Capita	\$ 577.02	\$ 660.16	\$ 627.01	\$ 636.95
Positions Authorized	630	629	633	637

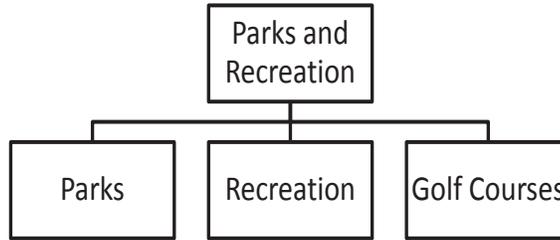
Resources

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13
Personnel	\$ 23,610,602	\$ 29,226,424	\$ 32,994,936	\$ 36,089,023
Overtime	758,030	957,758	634,900	675,600
Operating	73,657,460	82,623,306	71,308,095	72,375,939
Revenue	68,664,469	84,575,431	104,937,931	109,140,562



Mission:

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



Description:

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

Goals & Objectives:

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

- ❶ *Maintain and improve the standards of park maintenance, with available resources, and with the ultimate goal of increasing citizen use and appreciation.*
- ❷ *Increase the use/attendance of recreation centers and programs, through an increased variety and number of quality program offerings.*
- ❸ *Enhance community participation through new approaches to publicizing programs, facilities and services.*

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

- ❶ *To ensure that the park system is accessible to all city residents.*
- ❷ *To ensure that parks and programs are offered in diverse areas.*
- ❸ *To reasonably anticipate the priorities or needs each park area demands.*

To work in concert with existing preservation groups.

- ❶ *To develop strategic alliances and partnerships with conservation groups, having similar missions, to supplement diminishing limited resources, in order to maintain existing conservation sites within the Parks Department.*
- ❷ *To increase land set aside for conservation along creeks and waterways.*
- ❸ *Help foster citizen involvement in preserving our parks and open spaces.*

Performance Measures	Actual	Goal	Actual	Goal
	FY11	FY12	FY12	FY13
Park Permit CSRs closed on time	96.3%	95%	97.9%	95%
Park reservation CSRs closed on time	98.6%	97%	97.2%	97%
Park work requests closed on time	69.6%	90%	56.9%	90%
Recreation Center Attendance	630,178	600,000	721,415	600,000

Parks & Recreation

Lawrence A. Zehnder, CPRP, Administrator

www.chattanooga.gov/cpr

Department Summary

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY12/13
Parks & Recreation	\$ 11,120,520	\$ 12,867,696	\$ 13,878,590	\$ 13,731,676
Chattanooga Zoo	593,719	674,415	658,577	671,728
Municipal Golf	1,747,900	1,847,522	1,798,000	1,768,200
Total Expenditures	\$ 13,462,139	\$ 15,389,633	\$ 16,335,167	\$ 16,171,604
Per Capita	\$ 78.78	\$ 89.81	\$ 97.42	\$ 96.45
Positions Authorized	236	236	230	230

Resources

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY12/13
Personnel	\$ 9,055,592	\$ 9,462,270	\$ 10,858,620	\$ 10,723,510
Overtime	68,431	107,796	20,702	20,702
Operating	4,338,116	5,819,567	5,455,845	5,427,392
Revenue	3,505,524	3,621,259	3,418,400	3,637,900



Department of Human Services

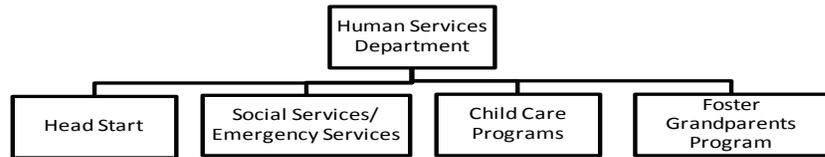
Ron Swafford, Administrator

Donna Stone, Assistant Administrator

www.chattanooga.gov

Mission:

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



Description:

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

Goals & Objectives:

To Provide emergency assistance and an array of support services to low income and vulnerable residents of Chattanooga and Hamilton County, which strengthen family connections, improve quality of life issues, empower them to become community stakeholders, and help them achieve self-sufficiency.

- ① *Maintain the Foster Grandparents program to enable eligible older adults to help special needs children within their community, while strengthening their bond to the neighborhood.*
- ② *Improve family outcomes through wrap around supports services and comprehensive community partnerships.*
- ③ *Assist families with supplemental services needed to sustain their quality of life through the Commodity Food Program, the Low Income Home Energy Assistance Program and Self Sufficiency Program.*
- ④ *Provide emergency assistance to aid families during natural disasters, and those experiencing crisis situations to prevent forecloses, evictions, and utility cut offs.*
- ⑤ *Offer numerous channels to reduce hunger and improve nutrition among vulnerable populations.*

Provide early education for low income children through Head Start, Early Head Start, and Childcare Services.

- ① *Seek constant improvement in each child's skill attainment level, tracked in a Child Portfolio, as a gauge of school readiness.*
- ② *Increase the number of children in Early Head Start.*
- ③ *Increase childhood immunizations.*
- ④ *Offer quality, affordable and available child care services for children ages 1-12 in the Chattanooga area.*

Performance Measures

	Actual FY 11	Goal FY 12	Actual FY 12	Goal FY 13
Number of foster grandparents	98	93	96	93
Emergency Services(Families helped)	1,660	1,000	1,417	1,450
Energy Assistance	6,334	500	10,905	7,100
Participants in food distribution program	7,606	6,000	8,397	8,300
Headstart funded enrollment	605	622	622	622
Early Headstart funded enrollment	226	226	226	226
Children immunized	888	1,000	1,223	1,200
Parents in adult ed/GED training	335	350	49	75

Department of Human Services

Ron Swafford Administrator

Donna Stone, Assistant Administrator

www.chattanooga.gov

Department Summary

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13
Administration	1,066,079	872,613	768,625	615,625
Head Start	7,932,990	8,294,612	8,836,859	8,836,859
Day Care	890,002	921,678	864,944	865,145
Weatherization	37,205	3,790	-	-
Foster Grandparents	494,292	521,925	502,643	506,243
LIHEAP	2,311,476	3,612,758	3,129,132	3,127,132
CSBG	639,651	580,714	693,234	693,234
Human Services Programs	247,652	242,686	142,464	225,256
City General Relief	62,554	57,356	59,909	59,909
ARRA Stimulus Grant	3,099,061	1,415,615	-	-
Other	2,047	-	3,015	-
Total Expenditures	16,783,009	16,523,748	15,000,825	14,929,403
Per Capita	\$ 98.79	\$ 96.43	\$ 89.46	\$ 89.04
Authorized Positions	285	285	305	305

Resources

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13
Personnel	7,970,368	7,853,509	7,103,562	7,069,740
Overtime	36,260	90,734	26,123	-
Operating	8,776,381	8,579,505	7,871,140	7,859,663
Revenue	16,783,009	16,524,748	15,000,825	14,929,403



Department of Personnel

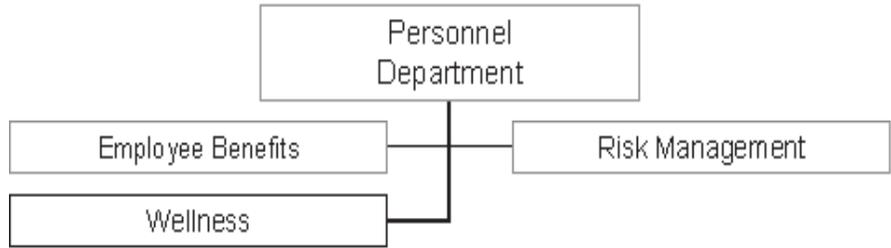
Donna Kelley, Administrator

Susan Dubose, Deputy Administrator

www.chattanooga.gov

Mission:

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



Description:

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

Goals & Objectives:

Recruit a highly qualified workforce

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

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

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

Retain a well-qualified and experienced workforce.

- ① Reduce turnover of the most successful employees, and make a concerted effort to retain those that have been highly qualified and productive.
- ② Use strategic initiatives to implement a wellness program that promotes and increases the good health of City employees as a means of maintaining a productive and effective workforce at reduced cost.

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

Performance Measures	Actual	Goal	Actual	Goal
	FY11	FY12	FY12	FY13
Avg. eligible candidates per Requisition	6.75	6.00	8.35	6.00
Positions where qualified candidate found	100%	100%	100%	100%
Declined job offers	10	<20	<20	*
Turnover rate	8.3%	<10%	8.6%	<10%
Number of promotions	83	85	116	100
Compliance with law	100%	100%	100%	100%

*Unable to accurately track this performance measure in current system

Department of Personnel

Donna Kelley, Administrator

Susan Dubose, Deputy Administrator

www.chattanooga.gov

Departmental Summary

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13
Administration	\$ 918,719	\$ 1,111,807	\$ 1,455,136	\$ 1,329,965
Employee Insurance Office	253,791	289,212	315,851	317,631
Employee Insurance Program	5,642,020	44,103	45,650	45,350
Employee Safety Program	-	-	-	112,540
Job Injury Administration	75,041	73,747	75,000	78,500
Physical Exams	6,630	18,690	18,000	15,000
Total Expenditures	\$ 6,896,201	\$ 1,537,560	\$ 1,909,637	\$ 1,898,986
Per Capita	\$ 40.36	\$ 8.97	\$ 11.39	\$ 11.33
Positions Authorized	21	21	21	21

Resources

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13
Personnel	\$ 1,068,952	\$ 1,245,642	\$ 1,478,167	\$ 1,596,740
Overtime	-	935		
Operating	5,827,249	290,982	431,470	539,205
Revenue	40,000	72,035	45,000	45,000
Total	\$ 6,936,201	\$ 1,609,595	\$ 1,954,637	\$ 2,180,945



Neighborhood Services & Community Development

Beverly P. Johnson, Administrator

Anthony Sammons, Deputy Administrator

www.chattanooga.gov/neighserv/

Mission:

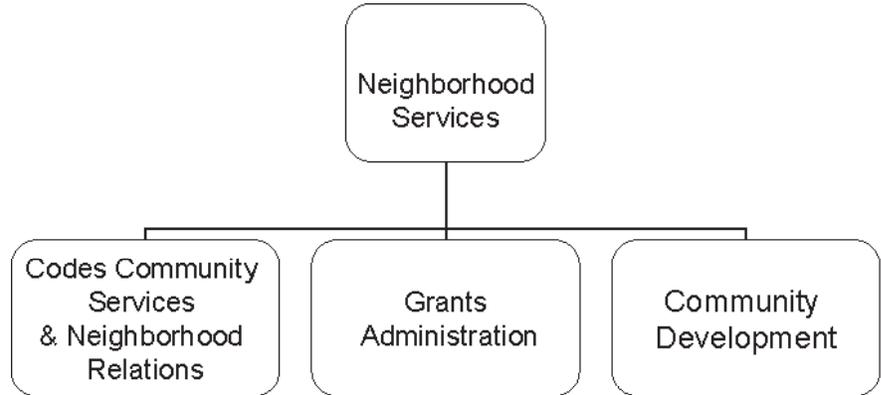
Make all Chattanooga neighborhoods a choice for people to live and invest in through the elimination of blight, code enforcement and individual participation and expended civic engagement.

Description:

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

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

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



Goals and Objectives:

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

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

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

Elimination of blight in Chattanooga

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

Performance Measures	Actual FY11	Goal FY12	Actual FY12*	Goal FY13
Abandoned vehicle CSRs closed on time	99.2%	95.0%	89.2%	95.0%
Housing CSRs closed on time	98.7%	95.0%	71.0%	95.0%
Litter CSRs closed on time	99.3%	95.0%	69.3%	95.0%
Vacant lot overgrowth CSRs closed on time	99.6%	95.0%	84.1%	95.0%
Non-vac overgrowth CSRs closed on time	98.5%	95.0%	77.8%	95.0%

**The decline in reported performance for FY12 is due to a departmental software change.*

Department of Neighborhood Services

Beverly P. Johnson, Administrator

Anthony Sammons, Deputy Administrator

www.chattanooga.gov/neighserv/

Department Summary

	Actual FY 09/10	Actual FY10/11	Budget FY11/12	Budget FY12/13
Administration	\$ 494,391	\$ 505,757	\$ 628,391	\$ 597,990
Grants Administration	47,408	45,407	77,226	49,500
Codes & Community Svc	1,280,983	1,316,168	1,387,350	1,445,477
Neighbor Partners Project	55,000	55,000	55,000	55,000
Community Development	7,015,355	5,378,176	3,587,972	3,304,951
Total	\$ 8,893,137	\$ 7,300,508	\$ 5,735,939	\$ 5,452,918
Per Capita	\$ 57.43	\$ 42.61	\$ 34.21	\$ 32.52
Positions Authorized	36	35	35	35

Resources

	Actual FY 09/10	Actual FY10/11	Budget FY11/12	Budget FY12/13
Personnel	\$ 1,863,526	\$ 1,968,099	\$ 1,691,589	\$ 1,697,007
Overtime	102	35	1,000	750
Operating	7,029,509	5,332,374	4,043,350	450,210
Revenue	4,738,679	5,378,176	3,587,972	3,304,951



Executive Branch

Ron Littlefield, Mayor

L. Dan Johnson, Chief of Staff

www.chattanooga.gov

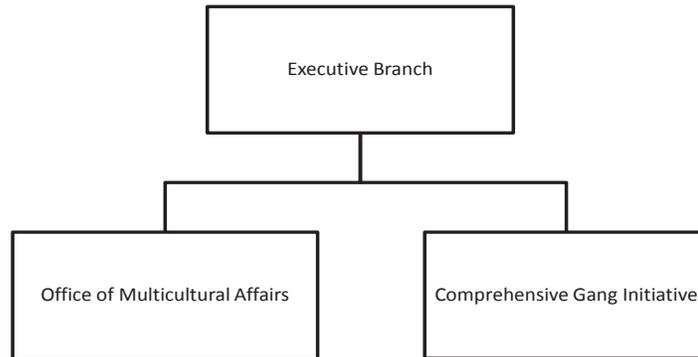
Mission: To provide executive leadership for City government and enhance the City's capability to meet the needs of citizens by facilitating the effective, efficient and innovative application of information and resources.

Description:

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

The Office of Multicultural Affairs (OMA) is responsible for reviewing, implementing, and monitoring public policy that affects the disadvantaged cultural communities in Chattanooga.

The Comprehensive Gang Initiative (CGI) is responsible for investigating the root causes of gang violence in Chattanooga and to develop and implement strategies that will facilitate a community-wide sustainable response to the violence.



Goals & Objectives:

Office of Multicultural Affairs

Cultivate an environment of non-discrimination.

- ① Investigate and mediate discrimination complaints relevant to ADA, EEO, Fair Housing and Title VI.
- ② Work with other agencies (i.e., HUD, THRC, EEOC) to ensure City compliance.
- ③ Act as resource to City of Chattanooga Departments to ensure compliance with non-discrimination policies at the Federal, State and Local level.

Create a climate of dignity, respect and inclusion

- ① Organize committees and task forces to engage all communities.
- ② Provide public educational forums and trainings to address human rights and human relations concerns.

Promote cross cultural communication

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

Open communication between conflicting groups

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

Comprehensive Gang Initiative

Utilize evidence-based prevention and invention models for programming

Empower the pipeline of local service providers to strengthen services

Promote community-wide standardizations through research and best practices

Executive Branch

Ron Littlefield, Mayor

L. Dan Johnson, Chief of Staff

www.chattanooga.gov

Department Summary

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY12/13
Mayor's Office	\$ 865,286	\$ 923,452	\$ 968,661	\$ 957,610
Office of Faith Based Initiative	\$ 269,569	\$ 44,022	\$ -	\$ -
Office of Multicultural Affairs	\$ 308,071	\$ 241,795	\$ 398,913	\$ 403,744
Comprehensive Gang Initiative	\$ -	\$ -	\$ -	\$ 499,878
Total Expenditures	\$ 1,442,926	\$ 1,209,269	\$ 1,367,574	\$ 1,861,232
Per Capita	\$ 8.44	\$ 7.06	\$ 8.16	\$ 11.10
Positions Authorized	14	14	14	15

Resources

	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY12/13
Personnel	\$ 1,272,645	\$ 1,113,654	\$ 1,147,024	\$ 1,502,436
Overtime	0	0	0	0
Operating	170,281	95,615	220,550	358,796
Revenue	0	0	0	0

Office of Multicultural Affairs Performance Measures

Compliance Assistance	FY2011				FY2012				% Chg
	TOTAL CALLS	Assistance	Information	Other	TOTAL CALLS	Assistance	Information	Other	
EEO/Discrimination	36	36	0	0	15	13	2	0	-58.33%
ADA Accommodation	2	2	0	0	3	3	0	0	50.00%
Landlord/ Tenant & Fair Housing	53	50	3	0	13	13	0	0	-75.47%
Internal Workplace	15	0	14	1	8	8	0	0	-46.67%
Title VI	16	0	0	0	4	0	4	0	-75.00%
Other	35	20	15	0	108	28	39	41	208.57%
Total	157	108	32	1	151	65	45	41	-3.82%



Department of Education, Arts & Culture

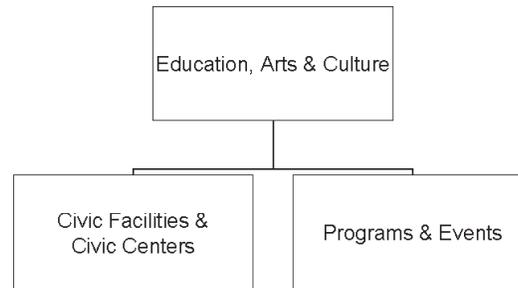
Missy Crutchfield, Administrator

Thad Oliver, Deputy Administrator

www.chattanooga.gov

Mission:

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



Goals & Objectives:

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

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

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

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

To enhance the visibility of the arts in Chattanooga.

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

Description:

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

Performance Measures	Actual FY10	Goal FY11	Actual FY11	Goal FY12
Civic Facilities - Attendance	247,452	250,000	227,974	250,000
Civic Facilities - # of Events	343	375	330	375
Civic Centers - Attendance	66,974	68,983	74,752	75,000
Civic Centers - # of Events	2,251	2,200	2,212	2,200

Department of Education, Arts & Culture

Missy Crutchfield, Administrator

David Johnson, Deputy Administrator

www.chattanooga.gov

Department Summary

	Actual FY 08/09	Actual FY 09/10	Budget FY 10/11	Budget FY 11/12
Administration	\$ 325,260	\$ 341,990	\$ 357,543	\$ 401,415
Civic Facilities	1,443,608	1,557,522	1,683,026	1,721,640
Arts & Culture	255,535	270,001	290,746	302,468
Programs	61,680	29,431	18,422	19,224
Total Expenditures	\$ 2,086,083	\$ 2,198,944	\$ 2,349,737	\$ 2,444,747
Per Capita	\$ 13.82	\$ 12.87	\$ 13.71	\$ 14.58
Positions Authorized	26	27	27	27

Resources

	Actual FY 08/09	Actual FY 09/10	Budget FY 10/11	Budget FY 11/12
Personnel	\$ 1,330,338	\$ 1,350,955	\$ 1,425,691	\$ 1,533,201
Overtime	23,448	26,255	41,500	41,500
Operating	755,741	821,734	882,546	870,046
Revenue	734,607	1,012,750	702,900	738,500



Department of General Services

Dan Thornton, Director
www.chattanooga.gov/Gen_Serv

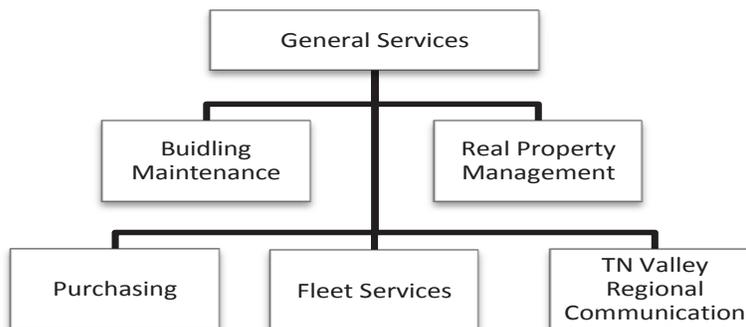
Mission:

To provide quality services and controls in the areas of City-wide purchasing, fleet services, building maintenance, real property management, and mobile communications.

Description:

General Services provides support to other city departments and agencies in the areas of purchasing, building maintenance, real property management, mobile communications, and fleet services.

The Purchasing area is responsible for obtaining the maximum value at lowest possible cost through a centralized purchasing function and also seeks to obtain the greatest possible revenue for the disposal of by-products and surplus assets. Building Maintenance is responsible for the repair and maintenance of all buildings within and near the City Hall Campus. Custodial services, minor maintenance and repairs are done by city employees, while major or more extensive maintenance/repairs are contracted to private suppliers. Real Property Management area is responsible for acquiring property, selling of surplus property, leasing land or buildings, maintaining City owned back-tax properties and keeping all of the city real estate records. Mobile Communications Services provides management and maintenance of Tennessee Valley Regional Communications System (TVRCS) on a 24 hour basis. The TVRCS is an APCO P23 communications trunking system encompassing a region that includes ten counties in Tennessee and three counties in Georgia which includes over 26 radio sites, five 911 centers and 6 other dispatch centers. Fleet Services is comprised of two main areas the service station and garage. Fleet maintenance which includes two automotive repair centers and three fueling stations which serves not only the City but several outside local government agencies and non-profit organizations for their EMS, Police and Fire. Fleet Management utilizes an internal leasing program to distribute the fully burdened cost allocation of vehicle and equipment assets to the departments who utilize them.



Goals & Objectives:

Improve the efficiency and quality of purchases

- 1 Use state of the art technology to improve business processes
- 2 Re-engineering the purchasing process and reducing paper processes

To Operate building maintenance in an efficient manner

- 1 Provide clean, safe, and well maintained workplaces for all employees
- 2 Exercise the capability of appropriately allocating our resources
- 3 Meet and fulfill all customer service requests to the best of our ability
- 4 Work independently or as part of a working team

To provide quality repair services and technological guidance to our customers

- 1 Provide a reliable communication system with unplanned downtime not to exceed 0.001% over the course of the year.
- 2 Provide focus and direction in establishing objectives for the current and future wireless technology needs of the City of Chattanooga and other TVRCS partners.

To manage the City's real property in a responsible and efficient manner

- 1 Fine tune departmental strategies for disposition, development or redevelopment of vacant, surplus and back-tax properties.
- 2 Maintain professional relationships with associations, realtors and developers.

To insure efficiency in both Fleet Management and Fleet Maintenance

- 1 Reduce fleet operational costs (fuel and maintenance) by purchasing more fuel efficient vehicles and proper lifecycle timing of acquisitions and disposals.
- 2 Reduce overall fleet size by fleet utilization analysis of departmental use.
- 3 Create a revolving fleet replacement fund by internal fleet leasing program with lease costs lower than private sector leasing.
- 4 To provide safe reliable vehicles and equipment to the user department at the lowest possible cost with the least possible interference with operations.
- 5 Maintain equipment technician efficiency by training and ASE and/or EVT certified.

Department of General Services

Dan Thornton, Director

www.chattanooga.gov/Gen_Serv

Performance Measures	Actual FY11	Goal FY12	Actual FY12	Goal FY13
Total City Fleet	1,261	1,775	1,286	1,250
Total City Fleet Repairs and Maintenance	\$ 6,962,163	\$ 7,200,000	\$ 7,576,067	\$ 7,200,000
% Bldg Maint. Service Request Resolved on-time	75.9%	80.0%	78.7%	80.0%

Department Summary

	Actual FY 09/10	Actual FY10/11	Budget FY11/12	Budget FY12/13
Gen Svc Admin	325,511	366,161	582,416	498,934
Purchasing	756,267	751,489	836,224	850,771
Bldg. Maintenance	1,010,552	1,146,412	1,166,207	1,135,191
Mobile Communications*	534,179	-	-	-
Real Est./Prop. Maint/Farmers Market	55,563	111,278	57,640	136,525
Total General Fund	\$ 2,682,072	\$ 2,375,340	\$ 2,642,487	\$ 2,621,421
Fleet Services Operations	10,573,062	11,862,644	12,446,323	13,720,800
Heritage Ctr. Maint.	90,186	112,309	125,306	127,860
TN Valley Regional Communications*	-	682,985	1,068,821	1,010,500
Development Resource Center	435,979	426,663	457,435	461,289
TOTAL GEN SVCS EXPENDITURE	\$ 13,781,299	\$ 15,459,941	\$ 16,740,372	\$ 17,941,870
Per Capita	\$ 80.65	\$ 90.22	\$ 99.84	\$ 107.00
Positions Authorized	106	107	107	107

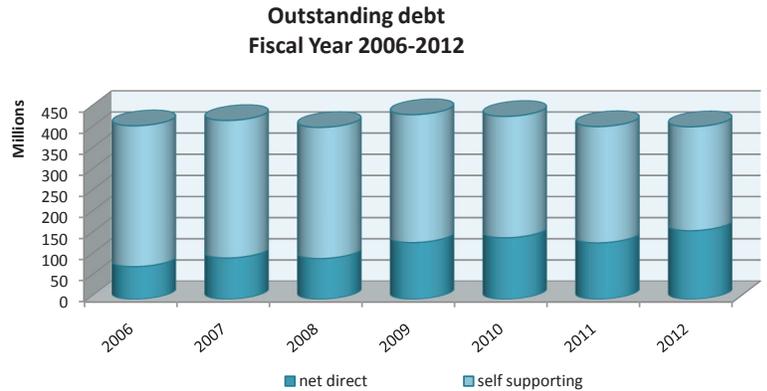
Resources

	Actual FY 09/10	Actual FY10/11	Budget FY11/12	Budget FY12/13
Personnel	\$ 4,749,422	\$ 5,090,746	\$ 5,819,412	\$ 6,134,796
Overtime	70,541	3,669	3,669	3,640
Operating	8,961,336	10,365,526	10,917,291	11,803,434
Revenue	14,549,517	22,598,665	23,597,144	21,170,300

* Mobile communications has been moved to special revenue fund as TN Valley Regional Communications in FY11

Debt Service Fund

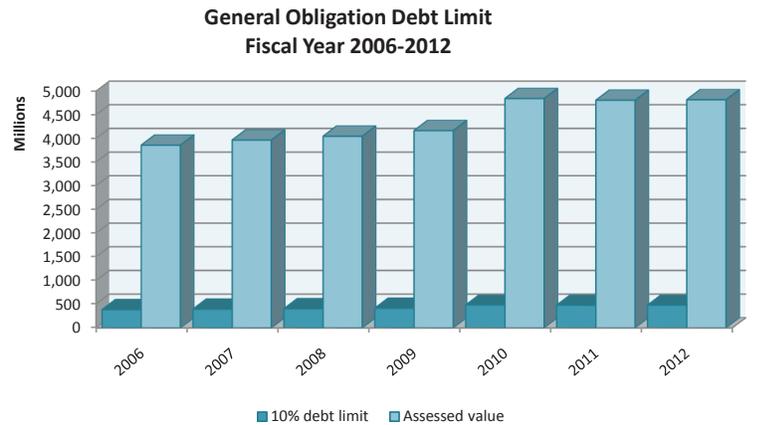
The Debt Service Fund was established to account for all principal and interest payments on the City's long-term debt. This fund is accounted for using the modified accrual method of accounting. The long-term debt is composed of City of Chattanooga General Obligation Bonds, Notes Payable, and Capital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



Gross outstanding indebtedness as of June 30, 2012 is \$407,942,873. This amount includes a 30-year Chattanooga Downtown Redevelopment capital lease of \$100,531,340 with final payment due on October 1, 2030. Total authorized unissued debt at June 30, 2012 related to the 2004 TMBF Loan is \$252,681. Total authorized unissued debt from the State Revolving Loan Fund for sewer infrastructure improvements is \$20,000,000.

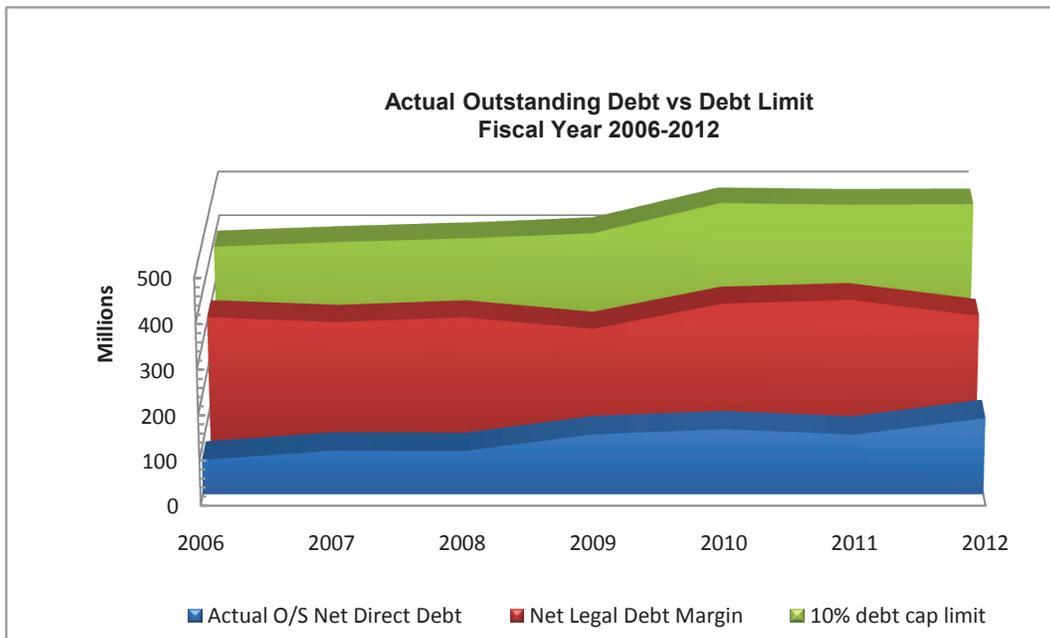
The City government is authorized by the City Charter to issue bonds. Title 6, Chapter V, Article I, Section 6.107 of the Charter creates this authority and at the same time creates a debt limit.

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



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

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



In October 2000, the City entered into a 30-year noncancelable capital lease agreement with the Chattanooga Downtown Redevelopment Corporation (CDRC), formerly the Southside Redevelopment Corporation, for the purpose of financing the cost of designing, acquiring, constructing and equipping four (4) facilities in the Tourist Development Zone comprising of more than 631,210 sq. ft. at a cost of over \$120M. The lease provides for semi-annual payments in amounts sufficient to meet the annual debt service requirements on \$129M in revenue bonds issued by the Industrial Development Board (IDB) of the City of Chattanooga on behalf of the CDRC, a non-profit corporation. IDB bonds are secured by payments to be made by the CDRC. The lease payments are funded by the city's share from the 1/4% increase in the county-wide sales tax passed by the county-wide referendum (see overlapping debt schedule), income from The Chattanooga, state incremental sales tax generated in the Tourist Development Zone and interest income from a debt service fund in excess of \$9M included as part of the bond issue. The City's obligation under the capital lease is estimated at \$100,531,340 at June 30, 2012. The debt service reserve fund held by the fiscal agent at June 30, 2012 amounts to \$9,756,000. The fiscal agent is required by the agreement to apply any interest on the debt service reserve fund toward the lease payments. The debt service reserve fund will be used to retire debt near the end of the lease.

In 2004 the CDRC entered into a swaption contract to provide an upfront payment of \$3,088,000 based on a notional amount of \$59,655,000. As a synthetic refunding of its 2000 bonds, this payment represents the risk-adjusted, present-value savings of a refunding in October 2010 without issuing refunding bonds currently. The counterparty has the option to exercise the agreement on October 1, 2010. The fixed rate swap (5.45%) was set at a rate that, when added to an assumption for remarketing and liquidity costs, will approximate the coupons of the "refunded" bonds. The counterparty exercised the option and the underlying bonds were refunded resulting in a termination payment of \$15,619,000.

In FY05, the City issued \$51,375,000 General Obligation Refunding Bonds Series 2005A. These bonds refunded portions of outstanding issues of 2001 General Obligation, 2002 Hotel-Motel Tax, 1998 Sewer, Storm Water and Solid Waste General Obligation and 2001 Storm Water and Solid Waste General Obligation bonds. In December 2004, the City received approval to enter into an agreement with the Public Building Authority of Clarksville, Tennessee (PBACC) from the Tennessee Municipal Bond Fund Series 2004 for an amount not to exceed \$25,000,000 including originating cost of the loan used to fund the Fiscal Year 2004 and 2005 Capital Projects. As of June 30, 2012, \$24,585,990 had been issued out of the total \$24,838,671 estimated projects cost.

In FY07, the City issued \$26,400,000 General Obligation Bonds, Series 2006A. These bonds were issued to support the FY06 & FY07 capital improvement budgets of which \$5.7M for SolidWaste or landfill improvements and \$20.4M general government capital improvement including \$2M as a portion of the costs of a public building

housing an animal shelter to be owned by the City and operated by the Animal Care Trust, a Tennessee not-for profit institution operating under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The City also issued \$56,110,000 Lease Rental Revenue Refunding Bonds, Series 2007. The proceeds of the Series 2007 Bonds are to be used to (i) advance refund \$55,340,000 in aggregate principal amount outstanding of certain of the Prior Bonds (Series 2000), and (ii) pay the costs of issuing the Series 2007 Bonds. The proceeds of the Series 2007A Bonds (\$17,750,000) were issued to provide the funds to advance refund certain outstanding maturities of the General Obligation Bonds, Series 2001 totaling \$17,715,000.

In FY08, The City entered into a loan agreement with the State of TN Department of Environment and Conservation for an amount up to \$13,000,000 from the State Revolving Loan Fund. This loan is for sewer projects related to upgrades & expansion of the Moccasin Bend Waste Water Treatment Plant. As of June 30, 2012 the City had drawn all of the loan. The loan has an interest rate of 2.79% with repayment over 20 years.

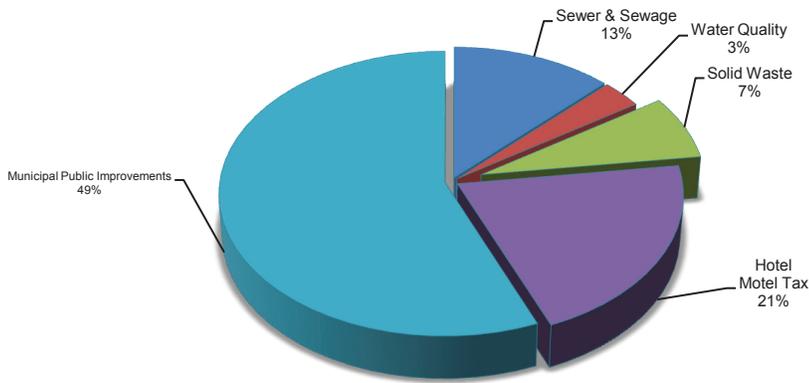
In FY09, the City issued \$45,415,000 General Obligation Bonds, Series 2009A. These bonds were issued to support the FY08 & FY09 capital improvement budgets including \$10,963,319 for Summit of Softball, \$5,713,000 for new fire hall at Enterprise South Industrial Park near the Volkswagen Plant, \$5,550,000 for Enterprise Resource Planning (integrated) software, \$3,312,000 for North Shore Garage, \$2,293,000, for Warner Park improvements and \$14,420,154 for Road Improvement projects.

In FY10, the City issued \$6,725,000 General Obligation Bonds, Series 2010A for funding Mesh Network project at \$1,500,000, Fire capital projects at \$3,188,945, ESIP Railway Lines at \$1,308,677 and \$375,000 of other projects. City also issued \$34,265,000 General Obligation Refunding Bonds, Series 2010B which refunded \$27,900,000 of 2002 Hotel-Motel Tax pledge and \$4,440,000 of 2003 GO bonds. In addition to that, City issued 2010C series Recovery Zone Facility Bonds in the amount of \$6,840,000, used entirely for local commitment to Volkswagen.

In FY12, the City issued \$26,495,000 General Obligation Bonds, Series 2011A for funding Mesh Network project at \$2,000,000, Fire capital projects at \$1,735,000, Parks & Recreation projects at \$2,964,950, ESIP Railway Lines at \$3,450,000, ESIP Intersection at \$1,660,000, other Public Works infrastructure projects at \$8,713,553, \$4,000,000 for Fleet replacement, \$700,000 to renovate the Community Theatre and \$2,460,000 of other various projects. The City also issued \$17,545,000 General Obligation Refunding Bonds, Series 2011B Series which refunded \$16,320,000 of 2002 Hotel-Motel Tax pledge and \$2,040,000 of 2003A GO bonds.

\$407,942,873 Gross Outstanding Indebtedness of the City of Chattanooga as of June 30, 2012 reflects the financing decisions being made by the City to meet its long-term goals.

**General Obligation Bond by Purpose
Fiscal Year 2012**



As the pie chart points out, the City is concentrating on Sewer and Municipal Public Improvements Bonds to satisfy the needs generated by these goals. All of the Sewer portion of the debt and 29% of the debt for Municipal Public Improvements is self supported debt.

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

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

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

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

In FY 2009, the General Fund appropriated \$12,166,456. This increase from FY08 is due to the principal retirement structure of existing debt.

In FY 2010, the General Fund appropriated \$10,906,307. This year portion of debt service fund balance was used to pay current year debt service

In FY 2011, the General Fund appropriated \$15,494,470. This increase over FY10 reflects the three new bond issues in FY10.

In FY 2012, the General Fund appropriated \$14,400,000, this includes estimated debt service for upcoming bond issue for FY2011 and FY2012 capital projects. Capital Budget reduced to \$10,300,000 for planned us of \$4,100,000 from Debt Service Fund Balance.

In FY 2013, the General Fund appropriated \$16,942,222, this includes estimated debt service for upcoming bond issue for FY2013 and FY2014 capital projects.

**General Fund Debt Service Appropriation
Fiscal Years 2006 thru 2012**



Overlapping Debt

In addition to the City, the County has the power to issue debt and to levy taxes or cause taxes to be levied on taxable property in the City. As of June 30, 2012, the County had gross outstanding general obligation bonded debt of \$223,705,000 and net indebtedness of \$223,317,917. The percentage of County net indebtedness applicable to the City is 59.5814% or \$152,555,047. Also included in this section on Debt Service are schedules on Debt Ratios as of June 30, 2012, Historical Debt Ratios, and an analysis of General Obligation Debt as of June 30, 2012.

Outstanding General Obligation Debt

OSGOdebt	
General Obligation Bonds by Purpose	
Municipal Public Improvement ⁽¹⁾	207,386,734
Sewer and Sewage Facilities	<u>29,633,265</u>
Total Bonded Indebtedness	237,019,999
Other Long-Term Indebtedness	
Chatt. Downtown Redev. Capital Lease	100,531,340
HUD Sec 108 Notes	3,661,000
2009 Golf Course Capital Lease	93,758
General Obligation Capital Outlay Notes	<u>66,636,777</u>
Total Long-Term Indebtedness	<u>170,922,875</u>
Gross Direct Indebtedness	407,942,874
Less: Self-Supporting Indebtedness	
Sewer and Sewage Facilities Bonds ⁽²⁾	29,633,265
State Revolving Loan-CSO (ISS portion) ⁽³⁾	40,650,323
State of GA Revolving Loan (ISS portion) ⁽⁴⁾	2,977,924
Cap Lease City of Collegedale (ISS)	67,834
Chatt. Downtown Redev. Capital Lease ⁽⁵⁾	100,531,340
State Revolving Loan-CSO (Water Quality portion) ⁽³⁾	129,207
Tennessee Municipal Bond Notes (SoWa) ⁽⁶⁾	658,281
Municipal Public Improvement Bonds(WaQu&SoWa) ⁽⁶⁾	24,708,925
Hotel/Motel Tax Revenue Pledge	49,324,122
HUD Sec. 108 Notes	3,661,000
2009 Golf Course Capital Lease (Golf Cart)	<u>93,758</u>
Total Self Supporting Indebtedness	252,435,979
Debt Service Fund ⁽⁷⁾	<u>652,699</u>
Net Direct Indebtedness	154,854,196
Plus: Estimated Net Overlapping Indebtedness	<u>152,555,047</u>
Net Direct and Net Overlapping Indebtedness	<u><u>307,409,243</u></u>

- Note:*
- (1) Sewer and Sewage Facilities Bonds have the pledge of unlimited ad valorem taxes on all taxable property in the City for their repayment. However, such bonds have been paid by the City from revenues derived from the operation of the City's Interceptor Sewer System.
 - (2) This amount represents 100 percent of the outstanding balance on a State revolving loan, which will be paid by the City from revenues derived from the operations of the City's Interceptor Sewer System and from the operations of the Water Quality fund.
 - (3) The City of Chattanooga is the lead agent on the State of Georgia Revolving Loan; however, the debt is to be repaid by participating 4North Georgia municipalities.
 - (4) Funding will be paid by revenues from incremental State sales tax, profits from the Chattanooga center, and the city's Share of the 1/2% increase in the county-wide sales tax passed by county-wide referendum held in February 2004. This increase replaced the 1/2% city-only sales tax effective July 1, 2004.
 - (5) \$24,708,926 represents the outstanding balance of 1998 through 2007A Municipal Public Improvement Bonds of which \$7,528,435 is related to Water Quality and \$17,838,771 is related to Solid Waste, which will be paid by the city from the revenue derived from the operations of these funds.
 - (6) This represents unaudited Fund Balance at June 30, 2012.

Debt Ratios

The following table sets forth certain ratios relating to the City's general obligation indebtedness as of June 30, 2012.

	<u>Amount of Indebtedness</u>	<u>Per Capita</u> ¹	<u>Percentage of Assessed Valuation</u> ²	<u>Percentage of Full Valuation</u> ³
Gross Direct Indebtedness ⁴	\$ 407,942,875	\$ 2,433	8.46%	2.68%
Net Direct Indebtedness ⁴	170,922,875	924	3.21%	1.02%
Gross Direct and Net Overlapping Indebtedness ⁵	560,497,922	3,343	11.63%	3.68%
Net Direct and Net Overlapping Indebtedness ⁵	307,409,241	1,833	6.38%	2.02%
Per Capita Assessed Valuation ¹	\$28,751 *			
Per Capita Full Valuation ¹	\$90,885 *			

*Based on 2012 population estimate.

- Notes:
- (1) The City's population in 2012 was estimated at 167,674.
 - (2) The City's preliminary assessed valuation of taxable property as of June 30, 2012 was \$4,820,825,577.
 - (3) The City's estimated full valuation of taxable property as of June 30, 2012 was \$15,239,117,325.
 - (4) See "Historical Debt Ratios" under this section.
 - (5) The County's net overlapping indebtedness is \$256,044,751. The City's share is \$152,555,047. (59.5814%).

<u>Ratio</u>	<u>Requirement</u>	<u>Actual</u>
General Fund Balance Requirement	> 15%	18.22%
Average Life of Total Debt	≤ 10 Years	9.23 Years
Percentage of Principal Paid within 10 Years	≥ 50%	67.0%
Per Capita Debt/Per Capita Income	≤ 4%	2.92%
Per Capita Debt/Per Capita Assessed Value	≤ 4%	3.54%
Debt Service/General Fund Operation Expense	≤ 10%	7.01%

Other Long-Term Indebtedness

As of June 30, 2012, the City had the following other outstanding long-term indebtedness.

	Outstanding Amount	Issue Dated Date	Maturity
State of Tennessee Revolving Loan 1992	258,412	03/01/1993	02/28/2013
State of Tennessee Revolving Loan 2003	27,889,154	02/03/2003	10/20/2024
State of Georgia Revolving Loan (1)	2,977,925	07/01/2000	10/01/2019
Fire Hall Land Note (2)	9,478	04/01/1999	04/01/2014
Capital Lease City of Collegedale (3)	67,833	10/01/2000	08/01/2014
Chatt. Downtown Redev. Corp. Capital Lease (4)	100,531,340	07/01/2002	10/01/2030
Tennessee Municipal League Bond Pool (2003)	2,746,001	09/07/2003	05/25/2018
Tennessee Municipal League Bond Pool (2004)	16,954,319	05/20/2005	04/20/2025
Hennen Land Note (2008) (5)	323,821	01/15/2007	12/15/2013
HUD Section 108 Loan Program (2008) (6)	3,661,000	06/01/2008	06/01/2024
2009 IDB Foreign Trade Zone (7)	27,871	07/01/2009	06/30/2013
2009 Golf Course Capital Lease	93,758	07/01/2009	06/30/2014
2010 VAAP Land Note (8)	2,750,000	07/01/2005	06/30/2015
State of Tennessee Revolving Loan 2007	12,631,963	06/06/2007	05/28/2028
Total	<u>\$170,922,875</u>		

Notes:

- (1) Loan agreement with the State of Georgia.
- (2) Land purchased for \$45,000 to build a Fire Super Station. Term of Loan - 15 years at 9.5%.
- (3) To lease and purchase an interceptor gravity sewer line, force main, pump station, easements and fee for property associated with purchase
- (4) Construction and purchase of the Conference Center (Chattanooga), Trade Center expansion, Development Resource Center, Parking Garage and associated infrastructure improvements.
- (5) Land purchase to support 1 Parks greenway project
- (6) Loan agreement to pay off Fannie Mae note and establish a brownfield revolving loan fund. Community Development Block Grant program income will be used to retire the debt.
- (7) Note for FTZ related to Volkswagen
- (8) Purchase of former Volunteer Army Ammunition Plant 1,024 acre land for development of Enterprise South Industrial Park in 2005 with payment deferred 10 years, payable in 2015.

Future Capital Financing

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

Department	2013	2014	2015	2016	2017
General Government	\$7,426,000	\$5,240,000	\$2,574,000	\$500,000	\$500,000
Public Works	75,013,090	122,483,860	83,525,804	76,305,804	42,474,000
Parks & Recreation	2,553,000	408,000	2,600,000	750,000	4,661,000
Education, Arts, & Culture	500,000	700,000	1,200,000	200,000	200,000
Police	3,150,000	495,000	1,070,000	670,000	495,000
Fire	-	2,300,000	1,810,000	3,492,000	3,182,000
Chatt Downtown Redev Corp	8,000,000	600,000	-	-	-
Total	\$ 96,642,090	\$ 132,226,860	\$ 92,779,804	\$ 81,917,804	\$ 51,512,000

City of Chattanooga, Tennessee
General Obligation Self Supporting Bonded Debt Service Requirements
As of June 30, 2012
Sewer & Sewage Facilities Bonds
Municipal Public Improvement Bonds (Water Quality and Solid Waste)
and State Revolving Loan (CSO)
(Water Quality and Interceptor Sewer)

Fiscal Year	<u>Principal</u>	<u>Interest</u>	Total P & I <u>Requirements</u>
2013	11,453,433.00	3,710,518.00	15,163,951.00
2014	10,507,803.00	3,238,886.00	13,746,689.00
2015	10,769,926.00	2,780,448.00	13,550,374.00
2016	9,131,992.00	2,347,142.00	11,479,134.00
2017	9,534,623.00	1,939,595.00	11,474,218.00
2018	9,952,775.00	1,514,611.00	11,467,386.00
2019	8,572,626.00	1,111,781.00	9,684,407.00
2020	3,581,328.00	874,341.00	4,455,669.00
2021	3,716,045.00	768,983.00	4,485,028.00
2022	3,829,204.00	646,108.00	4,475,312.00
2023	3,944,976.00	523,205.00	4,468,181.00
2024	4,073,465.00	393,252.00	4,466,717.00
2025	3,717,487.00	257,754.00	3,975,241.00
2026	1,615,736.00	172,469.00	1,788,205.00
2027	1,026,149.00	111,747.00	1,137,896.00
2028	763,776.00	85,092.00	848,868.00
2029	785,364.00	63,504.00	848,868.00
2030	807,552.00	41,316.00	848,868.00
2031	830,376.00	18,492.00	848,868.00
2032	211,123.00	1,001.00	212,124.00
2033	0.00	0.00	0.00
2034	0.00	0.00	0.00
Total	\$ 98,825,759.00	\$ 20,600,245.00	\$ 119,426,004.00

Does not include CDRC (Southside) Capital Lease of \$100,531,340 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2012 consists of 2004 TMBF Loan of \$252,681.

City of Chattanooga, Tennessee
General Obligation Debt Service Requirements
As of June 30, 2012

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	16,422,132.00	13,586,159.00	30,008,291.00
2014	16,211,065.00	12,969,609.00	29,180,674.00
2015	19,476,056.00	12,396,853.00	31,872,909.00
2016	17,059,265.00	11,753,919.50	28,813,184.50
2017	15,793,641.00	11,109,961.50	26,903,602.50
2018	17,447,209.00	10,483,126.00	27,930,335.00
2019	16,128,950.00	9,772,456.00	25,901,406.00
2020	16,563,402.00	9,068,951.00	25,632,353.00
2021	17,173,601.00	8,427,369.00	25,600,970.00
2022	17,798,748.00	7,644,667.00	25,443,415.00
2023	18,457,175.00	6,857,180.00	25,314,355.00
2024	19,047,596.00	5,970,375.00	25,017,971.00
2025	18,085,123.00	5,101,056.00	23,186,179.00
2026	18,845,425.00	4,192,581.00	23,038,006.00
2027	16,744,266.00	3,230,537.00	19,974,803.00
2028	14,616,391.00	2,430,278.00	17,046,669.00
2029	15,220,579.00	1,722,933.00	16,943,512.00
2030	13,706,492.00	943,397.00	14,649,889.00
2031	4,320,000.00	172,800.00	4,492,800.00
Total	\$ 309,117,116.00	\$ 137,834,208.00	\$ 446,951,324.00

Includes CDRC (Southside) Capital Lease of \$100,531,340 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2012 consists of 2004 TMBF Loan of \$352,681

CITY OF CHATTANOOGA, TENNESSEE
ANALYSIS OF GENERAL OBLIGATION DEBT
June 30, 2012

	Outstanding 7/1/2011	Interest Pd FY2012	Issued FY2012	Retired FY2012	Refunded FY2012	Outstanding 6/30/2012	Maturing FY 2013	Interest Payable FY 2013
GOVERNMENTAL ACTIVITIES								
Serial Bonds:								
1998 Public Improvement Refunding	2,271,700.00	112,124.00		272,000.00		1,999,700.00	288,300	97,416
2002 Municipal Public Refunding	4,160,000.00	183,419.00		770,000.00		3,390,000.00	805,000	141,341
2002 Series A Refunding	1,050,215.00	36,593.00		371,360.00		678,855.00	364,264	20,023
2002 Hotel-Motel Tax Pledge	17,440,000.00	385,400.00		1,120,000.00	16,320,000.00	-	-	-
2003 Series A General Obligation	2,040,000.00				2,040,000.00	-	-	-
2005A Municipal Public Improvement Refunding	14,757,064.00	651,708.00		1,290,902.00		13,466,162.00	1,328,320	599,323
2005A Hotel-Motel Tax Pledge Refunding	5,403,495.00	238,433.00		25,000.00		5,378,495.00	1,245,000	213,033
2006A Municipal Public Improvement	16,586,237.00	659,562.00		1,036,640.00		15,549,597.00	1,036,640	618,097
2007A Municipal Public Refunding	14,520,000.00	690,785.00				14,520,000.00	-	690,805
2009 Series A General Obligation	40,865,000.00	1,489,762.00		2,275,000.00		38,590,000.00	2,270,000	1,421,587
2010 Series A GO Bond	6,385,000.00	208,937.00		340,000.00		6,045,000.00	340,000	202,138
2010 Series B Refunding Hotel Motel Tax Pledge	29,320,320.00	572,694.00		970,443.00		28,349,877.00	987,695	968,621
2010 SeriesB Refunding GO bonds	4,669,680.00	572,694.00		154,557.00		4,515,123.00	157,305	154,267
2010 Series C Recovery Zone Bonds	6,500,000.00	206,300.00		345,000.00		6,155,000.00	345,000	199,400
2011 Series A General Obligation	-	403,888.00	26,495,000.00			26,495,000.00	1,770,000	838,925
2011 Series B Refunding Hotel Motel Tax Pledge	-	274,082.00	15,595,750.00			15,595,750.00	-	587,318
2011 SeriesB Refunding GO bonds	-	34,256.00	1,949,250.00			1,949,250.00	-	73,406
Total Serial Bonds	165,968,711.00	6,720,637.00	44,040,000.00	8,970,902.00	18,360,000.00	182,677,809.00	10,937,524	6,825,700
Notes Payable:								
1997 TML Bond Fund	746,023.00	3,775.00		746,023.00		-	-	-
1999 Fire Hall Land Note	13,984.00	1,133.00		4,506.00		9,478.00	4,953	686
2003 TML Bond Fund	2,864,500.00	9,916.00		371,339.00		2,493,161.00	383,144	9,786
2004 TML Bond Fund	17,648,334.00	61,793.00	75,201.00	1,174,657.00		16,548,878.00	1,205,901	64,954
2008 Hennen Land Note	389,170.00			65,349.00		323,821.00	323,821	-
2008 HUD Section 108 Loan Program	3,966,000.00	173,505.00		305,000.00		3,661,000.00	305,000	162,434
2009 IDB Foreign Trade Zone	39,871.00			12,000.00		27,871.00	27,871	-
2010 VAAP Land Note	2,750,000.00			130,000.00		2,750,000.00	-	-
2010 Tennessee Temple University Note	130,000.00					-	-	-
Total Notes Payable	28,547,882.00	250,122.00	75,201.00	2,808,874.00	-	25,814,209.00	2,250,690	237,860
Capital leases payable:								
Southside Capital Lease	103,518,327.00	6,713,363.00		2,986,987.00		100,531,340.00	3,164,158	6,519,651
2009 Golf Course Capital Lease	160,288.00	6,178.00		66,530.00		93,758.00	69,760	2,948
Total Capital Leases Payable	103,678,615.00	6,719,541.00	-	3,053,517.00	-	100,625,098.00	3,233,918	6,522,599
Total governmental activities	298,195,208.00	13,690,300.00	44,115,201.00	14,833,293.00	18,360,000.00	309,117,116.00	16,422,132	13,586,159

CITY OF CHATTANOOGA, TENNESSEE
 ANALYSIS OF GENERAL OBLIGATION DEBT
 June 30, 2012

	Outstanding 7/1/2011	Interest Pd FY2012	Issued FY2012	Retired FY2012	Refunded FY2012	Outstanding 6/30/2012	Maturing FY 2013	Interest Payable FY 2013
BUSINESS TYPE ACTIVITIES:								
Interceptor Sewer System:								
Serial Bonds:								
1998 Sewer & Sewage Facilities Refunding	8,878,300.00	438,207.00		1,063,000.00		7,815,300.00	1,126,700	380,727
2002 Municipal Public Refunding	9,971,738.00	412,855.00		2,787,947.00		7,183,791.00	2,932,214	270,995
2002 Series A Refunding	5,609,785.00	195,462.00		1,983,640.00		3,626,145.00	1,945,736	106,957
2005A Municipal Public Improvement Refunding	11,010,067.00	550,258.00		2,038.00		11,008,029.00	9,335	550,031
Total serial bonds	35,469,890.00	1,596,782.00	-	5,836,625.00	-	29,633,265.00	6,013,985	1,308,710
Notes payable:								
1992 CSO State Revolving Loan	316,706.00	9,209.00		187,500.00		129,206.00	129,206	1,936
1998 State of Georgia Revolving Loan	3,678,673.00	142,484.00		700,748.00		2,977,925.00	400,255	113,163
2003 State Revolving Loan	29,647,402.00	859,624.00		1,758,249.00		27,889,153.00	1,811,364	806,508
2007-204 State Revolving Loan	13,000,000.00	347,451.00		368,037.00		12,631,963.00	502,836	346,032
Total notes payable	46,642,781.00	1,358,768.00	-	3,014,534.00	-	43,628,247.00	2,843,661	1,267,639
Capital leases payable:								
2001 Capital Lease City of Collegedale	96,119.00	5,367.00		28,286.00		67,833.00	30,133	3,520
Total capital leases payable	96,119.00	5,367.00	-	28,286.00	-	67,833.00	30,133	3,520
Total Interceptor Sewer System	82,208,790.00	2,960,917.00	-	8,879,445.00	-	73,329,345.00	8,887,779	2,579,869

CITY OF CHATTANOOGA, TENNESSEE
ANALYSIS OF GENERAL OBLIGATION DEBT
June 30, 2012

	Outstanding 7/1/2011	Interest Pd FY2012	Issued FY2012	Retired FY2012	Refunded FY2012	Outstanding 6/30/2012	Maturing FY 2013	Interest Payable FY 2013
Solid Waste Fund:								
Serial Bonds:								
2002 Municipal Public Improvement-Refunding	3,063,732.00	134,619.00	-	968,381.00	-	2,095,351.00	1,020,308	81,173
2005A Municipal Public Improvement Refunding	8,575,709.00	413,979.00	-	220,974.00	-	8,354,735.00	231,365	404,933
2006A Municipal Public Improvement	4,533,764.00	180,288.00	-	283,360.00	-	4,250,404.00	283,361	168,954
2007A Municipal Public Improvement Refunding	2,480,000.00	117,990.00	-	-	-	2,480,000.00	-	117,990
Total serial bonds	18,653,205.00	846,876.00	-	1,472,715.00	-	17,180,490.00	1,535,034	773,050
Notes payable:								
2003 TML Bond Fund	290,501.00	1,006.00	-	37,661.00	-	252,840.00	38,856	992
2004 TML Bond Fund	433,783.00	1,491.00	-	28,342.00	-	405,441.00	29,099	1,591
Total Notes Payable	724,284.00	2,497.00	-	66,003.00	-	658,281.00	67,955	2,583
Total Solid Waste & Sanitation Fund	19,377,489.00	849,373.00	-	1,538,718.00	-	17,838,771.00	1,602,989	775,633
Water Quality Fund								
Serial Bonds:								
2002 Municipal Public Improvement-Refunding	2,289,528.00	100,601.00	-	723,672.00	-	1,565,856.00	762,476	60,661
2005A Municipal Public Improvement Refunding	5,278,665.00	259,478.00	-	66,086.00	-	5,212,579.00	70,981	256,737
2007A Municipal Public Improvement Refunding	750,000.00	35,682.00	-	-	-	750,000.00	-	35,682
Total serial bonds	8,318,193.00	395,761.00	-	789,758.00	-	7,528,435.00	833,457	353,080
Notes payable:								
1992 CSO State Revolving Loan	316,707.00	9,211.00	-	187,500.00	-	129,207.00	129,207	1,936
Total Notes Payable	316,707.00	9,211.00	-	187,500.00	-	129,207.00	129,207	1,936
Total Water Quality Fund	8,634,900.00	404,972.00	-	977,258.00	-	7,657,642.00	962,664	355,016
Total Business-Type Activities	110,221,179.00	4,215,262.00	-	11,395,421.00	-	98,825,758.00	11,453,432	3,710,518
TOTAL GENERAL OBLIGATION DEBT	408,416,387.00	17,905,562.00	44,115,201.00	26,228,714.00	18,360,000.00	407,942,874.00	27,875,564	17,296,677

CITY OF CHATTANOOGA, TENNESSEE
 ANALYSIS OF GENERAL OBLIGATION DEBT
 June 30, 2012

	Outstanding 7/1/2011	Interest Pd FY2012	Issued FY2012	Retired FY2012	Refunded FY2012	Outstanding 6/30/2012	Maturing FY 2013	Interest Payable FY 2013
PRIMARY GOVERNMENT REVENUE BONDS AND OTHER DEBTS								
Electric Power Board								
Revenue Bonds:								
2000 Electric System Revenue Bonds	1,600,000.00	40,000.00	-	1,600,000.00	-	-	-	-
2006B Electric System Refunding Revenue Bond	23,430,000.00	957,556.00	-	-	-	23,430,000.00	1,770,000	922,156
2006A Electric System Revenue Bonds	37,820,000.00	1,615,525.00	-	1,150,000.00	-	36,670,000.00	1,195,000	1,568,625
2008A Electric System Revenue Bonds	219,830,000.00	10,764,500.00	-	-	-	219,830,000.00	-	10,764,500
Total Revenue Bonds	282,680,000.00	13,377,581.00	-	2,750,000.00	-	279,930,000.00	2,965,000	13,255,281
Notes Payable								
2011 Secured Term Note	18,907,000.00	570,000.00	-	4,495,000.00	-	14,412,000.00	3,613,000	356,000
2011 Secured Term Note	-	227,000.00	7,500,000.00	187,000.00	-	7,313,000.00	-	206,227
Total Notes Payable	18,907,000.00	797,000.00	7,500,000.00	4,682,000.00	-	21,725,000.00	3,613,000	562,227
Total Electric Power Board	301,587,000.00	14,174,581.00	7,500,000.00	7,432,000.00	-	301,655,000.00	6,578,000	13,817,508
Total Primary Government	710,003,387.00	32,080,143.00	51,615,201.00	33,660,714.00	18,360,000.00	709,597,874.00	34,453,564	31,114,185
COMPONENT UNITS								
Revenue Bonds:								
Metropolitan Airport Authority:								
2009 Refunding	5,955,989.00	319,475.00	-	325,414.00	-	5,630,575.00	375,680	193,366
Total Metropolitan Airport Authority	5,955,989.00	319,475.00	-	325,414.00	-	5,630,575.00	375,680	193,366
Chatt Downtown Redevelopment Corporation:								
2007 Chatt Lease Rental Rev Ref Bonds	55,880,000.00	2,606,325.00	-	3,395,000.00	-	52,485,000.00	3,555,000	2,432,575
2010 Chatt Lease Rental Rev Ref Bonds	66,955,000.00	2,921,394.00	-	665,000.00	-	66,290,000.00	685,000	2,901,144
Total Chatt. Downtown Redev. Corp.	122,835,000.00	5,527,719.00	-	4,060,000.00	-	118,775,000.00	4,240,000	5,333,719
Total Component Units	128,790,989.00	5,847,194.00	-	4,385,414.00	-	124,405,575.00	4,615,680	5,527,085

History of General Obligation Debt

The following table sets forth all outstanding general obligation bond and note indebtedness of the city at the end of the fiscal years 2002/03 through 2011/12, less applicable exclusions, adjusted to reflect the City's applicable share of County debt.

General Obligation Bonds by Purpose	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Buildings Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer and Sewage Facilities	100,678,646	92,029,992	83,022,016	74,361,102	65,515,699	56,618,625	47,820,059	41,146,682	35,469,890	29,633,265
Municipal Public Improvement	181,276,354	174,535,008	167,682,984	159,728,898	177,464,301	170,276,376	205,134,941	207,398,317	192,940,110	207,386,735
Total Bonded Indebtedness	\$ 281,955,000	\$ 266,565,000	\$ 250,705,000	\$ 234,090,000	\$ 242,980,000	\$ 226,895,000	\$ 252,955,000	\$ 248,544,999	\$ 228,410,000	\$ 237,020,000
Other Long-Term Indebtedness										
General Obligation Capital Outlay Notes	24,399,322	41,145,146	39,608,208	46,145,255	47,232,935	48,101,287	56,874,396	57,203,522	54,248,514	50,529,623
Tennessee Municipal Bond Fund	5,339,097	6,619,343	19,424,258	18,664,185	25,781,445	27,604,081	25,801,938	24,260,141	21,983,141	19,700,320
Capital Leases	116,196,668	119,978,775	119,077,117	118,490,272	115,707,438	112,775,074	109,969,749	106,654,524	103,774,735	100,692,931
Gross Direct Indebtedness	\$ 427,890,087	\$ 434,308,264	\$ 428,814,583	\$ 417,389,713	\$ 431,701,818	\$ 415,375,442	\$ 445,601,083	\$ 436,663,186	\$ 408,416,390	\$ 407,942,874
Less: Self-Supporting Indebtedness	289,509,352	(3)	346,612,744	333,128,264	325,198,221	310,153,520	302,638,530	287,059,370	270,029,615	252,435,979
Debt Service Fund	4,988,142	5,222,704	6,471,929	7,139,208	8,871,564	8,925,003	8,925,003	4,870,365	4,954,374	652,699
Net Direct Indebtedness	\$ 133,392,593	\$ 75,522,735	\$ 75,729,910	\$ 77,122,241	\$ 97,632,033	\$ 96,296,919	\$ 134,037,550	\$ 144,733,451	\$ 133,432,401	\$ 154,854,196
Plus: Estimated Net Overlapping Indebtedness	96,147,876	107,821,749	97,486,316	87,645,429	89,393,466	136,287,686	149,048,842	154,968,909	148,698,012	152,555,047
Net Direct and Overlapping Indebtedness	\$ 229,540,469	\$ 183,344,484	\$ 173,216,226	\$ 164,767,669	\$ 187,025,499	\$ 232,584,605	\$ 283,086,392	\$ 299,702,360	\$ 282,130,413	\$ 307,409,243

Notes:

(1) As of June 30, 2012 Capital Outlay Notes consist of \$40,650,322 State of Tennessee Revolving Loan for combined sewer overflow facilities; \$2,977,925 State of Georgia Revolving Loan for the Northwest Georgia Sewer Expansion; \$3,661,000 HUD Sec 108 Note; \$323,821 Notes to Individual for land purchase; and \$9,478 Fire Hall Loan; \$27,871 for 2009 IDB Foreign Trade Zone; \$2,750,000 for 2010 VAAP Land Note.

(2) Capital leases as of June 30, 2012 includes the \$67,833 City of Collegedale for Sewer Easement, \$100,551,340 CDRC (Southside) Capital Lease and \$93,758 Golf Course Capital Lease (Golf

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

CITY OF CHATTANOOGA
HISTORICAL DEBT RATIOS
6/30/2012 (unaudited)

Year ended June 30	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Estimated population(1)	155,582	155,289	154,853	154,762	168,293	169,884	170,880	171,349	167,674	167,674
Appraised property valuation	\$ 9,944,568,067	\$ 10,057,472,717	\$ 10,323,946,674	\$ 11,955,447,979	\$ 12,310,849,619	\$ 12,906,102,564	\$ 13,294,163,310	\$ 15,307,270,881	\$ 15,187,143,683	\$ 15,239,117,325
Assessed property valuation	3,260,023,356	3,237,183,936	3,319,249,168	3,860,452,959	3,968,157,371	4,048,760,875	4,167,163,278	4,845,694,497	4,808,789,510	4,820,825,577
Gross indebtedness (2)	427,890,087	434,308,264	428,814,582	417,389,712	431,701,818	415,375,442	445,601,083	436,663,186	408,416,390	407,942,874
Less: Self-supporting indebtedness(3)	344,499,352	353,562,825	346,612,744	333,128,264	325,198,221	310,153,520	302,638,530	287,059,370	270,029,615	252,435,979
Debt Service Fund	4,988,142	5,222,704	6,471,929	7,139,208	8,871,564	8,925,003	8,925,003	4,870,365	4,954,374	652,699
Net direct indebtedness	78,402,593	75,522,735	75,729,909	77,122,240	97,632,033	96,296,919	134,037,550	144,733,451	133,432,402	154,854,196
Plus: Estimated net overlapping indebtedness	96,147,876	107,821,749	97,486,316	87,645,429	89,393,466	136,287,686	149,048,842	154,968,909	148,698,012	152,555,047
Net direct and overlapping indebtedness	\$ 174,550,469	\$ 183,344,485	\$ 173,216,225	\$ 164,767,668	\$ 187,025,499	\$ 232,584,605	\$ 283,086,392	\$ 299,702,360	\$ 282,130,414	\$ 307,409,243
Gross debt per capita	\$ 2,750.25	\$ 2,796.77	\$ 2,769.17	\$ 2,696.98	\$ 2,565.18	\$ 2,445.05	\$ 2,607.68	\$ 2,548.38	\$ 2,435.78	\$ 2,432.95
Net direct debt per capita	503.93	486.34	489.04	498.33	580.13	566.84	784.40	844.67	795.78	923.54
Net direct and overlapping debt per capita	1,121.92	1,180.67	1,118.58	1,064.65	1,111.31	1,369.08	1,656.64	1,749.08	1,682.61	1,833.37
Gross debt to appraised valuation	4.30%	4.32%	4.15%	3.49%	3.51%	3.22%	3.35%	2.85%	2.69%	2.68%
Net direct debt to appraised valuation	0.79%	0.75%	0.73%	0.65%	0.79%	0.75%	1.01%	0.95%	0.88%	1.02%
Net direct debt and overlapping debt to appraised valuation	1.76%	1.82%	1.68%	1.38%	1.52%	1.80%	2.13%	1.96%	1.86%	2.02%
Gross debt to assessed valuation	13.13%	13.42%	12.92%	10.81%	10.88%	10.26%	10.69%	9.01%	8.49%	8.46%
Net direct debt to assessed valuation	2.40%	2.33%	2.28%	2.00%	2.46%	2.38%	3.22%	2.99%	2.77%	3.21%
Net direct and overlapping debt to assessed valuation	5.35%	5.66%	5.22%	4.27%	4.71%	5.74%	6.79%	6.18%	5.87%	6.38%

(1) Population figures for all years are estimates.

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

(3) The self-supporting debt includes Sewer Bonds and municipal public improvement bonds supported by Hotel Motel taxes, CDRC capital lease, HUD Sec. 108 Notes, 800 MHz Equipment Capital Lease.

Debt Service Fund Revenues

Fiscal Years 2010-2013

Revenue Source	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13	Budget '13 Inc/(Dec)	% Change FY 12/13	% of Total
Debt Service (Fund 3100):							
General Fund	10,906,307	15,494,469	10,300,000	16,942,222	6,642,222	64.49	76.18
Trfrs-Safety Cap Project Fd	1,910	1,563	5,639	5,639	-	0.00	0.03
Hamilton County	477,852	474,423	476,834	473,170	(3,664)	(0.77)	2.13
Miscellaneous Revenue	342,145	322,708	183,881	350,681	350,681	0.00	1.58
911 Communication	200,000	200,000			-	0.00	0.00
City Hotel/Motel Tax	2,685,160	3,320,547	4,094,506	4,001,667	(92,839)	(2.27)	17.99
CDBG (Fannie Mae Loan)	497,232	488,494	457,540	467,434	9,894	2.16	2.10
Homeland Security Grant	608,759	-	-	-	-	0.00	0.00
Use of Fund Balance	4,054,639	-	4,100,000	-	(4,100,000)	(100.00)	0.00
Total Debt Service Fund	\$19,774,004	\$20,302,204	\$19,618,400	\$22,240,813	2,622,413	13.37	100.00
Grand Total	\$19,774,004	\$20,302,204	\$19,618,400	\$22,240,813	2,622,413	13.37	100.00

Debt Service Fund Expenditures

Fiscal Years 2010-2013

Expenditures	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13	Budget '13 Inc/(Dec)	% Change FY 12/13	% of Total
Debt Service (Fund 3100):							
Principal	9,591,680	13,007,185	12,762,130	14,828,125	2,065,995	15.88	66.67
Interest	6,236,742	7,096,207	6,756,270	7,302,688	546,418	7.70	32.83
Service Charges	96,302	114,804	100,000	110,000	10,000	8.71	0.49
Total Debt Service Fund	\$15,924,724	\$20,218,196	\$19,618,400	\$22,240,813	\$2,622,413	13.37	100.00
Grand Total	\$15,924,724	\$20,218,196	\$19,618,400	\$22,240,813	\$2,622,413	13.37	100.00
Per Capita	93.19	117.99	117.00	132.64			

Capital Project Funds

Fund Structure

The Capital Projects Funds are used for the acquisition and construction of major capital facilities. The basis of budgeting is modified accrual. Included funds are Safety, Public Works, Parks & Recreation, General Government, Education, Arts & Culture, Interceptor Sewer, Solid Waste and Water Quality and the Chattanooga Downtown Redevelopment Corporation.

FY 2012 Approved Capital Budget was as follows:

General Government	\$ 14,344,988
Parks & Recreation	3,090,378
Education, Arts & Culture	700,000
Public Works	18,134,238
Fire (Safety)	800,000
Interceptor Sewer Fund	8,900,000
Solid Waste Fund	6,881,000
Water Quality Fund	1,500,000
Chattanooga Downtown Redevelopment Corp	<u>1,320,000</u>
	\$ 55,670,604

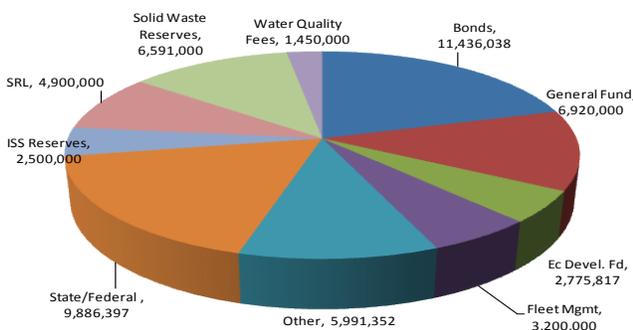
The FY13 Capital budget is as follows:

Revenue FY13	
Bonds	\$ 14,537,469
General Fund	2,622,500
Economic Development	2,628,542
Fleet Management Fund	2,000,000
Health and Wellness Fund	2,000,000
Hotel Motel Tax Bonds	8,000,000
Other	5,467,500
State & Federal Grants	20,886,079
Interceptor Sewere Reserves	5,350,000
State Revolving Loan	33,100,000
Solid Waste Reserves	<u>50,000</u>
	\$ 96,642,090

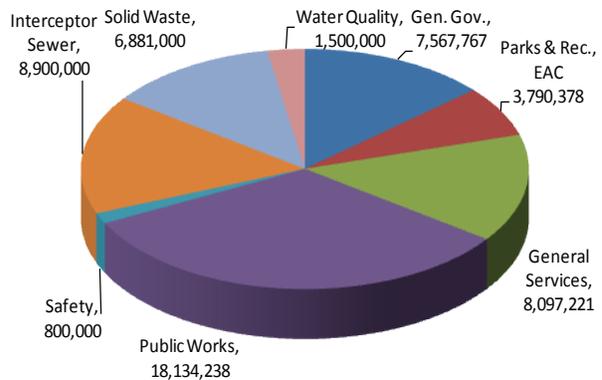
Appropriation FY13	
General Government	\$ 7,426,000
Parks & Recreation	2,553,000
Education, Arts & Culture	500,000
Public Works	30,857,090
Police (Safety)	3,150,000
Interceptor Sewer Fund	38,450,000
Solid Waste Fund	50,000
Water Quality Fund	5,656,000
Chattanooga Development Resource Corp	<u>8,000,000</u>
	\$ 96,642,090

Fiscal Year Budget 2012/2013 \$96,642,090

Revenues



Appropriations



Capital Fund Revenues

Fiscal Years 2010 - 2013

Revenue Source	Actual	Actual	Budget	Budget	BUDGET '13	%	%
	FY 09/10	FY 10/11	FY 11/12	FY 12/13	INC/(DEC)	CHANGE FY 12/13	OF TOTAL
General Fund Fund Balance	8,961,261	1,163,500	6,920,000	2,622,500	(4,297,500)	-62.1%	2.71%
State/Federal Grants	3,802,069	3,766,165	9,886,397	20,886,079	10,999,682	111.3%	21.61%
Economic Development Fund	2,999,500	2,077,131	2,775,817	2,628,542	(147,275)	-5.3%	2.72%
General Obligation Bonds	8,177,086	9,272,663	11,436,038	14,537,469	3,101,431	27.1%	15.04%
Fleet Lease Program	3,000,000	6,390,000	3,200,000	2,000,000	(1,200,000)	-37.5%	2.07%
Hotel/Motel Tax Collections	0	350,000	1,200,000	8,000,000	6,800,000	566.7%	8.28%
Medical Megafund	0	0	3,500,000	2,000,000	(1,500,000)	-42.9%	2.07%
Interest Income	312,585	0	530,000	0	(530,000)	-100.0%	0.00%
Interceptor Sewer Reserves	10,804,000	0	2,500,000	5,350,000	2,850,000	114.0%	5.54%
State Revolving Loan	0	0	4,900,000	33,100,000	28,200,000	575.5%	34.25%
Solid Waste Fund	0	1,607,502	6,591,000	50,000	(6,541,000)	-99.2%	0.05%
Water Quality Fund	0	11,500,000	1,450,000	0	(1,450,000)	-100.0%	0.00%
Other	4,140,035	1,158,015	781,352	5,467,500	4,686,148	599.7%	5.66%
	\$42,196,536	\$37,284,976	\$55,670,604	\$96,642,090	40,971,486	73.6%	100.00%
Grand Total	\$42,196,536	\$37,284,976	\$55,670,604	\$96,642,090	40,971,486	73.6%	100.00%

Revenues

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

Funding for the FY 2009 Capital Budget is provided by the General Fund Fund Balance of \$7,956,413, General Obligation Bond Fund \$10,000,000, State of Tennessee and Federal grants of \$5,206,874, Economic Development Fund \$2,925,688, Hotel Motel Tax \$2,000,000, Water Quality Fund \$775,000, Solid Waste Fund \$300,000 and funds from foundations and other sources in the amount of \$4,628,274.

Funding for the FY 2010 Capital Budget is provided by the General Fund Fund Balance of \$9,461,261, General Obligation Bond Fund \$6,713,945 State of Tennessee and Federal grants of \$6,755,442, Economic Development Fund \$2,999,500, Economic Development Recovery Bonds \$6,813,000, Fleet Lease Program \$3,000,000, Interest Income \$300,000 Interceptor Sewer Fund Reserves \$10,804,000 and funds from Foundations and other sources in the amount of \$12,822,373.

Funding for the FY 2011 Capital Budget is provided by the General Fund of \$1,000,000, General Obligation Bonds \$16,247,465 State of Tennessee and Federal grants of \$4,517,092, Economic Development Fund \$2,157,131, Fleet Lease Program \$2,000,000, State Revolving Loan \$15,100,000, Solid Waste Fund reserves \$765,000, Water Quality Reserves \$11,500,000, Hotel Motel Tax \$350,000 and funds from Foundations and other sources in the amount of \$1,158,015.

Funding for the FY 2012 Capital Budget is provided by the General Fund of \$6,920,000, General Obligation Bonds \$11,436,038 State of Tennessee and Federal grants of \$9,886,397, Economic Development Fund \$2,775,817, Fleet Lease Program \$3,200,000, Medical Megafund \$3,500,000 State Revolving Loan \$4,900,000, Interceptor Sewer Reserves \$2,500,000, Solid Waste Fund reserves \$6,591,000, Water Quality Reserves \$1,450,000, Hotel Motel Tax \$1,200,000 and funds from Foundations and other sources in the amount of \$1,311,352.

Funding for the FY 2013 Capital Budget is provided by the General Fund of \$2,622,500, General Obligation Bonds \$14,537,469, Hotel/Mote Tax bonds \$8,000,000, State of Tennessee and Federal grants of \$20,886,079, Economic Development Fund \$2,628,542, Fleet Lease Program \$2,000,000, Health and Wellness Fund \$2,000,000, State Revolving Loan \$33,100,000, Interceptor Sewer Reserves \$5,350,000, Solid Waste Fund reserves \$50,000, other municipalities and funds from Foundations and other sources in the amount of \$5,467,500.

Capital Fund Expenditures

Fiscal Years 2010 - 2013

Expenditures	Actual FY 09/10	Actual FY 10/11	Budget FY 11/12	Budget FY 12/13	%		% OF TOTAL
					BUDGET '13 INC/(DEC)	CHANGE FY 12/13	
Police	508,710	267,602	400,000	3,150,000	2,750,000	688%	3.26%
Fire	2,694,511	2,677,861	400,000	0	(400,000)	-100%	0.00%
Public Works	12,614,425	10,905,096	18,134,238	30,857,090	12,722,852	70%	31.93%
Parks & Recreation	3,134,253	2,767,197	3,090,378	2,553,000	(537,378)	-17%	2.64%
Education, Arts & Culture	281,779	10,840	700,000	500,000	(200,000)	-29%	0.52%
General Government	3,171,681	2,839,831	14,344,988	5,105,000	(9,239,988)	-64%	5.28%
General Services	0	0	0	2,321,000	2,321,000	N/A	2.40%
Chattanooga Downtown Redevelopment Corp	811,005	206,075	1,320,000	8,000,000	6,680,000	506%	8.28%
Interceptor Sewer Fund	7,038,012	7,710,754	8,900,000	38,450,000	29,550,000	332%	39.79%
Solid Waste Fund	705,532	356,033	6,881,000	50,000	(6,831,000)	-99%	0.05%
Water Quality Fund	352,089	10,429,985	1,500,000	5,656,000	4,156,000	277%	5.85%
Total Capital Projects	\$31,311,997	\$38,171,274	\$55,670,604	\$96,642,090	\$40,971,486	73.6%	100.00%
Grand Total	\$31,311,997	\$38,171,274	\$55,670,604	\$96,642,090	40,971,486	73.6%	100.00%

Expenditures

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

GENERAL GOVERNMENT

FY 2013 Budget	\$ 5,105,000
% of Total Capital Budget	5.28%
Decline From FY 2012	(1,142,767)
% Change	-18.29%

The FY 2013 General Government budget includes funding for Chattanooga Area Regional Transit Authority, city wide vehicle replacement, various building renovation, Information Services software upgrades, The Public Library HVAC, MESH (wireless) network and a continued construction for the new City health facility.

POLICE

FY 2013 Budget	\$ 3,150,000
% of Total Capital Budget	3.26%
Growth From FY 2012	2,750,000
% Change	687.5%

The FY 2013 appropriation for the Police Department

is for a new firing range. The current site must be vacated for the development of the Moccasin Bend National Park.

PUBLIC WORKS (All Funds)

FY 2013 Budget	\$75,013,090
% of Total Capital Budget	77.62%
Growth From FY 2012	39,597,852
% Change	111.81%

The FY 2013 Public Works capital appropriation reflects the City's street rehab program, replacement of city-wide services equipment and infrastructure improvements for the City's Enterprise South Industrial Park, implementation of a regional ITS signalization system and Traffic Operations Center, Closure of City landfill cell, Summit Landfill gas generation facility to supply the Volkswagen plant, upgrade of the Interceptor and Water Quality systems.

PARKS & RECREATION

FY 2013 Budget	\$ 2,553,000
% of Total Capital Budget	2.6%
Decline From FY 2012	(537,378)
% Change	-17.39%

The FY 2013 Parks & Recreation Department

appropriation includes improvements in City parks, recreation centers, Greenway system, continued development of new Hixson Recreation Center and Summit of Softball complex.

EDUCATION, ARTS & CULTURE

FY 2013 Budget	\$ 500,000
% of Total Capital Budget	0.52%
Decrease From FY 2012	(200,000)
% Change	-28.57%

This appropriation is to fund the roof replacement at two facilities Memorial Auditorium and Tivoli Theatre.

CHATTANOOGA DOWNTOWN REDEVELOPMENT CORP.

FY 2013 Budget	\$ 8,000,000
% of Total Capital Budget	8.28%
Growth From FY 2012	6,680,000
% Change	506.1%

This appropriation is to fund repair of the Ross' Landing Riverfront hardedge.

Capital Project Detail

General Government

Recommended Projects	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	5 Year Plan Total
General Government	5,105,000	3,145,000	574,000	500,000	500,000	9,824,000
Library - Central HVAC & Lighting	400,000	600,000	-	-	-	1,000,000
CARTA Match Funds	800,000	1,400,000	500,000	500,000	500,000	3,700,000
Fortwood Center	50,000	-	-	-	-	50,000
WellAdvantage Healthcare Center	2,000,000	-	-	-	-	2,000,000
Information Services	1,855,000	895,000	74,000	-	-	2,824,000
Eastgate Branch Relocation	-	250,000	-	-	-	250,000

General Government

FY 2013 Appropriation:	\$5,105,000
% of Capital Funds:	5.38%
Decrease From FY 12:	(1,142,767)
% Change:	-18.29%

General Government is the area where all appropriations to other funds, joint-funded and outside agencies are accounted for. These appropriations can vary from year to year based requests or decisions. This year requests were \$5,941,000. Approved FY13 appropriations in the General Government Capital area include:

Library - Central HVAC & Lighting

FY 2013 Appropriation:	\$400,000
Funding source:	Other Sources - Fund Balance Reserves
Prior Years Appropriations:	None
Total Project Cost:	\$400,000

This appropriation is to help fund the Chattanooga Public Library with its HVAC capital needs.

Impact on operating budget: None - one time funding

CARTA

FY 2013 Appropriation:	\$600,000
Funding source:	Economic Development
Prior Years Appropriations:	\$ 9,824,617
Total Project Cost:	\$10,424,617

This appropriation is to help fund the Chattanooga Area Regional Transportation Authority's capital needs.

Impact on operating budget: None - these are one time funded projects for supported agencies

Capital Project Detail

Fortwood Center

FY 2013 Appropriation:	\$ 50,000
Funding source(s):	General Fund
Prior Year(s) Appropriations:	\$ 200,000
Total Project Cost:	\$ 250,000

This appropriation is the fourth year of a 5 year commitment to help fund capital upgrades for the Fortwood Center.
Impact on operating budget: None

WellAdvantage Healthcare Center

FY 2013 Appropriation:	\$ 2,000,000
Funding source(s):	Health and Wellness Fund
Prior Year(s) Appropriations:	\$ 3,500,000
Total Project Cost:	\$ 5,500,000

This appropriation is to fund the City's new employee health center inclusive of clinic, pharmacy, and fitness facility.
Impact on operating budget: Additional Building Maintenance and Utilities estimated between \$100,000 - \$300,000

Information Services

FY 2013 Appropriation:	\$ 1,855,000
Funding source(s):	\$ 50,000 General Fund \$ 1,805,000 General Obligation Bonds
Prior Year(s) Appropriations:	\$16,044,386
Total Project Cost:	\$17,899,386

This appropriation funds Network Infrastructure upgrade, ERP Software upgrade (Oracle - R12), Final phase of Time Clock implementation, 311 software, Human Resources Management-Self Service Enhancement System, and Wireless.

Impact on operating budget: Software Maintenance and upgrades estimated between \$250,000 - \$500,000

Capital Project Detail

General Services

Recommended Projects	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	5 Year Plan Total
General Services	2,321,000	2,095,000	2,000,000	0	0	6,416,000
City Hall Campus	286,000	-	-	-	-	286,000
Bessie Smith Hall	35,000	-	-	-	-	35,000
Fleet Leasing Program	2,000,000	2,095,000	2,000,000	-	-	6,095,000

General Services

FY 2013 Appropriation:	\$2,321,000
% of Capital Funds:	2.40%
Decrease From FY 12:	(5,776,221)
% Change:	-71.34%

General Services is responsible for the City's buildings and vehicle lease program to buy vehicles for all the departments in the city except the fire department. This year requests were \$6,730,500. Approved FY13 appropriations in the General Services Capital area include:

City Hall Campus

FY 2013 Appropriation:	\$ 286,000
Funding source(s):	General Obligation Bonds
Prior Year(s) Appropriations:	\$12,569,216
Total Project Cost:	\$12,855,216

This appropriation is for the building, maintenance, and upkeep of on campus City facilities. The appropriation specifically focused on purchase of a new chiller for City Hall and new energy windows and boiler for City Hall Annex
Impact on operating budget: Cost savings expected to exceed \$50,000.

Bessie Smith Hall

FY 2013 Appropriation:	\$ 35,000
Funding source(s):	\$ 17,500 General Fund
	\$ 17,500 External Sources - Hamilton County
Prior Year(s) Appropriations:	\$ -0-
Total Project Cost:	\$ 35,000

This appropriation is to fund a new boiler for heating at the facility.
Impact on operating budget: None

Fleet Leasing Program

FY 2013 Appropriation:	\$ 2,000,000
Funding source(s):	Fleet Services Fund
Prior Year(s) Appropriations:	\$25,732,323
Total Project Cost:	\$27,732,323

The vehicle replacement program fund portion of all light/medium duty vehicles, in-car camera systems and mounts, and fund heavy equipment replacement.

Impact on operating budget: The vehicle replacement program results in lower operating, maintenance, and fuel costs along with a safer fleet operations. Cost savings expected to exceed \$50,000.

Capital Project Detail

POLICE

Recommended Projects	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	5 Year Plan Total
Police Department	3,150,000	495,000	1,070,000	670,000	495,000	5,880,000
Whole Dehumidification System (mold)	100,000	-	-	-	-	100,000
Rangs	3,050,000	-	-	-	-	3,050,000
Motorola Portable Digital Radios	-	95,000	95,000	95,000	95,000	380,000
In-car Laptop Computers	-	400,000	400,000	400,000	400,000	1,600,000
Police Service Center Parking Lots	-	-	400,000	-	-	400,000
Annex Renovation & Expansion	-	-	175,000	175,000	-	350,000

Police Department

FY 2013 Appropriation:	\$3,150,000
% of Capital Funds:	3.26%
Increase From FY 12:	2,750,000
% Change:	687.50%

Police is responsible for the City's police protection. This year requests were \$21,270,000. Approved FY13 appropriations in the Police Capital area include:

Whole Dehumidification System for Major Crimes

FY 2013 Appropriation:	\$ 100,000
Funding source(s):	General Fund
Prior Year(s) Appropriations:	\$ -0-
Total Project Cost:	\$ 100,000

This appropriation is for the design & configure a whole dehumidification system for Major Crimes. To include space humidity and CO2 sensores for the purpose of monitoring the acutal conditions. To install automatic damper control system that would be controlled by CO2 levels in the controlled space, The purchase and installation of all equipment for this project

Impact on operating budget: None

Firing Range

FY 2013 Appropriation:	\$ 3,050,000
Funding source(s):	\$ 900,000 General Obligation Bonds
	\$ 100,000 Economic Development
	\$ 2,050,000 External Sources - Federal Grants
Prior Year(s) Appropriations:	\$ -0-
Total Project Cost:	\$ 3,050,000

Relocate present Chattanooga Police Department range. Congressman Wamp is in process of researching additional funding, there is so far 500,000 grant for lead recovery system.

Impact on operating budget: Additional Building Maintenance and Utilities estimated between \$50,000 - \$100,000

Capital Project Detail



Range



Annex Renovation



Service Center Renovation/Expansion



Police Request



Parking Lot Repair



Service Center Exterior Repair



Capital Project Detail

Fire

Recommended Projects	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	5 Year Plan Total
Fire Department	0	2,300,000	1,810,000	3,492,000	3,182,000	10,784,000
Apparatus	-	-	500,000	500,000	1,000,000	2,000,000
Station Generators	-	-	160,000	80,000	80,000	320,000
Fire Station Major Improvements	-	-	150,000	50,000	50,000	250,000
Nederman System	-	-	-	-	52,000	52,000
Turnout Gear	-	-	-	572,000	-	572,000
Fire Service Expansion	-	2,300,000	1,000,000	2,290,000	2,000,000	7,590,000

Fire Department

FY 2013 Appropriation:

\$ -0-

% of Capital Funds:

0%

Decrease From FY 12:

400,000

% Change:

-100%

Fire is responsible for the City's fire protection. This year requests were \$11,037,500. Approved FY13 appropriations in the Fire Capital were delayed until future dates. See proposed 5 year plan above for anticipated need for the future.

Capital Project Detail



Upgrade Fire Apparatus (1982 Ladder Truck)



Capital Project Detail



Shallowford Road/Jenkins Road



Central Avenue Extension

Roadway Projects



ESIP Intersection Improvements



Goodwin Drive Extension



Wilcox Tunnel

Capital Project Detail

Public Works

Recommended Projects	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	5 Year Plan Total
Public Works	75,013,090	122,483,860	83,525,804	76,305,804	42,474,000	399,802,558
Paving of Streets	1,788,000	2,000,000	2,000,000	2,000,000	2,000,000	9,788,000
City Wide Services Equipment	-	1,015,000	820,000	350,000	-	2,185,000
ESIP Connector Road Extension	12,500,000	9,000,000				21,500,000
Traffic Engineering Projects	7,530,000	7,250,000	7,650,000	7,650,000	150,000	30,230,000
Curbs, Gutters, and Sidewalks	1,992,587	1,300,000	2,050,000	1,800,000	300,000	7,442,587
Street Rehabilitation	7,046,503	16,115,851	24,995,804	27,655,804	14,550,000	90,363,962
Water Quality	5,656,000	8,826,009	9,920,000	9,600,000	2,500,000	36,502,009
Solid Waste	50,000	1,313,000	1,090,000	1,650,000	624,000	4,727,000
Interceptor Sewer	38,450,000	43,664,000	30,000,000	20,600,000	17,350,000	150,064,000
Wilcox Tunnel Rehab	-	32,000,000	5,000,000	5,000,000	5,000,000	47,000,000

Public Works

FY 2013 Appropriation:	\$75,013,090
% of Capital Funds:	77.62%
Increase From FY 12:	39,597,852
% Change:	111.81%

Public Works is responsible for the City's infrastructure which includes the interceptor sewer, water quality system, collection and disposal of garbage & brush, building inspections, traffic management, signs, and markings. This year requests were \$156,557,363. Approved FY13 appropriations in the Public Works Capital area include major project is areas of :

Paving Program

FY 2013 Appropriation:	\$ 1,788,000
Funding source(s):	\$ 1,500,000 General Fund 288,000 External Sources
Prior Year(s) Appropriations:	\$ 23,698,117
Total Project Cost:	\$ 25,486,117

This appropriation funds the resurfacing of streets City wide. It also provides for replacement of pavement markings and traffic signal loop detector wiring damaged due to pavement milling and resurfacing.

Impact on operating budget: This program will reduce the cost of annual street maintenance.

ESIP Connector Road Extention

FY 2013 Appropriation:	\$12,500,000
Funding source(s):	\$ 1,250,000 General Obligation Bonds 11,250,000 External Sources
Prior Year(s) Appropriations:	\$ 11,056,000
Total Project Cost:	\$ 21,556,000

Extention of the EXIP Connector Raodway from Interstate 75 to Highway 58, the segment more specifically defined as Hickory Valley Road at Discovery Drive to the intersection of Hickory Valley Raod at Highway 58. The roadway is proposed to be widened to 4 lanes with a multipurpose path on one side, commuter bicycle lanes, bridge section over Volzswagen rail yard, andn two roundabouts.

Impact on operating budget: This will improve the operating efficiency of traffic

Capital Project Detail

Traffic Engineering Projects

FY 2013 Appropriation:	\$ 7,530,000
Funding source(s):	\$ 130,000 General Fund 7,400,000 External Sources (CMAQ Grant)
Prior Year(s) Appropriations:	\$ 18,685,143
Total Project Cost:	\$ 26,215,143

This appropriation provides for modernization of existing signals and installation of new traffic signals and equipment. The current year contains an appropriation of CMAQ grant funds for phase 1 construction of a regional ITS Signalization System and Traffic Operations Center.

Impact on operating budget: None.

Curbs, Gutters and Sidewalks

FY 2013 Appropriation:	\$ 1,992,587
Funding source(s):	\$ 400,000 General Fund \$ 1,175,000 General Obligation Bonds \$ 417,587 External Funding Sources (CDBG & Other)
Prior Year(s) Appropriations:	\$ 7,890,836
Total Project Cost:	\$ 9,883,423

This appropriation provides for the continuing program of construction and repair of curbs, gutters, and sidewalks within the City.

Impact on operating budget: None.

Street Rehabilitation

FY 2013 Appropriation:	\$ 7,046,503
Funding source(s):	\$ 300,000 General Fund \$ 2,517,469 General Obligation Bonds \$ 4,229,034 External Funding Sources (Other)
Prior Year(s) Appropriations:	\$ 56,699,968
Total Project Cost:	\$ 63,746,471

This appropriation will fund a program of major street rehabilitation within the City.

Impact on operating budget: This program of major street Improvements results in lower street maintenance costs

Water Quality Fund

FY 2013 Appropriation:	\$ 5,656,000
Funding source(s):	General Obligation Bonds
Prior Year(s) Appropriations:	\$ 13,000,000
Total Project Cost:	\$ 18,656,423

This appropriation provides for expansion and upgrade of the City's storm water system to comply with Federal and State guidelines.

Impact on operating budget: None

Capital Project Detail

Solid Waste Fund

FY 2013 Appropriation:	\$ 50,000
Funding source(s):	Solid Waste Reserves
Prior Year(s) Appropriations:	\$ 7,646,000
Total Project Cost:	\$ 7,696,000

This appropriation provides for the purchase of new equipment, closure of a landfill cell and development of a methane gas generation facility for the Volkswagen plant.

Impact on operating budget: This will result in lower operations and maintenance cost.

Interceptor Sewer Fund

FY 2013 Appropriation:	\$ 38,450,000
Funding source(s):	\$ 33,100,000 SRF Loan
	\$ 5,350,000 Sewer Reserves
Prior Year(s) Appropriations:	\$ 34,804,000
Total Project Cost:	\$ 69,254,000

This appropriation provides for the continuing program of upgrading the City's interceptor sewer system.

Impact on operating budget: None

Capital Project Detail



Capital Project Detail

Education, Arts & Culture

Recommended Projects	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	5 Year Plan Total
Education, Arts, & Culture	500,000	700,000	1,200,000	200,000	200,000	2,800,000
Memorial Auditorium & Tivoli Repair & Maint.	500,000	200,000	200,000	200,000	200,000	1,300,000
Community Theatre Renovation	-	500,000	1,000,000	-	-	1,500,000

Education, Arts, & Culture

FY 2013 Appropriation:	\$ 500,000
% of Capital Funds:	0.52%
Decrease From FY 12:	(200,000)
% Change:	-28.57%

Education, Arts, & Culture is responsible for the City's cultural educational programs and entertainment in public art, visual, and performing arts. This year requests were \$500,000. Approved FY13 appropriations in the EAC Capital area include major project in areas of :

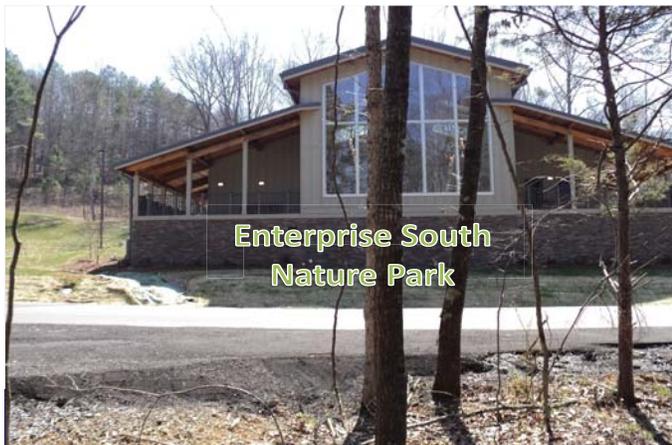
Memorial Auditorium & Tivoli Repair and Maintenance

FY 2013 Appropriation:	\$ 500,000
Funding source(s):	General Obligation Bonds
Prior Year(s) Appropriations:	\$ 1,128,920
Total Project Cost:	\$ 1,628,920

This appropriation provides funding to address the wear and tear issues in our two facilities. The major issues are carpet replacement needed at the Tivoli, decorative painting at both facilities, roof replacement is critical at Memorial Auditorium, and lighting and sound equipment upgrade.

Impact on operating budget: This will result in lower operations and maintenance cost.

Capital Project Detail



Capital Project Detail

Parks & Recreation

Recommended Projects	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	5 Year Plan Total
Parks & Recreation	2,553,000	408,000	2,600,000	750,000	4,661,000	10,972,000
S. Chickamauga Creek Greenway	140,000	158,000	1,050,000	500,000	1,000,000	2,848,000
Zoo Improvements	250,000	250,000	250,000	250,000	250,000	1,250,000
Hixson Recreation Center	1,400,000	-	1,300,000	-	500,000	3,200,000
"Summit of Softball" Sports Complex	300,000	-	-	-	-	300,000
Roof Replacements	123,000	-	-	-	-	123,000
HVAC Systems	100,000	-	-	-	-	100,000
John A. Patten Park - Restrooms	75,000	-	-	-	-	75,000
St. Elmo Passive Park (Restrooms)	75,000	-	-	-	-	75,000
1st Street Redesign	90,000	-	-	-	-	90,000
Ross's Landing Park Visitor Services	-	-	-	-	500,000	500,000
Montague Park Development	-	-	-	-	1,311,000	1,311,000
Tyner Tournament Ballfield Complex	-	-	-	-	1,100,000	1,100,000

Parks & Recreation

FY 2013 Appropriation: \$ 2,553,000
% of Capital Funds: 2.64%
Decrease From FY 12: (537,378)
% Change: -17.39%

Parks & Recreation is responsible for the City's parks and public space maintenance including two golf courses, a tournament quality tennis complex and softball complexes. This year requests were \$21,121,063. Approved FY13 appropriations in the Park & Recreation Capital area include major project in areas of :

South Chickamauga Creek Greenway

FY 2013 Appropriation: \$ 140,000
Funding source(s): Economic Development Fund
Prior Year(s) Appropriations: \$ 4,162,667
Total Project Cost: \$ 4,302,667

Cover overages of current construction, design and engineering for Phase III; acquisition of Boyd property needed to continue extension as specified in plans. The next phase includes the connection from Faith Hill Road to the Brainerd Levee or from the Riverwalk to Hawthorne Street.

Impact on operating budget: This will result in lower operations and maintenance cost.

Zoo Improvements

FY 2013 Appropriation: \$ 250,000
Funding source(s): General Fund
Prior Year(s) Appropriations: \$ 2,776,840
Total Project Cost: \$ 3,026,840

This funding is a continuation of the Master Plan. Expansion of the Chatt Zoo including the addition of new exhibits, present agreement calls for an incentive match of Friends of Zoo (FOZ) raised funds by the City. These funds will be used to insure the City is in compliance with the terms of the loan agreement that states. There is potential

Capital Project Detail

for additional credit to the loan, via a \$1 appropriation dollar per \$2 donation dollar contribution, per fiscal year, up to an amount of \$250,000.

Impact on operating budget: This will result in economic development.

Hixson Recreation Center

FY 2013 Appropriation:	\$ 1,400,000
Funding source(s):	General Obligation Bonds
Prior Year(s) Appropriations:	\$ 1,055,000
Total Project Cost:	\$ 1,455,000

Project planning exercise completed in FY 2011. Demolition & site work FY 2012. Remodel 1972 gym, home economic area and Auditorium. Refinish floors and new HVAC. Initial minimal construction activity for lobby addition. Continue remodeling of existing saved spaces including the auditorium.

Impact on operating budget: This will result in lower operations and maintenance cost.

Summit of Softball Sports Complex

FY 2013 Appropriation:	\$ 300,000
Funding source(s):	Economic Development Fund
Prior Year(s) Appropriations:	\$ 11,558,319
Total Project Cost:	\$ 11,858,319

Funds needed to support the overall completion of the project incorporating items that had to be removed from the original project scope. Completion of the initial plans which includes finishing items removed from the original construction plan due to funding limitations (playground, perimeter fencing, picnic shelter, walking trails, entrance road landscaping, bleachers, windscreens, additional trash receptacles, etc.).

Impact on operating budget: This will result in lower operations and maintenance cost.

Roof Replacements

FY 2013 Appropriation:	\$ 123,000
Funding source(s):	General Obligation Bonds
Prior Year(s) Appropriations:	\$ 922,500
Total Project Cost:	\$ 1,045,500

This appropriation provides funding to address the wear and tear issues in our facilities. Glenwood and Warner Park Fieldhouse are priorities for this year.

Impact on operating budget: This will result in lower operations and maintenance cost.

HVAC Systems

FY 2013 Appropriation:	\$ 100,000
Funding source(s):	General Obligation Bonds
Prior Year(s) Appropriations:	\$ 197,281
Total Project Cost:	\$ 297,281

This appropriation provides funding to address 2 facility areas that presently do not have air-conditioning. Conditions in these facilities during the summer months significantly limits programming opportunities.

Capital Project Detail

Impact on operating budget: This will result in lower operations and maintenance cost.

John A Patten Park & St. Elmo Passive Park Restrooms

FY 2013 Appropriation:	\$ 150,000
Funding source(s):	\$ 75,000 General Obligation Bonds
	\$ 75,000 General Funds
Prior Year(s) Appropriations:	\$ -0-
Total Project Cost:	\$ 150,000

This appropriation provides funding to address the Improvements that were recommended by the Master Plan completed in the early 1990s. Site work will be to provide outdoor restrooms to these locations.

Impact on operating budget: This will result in lower operations and maintenance cost.

1st Street Redesign

FY 2013 Appropriation:	\$ 90,000
Funding source(s):	Economic Development & Hamilton County
Prior Year(s) Appropriations:	\$ -0-
Total Project Cost:	\$ 90,000

The 1st Street corridor from the Holmberg Bridge to Market Street is presently a pedestrian thoroughfare with an ADA vernacular. The visual and practical pedestrian connections between the Aquarium and the Hunter Museum needs further design and engineering consideration to be successful. Foundations will be solicited after a final design is completed. Present Handicap Accessibility is not present with the moving vernacular in-operative. This provides for the redesign and reconstruction of 1st Street in the Aquarium district of the Riverfront. Replacement of people mover (vernacular), construction of a new road and sidewalk, and alignment with new landscape and pavement applications.

Impact on operating budget: This will result in lower operations and maintenance cost.

Recommended Projects	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	5 Year Plan Total
Chatt Downtown Redevelop Corp.	8,000,000	600,000	0	0	0	8,600,000
Ross's Landing Riverfront Hardedge repairs	8,000,000	600,000	-	-	-	8,600,000

Ross's Landing Riverfront Hardedge Repairs

FY 2013 Appropriation:	\$ 8,000,000
Funding source(s):	Hotel/Motel Funding
Prior Year(s) Appropriations:	\$ 1,140,000
Total Project Cost:	\$ 9,140,000

This funding will complete design and Engineering services to correct deficiencies as noted by study of the waterfront finished in FY12. This will also provide funding for construction and repairs to existing structure.

Impact on operating budget: This will result in lower operations and maintenance cost.

CAPITAL BUDGET ORDINANCE

2ND READING 7-10-11
 1ST READING
 2ND READING

ORDINANCE NO. 12625

AN ORDINANCE APPROPRIATING, AUTHORIZING OR ALLOCATING FUNDS TO THE CAPITAL IMPROVEMENTS BUDGET FOR THE FISCAL YEAR 2012/2013 AND TO AMEND THE FISCAL YEAR 2012/2013 BUDGET ORDINANCE NO. 12622.

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

SECTION 1. That there be and is hereby appropriated, authorized, or allocated the hereinafter set funds from the sources specified for the public purposes indicated of the Capital Improvements Plan for the Fiscal Year 2012/2013:

GENERAL GOVERNMENTAL FUNDS			
FROM	General Obligation Bonds	\$	8,881,469
	Hotel Motel GO Bonds		8,000,000
	General Fund		2,622,500
	Economic Development Fund		2,628,542
	Fleet Management Fund		2,000,000
	Medical Mega Fund		2,000,000
	Library Fund (1115)		400,000
	State of Tennessee (TDOT)		7,938,000
	State of Tennessee (TIP)		1,580,492
	Redistribute Capital Funds (6030)		250,000
	Redistribute Capital Funds (4016)		50,000
	Redistribute Capital Funds (4015)		25,000
	Capital Contribution (Hamilton County)		1,612,500
	Capital Contribution (Shallowford Area Property Owners)		100,000
	Capital Contribution (Lyndhurst Foundation)		430,000
	Capital Contribution (H C. Railroad Authority)		1,600,000
	Capital Contribution (Other local governments)		1,000,000
	Federal		11,050,000
	Community Development Block Grant		317,587
<hr/>			
TO	General Government & Supported Agencies	\$	5,105,000
	Department of Police		3,150,000
	Department of Public Works		30,857,090
	Department of Parks & Recreation		2,553,000
	Department of Education, Arts & Culture		500,000
	Department of General Services		2,321,000
	Chattanooga Downtown Redevelop Corp.		8,000,000
		<u>\$</u>	<u>52,486,090</u>
		<u>\$</u>	<u>52,486,090</u>

CAPITAL BUDGET ORDINANCE

PROPRIETARY FUNDS CAPITAL

FROM:	State Revolving Loan Fund	33,100,000	
	Interceptor Sewer System Reserves (Fund 6010)	5,350,000	
	Solid Waste Fund Reserves	50,000	
	General Obligation Bonds	5,656,000	
<hr/>			
TO:	Interceptor Sewer Fund	38,450,000	
	Solid Waste Fund	50,000	
	Water Quality Fund	5,656,000	
	TOTAL PROPRIETARY FUNDS	\$ 44,156,000	\$ 44,156,000
<hr/>			
	TOTAL CAPITAL BUDGET	\$ 96,642,090	\$ 96,642,090

~~SECTION 2.~~ That Ordinance No. 12622, the ~~BUDGET ORDINANCE~~, be and is hereby amended as provided hereinafter.

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

	<u>Delete</u>	<u>Substitute in Lieu Thereof</u>
REVENUE FROM FUND BALANCE	<u>\$ 0</u>	<u>\$ 1,122,500</u>
AMENDED GENERAL FUND ESTIMATED REVENUE	<u>\$ 209,320,000</u>	<u>\$ 210,442,500</u>

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

	<u>Delete</u>	<u>Substitute in Lieu Thereof</u>
GENERAL FUND APPROPRIATIONS:		
General Government & Agencies	<u>\$ 54,399,703</u>	<u>\$ 55,522,203</u>
AMENDED TOTAL APPROPRIATION	<u>\$ 209,320,000</u>	<u>\$ 210,442,500</u>

CAPITAL BUDGET ORDINANCE

	<u>Delete</u>	<u>Substitute in Lieu Thereof</u>
<hr/>		
GENERAL GOVERNMENT & SUPPORTED AGENCIES		
Capital Improvements	\$ <u>0</u>	\$ <u>1,122,500</u>
AMENDED GEN. GOVT. & SUPPORTED AGENCIES	\$ <u>54,399,703</u>	\$ <u>55,522,203</u>
AMENDED TOTAL APPROPRIATION	\$ <u>209,320,000</u>	\$ <u>210,442,500</u>

SECTION 3.

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

	<u>Delete</u>	<u>Substitute in Lieu Thereof</u>
<hr/>		
1111 <u>ECONOMIC DEVELOPMENT EDUCATION FUND:</u>		
<u>ESTIMATED REVENUE</u>		
Economic Development Unreserved Fund Balance	\$ <u>0</u>	\$ <u>1,389,741</u>
Amended Total Revenue	\$ <u>11,639,000</u>	\$ <u>13,028,741</u>
<u>APPROPRIATIONS</u>		
Economic Development Capital Projects	\$ <u>1,238,801</u>	\$ <u>2,628,542</u>
Amended Total Appropriation	\$ <u>11,639,000</u>	\$ <u>13,028,741</u>
6010 <u>INTERCEPTOR SEWER OPERATIONS:</u>		
<u>ESTIMATED REVENUE</u>		
Interceptor Sewer Fund Reserves	\$ <u>0</u>	\$ <u>5,350,000</u>
Amended Total Revenue	\$ <u>50,923,117</u>	\$ <u>56,273,117</u>
<u>APPROPRIATIONS</u>		
Construction Trust Fund (6011)	\$ <u>0</u>	\$ <u>5,350,000</u>
Amended Total Appropriation	\$ <u>50,923,117</u>	\$ <u>56,273,117</u>

	<u>Delete</u>	<u>Substitute in Lieu Thereof</u>
6020 <u>SOLID WASTE & SANITATION FUND:</u>		
ESTIMATED REVENUE		
Solid Waste & Sanitation Fund Reserves	\$ <u>0</u>	\$ <u>50,000</u>
Amended Total Revenue	\$ <u>6,233,755</u>	\$ <u>6,283,755</u>
 APPROPRIATIONS		
Appropriation to Capital	\$ <u>0</u>	\$ <u>50,000</u>
Amended Total Appropriation	\$ <u>6,233,755</u>	\$ <u>6,283,755</u>

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

PASSED July 10, 2012


 CHAIRPERSON
 APPROVED DISAPPROVED
 DATE: 7/12, 2012

 MAYOR

DM/SW/AD/MS

Capital Project Detail

