Ordinance No. 2020-02

AN ORDINANCE OF THE CITY OF FRIENDSVILLE, TENNESSEE
ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1,
2020 AND ENDING JUNE 30, 2021

WHEREAS, *Tennessee Code Annotated* § 9-1-116 requires that all funds of the State of Tennessee and all its political subdivisions shall first be appropriated before being expended and that only funds that are available shall be appropriated; and

WHEREAS, the Municipal Budget Law of 1982 requires that the governing body of each municipality adopt and operate under an annual budget ordinance presenting a financial plan with at least the information required by that state statute, that no municipality may expend any moneys regardless of the source except in accordance with a budget ordinance and that the governing body shall not make any appropriation in excess of estimated available funds; and

WHEREAS, the Mayor and Board of Commissioners has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the Board will consider final passage of the budget.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND BOARD OF COMMISSIONERS OF THE CITY OF FRIENDSVILLE, TENNESSEE AS FOLLOWS:

SECTION 1: That the governing body projects anticipated revenues from all sources and appropriates planned expenditures for each department, board, office or other agency of the municipality, herein, presented together with the actual annual receipts and expenditures of the last preceding fiscal year and the estimated annual expenditures for the current fiscal year, and from those revenues and unexpended and unencumbered funds as follows for fiscal year 2021, and including the projected ending balances for the budget year, the actual ending balances for the most recent ended fiscal year and the estimated ending balances for the current fiscal years

General Fund	FY 2019	FY 2020	FY 2021
Cash Receipts	Actual	Estimated	Proposed
Local Taxes	$ 168,196	$ 186,125	$ 181,000
Licenses and Permits	1,005	1,915	1,200
Intergovernmental	163,891	124,955	90,251
Other Revenues	55,171	76,507	29,754
Total Cash Receipts	$ 388,263	$ 389,502	$ 302,205
Appropriations			
General Government	$ 317,726	$ 344,622	$ 493,189
Total Appropriations	$ 317,726	$ 344,622	$ 493,189
Difference in Cash Receipts and Appropriations	$ 70,537	$ 44,880	$ (190,984)
Beginning Cash Balance	$ 292,716	$ 363,253	$ 408,133
Ending Cash Balance	$ 363,253	$ 408,133	$ 217,149
Ending Cash as % of Appropriations	114%	118%	44%

State Street Aid Fund Cash Receipts	FY 2019 Actual	FY 2020 Estimated	FY 2021 Proposed
Charges for Services	$ 32,063	$ 34,000	$ 34,922
Miscellaneous Revenues	274	425	425
Total Cash Receipts	$ 32,337	$ 34,425	$ 35,347
Appropriations			
Street Repairs and Maintenance	11,132	22,763	29,680
Total Appropriations	$ 11,132	$ 22,763	$ 29,680
Difference in Cash Receipts and Appropriations	$ 21,205	$ 11,662	$ 5,667
Beginning Cash Balance	$ 41,679	$ 62,884	$ 74,546
Ending Cash Balance	$ 62,884	$ 74,546	$ 80,213
Ending Cash as % of Appropriations	565%	327%	270%

Water Fund Revenues	FY 2019 Actual	FY 2020 Estimated	FY 2021 Proposed
Operating Revenues	$ 1,101,800	$ 1,166,235	$ 1,499,185
Water Operating Expenses	961,527	1,115,531	1,199,185
Depreciation	131,951	133,061	130,872
Net Nonoperating Revenues (Expenses)	$ 8,322	$ (82,357)	$ 169,128
Change in Net Position	$ 8,322	$ (82,357)	$ 169,128
Cash Basis Change in Net Position	$ (123,629)	$ (215,418)	$ 38,256
Estimated Beginning Cash Balance	$ 477,623	$ 485,945	$ 403,588
Estimated Ending Cash Balance	$ 353,994	$ 270,527	$ 441,844
Ending Cash as % of Cash Payments	37%	24%	37%

Sewer Fund Revenues	FY 2019 Actual	FY 2020 Estimated	FY 2021 Proposed
Operating Revenues	$ -	$ -	$ 894,385
Operating Expenses	-	-	588,269
Depreciation			10,716
Net Operating Income (Expense)	$ -	$ -	$ 295,400
Change in Net Position	$ -	$ -	$ 295,400
Estimated Beginning Cash Balance	$ -	$ -	$ -
Estimated Ending Cash Balance	$ -	$ -	$ 295,400
Ending Cash as % of Cash Payments			50%

SECTION 2: At the end of the current fiscal year the governing body estimates balances/(deficits) as follows:

General Fund	$ 459,898
State Street Aid Fund	$ 79,990
Water Fund	$ 2,808,624
Sewer Fund	$ -

SECTION 3: That the governing body recognizes that the municipality has bonded and other indebtedness as follows:

Type of Indebtedness	Debt Authorized and Unissued	Principal Outstanding at June 30, 2020	FY 2021 Debt Interest	FY 2021 Debt Principal
Bonds		$1,060,000	$25,888	$49,000
Notes		$128,900	$5,440	$12,100
Capital Leases		$56,048	$2,268	$12,501

SECTION 4: During the coming fiscal year the governing body has planned capital projects and proposed funding as follows:

Proposed Capital Projects	Proposed Amount Financed by Appropriations	Proposed Amount Financed by Grants	Proposed Amount Financed by Debt	Total Proposed Capital Projects
Water Operations Building			$ 300,000	$ 300,000
Sewer Line Construction	$ 153,500	$ 440,885	$ 300,000	$ 894,385
Equipment lease			$ 8,740	$ 8,740
				$ 1,203,125

SECTION 5: No appropriation listed above may be exceeded without an amendment of the budget ordinance as required by the Municipal Budget Law of 1982 (TCA § 6-56-208). In addition, no appropriation may be made in excess of available funds except to provide for an actual emergency threatening the health, property or lives of the inhabitants of the municipality and declared by a two-thirds (2/3) vote of at least a quorum of the governing body in accord with Tennessee Code Annotated § 6-56-205.

SECTION 6: Money may be transferred from one appropriation to another in the same fund by the City Recorder, subject to such limitations and procedures as set in Resolution No. 2013-01, adopted by the Board of Commissioners on March 7, 2013, by Tennessee Code Annotated § 6-56-209. Any resulting transfers shall be reported to the governing body at its next regular meeting and entered into the minutes.

SECTION 7: A detailed financial plan will be attached to this budget and become part of this budget ordinance. In addition, the published operating budget and budgetary comparisons shown by fund with beginning and ending fund balances and the number of full time equivalent employees required by Tennessee Code Annotated § 6-56-206 will be attached.

SECTION 8: This annual operating and capital budget ordinance and supporting documents shall be submitted to the Comptroller of the Treasury or Comptroller's Designee for approval if the City has notes issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated or loan agreements with a public building authority issued pursuant to Title 12, Chapter 10, Tennessee Code Annotated approved by the Comptroller of the Treasury or Comptroller's Designed within fifteen (15) day of its adoption. This budget shall not become the official budget for the fiscal year until such budget is approved by the Comptroller of the Treasury or Comptroller's Designee in accordance with Title 9, Chapter 21, *Tennessee Code* Annotated (the "Statutes".) If the Comptroller of the Treasury or Comptroller's Designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes, or as directed by the Comptroller of the Treasury or Comptroller's Designee. If the government does not have such debt outstanding, it will file this annual operating and capital budget ordinance and supporting documents with the Comptroller of the Treasury or Comptroller's Designee.

SECTION 9: All unencumbered balances of appropriations remaining at the end of the fiscal year lapse and revert to the respective fund balances.

SECTION 10: All ordinances or parts of ordinances in conflict with any provisions of this ordinance are hereby repealed.

SECTION 11: If any section, clause, provision, or portion of this ordinance is held to be invalid or un-constitutional by any Court of competent jurisdiction, such holdings shall not affect any other section, clause, provision, or portion of this ordinance.

SECTION 12: If for any reason a budget ordinance is not adopted prior to the beginning of the next fiscal year, the appropriations in this budget ordinance shall become the appropriations for the next fiscal year until the adoption of the new budget ordinance in accordance with the Section 6-56-210, Tennessee Code Annotated provided sufficient revenues are being collected to support the continuing appropriations.

SECTION 13: This ordinance shall take effect **July 1, 2020**, the public welfare requiring it.

Passed first reading May 7, 2020
Passed second reading June 4, 2020

Mayor Andy Lawhorn

City Seal

City Recorder Janet Ledbetter

CITY OF FRIENDSVILLE, TENNESSEE
General Fund

REVENUES	Actual 2018-2019	Estimated 2019-2020	Budgeted 2020-2021
Local Taxes			
Local Option Sales Tax	$ 114,578	$ 135,000	$ 125,000
Wholesale Beer Tax	33,919	30,200	35,000
Cable TV Franchise Taxes	19,699	20,925	21,000
Total Local Taxes	**$ 168,196**	**$ 186,125**	**$ 181,000**
Licenses & Permits			
Beer Licenses and Permits	$ 200	$ 600	$ 200
Building Permits	805	1,315	1,000
Total Licenses and Permits	**$ 1,005**	**$ 1,915**	**$ 1,200**
Intergovernmental Revenue			
State Sales Tax	$ 80,975	$ 84,500	$ 73,040
State Income Tax	6,994	6,993	4,000
State Beer Tax	423	420	438
TVA In-Lieu-of Tax	10,812	11,229	10,956
Grants/Loans	62,874	20,000	-
State Gasoline Inspection Tax	1,813	1,813	1,817
Total Intergovernmental Revenue	**$ 163,891**	**$ 124,955**	**$ 90,251**
Other Revenue			
Rental Income	$ 20,973	$ 13,746	$ 16,854
Playground Fund Donations	11,046	7,000	10,000
Insurance Proceeds	9,604	29,873	-
Transfers In	9,899	22,763	-
Interest Income	1,682	2,750	2,500
Miscellaneous Income	1,967	375	400
Total Other Revenue	**$ 55,171**	**$ 76,507**	**$ 29,754**
TOTAL REVENUE	**$ 388,263**	**$ 389,502**	**$ 302,205**
Beginning Fund Balance	**$ 344,481**	**$ 415,018**	**$ 459,898**
Available for Appropriation	**$ 732,744**	**$ 804,520**	**$ 762,103**

EXPENDITURES			
Advertising	$ 805	$ 425	$ 525
Bank Service Charges	-	1,472	1,980
Buildings & Grounds	19,323	21,000	25,000
Capital Outlay	12,399	22,763	105,300
Christmas Street Lights		2,733	1,600
Debt Service	20,177	19,156	24,050
Dues/Fees	756	921	940
Election Expense	1,500	-	1,500
Equipment Purchase	1,029	4,000	2,500
Equipment Rental	1,730	2,700	3,065
Fuel	4,123	4,200	4,200
Grant Funded Projects	62,874	20,000	-
Health Insurance	8,679	17,500	20,000
Hwy/Streets	1,000	550	-
Insurance	8,311	7,750	8,350
Legal/Professional	10,017	27,000	23,000
Miscellaneous	-	950	500
Office Expenditures	6,425	6,500	6,500
Parades & Events	2,636	6,000	6,000
Payroll Expenditures	8,827	7,700	9,500
Payroll Tax	8,029	8,800	6,550
Planning	5,250	5,250	5,250
Playground Fundraising Expenses	947	1,413	1,500
Postage	493	400	600
Property Tax	987	1,029	1,029
Repairs and Maintenance	3,554	4,800	5,000
Retirement	2,395	2,850	3,000
Salaries (Regular)	99,352	100,000	85,000
Salaries (OT- formerly inc. w/ reg. salary)	-	15,000	9,000
Signage	118	2,405	-
Street Lights	13,923	11,750	12,000
Supplies	1,088	5,000	4,500
Telephone & Internet	827	975	1,150
Transfers Out	-	-	100,000
Travel/Training	307	1,130	1,700
Uniforms	471	200	1,000
Uniform Boots	-	-	400
Utilities	7,607	7,800	8,000
Vehicle Expenditures	1,767	2,500	3,000
Contingency	-	-	-
TOTAL EXPENDITURES	**$ 317,726**	**$ 344,622**	**$ 493,189**
Excess (deficit) of revenues over (under) expenditures	**$ 70,537**	**$ 44,880**	**$ (190,984)**
Ending Fund Balance	**$ 415,018**	**$ 459,898**	**$ 268,914**
Beginning Cash Balance	**$ 292,716**	**$ 363,253**	**$ 408,133**
Ending Cash Balance	**$ 363,253**	**$ 408,133**	**$ 217,149**

CITY OF FRIENDSVILLE, TENNESSEE
State Street Aid Fund

	Actual 2018-2019	Estimated 2019-2020	Budgeted 2020-2021
REVENUES			
State Gasoline Taxes	$ 32,063	$ 34,000	$ 34,922
Interest Income	274	425	425
TOTAL REVENUES	**$ 32,337**	**$ 34,425**	**$ 35,347**
Beginning Fund Balance	**$ 47,123**	**$ 68,328**	**$ 79,990**
Available for Appropriation	**$ 79,460**	**$ 102,753**	**$ 115,337**
EXPENDITURES			
Paving	$ -	$ -	$ -
Equipment Purchase	9,900	22,763	10,000
Supplies	1,232	0	5,000
Tree Trimming and Mowing	0	0	4,680
Contingency	-	-	10,000
TOTAL EXPENDITURES	**$ 11,132**	**$ 22,763**	**$ 29,680**
Excess Revenues Over (Under) Expenditures	**$ 21,205**	**$ 11,662**	**$ 5,667**
Ending Fund Balance	**$ 68,328**	**$ 79,990**	**$ 85,657**
BEGINNING CASH BALANCE	**$ 41,679**	**$ 62,884**	**$ 74,546**
ENDING CASH BALANCE	**$ 62,884**	**$ 74,546**	**$ 80,213**

CITY OF FRIENDSVILLE, TENNESSEE
Water Fund

	Actual 2018-2019	Estimated 2019-2020	Budgeted 2020-2021
OPERATING REVENUES			
Water Revenue	$ 1,051,904	$ 1,112,000	$ 1,150,000
Water Tap Fees	38,200	44,000	39,000
Backflow Testing	495	270	270
Connect Fees	4,600	4,000	4,000
Equipment Rental	1,139	2,065	2,065
Loan Proceeds	-	-	300,000
Reconnect Fees	225	150	150
Interest Income	2,930	3,100	3,200
Miscellaneous Expenses	2,307	650	500
TOTAL REVENUES	**$1,101,800**	**$1,166,235**	**$1,499,185**
OPERATING EXPENSES			
Advertising	$ 342	485	485
Backflow Testing	600	270	270
Bank Fees	80	1,505	1,940
Collection service fees	145	0	150
Contract Labor	472	0	0
Debt Service (short term)	11,243	13,142	17,000
Dues/Fees	6,165	6,242	6,500
Equipment Purchase	383	1,036	5,000
Equipment Rental	743	1,800	1,200
Fuel	8,902	9,500	12,000
GIS	6,077	0	2,500
Health Insurance	24,561	52,200	60,000
Insurance	24,933	23,250	25,500
Legal/Professional	10,137	22,000	12,000
Miscellaneous	-	2,400	1,800
Monitoring Expenses	672	4,417	2,000
Office Expenses	19,418	9,000	16,000
Payroll Expenses	37,080	30,000	35,000
Payroll Tax (formerly included in salaries)	19,452	23,500	22,000
Postage	474	950	1,500
Rent	13,123	13,147	13,155
Repairs and Maintenance	6,674	14,500	15,000
Retirement	6,224	7,300	7,000
Salaries (Regular)	192,801	245,000	250,000
Salaries (Overtime- formerly included with regular salary)	26,772	38,000	30,800
Supplies	23,255	41,000	45,000
Telephone & Internet	2,152	5,700	4,500
Travel/Training	1,455	4,500	5,000
Unemployment	262	0	0
Uniforms	5,081	4,790	5,500
Uniform Boots (formerly included with uniforms)	-	300	2,000
Utilities	12,883	14,500	15,500
Vehicle Expense	3,049	4,000	5,000
Water Bill Expense	22,994	24,575	25,000
Water Line Extension	28,922	26,725	0
Water Purchase	322,392	348,000	365,000
Water Samples (lab testing)	2,466	2,700	3,000
Water Tank Maintenance	35,695	69,000	2,500
Line O/M	1,337	0	0

Line Rehab	-	0	0
Meters/Supplies	6,475	7,000	10,000
Long Term Debt	75,636	43,097	96,188
Contingency	-	0	76,197
Total Water Operating Expenses	**$ 961,527**	**$ 1,115,531**	**$ 1,199,185**

Depreciation Expense	$ 131,951	$ 133,061	$ 130,872
Total Water Expenses	**$ 1,093,478**	**$ 1,248,592**	**$ 1,330,057**
Operating Income (Loss)	**$ 8,322**	**$ (82,357)**	**$ 169,128**
Change in Net Position	**$ 8,322**	**$ (82,357)**	**$ 169,128**
Beginning Net Position July 1	**$ 2,882,659**	**$ 2,890,981**	**$ 2,808,624**
Ending Net Position June 30	**$ 2,890,981**	**$ 2,808,624**	**$ 2,977,752**

CITY OF FRIENDSVILLE, TENNESSEE
Sewer Fund

	Actual 2018-2019	Estimated 2019-2020	Budgeted 2020-2021
OPERATING REVENUES			
Connect Fees	$ -	$ -	0
Contributions from BCS	-	-	52,000
Grant Proceeds	-	-	440,885
Interest	-	-	1,500
Loan Proceeds	-	-	300,000
Sewer Revenue	-	-	0
Tap Fees	-	-	0
Transfers In- **One-time grant from General Fund for startup**	-	-	100,000
TOTAL REVENUES	**$ -**	**$ -**	**$ 894,385**
OPERATING EXPENSES			
Advertising	$ -	$ -	$ -
Bank Fees *3% of water dept cost	-	-	60
Chemicals	-	-	300
Debt Service	-	-	-
Depreciation *@ $893/mo **Added below**	-	-	-
Equipment Rental	-	-	6,000
Fees	-	-	150
Fuel	-	-	3,000
GIS	-	-	-
Hand Tools	-	-	100
Health Insurance	-	-	-
Insurance *3% of water dept cost	-	-	765
Interest	-	-	-
Inventory/Supplies	-	-	7,000
Lab Testing	-	-	-
Landscaping	-	-	1,500
Legal/Professional	-	-	1,000
Long Term Debt	-	-	21,300
Miscellaneous	-	-	-
Office Expenses	-	-	328
Payroll Expenses	-	-	728
Payroll Tax	-	-	25,500
Postage	-	-	-
Rent	-	-	395
Repairs and Maintenance	-	-	1,200
Retirement	-	-	8,300
Salary (regular)	-	-	280,000
Salary (overtime)	-	-	52,500
SCADA	-	-	200
Subcontractors	-	-	132,200
TASS Sewer Bill Expense	-	-	9,000
Telephone/Internet	-	-	135
Travel/Training	-	-	300
Unemployment	-	-	-
Uniforms	-	-	-
Utilities	-	-	1,800
Contingency	-	-	34,508
Total Sewer Operating Expenses	**$ -**	**$ -**	**$ 588,269**
Depreciation Expense	$ -		$ 10,716
Total Sewer Expenses	**$ -**	**$ -**	**$ 598,985**
Operating Income (Loss)	**$ -**	**$ -**	**$ 295,400**
Change in Net Position	**$ -**	**$ -**	**$ 295,400**

Beginning Net Position July 1	**$ -**	**$ -**	**$ -**
Ending Net Position June 30	**$ -**	**$ -**	**$ 295,400**

City of Friendsville

GENERAL FUND	Audited Fund Balance at June 30, 2019	$	415,018
	Plus: Estimated Revenues FY 2020		389,502
	Less: Estimated Expenditures FY 2020		344,622
	Estimated Fund Balance at June 30, 2020	$	459,898
STATE STREET AID FUND	Audited Fund Balance at June 30, 2019	$	68,328
	Plus: Estimated Revenues FY 2020		34,425
	Less: Estimated Expenditures FY 2020		22,763
	Estimated Fund Balance at June 30, 2020	$	79,990
WATER FUND	Audited Net Positon at June 30, 2019	$	2,890,981
	Plus: Estimated Revenues FY 2020		1,166,235
	Less: Estimated Expenses FY 2020		1,248,592
	Estimated Net Position at June 30, 2020	$	2,808,624
SEWER FUND	Audited Net Position at June 30, 2019	$	n/a
	Plus: Estimated Revenues FY 2020		n/a
	Less: Estimated Expenses FY 2020		n/a
	Estimated Net Position at June 30, 2020		0

City of Friendsville
Budget Summary
FY 2021

Fund	Estimated Beginning Fund Balance/Net Position 07/01/2020	Revenues	Debt Proceeds	Transfers-In	Estimated Receipts	Expenditures	Transfers-Out
General Fund	459,898	302,205			302,205	393,189	100,000
State Street Aid Fund	79,990	35,347			35,347	29,680	
Water Fund	2,808,624	1,199,185	300,000		1,499,185	1,330,057	
Sewer Fund	-	494,385	300,000	100,000	894,385	598,985	
Totals	$ 3,348,512	$ 2,031,122	$ 600,000	$ 100,000	$ 2,731,122	$ 2,351,911	$ 100,000

Fund	Estimated Beginning Cash 07/01/2020	Revenues	Debt Proceeds	Transfers-In	Estimated Receipts	Expenditures	Transfers-Out
General Fund	408,133	302,205			302,205	393,189	100,000
State Street Aid Fund	74,546	35,347			35,347	29,680	
Water Fund	$403,588	1,199,185	300,000		1,499,185	1,330,057	
Sewer Fund	$0	494,385	300,000	100,000	894,385	598,985	-
Totals	$ 886,267	$ 2,031,122	$ 600,000	$ 100,000	$ 2,731,122	$ 2,351,911	$ 100,000

Appropriations	Increase or (use) of Cash Balance	Estimated Ending Fund Balance/Net Position 06/30/2021
493,189	(190,984)	268,914
29,680	5,667	85,657
1,330,057	169,128	2,977,752
598,985	295,400	295,400
$ 2,451,911	$ 279,211	$ 3,627,723

Appropriations	Increase or (use) of Cash Balance	Estimated Ending Cash 06/30/2021	Ending Cash as a Percent of Expenditures
493,189	(190,984)	217,149	44.03%
29,680	5,667	80,213	270.26%
1,330,057	169,128	572,716	43.06%
598,985	295,400	295,400	49.32%
$ 2,451,911	$ 279,211	$ 1,165,478	

City of Friendsville

Schedule of Outstanding Debt and Budgeted Debt Service

Fiscal Year 2021

Fund	Type of Debt	Loan Name and Description	Original Issuance Amount	Authorized & Unissued	Total Principal Outstanding at 06/30/20	FY 2021 Budgeted Annual Debt Service			Detailed Budget Page Number
						Principal	Interest	Total	
General	Notes	TMBF Loan	$ 162,184		$ 128,900	$ 12,100	$ 5,440	$ 17,540	2
	Leases	Caterpillar Financial Services capital lease on skid steer	30,269		26,482	6,362	147	6,509	2
		Total General Fund Debt	$ 192,453	$ -	$ 155,382	$ 18,462	$ 5,587	$ 24,049	
Water and Sewer	Bonds	Water Revenue Refunding Bonds, Series 2019	1,069,000		$ 1,060,000	$ 49,000	$ 25,888	$ 74,888	5
	Leases	Caterpillar Financial Services capital lease on Excavator	54,786		47,045	6,139	2,121	8,260	4
		Total Water and Sewer Fund Debt	$ 1,123,786	$ -	$ 1,107,045	$ 55,139	$ 28,009	$ 83,148	
	Total Outstanding Debt for the Municipality		$ 1,316,239	$ -	$ 1,262,427	$ 73,601	$ 33,596	$ 107,197	

City of Friendsville
Revenue Forecast
FY 2021

Local Sales Tax

FYE		
2021	125,000	Budgeted
2020	135,000	Estimated
2019	114,578	Audited
2018	95,829	Audited
2017	100,090	Audited

State Sales Tax

2021	73,040	Budgeted
2020	84,500	Estimated
2019	80,975	Audited
2018	77,517	Audited
2017	75,695	Audited