

ORDINANCE No. 2023-10

**AN ORDINANCE OF THE
CITY OF LAFOLLETTE, TENNESSEE
ADOPTING THE ANNUAL BUDGET AND TAX RATE
FOR THE FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024**

WHEREAS, Tenn, Code Ann. § 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 Governing Body 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 GOVERNING BODY OF THE CITY OF LAFOLLETTE, 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 2024, 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	Estimated		Budget FY 2024
	Actual FY 2022	Actual FY 2023	
Revenues			
Local Taxes	\$ 5,172,732	\$ 6,493,850	\$ 6,898,200
Licenses And Permits	21,609	16,100	20,600
Intergovernmental	1,124,496	7,013,065	8,649,098
Charges For Services	484,759	393,650	393,510
Fines And Forfeitures	108,600	99,550	130,550
Other	1,240,727	874,630	677,075
Other Financing Sources			
Issuance of Debt / Debt Proceeds	192,000	-	-
Sale of Capital Assets	235,960	21,000	10,770
Transfers In - from other funds	40,000	212,395	210,787
Transfers In - from other funds (PILOT)	1,321,375	3,324,912	5,519,504
Total Revenues and Other Financing Sources	\$ 9,942,258	\$ 18,449,152	\$ 22,510,094
Appropriations			
Expenditures			
Department of Administration	\$ 2,484,620	\$ 835,456	\$ 863,852
Police Department	2,250,711	2,393,362	2,304,594
Fire Department	1,743,815	1,669,398	1,695,955
Office of Building Inspector	68,046	73,517	79,298
Parks Department	677,144	574,966	643,643
Debt Service - Principal and Interest	408,777	378,325	377,495
Other General Government	4,764	4,449,169	6,789,027
Library Department	105,990	109,785	129,229
Public Works/Highways & Street Department	1,285,812	975,551	1,127,504
Other Financing Uses			
Transfers Out - to other funds	24,918	6,989,623	8,106,925
Total Appropriations	\$ 9,054,597	\$ 18,449,152	\$ 22,117,522
Change in Fund Balance (Revenues - Appropriations)	887,661	-	392,572
Beginning Fund Balance July 1	6,137,376	7,025,037	7,025,037
Ending Fund Balance June 30	\$ 7,025,037	\$ 7,025,037	\$ 7,417,609
Ending Fund Balance as a % of Total Appropriations	77.6%	38.1%	33.5%

Debt Service paid from General Fund

Debt Management				
Acct #	Note Principal Paid	\$ 353,120	\$ 394,387	\$ 399,450
Acct #	Note Interest Paid	55,657	47,350	41,457
Acct #	Bond Principal Paid	-	-	-
Acct #	Bond Interest Paid	-	-	-
Acct #	Loan Agreement Principal Paid	-	-	-
Acct #	Loan Agreement Interest Paid	-	-	-
Acct #	Lease Principal Paid	-	-	-
Acct #	Lease Interest Paid	-	-	-
[enter additional lines as necessary]		-	-	-
[enter additional lines as necessary]		-	-	-
Total Annual Debt Service Payments		\$ 408,777	\$ 441,737	\$ 440,907

Notes:

1. Enter information in the unshaded cells.
2. Add additional lines if needed.
3. Enter Beginning Fund Balance at July 1, 2020, in the yellow cell.

STATE STREET AID FUND	Estimated		
	Actual FY 2022	Actual FY 2023	Budget FY 2024
Revenues			
State Gas and Motor Fuel Taxes	\$ 265,072	\$ 265,000	\$ 265,000
Gas Tax Increase	-	19,000	32,000
Other Financing Sources			
Issuance of Debt / Debt Proceeds	-	-	-
Transfers In - from other funds	-	-	-
Total Revenues and Other Financing Sources	\$ 265,072	\$ 284,000	\$ 297,000
Appropriations			
Public Works Department	\$ 448,627	\$ 284,000	\$ 297,000
Debt Service - Principal and Interest	-	-	-
Total Appropriations	\$ 448,627	\$ 284,000	\$ 297,000
Change in Fund Balance (Revenues - Appropriations)	(183,555)	-	-
Beginning Fund Balance July 1	345,481	161,926	161,926
Ending Fund Balance June 30	\$ 161,926	\$ 161,926	\$ 161,926
Ending Fund Balance as a % of Total Appropriations	36.1%	57.0%	54.5%

Notes:

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SOLID WASTE FUND	Actual FY 2022	Estimated Actual FY 2023	Budget FY 2024
Revenues			
Solid Waste Disposal Fees	\$ -	\$ -	\$ -
Tipping Fees	-	-	-
Sale of Surplus Assets	-	-	-
Miscellaneous Other Revenue	-	-	-
Transfers In - from other funds	15,000	15,000	15,000
Other Financing Sources			
Issuance of Debt / Debt Proceeds	-	-	-
Transfers In - from other funds	-	-	-
Total Revenues and Other Financing Sources	\$ 15,000	\$ 15,000	\$ 15,000
Appropriations			
Public Works Department	\$ 3,268	\$ 15,000	\$ 15,000
Debt Service	-	-	-
Total Appropriations	\$ 3,268	\$ 15,000	\$ 15,000
Change in Fund Balance (Revenues - Appropriations)	11,732	-	-
Beginning Fund Balance July 1	64,057	75,789	75,789
Ending Fund Balance June 30	\$ 75,789	\$ 75,789	\$ 75,789
Ending Fund Balance as a % of Total Appropriations	2318.8%	505.3%	505.3%

Notes:

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3. Enter Beginning Fund Balance at July 1, 2020, in the yellow cell.

DRUG FUND	Actual FY 2022	Estimated Actual FY 2023	Budget FY 2024
Revenues			
Fines And Forfeitures	\$ 45,180	\$ 6,000	\$ 5,386
Other	194	13,000	-
Other Financing Sources			
Issuance of Debt / Debt Proceeds	-	-	-
Transfers In - from other funds	10,649	26,000	94,724
Total Revenues and Other Financing Sources	\$ 56,023	\$ 45,000	\$ 100,110
Appropriations			
Drug Enforcement	\$ 36,542	\$ 40,000	\$ 94,724
Debt Service	-	-	-
Total Appropriations	\$ 36,542	\$ 40,000	\$ 94,724
Change in Fund Balance (Revenues - Appropriations)	19,481	5,000	5,386
Beginning Fund Balance July 1	124,577	144,058	149,058
Ending Fund Balance June 30	\$ 144,058	\$ 149,058	\$ 154,444
Ending Fund Balance as a % of Appropriations	394.2%	372.6%	163.0%

Notes:

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3. Enter Beginning Fund Balance at July 1, 2020, in the yellow cell.

SPECIAL POLICE FUND	Actual FY 2022	Estimated Actual FY 2023	Budget FY 2024
Revenues			
Public Safety Charges	\$ -	\$ -	\$ -
Other	216	-	-
Other Financing Sources			
Issuance of Debt / Debt Proceeds	-	-	-
Transfers In - from other funds	14,269	17,000	25,000
Total Revenues and Other Financing Sources	\$ 14,485	\$ 17,000	\$ 25,000
Appropriations			
Police Department	\$ 9,320	\$ 17,000	\$ 25,000
Debt Service	-	-	-
Total Appropriations	\$ 9,320	\$ 17,000	\$ 25,000
Change in Fund Balance (Revenues - Appropriations)	5,165	-	-
Beginning Fund Balance July 1	134,440	139,605	139,605
Ending Fund Balance June 30	\$ 139,605	\$ 139,605	\$ 139,605
Ending Fund Balance as a % of Appropriations	1497.9%	821.2%	558.4%

Notes:

1. Enter information in the unshaded cells.
2. Add additional lines if needed.
3. Enter Beginning Fund Balance at July 1, 2020, in the yellow cell.

CAPITAL PROJECTS FUND	Estimated		
	Actual FY 2022	Actual FY 2023	Budget FY 2024
Revenues			
CDBG	\$ 575,404	\$ -	\$ 630,000
Local	32,729	-	33,900
Other Financing Sources			
Issuance of Debt / Debt Proceeds	-	-	-
Transfers In - from other funds	-	-	13,600
Total Revenues and Other Financing Sources	\$ 608,133	\$ -	\$ 677,500
Appropriations			
Grant Administration	\$ 20,000	\$ -	\$ 40,000
Engineering	27,550	-	73,000
Construction	559,551	-	363,200
Enviromental	1,000	-	2,000
Other	-	-	199,300
Debt Service	-	-	-
Total Appropriations	\$ 608,101	\$ -	\$ 677,500
Change in Fund Balance (Revenues - Appropriations)	32	-	-
Beginning Fund Balance July 1	231	263	263
Ending Fund Balance June 30	\$ 263	\$ 263	\$ 263
Ending Fund Balance as a % of Appropriations	0.0%	#DIV/0!	0.0%

Notes:

1. Enter information in the unshaded cells.
2. Add additional lines if needed.
3. Enter Beginning Fund Balance at July 1, 2020, in the yellow cell.

ELECTRIC FUND	Estimated		
	Actual FY 2022	Actual FY 2023	Budget FY 2024
Operating Revenues			
Electric Sales	\$ 50,993,321	\$ 53,700,963	\$ 54,187,300
Miscellaneous Other Fees	1,325,977	1,877,799	1,887,200
Total Operating Revenues	\$ 52,319,298	\$ 55,578,762	\$ 56,074,500
Operating Expenses			
Administrative	\$ 3,623,773	\$ 3,785,697	\$ 4,138,300
Electric Department	39,400,393	42,860,233	43,803,200
Other	-	-	-
Depreciation	4,017,757	4,080,781	4,242,000
Total Operating Expenses	\$ 47,041,923	\$ 50,726,711	\$ 52,183,500
Operating Income (Loss)	\$ 5,277,375	\$ 4,852,051	\$ 3,891,000
Nonoperating Revenues (Expenses)			
Revenue: Investment Income	\$ 18,618	\$ 97,177	\$ 96,000
Grants - Operating	-	-	-
Other Income	-	-	-
Expense: Debt Service - Interest Expense	(788,230)	(758,843)	(759,600)
Other Expense	(26,101)	-	-
Total Nonoperating Revenue (Expenses)	\$ (795,713)	\$ (661,666)	\$ (663,600)
Income (Loss) Before Capital Contributions and Transfers	\$ 4,481,662	\$ 4,190,385	\$ 3,227,400
Capital Contributions and Transfers			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	-	-	-
Capital Contributions - Other	-	-	-
Transfers In - from Other Funds	-	-	-
Transfers Out - to Other Funds (PILOT)	(2,040,872)	(1,977,820)	(2,064,000)
Total Capital Contributions and Transfers	\$ (2,040,872)	\$ (1,977,820)	\$ (2,064,000)
Change in Net Position	\$ 2,440,790	\$ 2,212,565	\$ 1,163,400
Beginning Net Position July 1	42,494,713	44,935,503	47,148,068
Ending Net Position June 30	44,935,503	47,148,068	48,311,468

Statutory Change in Net Position Reconciliation:			
Change in Net Position	\$ 2,440,790	\$ 2,212,565	\$ 1,163,400
Subtract:			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	-	-	-
Capital Contributions - Other	-	-	-
Grants - Operating	-	-	-
Transfers In - from Other Funds	-	-	-
Total amount subtracted for statutory change	\$ -	\$ -	\$ -
Statutory Change in Net Position*	\$ 2,440,790	\$ 2,212,565	\$ 1,163,400

* Note: A statutory negative Change in Net Position for two consecutive years will result in the local government's referral to the Water and Wastewater Financing Board.

Debt Service to be Paid Out of Electric Fund			
Debt Management			
2017 General Obligation Bonds	General Obligation Bond Principal Paid	430,000	\$ 430,000
2017 General Obligation Bonds	General Obligation Bond Interest Paid	-	\$ 199,362
2019 General Obligation Refunding Bonds	General Obligation Bond Principal Paid	1,180,000	\$ 1,180,000
2019 General Obligation Refunding Bonds	General Obligation Bond Interest Paid	-	\$ 356,500
2021 General Obligation Refunding Bonds	General Obligation Bond Principal Paid	630,000	\$ 630,000
2021 General Obligation Refunding Bonds	General Obligation Bond Interest Paid	-	\$ 150,800
2021B General Obligation Bonds	General Obligation Bond Principal Paid	360,000	\$ 360,000
2021B General Obligation Bonds	General Obligation Bond Interest Paid	-	\$ 145,700
2020 Revenue Anticipation Notes (RAN's)	RAN Principal Paid	50,000	\$ 50,000
2020 Revenue Anticipation Notes (RAN's)	RAN Interest Paid	-	\$ 1,620
Total Annual Debt Service Payments	Annual Debt Service Payments	\$ 2,650,000	\$ 3,503,982

WATER and SEWER FUND	Actual FY 2022	Estimated Actual FY 2023	Budget FY 2024
Operating Revenues			
Water Sales	\$ 4,858,580	\$ 5,213,482	\$ 5,432,500
Sewer Fees	2,128,283	2,265,026	2,342,200
Tap Fees	-	-	-
Miscellaneous Other Fees	198,903	383,164	361,400
Total Operating Revenues	\$ 7,185,766	\$ 7,861,672	\$ 8,136,100
Operating Expenses			
Administrative	\$ 1,816,270	\$ 1,981,603	\$ 2,203,800
Water Department	2,560,527	2,798,145	2,866,200
Sewer Department	1,071,169	1,109,140	1,165,700
Other	-	-	-
Depreciation	1,616,189	1,655,504	1,677,000
Total Operating Expenses	\$ 7,064,155	\$ 7,544,392	\$ 7,912,700
Operating Income (Loss)	\$ 121,611	\$ 317,280	\$ 223,400
Nonoperating Revenues (Expenses)			
Revenue: Investment Income	\$ 734	\$ 18,748	\$ 17,400
Grants - Operating	-	-	-
Other Income	-	-	-
Expense: Debt Service - Interest Expense	(112,341)	(96,883)	(91,200)
Other Expense	-	-	-
Total Nonoperating Revenue (Expenses)	\$ (111,607)	\$ (78,135)	\$ (73,800)
Income (Loss) Before Capital Contributions and Transfers	\$ 10,004	\$ 239,145	\$ 149,600
Capital Contributions and Transfers			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	630,000	-	-
Capital Contributions - Other	-	-	-
Transfers In - from Other Funds	-	-	-
Transfers Out - to Other Funds (PILOT)	-	-	-
Total Capital Contributions and Transfers	\$ 630,000	\$ -	\$ -
Change in Net Position	\$ 640,004	\$ 239,145	\$ 149,600
Beginning Net Position July 1	26,591,867	27,231,871	27,471,016
Ending Net Position June 30	\$ 27,231,871	\$ 27,471,016	\$ 27,620,616

Statutory Change in Net Position Reconciliation:			
Change in Net Position	\$ 640,004	\$ 239,145	\$ 149,600
Subtract:			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	630,000	-	-
Capital Contributions - Other	-	-	-
Grants - Operating	-	-	-
Transfers In - from Other Funds	-	-	-
Total amount subtracted for statutory change	\$ 630,000	\$ -	\$ -
Statutory Change in Net Position*	\$ 10,004	\$ 239,145	\$ 149,600

* Note: A statutory negative Change in Net Position for two consecutive years will result in the local government's referral to the Water and Wastewater Financing Board.

Debt Service to be Paid Out of Water Fund			
Debt Management			
Series 2003 SRF Loan	Revenue & Tax Bond Principal Paid	\$ 56,017	\$ - \$ 56,017
Series 2003 SRF Loan	Revenue & Tax Bond Interest Paid	-	851 \$ 851
Series 2006 SRF Loan	Revenue & Tax Bond Principal Paid	410,544	-
Series 2006 SRF Loan	Revenue & Tax Bond Interest Paid	-	22,332 \$ 22,332
2019 General Obligation Refunding Bonds	General Obligation Bond Principal Paid	165,000	-
2019 General Obligation Refunding Bonds	General Obligation Bond Interest Paid	-	42,250 \$ 42,250
2021 General Obligation Refunding Bonds	General Obligation Bond Principal Paid	70,000	-
2021 General Obligation Refunding Bonds	General Obligation Bond Interest Paid	-	37,100 \$ 37,100
		-	-
		-	-
Total Annual Debt Service Payments	Annual Debt Service Payments	\$ 701,561	\$ 102,533 \$ 804,094

Fund	Estimated Fund Balance/Net Position at June 30, 2023	
General Fund	\$	7,025,037
State Street Street Aid Fund		161,926
Solid Waste Fund		75,789
Drug Fund		149,058
Special Police Fund		139,605
Capital Projects Fund		263
Electric Fund		47,148,068
Water & Sewer Fund		27,471,016

Amounts will fill from prior tabs

SECTION 3: That the governing body herein certifies that the condition of its sinking funds, if applicable, are compliant pursuant to its bond covenants, and recognizes that the municipality has outstanding bonded and other indebtedness as follows:

Bonded or Other Indebtedness	Debt Authorized and Unissued	Principal Outstanding at June 30, 2023	FY2024 Principal Payment	FY2024 Interest Payment
Bonds - [enter each series individually]	\$ -	\$ -	\$ -	\$ -
Loan Agreements [enter each series individually]				
Notes - [enter each series individually]				
Leases [enter each series individually]				

SECTION 4: During the coming fiscal year (2024) the governing body has pending and planned capital projects with proposed funding as follows:

Pending Capital Projects	Pending Capital Projects - Total Expense	Pending Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Pending Capital Projects Expense Financed by Debt Proceeds
[enter each project individually]	\$ -	\$ -	\$ -

Proposed Future Capital Projects	Proposed Future Capital Projects - Total Expense	Proposed Future Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Proposed Future Capital Projects Expense Financed by Debt Proceeds
[enter each project individually]	\$ -	\$ -	\$ -

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 (Tenn. Code Ann. § 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 Tenn. Code Ann. § 6-56-205.

SECTION 6: Money may be transferred from one appropriation to another in the same fund in an amount of up to \$ 50,000 _____ by the Mayor, subject to such limitations and procedures as set by the Governing Body pursuant to Tenn. Code Ann. § 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.

SECTION 8: There is hereby levied a property tax of \$1.2950 per \$100 of assessed value on all real and personal property.

SECTION 9: 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 pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated within fifteen (15) days of its adoption. 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.

SECTION 10: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 11: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

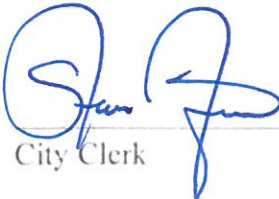
SECTION 12: This ordinance shall take effect July 1, 2023, the public welfare requiring it.

Passed 1st Reading: 6-6-23

Passed 2nd Reading: 6-26-23


Mayor

ATTESTED:


City Clerk

