

**ORDINANCE No. \_\_\_\_\_**

**AN ORDINANCE OF THE  
CITY OF CROSSVILLE, TENNESSEE  
ADOPTING THE ANNUAL BUDGET AND TAX RATE  
FOR THE FISCAL YEAR BEGINNING JULY 1, 2026 AND ENDING JUNE 30, 2027**

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 held a public hearing presenting the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated). The notification was published regarding the public hearing 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. The notice also offered copies of the budget and a link to view the annual operating budget as well as budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated).

**NOW THEREFORE BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF CROSSVILLE, 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		
	Actual FY 2025	Actual FY 2026	Budget FY 2027
<b>Revenues</b>			
Local Taxes	\$ 18,781,868	\$ 19,026,480	\$19,221,700
Licenses And Permits	190,358	174,258	185,500
Intergovernmental	4,878,748	6,881,895	8,441,843
Charges For Services	325,554	313,011	317,400
Fines And Forfeitures	86,755	73,861	75,200
Other	1,413,982	1,343,537	908,135
<b>Other Financing Sources</b>			
Issuance of Debt / Debt Proceeds	-	-	-
Sale of Capital Assets	688,576	-	-
Transfers In - from other funds	247,925	548,230	727,465
Transfers In - from other funds (PILOT)	220,000	220,000	220,000
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 26,833,766</b>	<b>\$ 28,590,039</b>	<b>\$ 30,097,243</b>
<b>Appropriations</b>			
<b>Expenditures</b>			
Department of Administration	\$ 6,667,922	\$ 2,803,380	\$ 3,217,420
Police Department	5,934,981	5,524,522	6,481,850
Fire Department	5,644,628	3,670,171	4,011,250
Maintenance	1,363,830	1,199,942	1,399,775
Engineering	1,115,077	1,062,037	1,238,525
Parks and Recreation	1,941,748	2,083,368	3,169,990
Debt Service - Principal and Interest	850,925	794,009	765,675
Public Works	2,160,074	2,656,608	2,217,075
Cemeteries	121,542	261,638	156,700
Tourism Development	154,953	2,475,041	2,475,484
Health and Welfare	458,316	472,727	552,500
Municipal Airport	307,110	164,973	1,664,615
<b>Other Financing Uses</b>			
Transfers Out - to other funds	3,637,516	7,212,122	5,619,895
<b>Total Appropriations</b>	<b>\$30,358,622</b>	<b>\$ 30,380,538</b>	<b>\$32,970,754</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>	<b>(3,524,856)</b>	<b>(1,790,499)</b>	<b>(2,873,511)</b>
<b>Beginning Fund Balance July 1</b>	<b>27,364,997</b>	<b>23,840,141</b>	<b>22,049,642</b>
<b>Ending Fund Balance June 30</b>	<b>\$23,840,141</b>	<b>\$ 22,049,642</b>	<b>\$19,176,131</b>
<b>Ending Fund Balance as a % of Total Appropriations</b>	<b>78.5%</b>	<b>72.6%</b>	<b>58.2%</b>

State Street Aid Fund	Estimated		Budget FY 2027
	Actual FY 2025	Actual FY 2026	
<b>Revenues</b>			
State Gas and Motor Fuel Taxes	\$ 422,289	\$ 414,977	\$ 430,000
Interest	29,681	25,738	20,000
<b>Other Financing Sources</b>	5,581	5,501	5,500
Issuance of Debt / Debt Proceeds			
Transfers In - from other funds	-	-	-
<b>Total Revenues and Other Financing Sources</b>	<b>457,551</b>	<b>446,216</b>	<b>455,500</b>
<b>Appropriations</b>			
Electric for Street Lights	\$ 226,333	\$ 215,273	\$ 235,000
Traffic Signalization	\$ 11,970	\$ 53,753	\$ -
Asphalt – Asphalt Filler	\$ -	\$ 149,000	\$ 450,000
Sweeper Truck	\$ -	\$ 373,977	\$ -
Street Lighting Maintenance	\$ 24,680	\$ 26,576	\$ 30,000
<b>Total Appropriations</b>	<b>\$ 262,983</b>	<b>\$ 818,579</b>	<b>\$ 715,000</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>	<b>194,568</b>	<b>(372,363)</b>	<b>(259,500)</b>
<b>Beginning Fund Balance July 1</b>	<b>760,129</b>	<b>954,697</b>	<b>582,334</b>
<b>Ending Fund Balance June 30</b>	<b>\$ 954,697</b>	<b>\$ 582,334</b>	<b>\$ 322,834</b>
<b>Ending Fund Balance as a % of Total Appropriations</b>	<b>363.0%</b>	<b>71.1%</b>	<b>45.2%</b>

Drug Fund	Estimated		Budget FY 2027
	Actual FY 2025	Actual FY 2026	
<b>Revenues</b>			
Fines And Forfeitures	\$ 66,097	\$ 7,400	\$ 7,500
Interest Earnings	\$ 7,937	\$ 7,287	\$ 6,500
Sale of Surplus Property	\$ 32,274	\$ -	\$ 2,000
Drug Fund Contributions	\$ 12,131	\$ 845	\$ 5,000
Other Revenue	\$ 2,605	\$ -	\$ 2,000
<b>Other Financing Sources</b>			
Issuance of Debt / Debt Proceeds	-	-	-
Transfers In - from other funds	-	-	-
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 121,044</b>	<b>\$ 15,532</b>	<b>\$ 23,000</b>
<b>Appropriations</b>			
Drug Enforcement	\$ 4,302	\$ 48,796	\$ 11,000
Debt Service	-	-	-
<b>Total Appropriations</b>	<b>\$ 4,302</b>	<b>\$ 48,796</b>	<b>\$ 11,000</b>

<b>Change in Fund Balance (Revenues - Appropriations)</b>	<b>116,742</b>	<b>(33,264)</b>	<b>12,000</b>
<b>Beginning Fund Balance July 1</b>	<b>179,743</b>	<b>296,485</b>	<b>263,221</b>
<b>Ending Fund Balance June 30</b>	<b>\$ 296,485</b>	<b>\$ 263,221</b>	<b>\$ 275,221</b>
<b>Ending Fund Balance as a % of Appropriations</b>	<b>6891.8%</b>	<b>539.4%</b>	<b>2502.0%</b>

<b>Economic Development</b>	<b>Actual FY 2025</b>	<b>Estimated Actual FY 2026</b>	<b>Budget FY 2027</b>
<b>Revenues</b>			
Hotel/Motel Tax	\$ 203,773	\$ 223,717	\$ 235,000
Interest Income	14,987	10,784	10,000
Miscellaneous Other Revenue	1,700	1,700	-
Transfers In - from other funds	-	-	-
<b>Other Financing Sources</b>			
Issuance of Debt / Debt Proceeds	-	-	-
Transfers In - from other funds	-	-	-
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 220,460</b>	<b>\$ 236,201</b>	<b>\$ 245,000</b>
<b>Appropriations</b>			
Sports Council	\$ 11,251	\$ 13,944	\$ 20,000
Industrial Development	\$ 269,665	\$ 197,500	\$ 287,500
<b>Total Appropriations</b>	<b>\$ 280,916</b>	<b>\$ 211,444</b>	<b>\$ 307,500</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>	<b>(60,456)</b>	<b>24,757</b>	<b>(62,500)</b>
<b>Beginning Fund Balance July 1</b>	<b>357,116</b>	<b>296,660</b>	<b>321,417</b>
<b>Ending Fund Balance June 30</b>	<b>\$ 296,660</b>	<b>\$ 321,417</b>	<b>\$ 258,917</b>
<b>Ending Fund Balance as a % of Total Appropriations</b>	<b>105.6%</b>	<b>152.0%</b>	<b>84.2%</b>

<b>Water and Sewer Fund</b>	<b>Actual FY 2025</b>	<b>Estimated Actual FY 2026</b>	<b>Budget FY 2027</b>
<b>Operating Revenues</b>			
Water Sales	\$ 6,262,009	\$ 6,556,862	\$ 7,702,000
Sewer Fees	4,211,308	4,383,751	4,418,700
Tap Fees	190,512	154,631	312,000
Miscellaneous Other Fees	455,268	379,263	295,000
<b>Total Operating Revenues</b>	<b>\$11,119,097</b>	<b>\$11,474,507</b>	<b>\$12,727,700</b>
<b>Operating Expenses</b>			
Administrative	\$ 490,100	\$ 739,036	\$ 1,060,150

Water Department	3,146,497	3,088,710	3,613,050
Sewer Department	2,065,723	2,115,225	2,256,650
Other	850,303	1,029,614	1,126,900
Depreciation	3,100,124	2,930,722	3,500,000
<b>Total Operating Expenses</b>	<b>\$ 9,652,747</b>	<b>\$ 9,903,307</b>	<b>\$ 11,556,750</b>
<b>Operating Income (Loss)</b>	<b>\$1,466,350</b>	<b>1,571,200</b>	<b>1,170,950</b>
<b>Nonoperating Revenues (Expenses)</b>			
Revenue: Investment Income	\$ 505,215	\$ 388,439	\$ 375,000
Grants - Operating	2,407,525	280,593	
Other Income	75,331	50,334	48,300
Expense: Debt Service - Interest Expense	(531,596)	(513,865)	(487,000)
Other Expense	(1,080)	(1,350)	(2,000)
<b>Total Nonoperating Revenue (Expenses)</b>	<b>\$ 2,455,395</b>	<b>\$ 204,151</b>	<b>\$ (65,700)</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>\$3,921,745</b>	<b>\$1,775,351</b>	<b>\$1,105,250</b>
<b>Capital Contributions and Transfers</b>			
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)	(220,000)	(220,000)	(220,000)
<b>Total Capital Contributions and Transfers</b>	<b>\$(220,000)</b>	<b>\$(220,000)</b>	<b>\$(220,000)</b>
<b>Change in Net Position</b>	<b>\$3,701,745</b>	<b>\$1,555,351</b>	<b>\$885,250</b>
<b>Beginning Net Position July 1</b>	<b>50,104,203</b>	<b>53,805,948</b>	<b>55,361,299</b>
<b>Ending Net Position June 30</b>	<b>\$53,805,948</b>	<b>\$55,361,299</b>	<b>\$56,246,549</b>

Catoosa	Estimated		
	Actual FY 2025	Actual FY 2026	Budget FY 2027
<b>Operating Revenues</b>			
Water Sales	\$ 2,658,212	\$ 2,924,585	\$2,850,000
Tap and Connection Fees	194,609	215,429	305,000
Customer Service	5,569	3,930	6,000
Penalties and Service Charges	29,887	41,187	30,000
Misc Other Fees	3,186	(10,550)	17,800

<b>Non-Operating Revenues, Grants, Contributions, &amp; Transfers In</b>			
Investment Income	193,851	137,080	50,000
Other Income	22,525	78,173	
Capital Contributions	-	-	-
Grants - Capital	-	-	-
Grants - Operating	-	-	-
Transfers In - from other funds	-	-	-
<b>Total Revenues</b>	<b>\$ 3,107,839</b>	<b>\$ 3,389,834</b>	<b>\$ 3,258,800</b>
<b>Appropriations</b>			
<b>Operating Expenses</b>			
Administrative	\$ 87,107	\$92,745	\$105,750
Transmission and Distribution	1,340,616	1,281,005	1,520,980
Customer Accounting and Collections	283,997	318,483	285,075
Depreciation	588,881	635,476	750,000
<b>Non-Operating Expenses and Transfers Out</b>			
Debt Service - Interest	146,762	147,753	142,827
Transfers Out - to other funds	60,000	60,000	60,000
<b>Total Appropriations</b>	<b>\$ 2,507,363</b>	<b>\$ 2,605,905</b>	<b>\$ 2,970,005</b>
<b>Change in Net Position (Revenues - Appropriations)</b>	<b>600,476</b>	<b>783,929</b>	<b>288,795</b>
<b>Beginning Net Position July 1</b>	<b>13,706,734</b>	14,307,210	15,091,139
<b>Ending Net Position June 30</b>	<b>\$ 14,307,210</b>	<b>15,091,139</b>	<b>15,379,934</b>


SECTION 2: At the end of the fiscal year 2027 the governing body estimates fund balances or deficits as follows:

<u>Fund</u>	<u>Estimated Fund Balance/Net Position at June 30, 2027</u>
General Fund	\$19,176,131
State Street Aid Fund	\$ 322,834
Drug Fund	\$ 275,221
Water and Sewer Fund	\$56,246,549
Economic Development	\$ 258,917
Catoosa Utility District	\$15,379,934

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:

Fund	Type of Debt	Loan Name and Description	Original Issuance Amount	Authorized & Unissued	Total Principal Outstanding at June 30	Budgeted Annual Debt Service		
						Principal	Interest	Total
General	Bonds	General Obligation	\$ 4,065,000		\$ 3,660,000	\$ 65,000	\$ 78,100	\$ 143,100
		General Obligation	1,235,000		845,000	70,000	16,900	86,900
		General Obligation	2,185,000		565,000	280,000	9,016	289,016
								-
								-
	Leases	Vehicles	1,258,048		285,717	177,000	57,500	234,500
								-
		<b>Total</b>	\$ 8,743,048	\$ -	\$ 5,355,717	\$ 592,000	\$161,516	\$ 753,516
Water & Sewer	Bonds	Water and Sewer Revenue and Refunding and	30,755,000		\$ 27,605,000	\$ 630,000	\$611,766	\$1,241,766
		Water and Sewer Revenue	1,440,000		410,000	205,000	5,776	210,776
								-
	Loan Agreements	Rural Development Loan 91-22	890,000		824,877	16,670	14,302	30,972.00
		Rural Development Loan 91-	308,462		290,091	5,986	4,310	10,296.00
	Leases	Vehicles	252,491		144,395	55,335	19,900	75,235.00
								-
		<b>Total</b>	\$33,645,953	\$ -	\$ 29,274,363	\$ 912,991	\$656,054	\$1,569,045
		<b>Total Outstanding Debt</b>	\$42,389,001	\$ -	\$ 34,630,080	\$1,504,991	\$817,570	\$2,322,561

SECTION 4: During the coming fiscal year (2027) 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
IT - Server	\$ 15,000.00	\$ 15,000.00	\$ -
Maintenance - Mower	\$ 20,000.00	\$ 20,000.00	
Police Department - UTV	\$ 25,000.00	\$ 25,000.00	
Police Department - Expand Impound	\$ 80,000.00	\$ 80,000.00	
Police Department - Seal Parking Lot	\$ 25,000.00	\$ 25,000.00	
Police Department - Vehicles	\$ 419,000.00	\$ 419,000.00	
Fire Station - Vehicles	\$ 50,000.00	\$ 50,000.00	
Highways & Street - Leaf Machine	\$ 140,000.00	\$ 140,000.00	
Highways & Street - Vehicles	\$ 19,000.00	\$ 19,000.00	
Highways - Misc. Sidewalks	\$ 30,000.00	\$ 30,000.00	
Parks & Rec. - Inclusive Playground	\$ 818,000.00	\$ 818,000.00	
Parks & Rec. - Misc. Trails	\$ 200,000.00	\$ 200,000.00	
Meadow Park Lake - Sign	\$ 2,500.00	\$ 2,500.00	
Municipal Airport - Taxi Way Lights	\$ 218,715.00	\$ 218,715.00	
Municipal Airport - Hanger	\$ 1,200,000.00	\$ 1,200,000.00	
Municipal Airport - Equipment	\$ 80,000.00	\$ 80,000.00	
Fire Station 1 Remodel	\$ 1,580,000.00	\$ 1,580,000.00	
Spec. Building	\$ 2,000,000.00	\$ 2,000,000.00	
Truck Route From Main Street	\$ 50,000.00	\$ 50,000.00	
Traffic Signal - W Ave & 4th	\$ 1,684,895.00	\$ 1,684,895.00	
Northwest Connector	\$ 275,000.00	\$ 2,750,000.00	
Interstate Drive			
Widening 1st & Peavine	\$ 30,000.00	\$ 30,000.00	

Sewer - Generators	\$	550,000.00	\$	550,000.00
Sewer - Equipment	\$	75,000.00	\$	75,000.00
Sewer - Roedigger Mixer	\$	75,000.00	\$	75,000.00
Water - HVAC Holiday Plant	\$	18,000.00	\$	18,000.00
Water - Seal Parking Lots	\$	16,000.00	\$	16,000.00
Water - Blacktop Repair	\$	15,000.00	\$	15,000.00
Water - Engineering Ceramic Filters	\$	10,000.00	\$	10,000.00
Water - Operators	\$	180,000.00	\$	180,000.00
Water - Vehicles	\$	39,000.00	\$	39,000.00
Water - Mag Meters	\$	80,000.00	\$	80,000.00
Water - Tapping Machine	\$	6,000.00	\$	6,000.00
Water - Manhole Coring Machine	\$	5,000.00	\$	5,000.00
Water - Vehicle	\$	120,000.00	\$	120,000.00
Water - Leak Detector	\$	8,000.00	\$	8,000.00
Water - Radio Read Meters	\$	250,000.00	\$	250,000.00
Water - SL to City Lake Rd	\$	2,974,000.00	\$	2,974,000.00
Water - NW Connector Util Reloc	\$	30,000.00	\$	30,000.00
Water - NW Connector Util Reloc SL	\$	30,000.00	\$	30,000.00
Water - Pump Station - Crab Orchard	\$	5,500,000.00	\$	5,500,000.00
Water - MPL Dam Exp Proj - Permits	\$	460,000.00	\$	460,000.00
Water - Peavine, Genesis, Hwy 127N	\$	3,450,000.00	\$	3,450,000.00
Water - 127N Line Upg Sewer	\$	5,000.00	\$	5,000.00
Water - State Rt 24 Hwy 70N TDOT	\$	17,000.00	\$	17,000.00
Water - Old Lantana Rd WL Replace	\$	50,000.00	\$	50,000.00
Water - Count Seat Rd WL Replace	\$	50,000.00	\$	50,000.00
Water - Sparta Drive WL Upgrade	\$	1,400,000.00	\$	1,400,000.00
Water - Woodmere Tank Rehab	\$	316,850.00	\$	316,850.00
Water - Interstate Drive WL	\$	300,000.00	\$	300,000.00
Water - Interstate Drive SL	\$	64,000.00	\$	64,000.00
Water - Asset Management Plan WL	\$	200,000.00	\$	200,000.00
Water - Asset Management Plan SL	\$	200,000.00	\$	200,000.00
Catoosa - Building	\$	2,300,000.00	\$	2,300,000.00
Catoosa - 127N Lowel Rd to Fentress	\$	5,000.00	\$	5,000.00
Catoosa - 127N I-40 to Potato Farm	\$	5,000.00	\$	5,000.00
Catoosa - Genesis Rd Tank Maintenance	\$	207,000.00	\$	207,000.00
Catoosa - Phase 2 127 North SR28	\$	171,000.00	\$	171,000.00
Catoosa - Phase 3 127 North SR28	\$	171,000.00	\$	171,000.00
Catoosa - Hyw 70N SR24 Bridge	\$	67,000.00	\$	67,000.00
Catoosa - Meter Rehab	\$	575,000.00	\$	575,000.00
Catoosa - Truck	\$	50,000.00	\$	50,000.00
Catoosa - Scada	\$	25,000.00	\$	25,000.00

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 \$0 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 \$.6059 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, 2026, the public welfare requiring it.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Council member

\_\_\_\_\_  
Council member

\_\_\_\_\_  
Council member

\_\_\_\_\_  
Council member

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

Passed on 1<sup>st</sup> Reading: \_\_\_\_\_

Passed on 2<sup>nd</sup> Reading: \_\_\_\_\_

Passed on 3<sup>rd</sup> Reading: \_\_\_\_\_

SEAL