

ORDINANCE No. 2025-04

**AN ORDINANCE OF THE TOWN OF SPRING CITY, TENNESSEE
ADOPTING THE ANNUAL BUDGET AND TAX RATE FOR THE FISCAL
YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026**

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 TOWN OF SPRING CITY; 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 2026, 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	Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
Revenues			
Local Taxes	\$ 1,454,824	\$ 1,491,376	\$ 1,599,007
State of Tennessee	389,719	330,219	363,045
Federal Government	239,175	33,278	-
Other Sources	612,163	618,700	597,186
Other Financing Sources			
Issuance of Debt / Debt Proceeds	320,000	417,500	-
Sale of Capital Assets	-	6,000	-
Transfers In - from other funds	-	-	-
Transfers In - from other funds (PILOT)	-	-	-
Total Revenues and Other Financing Sources	\$ 3,015,881	\$ 2,897,073	\$ 2,559,238
Appropriations			
Expenditures			
City Manager	\$ 616,925	\$ 488,638	\$ 447,591
Board of Commissioners	\$ 167,093	\$ 97,802	\$ 92,544 ✓
Police Department	875,211	1,081,599	1,092,720 ✓
Fire Department	486,086	46,081	73,552
Parks and Recreation	181,443	127,974	147,124 ✓
Library	104,361	90,181	117,359 ✓
Government Buildings & Grounds	31,304	55,225	61,552 ✓
Depot	9,160	12,829	12,100 ✓

Highways & Streets	125,460	572,044	244,144
Waste Collection	148,920	152,482	153,116
Debt Service - Principal and Interest	105,926	117,395	117,436
Other Financing Uses			
Transfers Out - to other funds	-	-	-
Total Appropriations	\$ 2,851,889	\$ 2,842,250	\$ 2,559,238
Change in Fund Balance (Revenues - Appropriations)	163,992	54,823	-
Beginning Fund Balance July 1			2,798,100
Ending Fund Balance June 30	\$ 2,743,277	\$ 2,798,100	\$ 2,798,100
Ending Fund Balance as a % of Total Appropriations	97%	99%	1.10%

STATE STREET AID FUND	Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
Revenues			
State Gas and Motor Fuel Taxes	\$ 68,007	\$ 68,086	\$ 70,042
Gas Tax Increase	-	-	-
Other Financing Sources			
Issuance of Debt / Debt Proceeds	-	-	-
Transfers In - from other funds	-	-	-
Total Revenues and Other Financing Sources	\$ 68,007	\$ 68,086	\$ 70,042
Appropriations			
Public Works Department	\$ 29,918	\$ 33,325	\$ 47,331
Debt Service - Principal and Interest	24,024	23,315	22,711
Total Appropriations	\$ 53,942	\$ 56,640	\$ 70,042
Change in Fund Balance (Revenues - Appropriations)	14,065	11,446	-
Beginning Fund Balance July 1	35,571	49,636	61,082
Ending Fund Balance June 30	\$ 49,636	\$ 61,082	\$ 61,082
Ending Fund Balance as a % of Total Appropriations	92.0%	107.8%	87.2%

DRUG FUND	Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
Revenues			
Fines And Forfeitures	\$ 26,037	\$ 3,200	\$ 1,700
Other	-	-	-
Other Financing Sources			
Issuance of Debt / Debt Proceeds	-	-	-
Transfers In - from other funds	-	-	-
Total Revenues and Other Financing Sources	\$ 26,037	\$ 3,200	\$ 1,700
Appropriations			
Drug Enforcement	\$ 6,304	\$ 10,000	\$ 1,700
Debt Service	-	-	-
Total Appropriations	\$ 6,304	\$ 10,000	\$ 1,700
Change in Fund Balance (Revenues - Appropriations)	19,733	(6,800)	-
Beginning Fund Balance July 1	15,721	34,454	27,654
Ending Fund Balance June 30	\$ 34,454	\$ 27,654	\$ 27,654
Ending Fund Balance as a % of Appropriations	547%	277.0%	1,627%

WATER and SEWER FUND	Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
Operating Revenues			
Water Sales	\$ 844,023	\$ 851,527	\$ 1,210,343
Sewer Sales	932,070	1,044,167	1,232,649
Tap Fees	7,500	1,000	2,500
Miscellaneous Other Fees	159,689	143,184	134,500
Total Operating Revenues	\$ 1,943,282	\$ 2,039,878	\$ 2,579,992
Operating Expenses			
Administrative	\$ 2,187	\$ 23,060	\$ 225,446
Water Department	335,508	334,343	529,858
Sewer Department	328,349	370,363	471,513
Sewer Rehab	171,251	186,352	-
Transmissions & Collections	293,801	279,638	577,668
Customer Accounting & Collection	92,982	107,889	112,056
Depreciation	503,473	525,000	551,723
Total Operating Expenses	\$ 1,727,548	\$ 1,826,645	\$ 2,468,264
Operating Income (Loss)	215,734	\$ 213,233	\$ 111,728
Nonoperating Revenues (Expenses)			
Revenue: Investment Income	\$ 5,897	\$ 6,000	\$ -
Grants - Operating			-
Other Income	-	-	-
Expense: Debt Service - Interest			
Expense	(136,302)	(110,748)	(111,728)
Other Expense			
Total Nonoperating Revenue (Expenses)	\$ (130,405)	\$ (104,748)	\$ (111,728)
Income (Loss) Before Capital Contributions and Transfers	85,329	\$ 108,485	\$ 0.00
Capital Contributions and Transfers			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	393,157	10,400	-
Capital Contributions - Other	-	-	-
Transfers In - from Other Funds	-	-	-
Transfers Out - to Other Funds (PILOT)	-	-	-
Total Capital Contributions and Transfers	\$ -	\$ -	\$ -
Change in Net Position	\$ 478,486	\$ 118,885	\$ 0.00
Beginning Net Position July 1	7,703,733	8,182,219	\$ 8,301,104
Ending Net Position June 30	\$ 8,182,219	\$ 8,301,104	\$ 8,301,104

SECTION 2: At the end of the fiscal year 2025, the governing body estimates fund balances or deficits as follows:

Fund	Estimated Fund Balance/Net Position at June 30, 2025
General Fund	\$ 2,798,100
State Street Aid Fund	61,802
Drug Fund	27,654
Water & Sewer Fund	8,301,104

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 Town 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	G. O. Bond Series 2024 Fire Truck	\$ 320,000	\$ -	\$ 291,098	\$ 29,549	\$ 6,247	\$ 35,796
	Notes	Capital Outlay Note City Hall	382,500	-	262,100	31,100	3,932	35,032
		2025 Street Paving	425,000	-	399,000	24,600	21,107	45,707
	Leases	2022 Ford F350	61,580	-	21,492	6,923	1,179	8,102
Total			\$ 1,189,080	\$ -	\$ 973,690	\$ 92,172	\$ 32,465	\$ 124,637
State Street Aid	Bonds	G. O. Bond Series 2020 Paving	363,400	-	113,400	20,500	2,211	22,711
	Total			\$ 363,400	\$ -	\$ 113,400	\$ 20,500	\$ 2,211
Water and Sewer	Bonds	Water and Sewer Revenue and Tax Bond 2008	390,000	-	290,297	8,703	12,404	21,107
		Water and Sewer Revenue and Tax Bond 2006	2,185,000	-	1,580,251	49,789	64,271	114,060
		G. O. Refunding Bond 2020	1,372,600	-	824,900	105,000	16,086	121,086
	Loan Agreements	Rural Development Utilities 2014	638,000	-	520,588	12,155	14,185	26,340
	Leases	Chevrolet Trucks	112,705	-	57,976	23,579	3,633	27,212
Total			\$ 4,698,305	\$ -	\$ 3,274,012	\$ 199,226	\$ 110,579	\$ 309,805

SECTION 4: During the coming fiscal year (2026) 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 Grant Proceeds
Water Line Replacement Project	\$ 1,677,102.00	\$ 125,864.00	\$ 1,551,238.00

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
Cumberland Trail Connectivity	\$ 1,429,000.00	\$ 429,000.00	\$ 1,000,000.00

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: The City Manager is hereby authorized to transfer funds between line items within the department budget as may deem necessary except from or to salary accounts and provided that the amount transferred is not needed in categories for which they are originally appropriated, subject to such limitations and procedures as set by the Governing Body pursuant to Tenn. Code Ann. § 6-56-209. Any transfer of appropriations between departments shall be made only upon the authorization by resolution of the Commission.

SECTION 7: At the end of the fiscal year which is fixed as June 30th the City Recorder is hereby authorized to transfer funds as necessary in order that budgeted appropriations not exceeded in each department and that the transfer of funds shall not result in an increase in the total Fiscal Year 2025-2026 budget appropriations.

SECTION 8: A detailed financial plan will be attached to this budget and become part of this budget ordinance.

SECTION 9: There is hereby levied a property tax of \$0.9938 per \$100 of assessed value on all real and personal property.

SECTION 10: 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 11: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 12: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

SECTION 13: This ordinance shall take effect July 1, 2025, the public welfare requiring it.

Passed 1st Reading: June 5, 2025

Passed 2nd Reading: June 26, 2025


Mayor

ATTESTED:


City Recorder

