Ordinance No. 2026-05

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

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 MAYOR AND BOARD OF COMMISSIONERS 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 2026-27, 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 2024-2025	Estimated 2025-2026	Budgeted 2026-2027
Revenues			
Local Taxes	$ 1,582,553	$ 1,520,571	$ 1,581,925
Licenses and Permits	2,430	3,950	3,400
Intergovernmental	345,259	475,966	359,845
Fines and Forfeitures	310,274	330,932	344,500
Miscellaneous Revenues	755,551	311,574	268,150
Total Cash Receipts	$ 2,996,067	$ 2,642,993	$ 2,557,820
Appropriations			
Expenditures			
City Manager Office	$ 516,403	$ 456,945	$ 535,958
Board of Commissioners	93,233	75,804	73,342
City Hall Buildings	55,751	59,441	56,126
Depot	14,020	17,974	12,350
Police Department	1,060,255	949,817	1,050,577
Fire Department	88,094	85,328	93,616
Highways and Streets	642,335	261,249	270,192
Solid Waste Management	152,783	155,715	155,486
Parks	128,184	174,942	185,178
Library	91,436	108,014	124,995
Total Appropriations	$ 2,842,494	$ 2,345,230	$ 2,557,820
Change in Fund Balance	$ 153,573	$ 297,764	$ -
Beginning Fund Balance	$ 2,743,277	$ 2,896,849	$ 3,194,613
Ending Fund Balance	$ 2,896,849	$ 3,194,613	$ 3,194,613
Ending Fund Balance as % of Appropriations	102%	136%	125%

State Street Aid Fund	2024-2025	2025-2026	2026-2027
Revenues			
State Gas and Motor Fuel Taxes	$ 68,419	$ 66,310	$ 69,864
Miscellaneous Revenues	4	-	-
Total Cash Receipts	$ 68,423	$ 66,310	$ 69,864
Appropriations			
Expenditures			
State Street Aid Expenditures	$ 56,545	$ 56,711	$ 69,864
Total Appropriations	$ 56,545	$ 56,711	$ 69,864
Change in Fund Balance	$ 11,878	$ 9,599	$ 0
Beginning Fund Balance	$ 49,635	$ 61,513	$ 71,112
Ending Fund Balance	$ 61,513	$ 71,112	$ 71,112
Ending Fund Balance as % of Appropriations	109%	125%	102%

Drug Fund	Actual 2024-2025	Estimated 2025-2026	Budgeted 2026-2027
Revenues			
Drug Related Fines	$ 6,226	$ 3,560	$ 1,200
Miscellaneous Revenues	1,500	-	500
Total Cash Receipts	$ 7,726	$ 3,560	$ 1,700
Appropriations			
Expenditures			
Drug Fund Expenditures	$ 9,894	$ -	$ 1,700
Total Appropriations	$ 9,894	$ -	$ 1,700
Change in Fund Balance	$ (2,168)	$ 3,560	$ -
Beginning Fund Balance	$ 35,455	$ 33,288	$ 36,848
Ending Fund Balance	$ 33,288	$ 36,848	$ 36,848
Ending Fund Balance as % of Appropriations			

Water and Sewer Fund	Actual 2024-2025	Estimated 2025-2026	Budgeted 2026-2027
Revenues			
Operating Revenues	$ 2,170,734	$ 2,080,136	$ 2,279,600
Water Operating Expenses	1,559,412	1,549,882	1,703,272
Depreciation Expense	536,328	550,000	576,328
Net Operating Income (Expense)	$ 74,994	$ (19,746)	$ -
Net Nonoperating Revenues (Expenses)	$ 67,638	$ (36,379)	$ (72,328)
Change in Net Position	$ 142,633	$ (56,125)	$ (72,328)
Beginning Net Position	$ 8,207,199	$ 8,349,833	$ 8,293,708
Ending Net Position	$ 8,349,833	$ 8,293,708	$ 8,221,380
Ending Net Position as % of Appropriations	398.42%	394.96%	360.65%

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

General Fund	$ 3,194,613
State Street Aid Fund	$ 71,112
Drug Control Fund	$ 36,848
Water and Sewer Fund	$ 8,293,708

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, 2026	FY 2026-27 Debt Interest	FY 2026-27 Debt Principal
General Obligation Refunding Bond Series 2020		$ 20,500	$ 1,812	$ 21,912
General Obligation Refunding Bond Series 2024		$ 30,221	$ 5,575	$ 35,796
General Obligation Capital Outlay Note, Series 2021		$ 31,500	$ 3,465	$ 34,965
Capital Outlay Note		$ 25,900	$ 19,121	$ 45,021
Note P. ayable-lease		$ 7,624	$ 1,078	$ 8,702
		$ -	$ 62,178	$ 114,600
Water and Sewer Tax Bonds, Series 2008		$ 9,092	$ 12,016	$ 21,108
General Obligation Refunding Bonds Series 2020		$ 103,300	$ 14,038	$ 117,338
Rural Development Utilities Loan Series 2014		$ 12,494	$ 13,846	$ 26,340
Capital Outlay Note Payable-Lease		$ 8,411	$ 540	$ 8,951
Capital Outlay Note Payable-Lease		$ 8,511	$ 608	$ 9,119
Capital Outlay Note Payable-Lease		$ 8,533	$ 610	$ 9,143
Capital Outlay Note Payable-Lease		$ 10,144	$ 1,816	$ 11,960

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 Treatment Plant /SRF Loan			$ 1,000,000	$ 1,000,000
Retained Earnings/Hillcrest Tank Lid C	$ 405,798			$ 405,798

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: 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 7: There is hereby levied a property tax ı erty tax of .9938 per $100 of assed value on all real and personal property.

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 Town/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 Designee within fifteen (15) days 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 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 12: This ordinance shall take effect **July 1st, 2026**, the public welfare requiring it.

Brenda Worker 6-4-26

City Recorder

City Seal

[signature]

Mayor