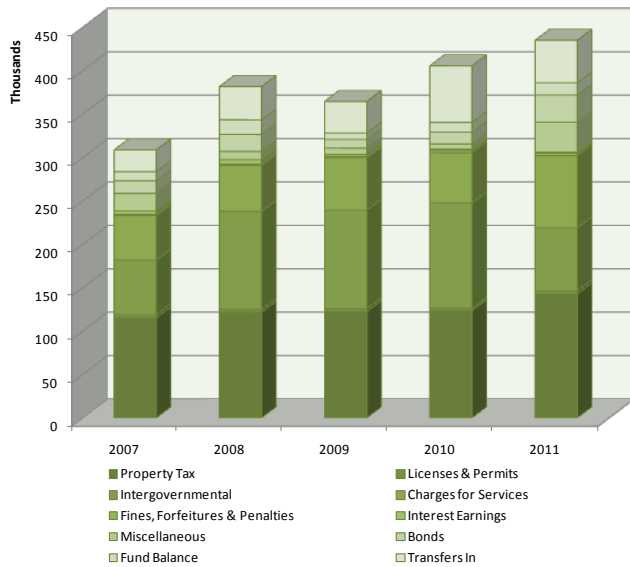


Financial Overview

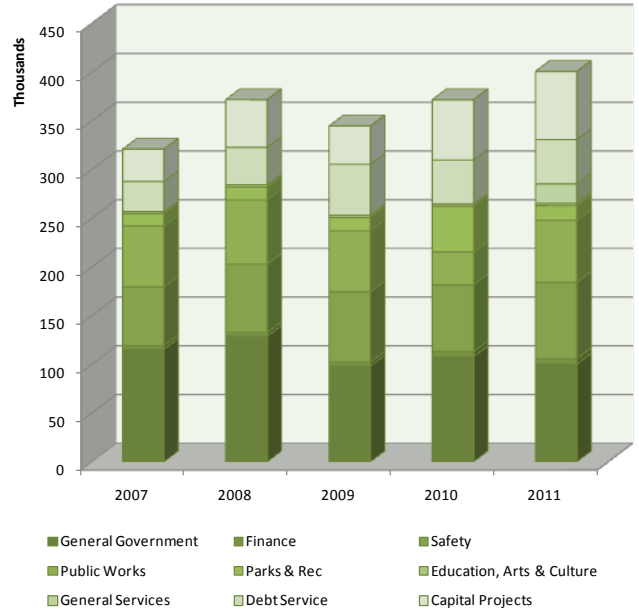
Revenue and Expenditure History

Total City revenues and operating transfers in for the fiscal year ended June 30, 2007 were \$308,851,461. Total projected City revenue for the fiscal year ended June 30, 2011 is \$435,470,067, an increase of \$126,618,606 or 41% over this five year period. During this period the Undesignated General Fund Budget increased from \$160,556,000 in FY07 to \$185,188,000 in FY11, an increase of \$24,632,000 or 15.3%. The chart below shows the Undesignated General Fund revenues and expenditures during this time period. Also below are comparisons of total revenues and expenditures.

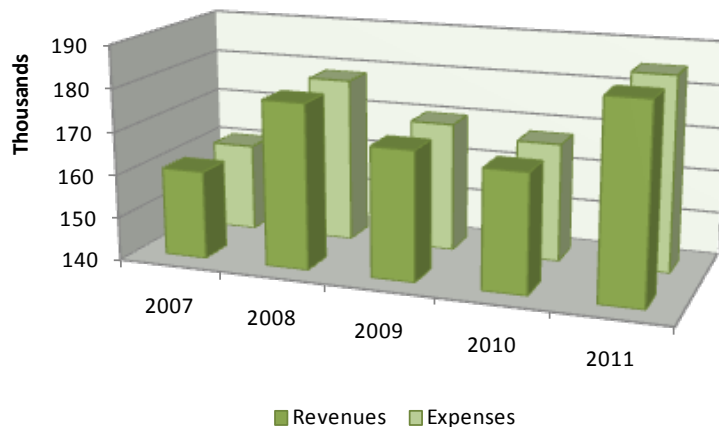
Budgeted Revenues
(in 1,000)



Budgeted Expenditures
(in 1,000)



Undesignated General Fund



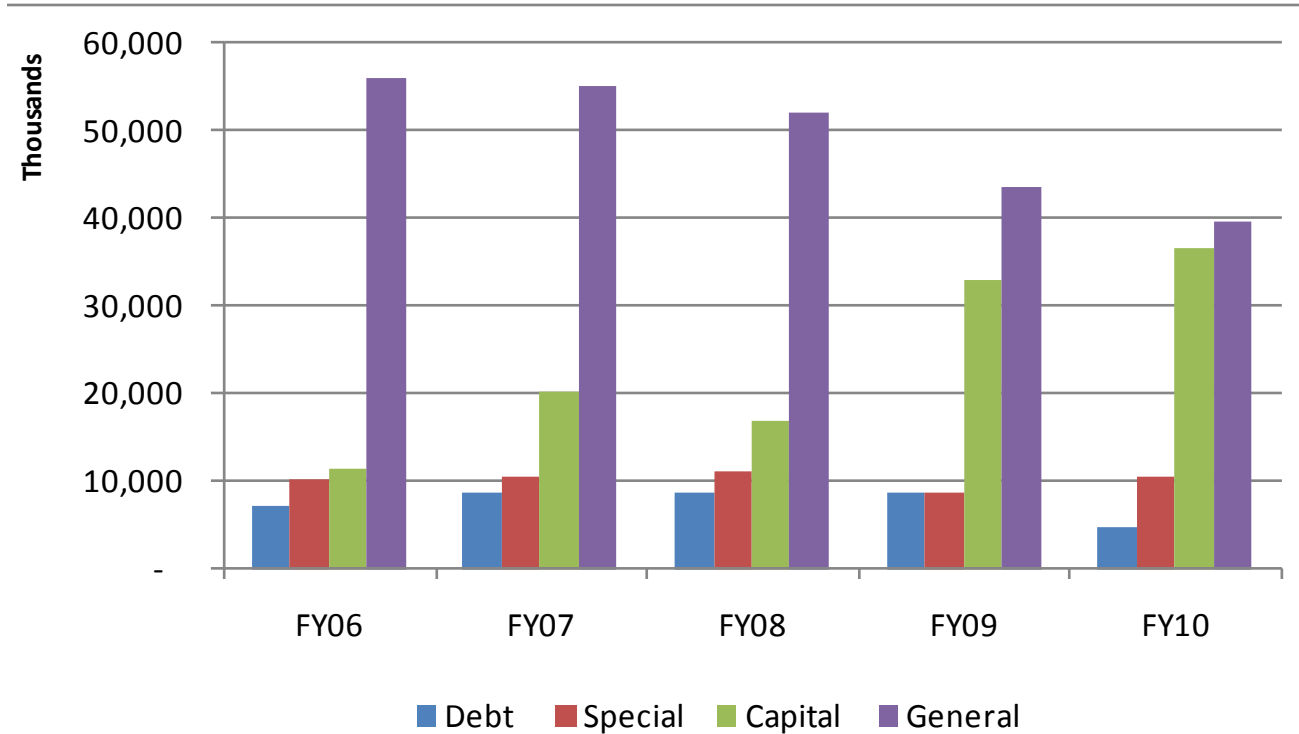
**BUDGETED REVENUES & APPROPRIATIONS
BY FUND TYPE
FY2011**

Revenues	Governmental Fund Types				Internal Service Funds	Budget Total Revenue FY2011	Budget Total Revenue FY2010
	Undesignated General	Special Revenue	Debt Service	Capital Projects			
Taxes	129,177,700	13,900,659				143,078,359	123,881,826
Licenses & Permits	3,558,600	-				3,558,600	2,624,700
Intergovernmental	40,176,100	24,369,157	674,423	4,537,092		69,901,772	121,335,720
Charges for services	2,896,400	2,997,955			19,998,994	90,477,236	57,851,535
Fines, forfeitures and penalties	1,467,800	1,300,000				2,767,800	2,851,100
Interest earnings	493,800	55,613				1,170,343	1,208,518
Miscellaneous	2,979,100	920,100	439,544	413,015	29,458,481	34,517,890	6,087,448
Bonds		-		31,347,465		31,347,465	13,526,945
Fund Balance		1,433,288				13,698,288	19,704,185
Transfers In	4,438,500	733,477	19,283,206	18,497,131	2,000,000	44,952,314	65,038,059
Total Revenues	185,188,000	45,710,249	20,397,173	54,794,703	51,457,475	435,470,067	414,110,036
Appropriations							
General Government	23,447,771	33,162,694			1,360,000	57,970,465	97,602,030
Finance & Administration	4,278,500	1,300,000				5,578,500	5,174,300
Safety	78,045,500	312,000				78,357,500	68,559,021
Public Works	29,183,526	4,079,360			30,443,269	63,706,155	33,731,263
Parks & Recreation	13,204,400	1,817,360				15,021,760	46,952,677
Personnel	7,258,383	-			29,448,481	36,706,864	7,047,622
Neighborhood Services	1,904,982	-				1,904,982	1,870,020
Executive Branch	1,285,583	-				1,285,583	1,580,113
Education, Arts, & Culture	2,283,882	-				2,283,882	2,285,926
General Services	2,591,292	-			20,648,994	23,240,286	-
Debt Service		3,318,996	20,397,173			45,515,585	45,169,085
Capital Projects		1,319,839		54,794,703		69,529,324	61,840,815
Transfers Out	21,704,181	400,000		12,265,000		34,369,181	42,297,164
Total Appropriations	185,188,000	45,710,249	20,397,173	54,794,703	51,457,475	435,470,067	414,110,036

Fund Balance/Net Asset Summary

During the past five years the City of Chattanooga has seen a total net increase in its Governmental Fund Balances of \$7.2 million. This is due to the increase in the fund balance for the Capital Funds and slight increase in Special Revenue Funds. Fund Balances for the General Fund and Debt Service Fund have decreased during this period.

Changes in Fund Balance Governmental Funds Includes Designated Funds



	Governmental Fund Balances				
	FY06	FY07	FY08	FY09	FY10 unaudited
Debt Service Fund	\$ 7,139,208	\$ 8,871,565	\$ 8,925,003	\$ 8,925,003	\$ 4,870,364
Special Revenue Funds	\$ 10,168,369	\$ 10,497,924	\$ 11,176,061	\$ 8,762,909	\$ 10,546,758
Capital Funds	\$ 11,482,674	\$ 20,161,801	\$ 16,995,039	\$ 32,923,230	\$ 36,736,406
General Fund	\$ 56,042,709	\$ 55,130,348	\$ 52,094,869	\$ 43,746,999	\$ 39,842,623
Totals	\$ 84,832,960	\$ 94,661,638	\$ 89,190,972	\$ 94,358,141	\$ 91,996,151

Fund Balance/Net Asset Summary

The General Fund Balance was \$56,042,709 in FY06. This has fallen to a current unaudited balance of \$39,842,623 for FY10. The decrease is primarily due to the economic downturn in FY08-FY10 and the planned use of fund balance for pay go capital. FY09 revenue has decreased by \$4 million while expenditures have increased by \$2 million. Major revenue sources affected by the current recession are interest income, permits and licenses, city allocation of state income tax and state and local sales tax. Regional Planning Agency, Air Pollution Control Bureau, Scenic Cities Beautiful funds were recategorized as Special Revenue Funds in FY10, this change resulted in a \$1.8 million decrease in General Fund Balance.

The Special Revenue Fund Balance increased from a balance of \$10,168,369 in FY06 to a FY11 unaudited beginning balance of \$10,546,758. Fund balance has remained relatively constant since fiscal year 2006 with a slight uptick in FY07 and FY08, then decreased in FY09. When Hamilton County residents voted for the half-cent sales tax, no City portion was required to be collected and remitted to the County School System. The remaining funds are dedicated to economic development supported capital and the payments for the retirement of the Lease Rental Revenue Bonds. There is a \$1.8 million increase in FY10 because Regional Planning Agency, Air Pollution Control Bureau, Scenic Cities Beautiful funds were recategorized as Special Revenue Funds in FY10.

Debt Service Fund Balance was \$7,139,208 in FY06, increasing to \$8,925,003 at the beginning of FY10. During FY07, debt service fund balance increased due to budgeting for the anticipated new debt to cover the FY06 and FY07 Capital Budgets. This bond transaction was delayed until December 2006, thus requiring only one interest payment during FY07. Also in early 2007 the City refunded \$17.7M of the outstanding General Obligation Series 2001. FY11 unaudited beginning balance has fallen to \$4,870,364 because \$5 million debt service fund balance was used to fund FY10 debt service thus allowing General Fund to fund pay go capital.

The Capital Fund Balance has fluctuated most during the past few years. This is primarily due to the City's 21st Century Waterfront capital plan, which was substantially

completed in FY07, also because the city recorded \$46 million bond proceeds in FY09. Since FY06, the balance has more than tripled from \$11,482,674 to an unaudited \$36,736,406 at the beginning of FY11.

The growth of the Net Assets within the Enterprise Funds (excluding the Electric Power Board) has been most dramatic. Net Assets of \$251,386,948 in FY06 have increased to a FY10 unaudited balance of \$287,709,800. For more than fourteen years, the City was subject to federal mandates relative to water quality and landfill operations which necessitated the imposition of a water quality fee and increased landfill rates to fund such mandates. In FY06 there was no change in rate, but prior to that, there were increases in sewer rates from FY03 to FY05 ranging from 2.54% to 7.29%. In FY07 an increase of 15.5% was applied, and for FY08 and FY09 a 6% increase will be phased in at 3% in October and 3% in April of each respective year. In FY10, 3% increase has been applied to sewer rates. The Water Quality fee has remained constant at \$24.00 for two (2) or less residential units on a lot of 10,000 square feet or less since 1993. Due to increased Federal and State requirements for the current NPDES Permit the Water Quality fee has been adjusted to \$115.20 per ERU (equivalent residential unit). One ERU is equal to 3,200 square feet of impervious area of residential property.

The Internal Service Fund Balance was \$1,977,404 in FY06. At the beginning of FY11, this fund is projected to have an unaudited Fund Balance of \$17,272,622. This change reflects the capital recovery portion of the Fleet Leasing Program, with the capital requirements for vehicle replacement factored into the current lease rate. This fund is not intended to generate profits. Internal Service fund also includes Medical Mega Fund which includes On Site Pharmacy, On Site Clinic & wellness and employee healthcare.

The chart on the previous page plots the year-to-year changes in Fund Balances for the governmental fund types in the City of Chattanooga. The subsequent Fund Balance schedules are inclusive of all reported funds found in and outside of the budget ordinance, while the departmental sections present only funds which are accounted for in the budget ordinance.

City of Chattanooga, Tennessee

General Fund

Includes Designated General Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual on Budgetary Basis
 Years Ended June 30, 2008 - 2011

	FY07/08	FY08/09	Unaudited FY09/10	Budget FY10/11
FUND BALANCE at beginning of year	55,130,348	52,094,868	41,952,077	39,842,623
Revenues				
Taxes	105,484,765	108,065,249	110,526,290	129,177,700
Licenses and permits	4,633,755	4,435,320	4,827,977	3,558,600
Intergovernmental Revenues	61,140,654	69,532,447	63,418,868	52,156,703
Charges for Services	4,929,419	5,016,133	5,538,584	6,037,480
Fines, forfeitures and penalties	2,493,879	2,835,260	3,256,984	2,767,800
Interest Income	3,936,266	1,667,951	659,659	493,800
Contributions and donations	97,766	101,296	181,798	0
Prior Year Surplus	0	0	0	0
Miscellaneous Revenues	5,359,967	4,578,309	3,191,921	3,176,500
Total Revenues	\$188,076,471	\$196,231,965	\$191,602,081	\$197,368,583
Expenditures				
General Government	38,730,111	56,380,075	50,996,560	44,805,069
Finance & Administration	3,899,805	3,798,207	3,620,219	4,483,806
CARTA appropriation	3,738,606	3,851,000	3,851,000	4,231,000
Police	44,166,052	44,068,465	42,670,720	47,363,407
Fire	28,179,967	28,372,371	28,271,752	31,249,500
Public Works	30,373,073	32,664,046	27,660,933	30,338,526
Parks & Recreation	14,296,456	14,678,440	14,770,476	15,901,760
Education, Arts, & Culture	2,320,848	2,131,337	2,208,588	2,291,082
Total Expenditures	\$165,704,918	\$185,943,941	\$174,050,248	\$180,664,150
Excess (deficiency) of revenues over expenditures	22,371,553	10,288,024	17,551,833	16,704,433
Other Financing Sources (Uses)				
Operating transfers in	4,973,059	3,589,000	5,316,683	5,327,972
Operating transfers out	(30,380,092)	(22,547,922)	(24,977,971)	(22,032,405)
Issuance of debt	0	323,028	0	0
Total other financing sources (uses)	(25,407,033)	(18,635,894)	(19,661,288)	(16,704,433)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(3,035,480)	(8,347,870)	(2,109,455)	0
FUND BALANCE at end of year	<u>\$52,094,868</u>	<u>\$43,746,999</u>	<u>\$39,842,623</u>	<u>\$39,842,623</u>

Regional Planning Agency, Air Pollution Control Bureau, Scenic Cities Beautiful funds were recategorized as Special Revenue Funds in FY10, previously as General Fund. Tennessee Valley Regional Communication is new in FY11. Beginning balance of FY09/10 has been adjusted to reflect these changes.

City of Chattanooga, Tennessee

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 2008 - 2011

	FY07/08	FY08/09	Unaudited FY09/10	Budget FY10/11
FUND BALANCE at beginning of year	<u>10,497,923</u>	<u>11,176,060</u>	<u>10,557,832</u>	<u>10,546,758</u>
Revenues				
Taxes	4,067,597	3,893,990	4,058,621	3,889,384
Licenses and permits	0	0	540,256	0
Intergovernmental Revenues	21,053,010	22,629,694	28,566,183	29,257,597
Charges for Services	298,345	286,728	624,955	1,574,672
Fines, forfeitures and penalties	0	0	34,722	0
Interest Income	282,975	138,530	92,922	55,613
Contributions and donations	27,395	104,017	113,104	0
Prior Year Surplus	0	0	0	1,456,180
Miscellaneous Revenues	<u>1,877,549</u>	<u>1,250,760</u>	<u>1,670,434</u>	<u>1,078,835</u>
Total Revenues	<u>\$27,606,871</u>	<u>\$28,303,719</u>	<u>\$35,701,197</u>	<u>\$37,312,281</u>
Expenditures				
General Government	18,687,266	5,809,428	10,148,984	16,976,718
Public safety	314,861	175,993	315,072	312,000
Public Works	4,836,014	4,521,953	3,940,663	4,079,360
Social Services	0	17,712,991	22,688,623	17,066,916
Community Development	3,288,257	0	0	0
Capital Outlay/Fixed Assets	<u>1,122,378</u>	<u>401,016</u>	<u>341,558</u>	<u>737,708</u>
Total Expenditures	<u>\$28,248,776</u>	<u>\$28,621,381</u>	<u>\$37,434,900</u>	<u>\$39,172,702</u>
Excess (deficiency) of revenues over expenditures	(641,905)	(317,662)	(1,733,703)	(1,860,421)
Other Financing Sources (Uses)				
Operating transfers in	3,827,287	3,973,477	5,359,436	5,179,417
Operating transfers out	(7,083,245)	(6,068,966)	(3,636,807)	(3,318,996)
Proceeds of bonds and notes	<u>4,576,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>1,320,042</u>	<u>(2,095,489)</u>	<u>1,722,629</u>	<u>1,860,421</u>
Net change in Fund Balance	<u>678,137</u>	<u>(2,413,151)</u>	<u>(11,074)</u>	<u>0</u>
FUND BALANCE at end of year	<u><u>\$11,176,060</u></u>	<u><u>\$8,762,909</u></u>	<u><u>\$10,546,758</u></u>	<u><u>\$10,546,758</u></u>

Regional Planning Agency, Air Pollution Control Bureau, Scenic Cities Beautiful funds were recategorized as Special Revenue Funds in FY10, previously as General Fund. Tennessee Valley Regional Communication is new in FY11. Beginning balance of FY09/10 has been adjusted to reflect these changes.

City of Chattanooga, Tennessee

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Years Ended June 30, 2008 - 2011

	FY07/08	FY08/09	Unaudited FY09/10	Budget FY10/11
FUND BALANCE at beginning of year	<u>8,871,564</u>	<u>8,925,003</u>	<u>8,925,003</u>	<u>4,870,364</u>
Revenues				
Intergovernmental funds	1,469,740	1,286,950	1,286,612	1,578,068
Other	30,476	367	19,437	0
Total Revenues	<u>1,500,216</u>	<u>1,287,317</u>	<u>1,306,049</u>	<u>1,578,068</u>
Expenditures				
Principal retirement	10,839,021	9,591,682	12,532,082	13,054,075
Interest	6,873,641	6,236,744	7,147,952	7,243,098
Fiscal agent fees	100,087	96,307	93,971	100,000
Total Expenditures	<u>17,812,749</u>	<u>15,924,733</u>	<u>19,774,005</u>	<u>20,397,173</u>
Excess (deficiency) of revenues over expenditures	<u>(16,312,533)</u>	<u>(14,637,416)</u>	<u>(18,467,956)</u>	<u>(18,819,105)</u>
Other Financing Sources (Uses)				
Operating transfers in	16,365,972	14,637,416	14,413,317	18,819,105
Total other financing sources (uses)	<u>16,365,972</u>	<u>14,637,416</u>	<u>14,413,317</u>	<u>18,819,105</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditure	<u>53,439</u>	<u>0</u>	<u>(4,054,639)</u>	<u>0</u>
FUND BALANCE at end of year	<u><u>\$8,925,003</u></u>	<u><u>\$8,925,003</u></u>	<u><u>\$4,870,364</u></u>	<u><u>\$4,870,364</u></u>

City of Chattanooga, Tennessee

Capital Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Years Ended June 30, 2008 - 2011

	FY07/08	FY08/09	Unaudited FY09/10	Budget FY10/11
FUND BALANCE at beginning of year	<u>20,161,801</u>	<u>16,995,039</u>	<u>32,923,230</u>	<u>36,736,406</u>
Revenues				
Intergovernmental Revenues	146,722	1,565,325	3,750,822	4,572,092
Charges for services	0	0	0	0
Interest Income	422,938	350,453	208,397	0
Contributions and Donations	2,351,045	384,601	458,324	378,015
Sale of Property	0	0	1,036,053	0
Miscellaneous Revenues	1,156,402	141,815	0	0
Total Revenues	<u>\$4,077,107</u>	<u>\$2,442,194</u>	<u>\$5,453,596</u>	<u>\$4,950,107</u>
Expenditures				
General Government	3,549,006	4,922,781	3,668,864	4,000,000
Finance & Administration	4,494,607	2,406,154	2,145,039	0
Safety	801,214	3,437,966	3,201,313	1,335,000
Public Works	5,259,559	13,133,208	12,364,426	41,314,753
Parks & Recreation	8,913,988	10,630,645	2,616,410	1,964,950
Education, Arts, & Culture	193,416	401,069	281,778	0
General Services	0	782,594	0	6,180,000
Capital outlay/fixed assets	52,975	6,413,348	0	0
Total Expenditures	<u>\$23,264,765</u>	<u>\$42,127,765</u>	<u>\$24,277,830</u>	<u>\$54,794,703</u>
Excess (deficiency) of revenues over expenditures	<u>(19,187,658)</u>	<u>(39,685,571)</u>	<u>(18,824,234)</u>	<u>(49,844,596)</u>
Other Financing Sources (Uses)				
Operating transfers in	15,829,203	9,869,569	16,492,583	18,497,131
Operating transfers out	(3,677,942)	(353,043)	(8,946,840)	0
Bond/Note Proceeds	3,869,635	46,097,236	49,214,922	31,347,465
Refund Bond Escrow Agent	0	0	(34,123,255)	0
Total other financing sources (uses)	<u>16,020,896</u>	<u>55,613,762</u>	<u>22,637,410</u>	<u>49,844,596</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(3,166,762)</u>	<u>15,928,191</u>	<u>3,813,176</u>	<u>0</u>
FUND BALANCE at end of year	<u><u>\$16,995,039</u></u>	<u><u>\$32,923,230</u></u>	<u><u>\$36,736,406</u></u>	<u><u>\$36,736,406</u></u>

City of Chattanooga, Tennessee

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets
Years Ended June 30, 2008 - 2011

	FY07/08	FY08/09	Unaudited FY09/10	Budget FY10/11
ADDITIONS				
Contributions:				
Employer	16,263,499	12,832,706	14,593,674	15,000,000
Employee	3,812,430	3,997,558	3,997,907	4,000,000
	<u>20,075,929</u>	<u>16,830,264</u>	<u>18,591,581</u>	<u>19,000,000</u>
Investment Income				
Net Deprec in Fair market value of investments	(30,317,489)	(116,121,365)	(116,402,250)	(116,402,250)
Interest	3,375,490	2,936,294	2,925,528	2,950,000
Dividends	6,961,957	5,881,636	5,881,636	5,881,000
	<u>(19,980,042)</u>	<u>(107,303,435)</u>	<u>(107,595,086)</u>	<u>(107,571,250)</u>
Less Investment expense	<u>(1,705,344)</u>	<u>(1,128,242)</u>	<u>(1,132,926)</u>	<u>(1,130,000)</u>
Net investment income (loss)	(21,685,386)	(108,431,677)	(108,728,012)	(108,701,250)
Total Additions	(1,609,457)	(92,120,537)	(90,136,431)	(89,701,250)
DEDUCTIONS				
Benefits paid to participants	30,085,623	31,137,275	31,137,275	31,137,000
Administrative expenses	690,546	709,354	709,354	709,350
Total Deductions	<u>30,776,169</u>	<u>31,846,629</u>	<u>31,846,629</u>	<u>31,846,350</u>
CHANGES IN NET ASSETS	(32,385,626)	(123,967,166)	(121,983,060)	(121,547,600)
NET ASSETS, beginning	<u>514,548,367</u>	<u>482,162,741</u>	<u>358,195,575</u>	<u>236,212,515</u>
NET ASSETS, ending	<u><u>\$482,162,741</u></u>	<u><u>\$358,195,575</u></u>	<u><u>\$236,212,515</u></u>	<u><u>\$114,664,915</u></u>

City of Chattanooga, Tennessee

Enterprise Fund

Combining Statement of Revenues, Expenses and
Changes in Net Assets
Years Ended June 30, 2008 - 2011

	FY07/08	FY08/09	Unaudited FY09/10	Budget FY10/11
OPERATING REVENUES				
Customer Charges	54,023,383	57,224,233	68,814,187	65,373,887
Other	189,973	191,575	85,000	30,000
Total Revenues	<u>54,213,356</u>	<u>57,415,808</u>	<u>68,899,187</u>	<u>65,403,887</u>
OPERATING EXPENSES				
Sewer Plant Operation	23,839,656	26,476,148	28,119,597	29,471,564
Solid Waste Operation	2,836,263	2,737,807	2,766,605	3,351,379
Water Quality Management Operation	3,408,004	3,990,248	6,816,033	9,021,524
Depreciation and Amortization	11,511,129	11,743,946	14,853,916	14,403,000
Closure/Postclosure Costs	220,391	(186,674)	327,723	0
Other/Housing	715,753	660,023	797,168	820,000
Total Operating Expenses	<u>42,531,196</u>	<u>45,421,498</u>	<u>53,681,042</u>	<u>57,067,467</u>
OPERATING INCOME (LOSS)	<u>11,682,160</u>	<u>11,994,310</u>	<u>15,218,145</u>	<u>8,336,420</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	2,265,845	1,200,904	630,077	620,930
Interest Expense	(6,363,321)	(5,843,846)	(5,157,873)	(6,493,000)
Intergovernmental	444,623	0	0	145,000
Other Income (expense)	372,180	0	0	2,609,350
Net Gain on Sale of Property	0	0	0	0
Total Nonoperating Rev. (Exp.)	<u>(3,280,673)</u>	<u>(4,642,942)</u>	<u>(4,527,796)</u>	<u>(3,117,720)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS TRANSFERS AND SPECIAL ITEM	<u>8,401,487</u>	<u>7,351,368</u>	<u>10,690,349</u>	<u>5,218,700</u>
Capital Contributions	0	194,551	20,440	0
Operating Transfers In	683,952	712,002	557,871	0
Operating Transfers Out	(1,536,059)	(14,000)	(286,650)	0
NET INCOME (LOSS) BEFORE EXTRAORDINARY LOSS	<u>7,549,380</u>	<u>8,243,921</u>	<u>10,982,010</u>	<u>5,218,700</u>
NET INCOME (LOSS)	<u>7,549,380</u>	<u>8,243,921</u>	<u>10,982,010</u>	<u>5,218,700</u>
NET ASSETS - Beginning	<u>260,934,489</u>	<u>268,483,869</u>	<u>276,727,790</u>	<u>287,709,800</u>
NET ASSETS - Ending	<u>\$268,483,869</u>	<u>\$276,727,790</u>	<u>\$287,709,800</u>	<u>\$292,928,500</u>

City of Chattanooga, Tennessee

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Assets
Years Ended June 30, 2008 - 2011

	FY07/08	FY08/09	Unaudited FY09/10	Budget FY10/11
OPERATING REVENUES				
Billings to Departments	34,037,262	36,275,028	43,317,169	49,447,475
Other	6,044,489	6,622,213	749,090	10,000
Intergovernmental Revenue	0	0	196,084	0
Misc Revenue	0	0	338,458	0
Prior Year surplus	0	0	0	2,000,000
Total Operating Revenues	<u>\$40,081,751</u>	<u>\$42,897,241</u>	<u>\$44,600,801</u>	<u>\$51,457,475</u>
OPERATING EXPENSES				
Repairs & Maintenance - Amnicola	3,486,424	3,089,845	3,446,612	3,345,526
Repairs & Maintenance - 12th St	3,021,137	3,149,319	2,945,043	2,651,937
Operations - Amnicola	1,261,626	1,045,883	1,058,658	1,293,153
Operations - 12th St	2,659,694	2,279,298	2,016,667	2,652,824
Fleet Leasing Capital Recovery	942,456	1,447,668	1,849,912	9,300,160
Fleet Leasing Operations	359,523	728,544	1,079,724	1,405,394
Judgments & Costs	463,350	1,754,604	3,187,835	1,006,500
Water System	0	0	871	100,000
Claims & Tort Liabilities	161,390	287,364	152,187	176,500
Special Counsel	93,767	272,754	107,303	77,000
TAWC Rate Hearing	0	0	69,115	0
Employee Healthcare	22,417,694	23,630,808	24,958,182	25,911,437
Pensioner Healthcare	660,414	424,458	540,325	550,210
On Site Pharmacy	0	428,776	911,678	985,066
On Site Clinic & Wellness	1,777,772	1,678,244	2,016,126	2,001,768
Total Operating Expenses	<u>\$37,305,247</u>	<u>\$40,217,565</u>	<u>\$44,340,238</u>	<u>\$51,457,475</u>
OPERATING INCOME (LOSS)	<u>2,776,504</u>	<u>2,679,676</u>	<u>260,563</u>	<u>0</u>
TRANSFERS IN	4,309,865	(9,676)	399,885	4,000,000
TRANSFERS OUT	0	0	(487,848)	0
CHANGES IN NET ASSETS	<u>7,086,369</u>	<u>2,670,000</u>	<u>172,600</u>	<u>4,000,000</u>
Net Assets, beginning of year	<u>7,343,653</u>	<u>14,430,022</u>	<u>17,100,022</u>	<u>17,272,622</u>
Net Assets, ending of year	<u>\$14,430,022</u>	<u>\$17,100,022</u>	<u>\$17,272,622</u>	<u>\$21,272,622</u>



Undesignated General Fund

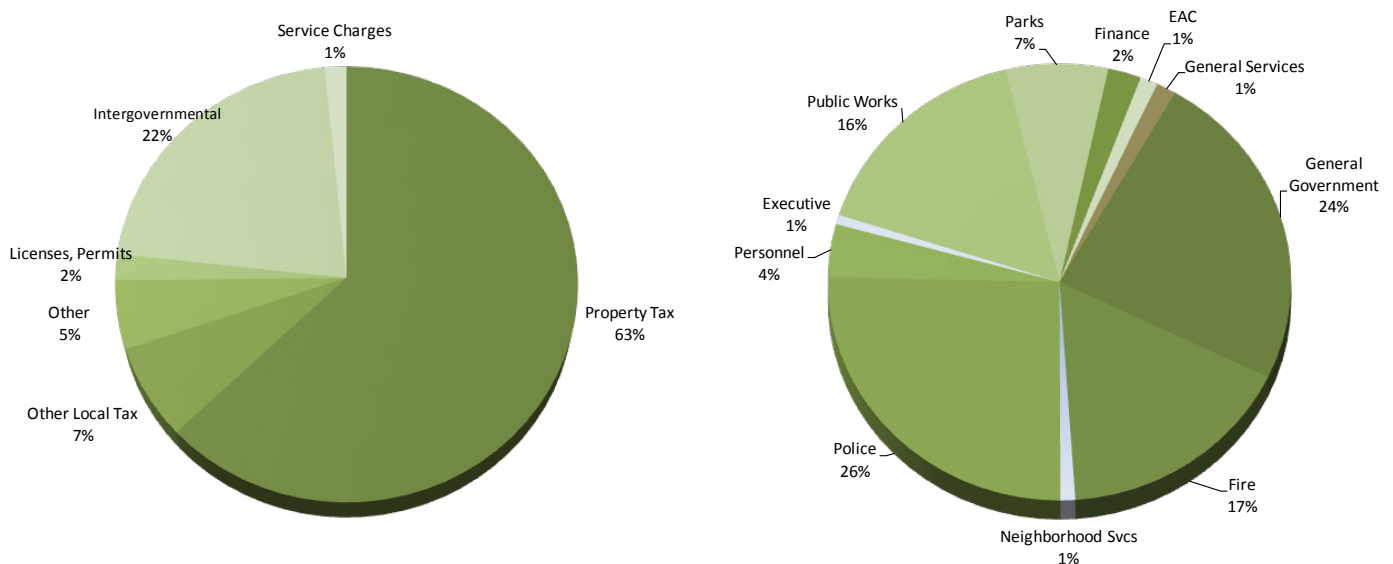
Fund Structure

The Undesignated General Fund accounts for all financial resources applicable to the general operations of city government which are not accounted for in another fund. This fund is the only unrestricted fund of a government unit. The basis of budgeting is modified accrual. Undesignated general fund operations budget is \$185,188,000. The charts on this page relate to the undesignated general fund operations. In FY 2011, the budgeted revenues and expenses for all reported General Fund is \$202,696,555 including designated general government operations totaling \$17,508,555. The largest is the Economic Development Fund with a budget of \$10,011,275.

The major revenues of the general fund include: property taxes; other local taxes; licenses and permits; fines, forfeitures, and penalties; investment income; revenue from other agencies; and services charges. Departments of the General Fund include: General Government which includes Debt Service and Supported Agencies; Executive Branch; Finance & Administration; General Services; Personnel; Neighborhood Services; Police; Fire; Public Works; Parks & Recreation; and Education, Arts, & Culture.

Fiscal Year 2010/2011

Undesignated Revenues & Appropriations \$185,188,000



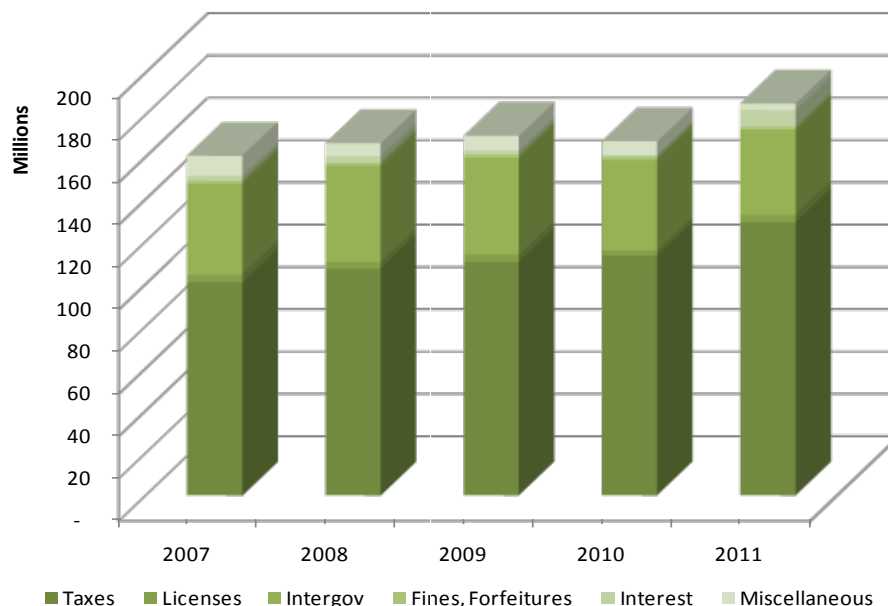
Undesignated General Fund						
Revenue Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg
Undesignated General Fund:						
Property Tax	92,090,493	94,511,059	95,805,126	116,317,700	20,512,574	21.41%
Other Local Taxes	13,394,272	13,790,728	13,737,700	12,860,000	(877,700)	-6.39%
Licenses & Permits	3,421,918	3,095,375	2,624,700	3,558,600	933,900	35.58%
Fines, Forfeitures, & Penalties	1,673,150	1,492,303	1,551,100	1,467,800	(83,300)	-5.37%
Investment Income	3,668,960	1,505,199	580,000	525,500	(54,500)	-9.40%
Revenue from Other Agencies	47,297,334	43,960,318	42,817,230	40,176,100	(2,641,130)	-6.17%
Service Charges	2,614,734	3,371,817	2,296,554	2,896,400	599,846	26.12%
Miscellaneous Revenues	4,409,587	2,772,715	3,947,897	2,947,400	(1,000,497)	-25.34%
Transfers In	4,944,287	3,468,796	4,174,693	4,438,500	263,807	6.32%
Revenue from Fund Balance	-	-	4,461,261	-	(4,461,261)	-100.00%
Grand Totals	173,514,735	167,968,310	171,996,261	185,188,000	13,191,739	7.67%

Revenues

The proposed Budget for FY 2011 shows an increase of \$13,191,739 or 7.67%, net of transfers in. The increase is due to the increase in the property tax rate from 1.939 to 2.309. The last City tax increase was nine years ago in FY 2002 at 2.516. Current County wide Sales Tax is estimated to decrease \$957,200 or 3.9%, State Sales Tax is estimated to decrease \$604,800 or 5.87%. Property Taxes (including PILOTs) are expected to increase by \$20,512,574 or 21.41%, and Franchise Taxes are expected to increase \$79,300 or 3.54% for the City in FY 2011.

The chart shows the General Fund Revenues by Source for the fiscal years 2007 thru 2011.

General Fund Revenues by Source



Property Taxes

FY 2011 Estimate:	\$116,317,700
% of General Fund:	62.81%
Growth From FY 10:	20,512,574
% Change:	21.41%

Current Real Property Taxes remain the primary source of funds for the City of Chattanooga, with the FY 2011 estimate of \$107,932,400 representing 58.28% of the total undesignated General Fund Budget. All property tax estimates inclusive of delinquencies and in lieu of tax payments total \$116,317,700 or 62.81% of the total undesignated General Fund budget. The current tax rate is \$2.309 per \$100 of the assessed valuation. This is considerably less than the 1995 rate of \$2.98, and is the lowest tax rate in nearly 50 years. Revenues generated in 1997 with a \$2.70 tax rate amounted to \$61,533,569, while the estimate for FY 2011 is \$107,932,400, an increase of \$46,398,831 or 75.4%. Assessments for 1997 were \$2,295,859,675. This figure has risen to \$4,845,694,497 in 2010, an increase of \$2,549,834,822 or 111.06% in the last 14 years. Based on the City's economic climate, this trend is expected to continue.

Commercial and industrial property is assessed at 40%, while residential property and farms are assessed at 25% of the appraised value. Personal property is assessed at 30% of the appraised value. The Public Utilities assessments are made by the State of Tennessee for all counties and cities in the state.

The property taxes levied on taxable assessed valuation in the City are billed by the City on October 1st of each year and are due without penalty by the last day of February of the following year. Effective August 1, 2003 taxes not paid by the due date shall bear interest at twelve percent (12%) per annum, and a penalty of six percent (6%) per annum, plus other penalties as provided by law, which shall be paid by the taxpayer except for taxpayers receiving tax relief under T.C.A. Sections 67-5-702 through 67-5-705. If a tax bill continues to be unpaid through June of such following year, it is turned over to a Delinquent Tax Attorney to be filed in the Clerk and Master's office of Chancery Court on July 1 of such year for collection. An additional fee of 10% is charged representing a 5% attorney's collection fee and a 5% City General Fund fee. Property is subject to a tax sale once taxes are delinquent for three years.

Pursuant to Tennessee Code Annotated 5-52-301 to 7-52-310, known as the Municipal Electric System Tax Equivalent Law of 1987, the minimum levy for the EPB is \$2,296,692, according to a new formula specified in the 1987 Law based on a revenue floor of \$5,635,434. This revenue floor was exceeded in fiscal year 1994, resulting in a calculation which generated less PILOT collection for the City. The estimate to be received from Electric Power Board for FY 2011 is \$4,438,500 or 17% over FY10. The EPB Internet in lieu of tax due from the EPB is \$121,000, a 3918.6% increase over FY10. The new Fiber Optics increase \$36,238 or 103.9% over FY10. The EPB PILOT was reclassified in FY06 to a transfer in to properly reflect EPB's status as a city owned entity.

Tax rates per \$100 of assessed valuation during this period were as follows:

Fiscal Year	
93/1994	2.62
94/1995	2.98 City Tax Increase
95/1996	2.98
96/1997	2.70 Property Reappraisal
97/1998	2.31 City Tax Decrease
98/1999	2.31
99/2000	2.31
00/2001	2.31
01/2002	2.516 City Tax Increase
02/2003	2.516
03/2004	2.516
04/2005	2.516
05/2006	2.202 Property Reappraisal
06/2007	2.202
07/2008	2.202
08/2009	2.202
09/2010	1.939 Property Reappraisal
10/2011	2.309 City Tax Increase

The 1995 increase in tax rates from \$2.62 to \$2.98 was the first tax increase imposed by the City since 1987 and was imposed primarily to provide funds for capital purposes. In FY02, a reappraisal year, the new certified tax rate was \$2.036. A property tax increase of \$0.48 was approved increasing the rate to \$2.516. After the reappraisal in FY06, the tax rate was decreased to \$2.202. FY10 was a reappraisal year resulting in a decrease to \$1.939. In FY11, the City Council approved a \$0.37 or 19% increase in the tax rate. The approved rate is \$2.309. A one penny increase produces additional income of \$467,442. Current City policy for budgeting is to estimate collections at 95% of the property tax levy.

Payments In Lieu of Taxes. Through a series of tax incentives and agreements the City receives sizeable in lieu of tax payments each year. Companies paying in lieu of taxes include Tennessee Valley Authority, Regis Corporation, American Plastics Inc, Signal Mountain Cement, Kenco Group, Blue Cross Blue Shield, US Express, United Packers of Chattanooga, Alstom and Custom Baking Co. The collection of in lieu of taxes accounts for \$3,860,300, or 2.08% of the operating budget in FY11.

Property Tax Rates
(per \$100 of Assessed Valuation)



Other Local Taxes:

FY 2011 Estimate:	\$12,860,000
% of General Fund:	6.94%
Decrease From FY 10:	(877,700)
% Change:	-6.39%

Gross Receipts Taxes

FY 2011 Estimate:	\$3,403,200
% of General Fund:	1.8%
Decline From FY 10:	(601,800)
% Change:	-15.03%

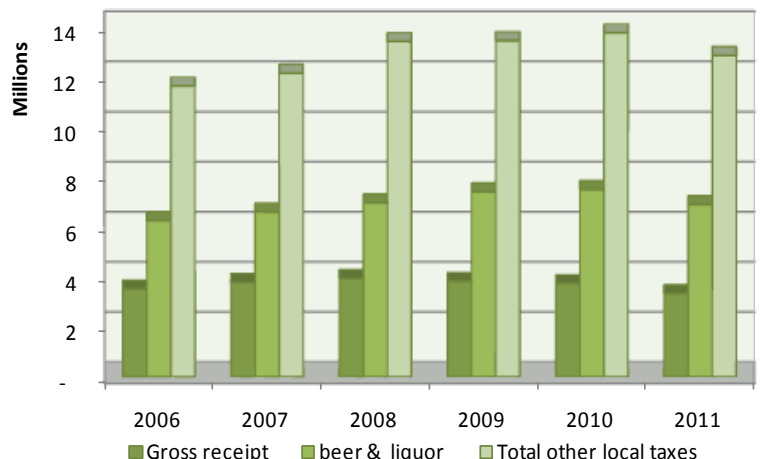
Even though Gross Receipts Taxes are a steady source in the General Fund, they represent only 1.84% of total collections this year. The trend over the past five years shows maintenance of collections for the previous four years, but the continued economic downturn in FY10 is expected to produce a decrease in growth for FY11.

Beer & Liquor Taxes

FY 2011 Estimate:	\$6,888,208
% of General Fund:	3.75%
Decline From FY 10:	(598,592)
Change:	- 7.99%

Beer & Liquor Taxes make up approximately half of Other Local Taxes. They represent 54% of total collections each year. The trend over the past five years shows the annual growth of this collection has been steady, but this year a slight decrease is expected.

Other Local Taxes



Licenses & Permits:

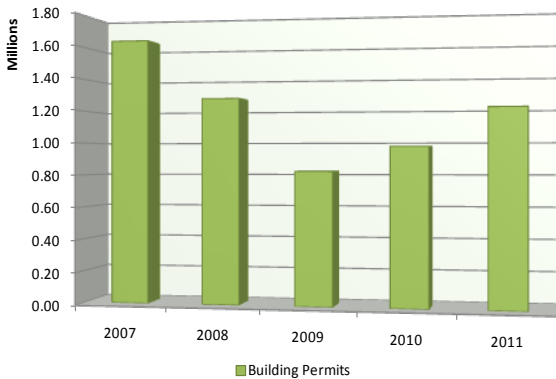
FY 2011 Estimate:	\$3,558,600
% of General Fund:	1.92%
Growth from FY 10:	933,900
% Change:	35.58%

Building Permits

FY 2011 Estimate :	\$1,210,400
% of General Fund:	0.65%
Growth from FY 10:	460,400
% Change:	61.39%

Building Permits are the single greatest revenue generator in the category of Licenses & Permits. As shown in the chart below, revenue budgets for Building Permits have declined thru 2009, reflecting the weakening of the housing market over that period of time. The economic events of FY09 significantly hurt the housing market resulting in a drop in building and other construction permits, but due to incoming industry in Chattanooga, Permits are showing an increase again.

Building Permits



One major decrease compared to prior years is in FY 08 when the City contracted with the Chattanooga Area Regional Transit Authority to manage and maintain the parking meters located in the city. With the agreement the city transferred about \$450,000 in operating revenue while also decreasing operating costs such as meter parts and vehicle cost. The employees previously assigned parking meter tasks were reassigned to other duties within the Public Works department.

Revenue from Other Agencies:

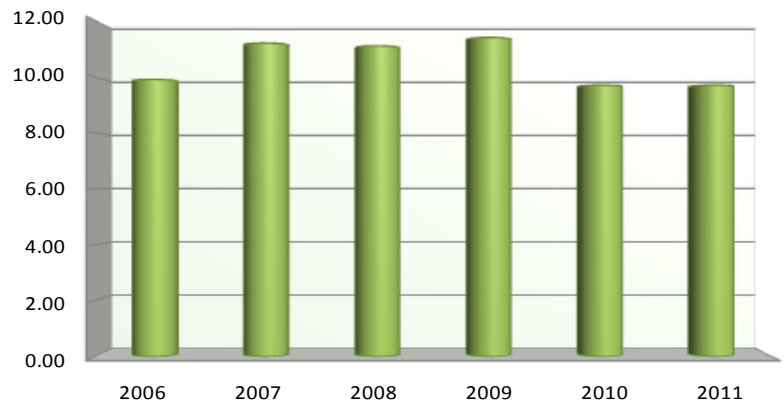
FY 2011 Estimate:	\$40,176,100
% of General Fund:	21.64%
Decline From FY 10:	(2,641,130)
% Change:	-6.17%

City Allocation State Sales Tax

FY 2011 Estimate:	\$9,695,200
% of General Fund :	5.22%
Decline From FY 10:	(604,800)
% Change:	-5.87%

The State of Tennessee imposes a 7% tax on sales. Under TCA 67-6-103(3)(A), 5.5% to 5.75% is returned to all municipalities. This distribution is based on a population figure from the latest certified census. The City of Chattanooga has a certified population of 169,884 and its per capita allocation from state sales tax for Fiscal Year 2010 was \$64.44. In 2011 the per capita allocation is \$57.08. Allocations decreased in FY04 due to a 9% cut to local governments to balance the state budget. This cut was returned to local governments: 50% in each of fiscal years 2006 and 2007. The State Sales Tax is expected to decrease by 5.87% or \$604,800 in FY 2011. This suggests that the economy has weakened and that consumers continue to cut back on their purchases of goods and services.

State Sales Tax



County-Wide Sales Taxes

FY 2011 Estimate :	\$24,642,800
% of General Fund:	13.31%
Decline From FY 10:	(957,200)
% Change:	-3.74%

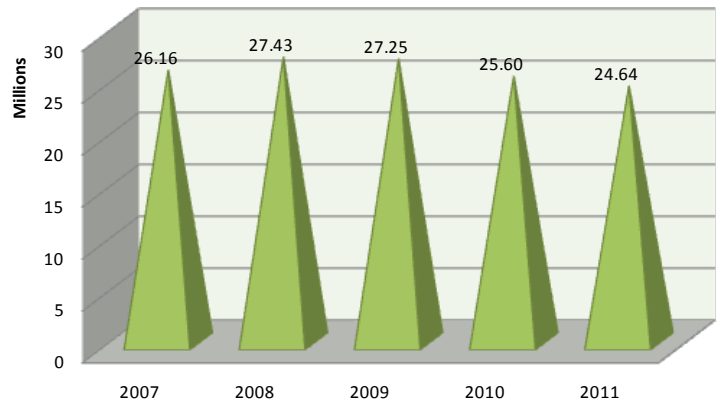
The County Wide Sales Tax, or Local Option Sales Tax, is another principal source of revenue for the City. In accordance with the 1993 Local Option Revenue Act Title 67, Chapter 6, Part 7 of the Tennessee Code Annotated, as amended, the City and County have adopted a Local Option Sales Tax. The citizens of Hamilton County have adopted, by referendum, a county-wide sales tax of 2.25%.

The revenues from the county-wide sales tax are distributed pursuant to the provisions of the Act and other provisions of the Tennessee Code Annotated. Fifty percent of the revenues raised through a county wide sales tax are directed to education based upon the average daily attendance of each school system therein. The Economic Development Fund accounts for 1/2 cent of the sales tax collected.

From FY2007 thru FY2008 there was growth in County-Wide sales tax revenues. This was a reflection of the economic growth that has taken place in Hamilton County during that time period. Beginning in FY2009 there has been a steady decline due to the current economic climate.

The County-wide sales tax represents 13.31% of the total General Fund revenues for FY 2011.

County-wide Sales Tax



Undesignated General Fund Expenditure Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg
General Fund						
General Government (1)	45,647,085	44,996,460	45,050,030	45,151,952	101,922	0.23%
Executive Branch	1,643,143	1,412,858	1,580,113	1,285,583	(294,530)	-18.64%
Finance & Administration	3,487,806	3,776,028	3,874,300	4,278,500	404,200	10.43%
General Services (2)	-	-	-	2,591,292	2,591,292	N/C
Personnel	5,807,916	6,612,456	7,047,622	7,258,383	210,761	2.99%
Neighborhood Services	1,830,697	1,990,026	1,870,020	1,904,982	34,962	1.87%
Police	41,022,971	43,384,194	40,832,862	47,060,000	6,227,138	15.25%
Fire	25,969,695	28,089,123	27,435,824	30,985,500	3,549,676	12.94%
Public Works	29,768,637	33,269,578	30,430,100	29,183,526	(1,246,574)	-4.10%
Parks & Recreation	10,850,004	11,781,527	11,589,464	13,204,400	1,614,936	13.93%
Education, Arts, & Culture	2,146,396	2,086,089	2,285,926	2,283,882	(2,044)	-0.09%
Total General Fund (1)	168,174,350	177,398,339	171,996,261	185,188,000	13,191,739	7.67%

(1) Amount includes amendment for capital appropriation of \$1,000,000 for FY11.

(2) General Services reported in General Government previously.

Expenses

General Government

FY 2011 Appropriation: \$45,151,952
% of General Fund: 24.38%
Growth From FY 10: \$101,992
% Change: 0.23%

General Government is the area where all appropriations to other funds, joint-funded and outside agencies are accounted for. These appropriations can vary from year to year based on outside agency requests or decisions reached during the joint budget hearings with the County Commission. The reason for the increase is the appropriations to several agencies. Major appropriations in the General Government area year-to-year are:

CARTA Subsidy

FY 2011 Appropriation: \$4,231,000
% of General Fund: 2.28%
Growth From FY 10: \$380,000
% Change: 9.87%

The City finances part of the Chattanooga Area Regional Transportation Authority's operating cost. The CARTA appropriation of \$4,231,000 enables CARTA to provide additional services to those citizens using bus service as their only means of transportation to work, school, shopping and other activities.

Chattanooga-Hamilton County Bicentennial Library

FY 2011 Appropriation: \$2,792,400
% of General Fund: 1.51%
Growth From FY 10: \$152,400
% Change: 5.77%

The City, along with the County, funds the cost of the public library system.

Chattanooga Neighborhood Enterprises

FY 2011 Appropriation: \$1,000,000
% of General Fund: 0.54%
Increase From FY 10: \$100,000
% Change: 11.11%

This is an ongoing appropriation for efforts to upgrade housing in Chattanooga.

Debt Service Fund

FY 2011 Appropriation: \$15,494,469
% of General Fund: 8.37%
Growth From FY 10: \$4,588,162
% Change: 42.07%

Funds are provided for appropriation to the Debt Service Fund for payment of current interest and principal on the City's outstanding General Fund debt.

Renewal & Replacement

FY 2011 Appropriation: \$1,211,177
% of General Fund: 0.65%
Increase From FY 10: \$711,177
% Change: 142.24%

Funds are provided here to be distributed to various departments for use in replacing equipment. This increase is a step toward restoring the R&R allocation to \$1.5M annually.

Tennessee Riverpark

FY 2011 Appropriation: \$1,191,180
% of General Fund: 0.64%
Decline From FY 10: \$(28,595)
% Change: -2.34%

These funds are submitted to Hamilton County to cover the City's one half share of the operating costs of the Tennessee Riverpark.

Executive Branch

FY 2011 Appropriation:	\$1,285,583
% of General Fund:	0.69%
Decline From FY 10:	(294,530)
% Change:	-18.64%

The Executive Branch consists of functions under direct control of the Office of the Mayor. The Executive Branch was reorganized as a part of the FY2011 budget with the Office of Faith Based Initiative being combined with the Office of Multicultural Affairs. The Director of Office of Faith Based Initiatives position was eliminated. The FY11 reduction is primarily due to reorganization and a decrease in positions.

Department of Finance & Administration

FY 2011 Appropriation:	\$4,278,500
% of General Fund:	10.43%
Increase From FY 10:	\$404,200
% Change:	10.43%

This department oversees all aspects of the City's financial program. The major expenses for this department are personnel costs, and the primary factor to the increase in FY11 is the unfreezing of vacant positions, restoration of hours for part-time positions during tax season, and the addition of one Technology Coordinator.

Department of General Services

FY 2011 Appropriation:	\$2,591,292
% of General Fund:	1.40%
Increase From FY 10:	\$135,680
% Change:	5.53%

This department manages Building & Property Maintenance, Purchasing, Real Estate. Utility expense was also increased due to rising costs and demand from additional properties. In FY11, 3 positions were unfrozen, 1 was added, and 2 remain frozen.

Department of Personnel

FY 2011 Appropriation:	\$7,258,383
% of General Fund :	3.92%
Growth From FY 10:	\$210,761
% Change:	2.99%

The increase in appropriations in FY11 is primarily attributable to increase in the associated cost to do both an academy for the Fire and Police Departments.

Department of Neighborhood Services

FY 2011 Appropriation:	\$1,904,982
of General Fund:	1.03%
Increase From FY 10:	\$ 34,962
Change:	1.87%

During FY11, the department eliminated the Economic Consultant position and froze the Manager of Codes position. The city fully funded demolition, Debris

Removal & Cleanup and fleet leased vehicle expenses.

Department of Police

FY 2011 Appropriation:	\$47,060,000
% of General Fund:	25.41%
Increase From FY 10:	\$6,227,138
% Change:	15.25%

In FY11, thirty-three (33) of the 45 previously frozen sworn and civilian positions were funded. Also included in their appropriation is a \$1M fix for the pay plan anomaly between Police Officers and higher ranking officers.

Department of Fire

FY 2011 Appropriation:	\$30,985,500
% of General Fund:	16.73%
Increase From FY 10:	\$3,549,677
% Change:	12.94%

The increase in appropriations for FY2011 are for salaries and benefits of staffing new Station #7 and an academy including the associated operational cost. This will ensure that the Fire Department maintains the #2 ISO rating and continues providing exceptional Fire protection services to the citizens of Chattanooga.

Department of Public Works

FY 2011 Appropriation:	\$29,183,526
% of General Fund:	15.76%
Decline from FY 10:	\$1,246,574
% Change:	-4.10%

The Department of Public Works General Fund decrease in FY11 appropriations represent 16 frozen positions in efforts to reduce cost and 30 positions transferred to the Water Quality fund to allocate more manpower to water quality infrastructure needs and compliance issues.

Department of Parks & Recreation

FY 2011 Appropriation:	\$13,204,400
% of General Fund:	7.13%
Decline From FY 10:	\$1,614,936
% Change:	13.93%

The overall increase in the budget from FY11 reflects an increase in salary and benefits to expand parks & recreation programs and restoration of 14 frozen positions.

Education, Arts, & Culture

FY 2011 Appropriation:	\$2,283,882
% of General Fund:	1.23%
Decline From FY 10:	(\$2,044)
% Change:	-0.09%

The FY11 decrease is attributed to decline in use of temporary staffing. EAC had 1 frozen position valued at \$33,598.

Undesignated General Fund Revenue							
Source	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of total
Property Taxes:							
Current Property Taxes	85,456,826	87,144,122	88,604,177	107,932,400	19,328,223	21.81%	58.28%
Interest & Penalty-Current Year	103,301	116,718	100,000	100,000	-	0.00%	0.05%
Interest & Penalty-Prior Year	681,400	724,611	650,000	725,000	75,000	11.54%	0.39%
Prior Year Property Taxes	3,388,359	3,716,741	3,400,000	3,500,000	100,000	2.94%	1.89%
City Fee-Collection of Delinquent taxes	179,589	174,968	160,000	200,000	40,000	25.00%	0.11%
Corporate Excise Tax-State	242,690	275,637	200,000	-	(200,000)	-100.00%	0.12%
Payments in Lieu of Taxes	2,038,328	2,633,899	2,690,949	3,860,300	1,169,351	43.45%	2.08%
Total Property Tax	\$ 92,090,493	\$ 94,786,696	\$ 95,805,126	\$ 116,317,700	\$ 20,512,574	21.41%	62.81%
Other Local Taxes:							
Franchise Taxes-Chatt Gas	287,945	301,071	292,000	315,000	23,000	7.88%	0.17%
Franchise Taxes-Century Tel	24,955	26,164	32,200	26,400	(5,800)	-18.01%	0.01%
Corporate Excise Tax-State	-	-	-	224,000	224,000	N/C	0.12%
Franchise Taxes-CCTV	2,194,304	1,883,462	1,918,000	1,980,100	62,100	3.24%	1.07%
Liquor Taxes	1,860,775	1,957,073	1,978,800	1,976,457	(2,343)	-0.12%	1.07%
Beer Taxes	5,090,283	5,437,519	5,508,000	4,911,751	(596,249)	-10.83%	2.65%
Gross Receipts Taxes-Interest & Penalty	-	87,515	75,000	76,400	1,400	N/C	0.04%
Gross Receipts Tax	3,931,405	3,818,398	3,930,000	3,326,800	(603,200)	-15.35%	1.80%
Local Litigation Taxes	4,605	3,889	3,700	3,300	(400)	-10.81%	0.00%
Total Other Local Taxes	\$ 13,394,272	\$ 13,515,091	\$ 13,737,700	\$ 12,840,208	\$ (897,492)	-6.53%	6.93%
Licenses & Permits.:							
Motor Vehicle License	346,400	425,620	380,000	380,000	-	0.00%	0.21%
Business License excluding Liquor	153,130	147,820	150,000	147,800	(2,200)	-1.47%	0.08%
Building Permits	1,692,772	823,983	750,000	1,210,400	460,400	61.39%	0.65%
Other Licenses,Permits, Fees	1,229,616	1,697,952	1,344,700	1,840,192	495,492	36.85%	0.99%
Total Licenses & Permits	\$ 3,421,918	\$ 3,095,375	\$ 2,624,700	\$ 3,578,392	\$ 953,692	36.34%	1.93%
Fines, Forfeitures, & Penalties:							
City Court Fines	756,188	697,048	738,000	609,100	(128,900)	-17.47%	0.33%
Criminal Court Fines	187,690	135,632	140,000	153,500	13,500	9.64%	0.08%
Parking Ticket Fines	724,551	650,987	670,000	700,400	30,400	4.54%	0.38%
Other Fines Forfeitures, & Penalties	4,721	8,636	3,100	4,800	1,700	54.84%	0.00%
Total Fines, Forfeitures, & Penalties	\$ 1,673,150	\$ 1,492,303	\$ 1,551,100	\$ 1,467,800	\$ (83,300)	-5.37%	0.79%
Investment Income							
Interest on Investments	3,620,972	1,498,259	500,000	493,800	(6,200)	-1.24%	0.27%
Sale of Back Tax Lots	17,301	4,278	30,000	17,000	(13,000)	-43.33%	0.01%
Sale of City Owned Property	30,687	-	50,000	9,900	(40,100)	-80.20%	0.01%
Other Sales	-	2,662	-	4,800	4,800	N/C	0.00%
Total Investment Income	\$ 3,668,960	\$ 1,505,199	\$ 580,000	\$ 525,500	\$ (54,500)	-9.40%	0.28%

Continued on Next Page

Undesignated General Fund Revenue Source	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of total
Revenue From Other Agencies:							
Local Option Sales Taxes-GF	26,604,258	25,710,248	25,600,000	24,642,800	(957,200)	-3.74%	13.31%
State Beer Tax	85,085	81,138	89,000	77,100	(11,900)	-13.37%	0.04%
Hall Income Tax	4,909,130	3,561,959	2,500,000	1,500,000	(1,000,000)	-40.00%	0.81%
State Sales Tax	11,185,750	10,252,124	10,300,000	9,695,200	(604,800)	-5.87%	5.24%
State Mixed Drink Tax	1,818,211	1,763,451	1,775,000	1,910,800	135,800	7.65%	1.03%
State Gas Inspection Fees	339,382	334,218	230,000	288,800	58,800	25.57%	0.16%
State Maintenance of Streets	370,195	303,031	340,000	318,300	(21,700)	-6.38%	0.17%
State Alcohol Beverage Tax	93,368	96,760	96,000	96,000	-	0.00%	0.05%
TEMA Flood Recovery	198,678	-	-	-	-	N/C	0.00%
State-Special Training Funds	469,800	474,600	469,800	469,800	-	0.00%	0.25%
State-Telecom Sales Tax	20,041	18,901	20,000	12,600	(7,400)	-37.00%	0.01%
State-Misc Receipts	2,317	-	2,400	-	(2,400)	-100.00%	0.00%
Ham.County-Ross Landing Plaza	916,154	942,561	913,930	936,900	22,970	2.51%	0.51%
Ham.County-Radio & Electronics	217,501	151,108	170,000	-	(170,000)	-100.00%	0.00%
Miscellaneous	13,599	270,219	311,100	227,800	(83,300)	-26.78%	0.12%
Ham.County-SWAT Reimburse	53,865	-	-	-	-	N/C	0.00%
Total Revenue from Other Agencies	\$ 47,297,334	\$ 43,960,318	\$ 42,817,230	\$ 40,176,100	\$ (2,641,130)	-6.17%	21.69%
Service Charges:							
City Court Cost	350,413	279,944	316,200	240,800	(75,400)	-23.85%	0.13%
Clerk's Fee	1,228,410	1,132,099	1,200,000	1,011,600	(188,400)	-15.70%	0.55%
State Court Cost	2,102	2,764	2,000	2,700	700	35.00%	0.00%
Service Charges	1,033,809	1,826,350	778,354	1,520,100	741,746	95.30%	0.82%
Total Service Charges	\$ 2,614,734	\$ 3,371,817	\$ 2,296,554	\$ 2,896,400	\$ 599,846	26.12%	1.56%
Miscellaneous Revenues:							
Indirect Cost	2,485,866	2,585,866	2,585,866	2,815,900	230,034	8.90%	1.52%
Other General Government Misc.	1,923,721	186,849	1,362,031	131,500	(1,230,531)	-90.35%	0.07%
Total Miscellaneous Revenues	\$ 4,409,587	\$ 2,772,715	\$ 3,947,897	\$ 2,947,400	\$ (1,000,497)	-25.34%	1.59%
Transfers In	4,944,287	3,468,796	4,174,693	4,438,500	263,807	6.32%	2.40%
Revenue from Fund Balance	-	-	4,461,261	-	(4,461,261)	-100.00%	0.00%
Grand Totals	\$ 173,514,735	\$ 167,968,310	\$ 171,996,261	\$ 185,188,000	\$ 13,191,739	7.67%	100.00%

Undesignated General Fund Expenditure Summary							
	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of Total
General Government							
Agencies:							
Air Pollution	270,820	270,820	270,820	270,820	-	0.00%	0.15%
Allied Arts	155,000	255,000	191,250	161,200	(30,050)	-15.71%	0.09%
Bessie Smith Cultural Center	70,000	70,000	64,000	54,000	(10,000)	-15.63%	0.03%
Alexian Brothers/Sr Neighbors	-	-	22,094	17,700	(4,394)	-19.89%	0.01%
CARCOG & SETDD	31,111	31,038	31,111	36,038	4,927	15.84%	0.02%
CARTA	3,665,300	3,851,000	3,851,000	4,231,000	380,000	9.87%	2.28%
Carter Street Corporation	150,000	200,000	185,000	161,257	(23,743)	-12.83%	0.09%
Chattanooga Area Food Bank	-	-	15,000	12,700	(2,300)	-15.33%	0.01%
Chattanooga Urban League	50,000	50,000	50,000	42,200	(7,800)	-15.60%	0.02%
C-HC Bicentennial Public Library	2,487,660	2,640,000	2,640,000	2,792,400	152,400	5.77%	1.51%
Chattanooga Comm Resource Cntr	27,050	2,250	-	-	-	N/A	0.00%
Chattanooga History Center	24,000	24,000	18,000	15,200	(2,800)	-15.56%	0.01%
Chattanooga Neighborhood Enterprises	1,500,000	1,000,000	900,000	1,000,000	100,000	11.11%	0.54%
Children's Advocacy Center	30,000	30,000	22,500	19,000	(3,500)	-15.56%	0.01%
Choose Chattanooga	-	25,000	20,000	16,900	(3,100)	-15.50%	0.01%
Community Foundation Scholarships	160,000	160,000	120,000	101,300	(18,700)	-15.58%	0.05%
Community Impact Fund	250,000	300,000	208,511	175,600	(32,911)	-15.78%	0.09%
Downtown Partnership	100,000	100,000	80,000	-	(80,000)	-100.00%	0.00%
RiverCity	-	-	-	67,500	67,500	N/A	0.04%
Enterprise Center	100,000	100,000	237,500	160,500	(77,000)	-32.42%	0.09%
Enterprise South Nature Park	82,076	121,513	283,861	564,697	280,836	98.93%	0.30%
ESIP Security	-	19,180	53,021	53,827	806	1.52%	0.03%
Finley Stadium	25,000	60,000	60,000	60,000	-	0.00%	0.03%
Friends of Moccasin Bend	-	-	30,000	25,300	(4,700)	-15.67%	0.01%
Go!Fest	25,000	25,000	15,000	8,440	(6,560)	-43.73%	0.00%
Heritage Hall Fund	57,019	57,019	62,653	62,653	-	0.00%	0.03%
Homeless Health Center	17,500	17,500	15,750	13,300	(2,450)	-15.56%	0.01%
Railroad Authority	20,000	55,794	67,822	12,281	(55,541)	-81.89%	0.01%
Regional Planning Agency	942,817	990,007	1,115,712	1,378,500	262,788	23.55%	0.74%
Scenic Cities	22,888	22,888	5,000	4,220	(780)	-15.60%	0.00%
Stop the Madness	100,000	-	-	-	-	N/A	0.00%
Water Quality Management Fee	76,526	81,165	85,000	300,000	215,000	252.94%	0.16%
Tennessee Riverpark	1,090,648	1,146,481	1,219,775	1,191,180	(28,595)	-2.34%	0.64%
Waterfront Management Agreement	40,000	-	-	-	-	N/A	0.00%
Front Porch Alliance	-	30,000	27,000	22,800	(4,200)	-15.56%	0.01%
City Code Revision	-	6,428	-	-	-	N/A	0.00%
WTCI -TV 45	60,000	60,000	45,000	50,650	5,650	12.56%	0.03%
General Government:							
Audits, Dues & Surveys	248,142	143,789	206,000	306,000	100,000	48.54%	0.17%
Capital Improvements	7,982,285	8,949,717	4,461,261	1,000,000	(3,461,261)	-77.58%	0.54%
City Attorney/Operations	1,011,391	1,010,754	1,084,778	1,237,222	152,444	14.05%	0.67%
City Attorney Liability Insurance Fund	2,173,000	1,700,000	800,000	1,360,000	560,000	70.00%	0.73%
City Council	677,010	664,205	709,617	708,594	(1,023)	-0.14%	0.38%
City Judges Division 1	341,961	341,615	363,901	372,464	8,563	2.35%	0.20%
City Judges Division 2	331,256	329,477	354,963	355,897	934	0.26%	0.19%
Contingency Fund	-	114,553	235,634	4,103,051	3,867,417	1641.28%	2.22%
Debt Service Fund	11,567,051	10,956,089	15,906,307	15,494,469	(411,838)	-2.59%	8.37%
Election Expense	24,961	174,098	10,000	25,000	15,000	150.00%	0.01%
Human Services	1,333,477	1,333,477	1,233,477	733,477	(500,000)	-40.54%	0.40%
Internal Audit	436,416	467,159	478,740	485,037	6,297	1.32%	0.26%
Intergovernmental Relations	278,023	350,395	357,000	357,000	-	0.00%	0.19%
Pensions, FICA & UIC	45,024	62,541	68,000	133,000	65,000	95.59%	0.07%
T.A.P (tuition & books)	17,952	22,187	20,000	20,000	-	0.00%	0.01%
Connecting the Dots with Technology	57,097	0	-	-	-	N/A	0.00%
Renewal & Replacement	1,948,649	533,909	500,000	1,211,177	711,177	142.24%	0.65%
General Services Administration	239,776	345,318	310,220	-	(310,220)	-100.00%	0.00%
Information Services	2,637,944	2,756,870	2,923,156	3,268,184	345,028	11.80%	1.76%
Telecommunications	284,433	325,955	335,841	348,232	12,391	3.69%	0.19%
Purchasing	868,134	730,383	692,677	-	(692,677)	-100.00%	0.00%
Building Maintenance	555,579	919,046	901,616	-	(901,616)	-100.00%	0.00%
Radio & Electronics	457,898	416,213	491,062	-	(491,062)	-100.00%	0.00%
Real Estate	43,894	33,899	24,287	-	(24,287)	-100.00%	0.00%
Property Maintenance	25,462	31,807	32,000	-	(32,000)	-100.00%	0.00%
CCRC Operations	4,022	13,994	3,750	-	(3,750)	-100.00%	0.00%
311 Call Center	425,833	466,927	533,364	549,985	16,621	3.12%	0.30%
Total	\$ 45,647,085	\$ 44,996,460	\$ 45,050,031	\$ 45,151,952	101,921	0.23%	24.38%

Undesignated General Fund Expenditure Summary							
	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of Total
Department of Finance & Administration							
Finance Office	1,806,429	2,005,312	2,057,102	2,383,924	326,822	15.89%	1.29%
City Treasurer	643,819	725,645	765,946	803,400	37,454	4.89%	0.43%
City Court Clerk's Office	1,037,558	1,045,071	1,051,252	1,091,176	39,924	3.80%	0.59%
Total	\$ 3,487,806	\$ 3,776,028	\$ 3,874,300	\$ 4,278,500	\$ 404,200	10.43%	2.31%
Department of Police:	\$ 41,022,971	\$ 43,384,194	\$ 40,832,862	\$ 47,060,000	\$ 6,227,138	15.25%	25.41%
Department of Fire:	\$ 25,969,695	\$ 28,089,123	\$ 27,435,823	\$ 30,985,500	\$ 3,549,677	12.94%	16.73%
Department of Public Works:							
Administration	941,221	1,187,946	908,911	923,214	14,303	1.57%	0.50%
City Engineer	1,833,145	2,267,864	2,005,028	2,059,651	54,623	2.72%	1.11%
City Wide Services	4,110,538	4,330,094	4,332,306	4,212,419	(119,887)	-2.77%	2.27%
Sewer Construction & Maintenance	2,021,226	2,159,014	2,100,933	-	(2,100,933)	-100.00%	0.00%
Land Development Office	2,931,659	2,677,989	2,514,586	2,523,921	9,335	0.37%	1.36%
Utilities	137,635	163,155	140,775	164,000	23,225	16.50%	0.09%
Pump Stations, Levee & Storm Stations	49,526	67,674	96,300	96,300	-	0.00%	0.05%
Traffic Management	2,575,179	2,679,534	2,552,986	2,615,304	62,318	2.44%	1.41%
Street Lighting	2,614,365	3,062,517	2,886,020	2,940,000	53,980	1.87%	1.59%
Subsidies to Other Funds	5,712,694	6,959,512	6,424,727	5,907,775	(516,952)	-8.05%	3.19%
Municipal Forestry	566,786	597,280	542,094	579,469	37,375	6.89%	0.31%
Waste Pickup - Brush	2,729,687	2,903,746	2,562,573	2,625,817	63,244	2.47%	1.42%
Waste Pickup -Garbage, Trash Flash & Recycle	3,544,976	4,213,253	3,362,861	4,535,656	1,172,795	34.87%	2.45%
Total	\$ 29,768,637	\$ 33,269,578	\$ 30,430,100	\$ 29,183,526	\$ (1,246,574)	-4.10%	15.76%
Department of Parks & Recreation:							
Administration	1,082,989	1,081,143	1,027,400	1,107,654	80,254	7.81%	0.60%
Recreation	4,557,225	4,718,690	4,957,688	5,812,670	854,982	17.25%	3.14%
Parks	5,209,790	5,981,694	5,604,376	6,284,076	679,700	12.13%	3.39%
Total	\$ 10,850,004	\$ 11,781,527	\$ 11,589,464	\$ 13,204,400	\$ 1,614,936	13.93%	7.13%
Department of Personnel:							
Administration	1,170,779	1,103,537	1,057,900	1,245,832	187,932	17.76%	0.67%
Physicals	9,450	15,305	13,000	13,000	-	0.00%	0.01%
Employee's Insurance Office	442,344	306,173	265,561	280,790	15,229	5.73%	0.15%
Employee's Insurance Program	3,984,557	5,118,057	5,639,161	5,644,761	5,600	0.10%	3.05%
Wellness Initiative	96,471	-	-	-	-	N/A	0.00%
Job Injury Administration	104,315	69,384	72,000	74,000	2,000	2.78%	0.04%
Total	\$ 5,807,916	\$ 6,612,456	\$ 7,047,622	\$ 7,258,383	\$ 210,761	2.99%	100.00%
Department of Neighborhood Services:							
Administration	465,454	532,183	524,218	523,707	(511)	-0.10%	27.49%
Codes & Community Services	1,206,490	1,334,858	1,247,990	1,282,247	34,257	2.74%	67.31%
Grants Administration	71,953	67,985	42,812	44,028	1,216	2.84%	2.31%
Neighborhood Grants	86,800	55,000	55,000	55,000	-	0.00%	2.89%
Total	\$ 1,830,697	\$ 1,990,026	\$ 1,870,020	\$ 1,904,982	\$ 34,962	1.87%	1.03%
Executive Branch:							
Mayor's Office	1,067,321	822,445	871,587	891,984	20,397	2.34%	0.48%
Great Ideas Competition	11,686	6,016	-	-	-	N/A	0.00%
Multicultural Affairs	361,669	301,591	384,284	393,599	9,315	2.42%	0.21%
Office of Faith Based Initiatives	202,467	282,806	324,242	-	(324,242)	-100.00%	0.00%
Total	\$ 1,643,143	\$ 1,412,858	\$ 1,580,113	\$ 1,285,583	\$ (294,530)	-18.64%	0.69%
Department of Education, Arts, & Culture:							
Administration	313,811	325,260	346,131	344,415	(1,716)	-0.50%	0.19%
Civic Facilities	1,497,724	1,443,614	1,599,865	1,647,844	47,979	3.00%	0.89%
Arts & Culture	334,861	317,215	339,930	291,623	(48,307)	-14.21%	0.16%
Total	\$ 2,146,396	\$ 2,086,089	\$ 2,285,926	\$ 2,283,882	\$ (2,044)	-0.09%	1.23%
Department of General Services:							
General Services Administration	-	-	-	451,787	451,787	N/A	0.24%
Purchasing	-	-	-	770,279	770,279	N/A	0.42%
Building Maintenance	-	-	-	1,126,366	1,126,366	N/A	0.61%
Radio & Electronics	-	-	-	173,270	173,270	N/A	0.09%
Real Estate	-	-	-	21,525	21,525	N/A	0.01%
Property Maintenance	-	-	-	32,000	32,000	N/A	0.02%
CCRC Operations	-	-	-	16,065	16,065	N/A	0.01%
Total	\$ -	\$ -	\$ -	\$ 2,591,292	\$ 2,591,292	N/A	1.40%
Expenditure Total	\$ 168,174,350	\$ 177,398,339	\$ 171,996,261	\$ 185,188,000	\$ 13,191,739	7.67%	100%

Special Revenue Funds

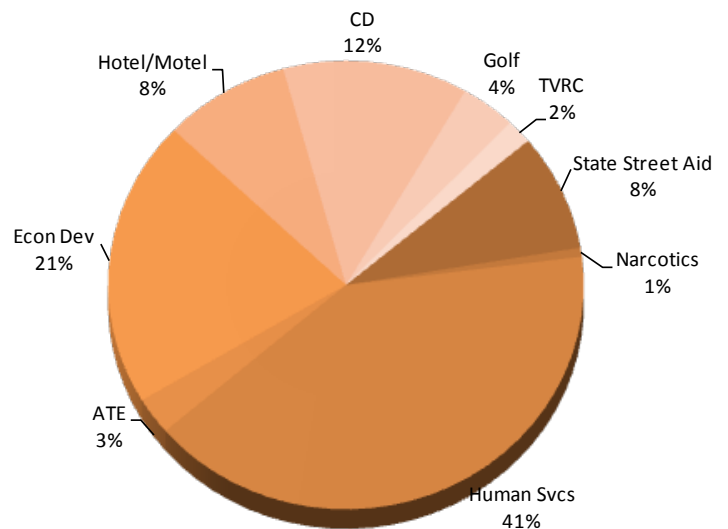
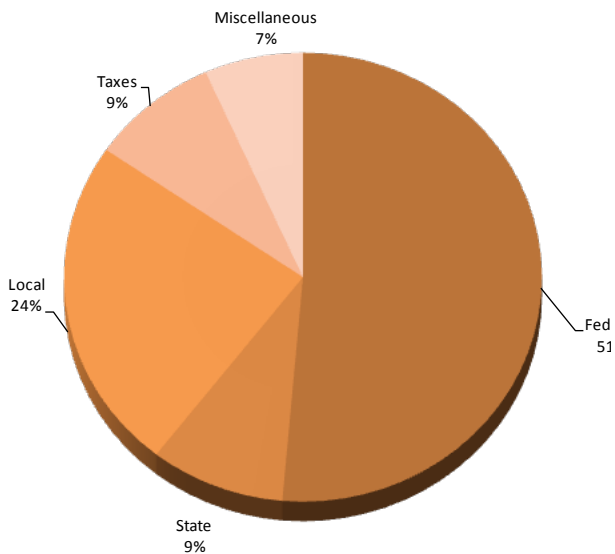
Fund Structure

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government. The basis of budgeting for these funds is modified accrual. Included funds are State Street Aid, Human Services, Economic Development, Narcotics, Community Development, Hotel/Motel Occupancy Tax Fund, and Municipal Golf Course Fund. For fiscal year ended June 30, 2010 the budgeted revenue and expenses were as follows:

FY 10 Results	Budget Rev & Exp	(unaudited) FY 10 Actual Rev	(unaudited) FY 10 Actual Exp
State Street Aid	3,985,115	4,062,843	3,846,833
Human Services	18,679,961	17,330,899	17,330,899
Economic Development Fund	10,400,000	12,370,823	11,636,430
Narcotics	362,000	310,911	219,409
Hotel/Motel Tax Fund	3,939,000	4,144,605	2,795,518
Community Development Fund	4,327,815	4,551,000	4,551,000
Municipal Golf Course	1,827,652	1,827,652	1,827,652
Automated Traffic Enforcement	1,714,800	1,980,285	1,980,285
Total Special Revenue Fund	45,236,343	46,579,018	44,188,026

(1) While presented here, the Economic Development Fund, Golf Course, and Automated Traffic Enforcement is reported as a designated portion of General Fund.

Fiscal Year 2010/2011 Revenue & Appropriation by Fund \$45,710,249



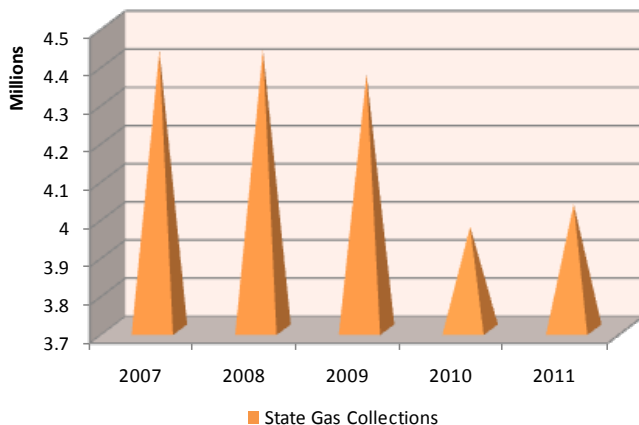
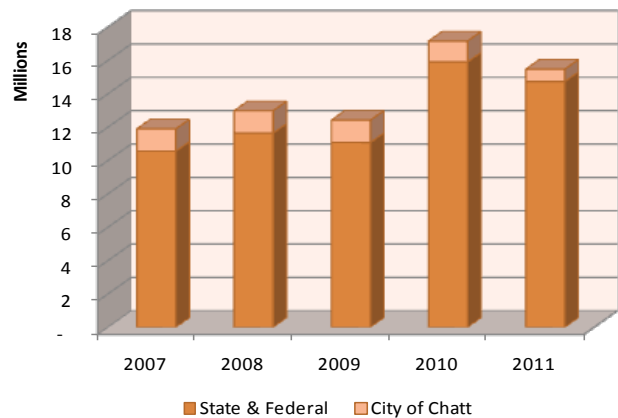
Special Revenue Fund Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg
REVENUES						
State Street Aid	4,782,699	4,523,903	3,985,115	4,079,360	94,245	2.36%
Human Services	13,093,683	14,127,700	18,679,961	17,066,916	(1,613,045)	-8.64%
Economic Development Fund	11,063,535	9,586,930	10,400,000	10,011,275	(388,725)	-3.74%
Narcotics	846,199	447,275	362,000	312,000	(50,000)	-13.81%
Hotel/Motel Tax Fund	4,367,584	5,605,046	3,939,000	4,166,384	227,384	5.77%
Community Development Fund	8,515,234	4,134,245	4,327,815	6,100,000	1,772,185	40.95%
Municipal Golf Course	1,942,192	1,963,938	1,827,652	1,817,360	(10,292)	-0.56%
Automated Traffic Enforcement	-	1,343,065	1,714,800	1,300,000	(414,800)	-24.19%
Tenn Valley Region Communication	-	-	-	856,954	856,954	N/A
Total Special Revenue Fund	44,611,126	41,732,102	45,236,343	45,710,249	473,906	1.05%

Revenues

State Street Aid

This fund was established to receive and account for the State's distribution of the gasoline tax. Funds received in this fund are restricted to road related projects.

Collections in this fund have remained fairly constant thru FY2009, in FY 10 we saw a significant 9% drop in state gas collections due to low usage estimates from the state. For FY11, revenue estimated to increase slightly about 1.5% based on estimated Gas Tax collections by the State.



Economic Development Fund

In August 1997, the citizens of Chattanooga approved a half-percent tax on retail sales in the city. Revenues from this tax were shared on a 50/50 basis for education and economic development. In a county-wide election in February 2004, the residents of Hamilton County voted to increase the county-wide local option tax rate from 1.75% to 2.25% thereby repealing the city-only 1/2% tax. The additional taxes generated by the 1/2% increase in the county-wide tax will be distributed to the county, city and education in accordance with TCA 67-6-712 which requires that 50% is used for education and the remainder on a situs basis. The education component is distributed directly to the Hamilton County Department of Education. Since FY09, estimated city revenues decreased by 12.7% due to the economic decline in sales.

Human Services Fund

Human Services receives Federal, State, and City appropriations. This fund for FY11 is estimated to decrease by 10% from FY10. The loss of the Weatherization programs is responsible for the FY11 decrease. The chart for revenues shows a significant increase in state and federal funding in FY10 due to additional State funds for Weatherization programs received under the American Recovery & Reinvestment Act (ARRA).

Narcotics Fund

Revenues come mainly from confiscated funds which include forfeited cash and proceeds from the sale of items seized. Funds are also received from Federal and State. As shown on the revenue summary on p. 114, collections have decreased by more than 60% since 2008 due to the drop in collections from federal and confiscated funds. Anticipated collections overall will remain about the same for FY11, as FY2010.

Hotel-Motel Occupancy Privilege Tax Fund

The City of Chattanooga has the authority to levy a privilege tax on the occupancy of hotel/motel rooms by transients. Pursuant to T.C.A 67-4-1401, et seq. and City Ordinance No 11303, the City has levied such a tax. The tax is set at 4%.

The FY11 budgeted revenue totals \$4,166,384. The FY10 projected revenue is \$4,144,605.

Community Development

Annual funding is allocated by the U.S. Department of Housing and Urban Development which amounts awarded fluctuates each year.

The total FY11 increase for this fund is \$2.4M compared to FY10. This increase in the fund is due to the changes in grant funding during the City's fiscal year and increase funds from the Federal. As with most federal funds, these sources are allocated to the City based on the Federal Government's budget year which is different from the City's fiscal reporting year.

Municipal Golf Course Fund

Revenues come mainly from green fees and golf cart rentals. Overall estimated revenues are expected to remain stable from FY10 budget.

Automated Traffic Enforcement Fund

Revenues comes mainly from automated traffic and speeding fines. Overall proposed FY11 revenues are estimated to remain stable at \$1,300,000.

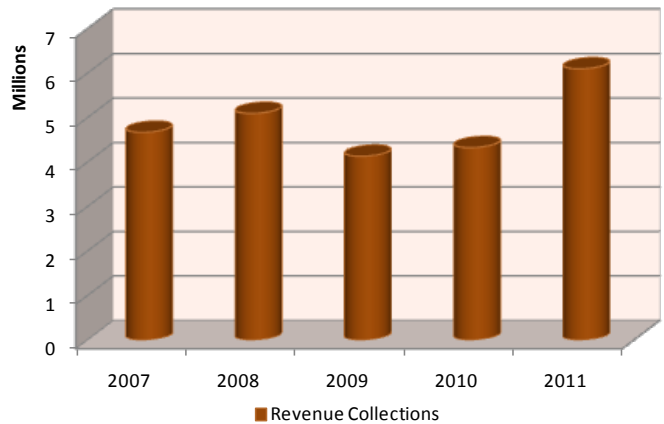
Tennessee Valley Regional Communication Fund

The Fund is for the Operations, Management, and Maintenance of the Tennessee Valley Regional Communications System for which the City of Chattanooga is responsible to provide. The TVRCS is a jointly funded Interoperable Public Safety communications system made up of Partners from the City of Chattanooga, 12 Counties in Tennessee and Georgia, and the State of Tennessee. The governance of the system is handled by an Advisory Committee composed of a member from each of the Partners and an Executive Commission composed of the Advisory Committee member from the City of Chattanooga, Hamilton County, Catoosa County and two at large members elected by the Advisory Committee. FY11 budget is \$856,954.

Economic Development Collections



Community Development Collections



Hotel-Motel Tax Collections



Special Revenue Fund Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg
EXPENDITURES						
State Street Aid	4,836,014	4,523,903	3,985,115	4,079,360	94,245	2.36%
Human Services	13,142,204	14,127,700	18,679,961	17,066,916	(1,613,045)	-8.64%
Economic Development Fund	8,629,843	8,478,151	10,400,000	10,011,275	(388,725)	-3.74%
Narcotics	1,155,640	597,000	362,000	312,000	(50,000)	-13.81%
Hotel/Motel Tax Fund	4,114,312	5,364,802	3,939,000	4,166,384	227,384	5.77%
Community Development Fund	7,009,302	4,138,527	4,327,815	6,100,000	1,772,185	40.95%
Municipal Golf Course	1,867,934	2,135,007	1,827,652	1,817,360	(10,292)	-0.56%
Automated Traffic Enforcement	-	1,314,065	1,714,800	1,300,000	(414,800)	-24.19%
Tenn Valley Region Communication	-	-	-	856,954	856,954	N/A
Total Special Revenue Fund	40,755,249	40,679,155	45,236,343	45,710,249	(383,048)	-0.85%

Expenses

State Street Aid

State gasoline tax distribution is collected into this fund and used for major street work in the Chattanooga area, under State guidelines. The primary use of these funds are personnel, vehicle and construction costs.

Human Services

Human Services' FY11 estimated expenditures have decreased by 3.74%. The primary reason for the decrease in FY11 is due to the reduction in the Weatherization Program. Fund accounts for Head Start, and other Federal programs administered by the city.

Economic Development Fund

During FY2011, \$9,354,144 will be spent on lease rental payments for Lease Rental Revenue Bonds on behalf of the CDRC. The remaining funds are dedicated to economic development projects in downtown Chattanooga and the southside.

Narcotics Fund

Fund accounts for the cost of drug enforcement activity which includes purchase of surveillance equipment, drug identifications kits, maintenance on narcotics officers' vehicles and pay to informants. Funds can also be used for local drug treatment and education programs.

Hotel-Motel Occupancy Privilege Tax Fund

This tax is used to fund improvements in the downtown and riverfront area to encourage tourism and enhance quality of life. This tax is dedicated to the 21st Century Waterfront Plan which involved redevelopment of the city waterfront. The Waterfront Plan, with an estimated cost of \$120 million, was funded jointly by the public and the private sectors. Current funds will be used to pay debt service on the Hotel-Motel Tax Bonds and fund any additional waterfront related capital costs.

Community Development

This fund receives federal grants directly from HUD as

well as grants administered through the State of Tennessee. Each year the expenses from one block grant year to the next spans multiple fiscal years because the City's fiscal year is different than the Federal government's fiscal year. The federal funding is on a draw down basis as expended by the entity; therefore due to the spending rate of specific qualified programs the expenses will vary from year to year.

Federal guidelines are followed by the City in expending Community Development and Home Investment Funds. These are subject to federal audit at any time, and are also included in the City's annual audit.

Municipal Golf Course Fund

Funds are used to cover the operational cost of the City's two golf courses. The primary costs are personnel and purchase services. Expenses FY11 are estimated to remain about the same with a slight decrease of 1% from FY10.

Automated Traffic Enforcement Fund

Funds used to account for automated traffic enforcement operations including student driver training. Expenses for FY11 are estimated to be \$1,300,000.

Tennessee Valley Regional Communication Fund

The Fund is for the Operations, Management, and Maintenance of the Tennessee Valley Regional Communications System for which the City of Chattanooga is responsible to provide. The TVRCS is a jointly funded Interoperable Public Safety communications system made up of Partners from the City of Chattanooga, 12 Counties in Tennessee and Georgia, and the State of Tennessee. The governance of the system is handled by an Advisory Committee composed of a member from each of the Partners and an Executive Commission composed of the Advisory Committee member from the City of Chattanooga, Hamilton County, Catoosa County and two at large members elected by the Advisory Committee. Expenses for FY11 are estimated to be \$858,954.

Special Revenue Revenue Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of total
State Street Aid (Fund 2050)							
State of Tennessee	4,382,543	4,089,271	3,935,115	4,029,360	94,245	2.39%	8.82%
State Maintenance of Streets	31,050	25,312	35,000	35,000	-	0%	0.08%
Investment Income	69,106	23,715	15,000	15,000	-	0%	0.03%
Fund Balance	300,000	385,605	-	-	-	N/A	0.00%
Total State Street Aid	\$ 4,482,699	\$ 4,138,298	\$ 3,985,115	\$ 4,079,360	\$ 94,245	2.36%	8.92%
Human Service (Fund 2030)							
Federal - State Grants	11,164,371	12,296,621	17,042,742	14,742,797	(2,299,945)	-13.50%	32.25%
City of Chattanooga	1,333,477	1,333,477	1,246,086	733,477	(512,609)	-41.14%	1.60%
Day Care Fees	85,853	46,483	109,465	46,641	(62,824)	-57.39%	0.10%
Miscellaneous	75,514	84,744	73,000	70,100	(2,900)	-3.97%	0.15%
Interest Income	59,465	4,264	46,600	40,613	(5,987)	-12.85%	0.09%
Fund Balance	375,003	362,111	162,068	1,433,288	1,271,220	784.37%	3.14%
Total Human Services	\$ 13,093,683	\$ 14,127,700	\$ 18,679,961	\$ 17,066,916	\$ (1,613,045)	-8.64%	37.34%
Economic Development (Fund 1111)							
Local Option Sales Tax	10,767,083	9,586,930	10,400,000	10,011,275	(388,725)	-3.74%	21.90%
Intergovernmental	11,671	-	-	-	-	N/A	0.00%
Interest Income	284,781	-	-	-	-	N/A	0.00%
Total Economic Development	\$ 11,063,535	\$ 9,586,930	\$ 10,400,000	\$ 10,011,275	\$ (388,725)	-3.74%	21.90%
Narcotics (Fund 9250)							
Federal	94,892	65,474	50,000	50,000	-	0.00%	0.11%
State	13,880	17,560	12,000	12,000	-	0.00%	0.03%
Confiscated Narcotics Funds	600,448	265,244	200,000	200,000	-	0.00%	0.44%
Other	136,979	98,997	100,000	50,000	(50,000)	-50.00%	0.11%
Total Narcotics	\$ 846,199	\$ 447,275	\$ 362,000	\$ 312,000	\$ (50,000)	-13.81%	0.68%
Hotel/Motel Tax (Fund 2070)							
Occupancy Tax	4,067,597	3,893,990	3,939,000	3,889,384	(49,616)	-1.26%	8.51%
SRC Parking Garage Revenue	212,492	240,244	-	277,000	277,000	N/A	0.61%
Fund Balance	-	1,443,592	-	-	-	N/A	0.00%
Interest Income	87,495	27,220	-	-	-	N/A	0.00%
Total Hotel/Motel Tax	\$ 4,367,584	\$ 5,605,046	\$ 3,939,000	\$ 4,166,384	\$ 227,384	5.77%	9.11%
Community Development (Fund 2060) <i>(includes HOME program)</i>							
Federal	7,407,389	3,490,890	3,093,000	5,500,000	2,407,000	77.82%	12.03%
Miscellaneous/Program	1,107,845	643,355	1,234,815	600,000	(634,815)	-51.41%	1.31%
Total Community Development	\$ 8,515,234	\$ 4,134,245	\$ 4,327,815	\$ 6,100,000	\$ 1,772,185	40.95%	13.34%
Total Municipal Golf Course (1108)	\$ 1,942,192	\$ 1,963,938	\$ 1,827,652	\$ 1,817,360	\$ (10,292)	-0.56%	3.98%
Automated Traffic Enforcement (Fund 9091)							
Automated Traffic & Speeding Fines	-	1,343,065	1,300,000	1,300,000	-	0.00%	2.84%
Use of Fund Balance	-	-	414,800	-	(414,800)	-100.00%	0.00%
Total Automated Traffic Enforcement	\$ -	\$ 1,343,065	\$ 1,714,800	\$ 1,300,000	\$ (414,800)	-24.19%	2.84%
Tenn Valley Regional Communications (Fund 2110)							
Operations	-	-	-	856,954	856,954	N/A	1.87%
Total TVRC	\$ -	\$ -	\$ -	\$ 856,954	\$ 856,954	N/A	1.87%
Grand Total	\$ 44,311,126	\$ 41,346,497	\$ 45,236,343	\$ 45,710,249	\$ 473,906	1.05%	100.00%

Special Revenue Expenditure Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of total
State Street Aid (Fund 2050)							
Street Maintenance	4,836,014	4,523,903	3,985,115	4,079,360	94,245	2.36%	8.92%
Total State Street Aid	\$ 4,836,014	\$ 4,523,903	\$ 3,985,115	\$ 4,079,360	\$ 94,245	2.36%	8.92%
Human Services (Fund 2030)							
Administration	1,053,817	954,984	944,260	815,142	(129,118)	-13.67%	1.78%
Headstart	7,839,332	7,531,703	8,043,413	7,841,179	(202,234)	-2.51%	17.15%
Daycare	886,072	858,801	868,641	830,209	(38,432)	-4.42%	1.82%
Wealthierization	336,775	474,682	218,154	-	(218,154)	-100.00%	0.00%
Foster Grandparents	504,956	524,489	497,877	504,143	6,266	1.26%	1.10%
LIHEAP	1,367,658	2,620,237	1,141,374	1,393,910	252,536	22.13%	3.05%
Community Service Block Grant	794,721	757,506	603,805	592,734	(11,071)	-1.83%	1.30%
Human Services Programs	286,360	348,376	115,000	25,000	(90,000)	-78.26%	0.05%
City General Relief-	72,513	71,490	105,009	104,909	(100)	-0.10%	0.23%
ARRA	-	800	6,125,855	4,959,690	(1,166,165)	-19.04%	10.85%
Other	-	(15,368)	16,573	-	(16,573)	-100.00%	0.00%
Total Human Services	\$13,142,204	\$14,127,700	\$18,679,961	\$17,066,916	\$ (1,613,045)	-8.64%	37.34%
Economic Development (Fund 1111)							
Capital Projects_Economic Development	1,754,337	1,419,467	1,637,444	582,131	(1,055,313)	-64.45%	1.27%
Capital Approp from Fund Balance	1,090,663	1,506,221	-	-	-	N/A	0.00%
TN Multicultural Chamber of Commerce	150,000	150,000	75,000	150,000	75,000	100.00%	0.33%
Chattanooga Chamber of Commerce	450,000	450,000	450,000	450,000	-	0.00%	0.98%
Chamber of Comm Marketing-Enterprise South	-	75,000	75,000	75,000	-	0.00%	0.16%
Lease Payments	6,772,702	6,863,320	8,762,556	9,354,144	591,588	6.75%	20.46%
Less: Chattanooga Lease Payment offset	(1,587,859)	(1,985,857)	(600,000)	(600,000)	-	0.00%	-1.31%
					-	N/A	0.00%
Total Economic Development	\$ 8,629,843	\$ 8,478,151	\$10,400,000	\$10,011,275	\$ (388,725)	-3.74%	21.90%
Narcotics (Fund 9250)							
Operations	1,155,640	597,000	362,000	312,000	(50,000)	-13.81%	0.68%
Total Narcotics	\$ 1,155,640	\$ 597,000	\$ 362,000	\$ 312,000	\$ (50,000)	-13.81%	0.68%
Hotel/Motel Tax (Fund 2070)							
21st Century Waterfront	-	2,000,000	491,565	737,708	246,143	50.07%	1.61%
Other Waterfront Capital Fund	787,688	-	-	-	-	N/A	0.00%
Hamilton County	30,000	30,000	30,000	30,000	-	0.00%	0.07%
Debt Service	3,216,150	3,265,313	3,338,655	3,318,996	(19,659)	-0.59%	7.26%
Hotel/Motel Collection Fee	80,474	69,489	78,780	79,680	900	1.14%	0.17%
Total Hotel/Motel Tax	\$ 4,114,312	\$ 5,364,802	\$ 3,939,000	\$ 4,166,384	\$ 227,384	5.77%	9.11%
Community Development (Fund 2060) (includes HOME Program)							
Administration	513,269	451,119	308,000	394,000	86,000	27.92%	0.86%
Chattanooga Neighborhood Enterprise	943,096	580,501	1,440,000	1,000,000	(440,000)	-30.56%	2.19%
Other Community Development Projects	2,563,137	2,708,742	1,751,701	4,306,000	2,554,299	145.82%	9.42%
Transfers	2,989,800	398,165	828,114	400,000	(428,114)	-51.70%	0.88%
Total Community Development	\$ 7,009,302	\$ 4,138,527	\$ 4,327,815	\$ 6,100,000	\$ 1,772,185	40.95%	13.34%
Total Municipal Golf Course (1108)	\$ 1,867,934	\$ 2,135,007	\$ 1,827,652	\$ 1,817,360	\$ (10,292)	-0.56%	3.98%
Automated Traffic Enforcement (Fund 9091)							
Automated Traffic & Speeding Fines	-	1,314,065	1,300,000	1,300,000	-	0.00%	2.84%
Use of Fund Balance	-	-	414,800	-	(414,800)	-100.00%	0.00%
Total Automated Traffic Enforcement	-	\$ 1,314,065	\$ 1,714,800	\$ 1,300,000	\$ (414,800)	-24.19%	2.84%
Tenn Valley Regional Communications (Fund 2110)							
Operations	-	-	-	856,954	856,954	N/A	1.87%
Total TVRC	\$ -	\$ -	\$ -	\$ 856,954	\$ 856,954	N/A	1.87%
Grand Totals	\$40,755,249	\$40,679,155	\$45,236,343	\$45,710,249	\$ 473,906	1.05%	100.00%

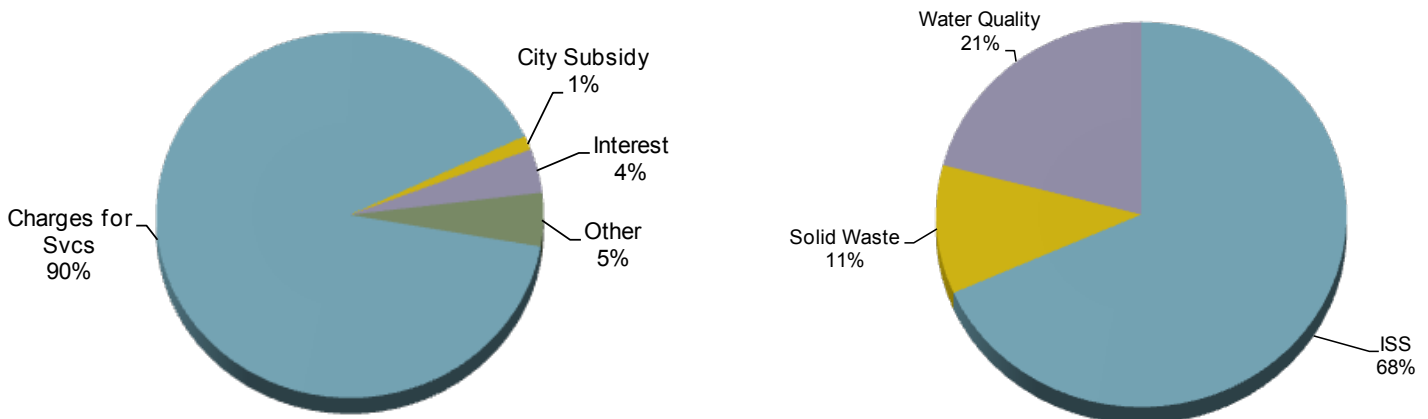
Enterprise Funds

Fund Structure

Enterprise Funds are established for operations that the City accounts for as though they were private enterprises. An Enterprise Fund might be established because an operation is expected to cover its costs (including depreciation expense) through user charges or because the City believes it is necessary to account for income and capital maintenance. The budgetary basis of accounting for these funds is the full accrual method where measurement focus is their economic resources, much like that of a private-sector business. Revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows. The CAFR shows the status of the funds finances on the basis of GAAP. The City of Chattanooga has three (3) budgeted Enterprise Funds: Interceptor Sewer Fund, Water Quality Management Fund and Solid Waste and Sanitation Fund. As of June 30, 2010 the budgeted revenue and expenses were as follows:

FY 10 Results	Budget Rev & Exp	(unaudited) FY10 Actual Rev	(unaudited) FY10 Actual Exp
Interceptor Sewer Fund	53,123,195	55,247,029	51,736,564
Solid Waste & Sanitation Fund	6,617,228	6,897,228	6,528,291
Water Quality Fund	6,222,211	12,570,806	6,046,756

Fiscal Year 2010/2011 Revenue & Appropriation by Fund \$77,922,467



Enterprise Funds						
Revenue Fund Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg
Interceptor Sewer System	44,077	52,173	53,123	44,867	(8,256)	-15.5%
Solid Waste & Sanitation	5,700	7,308	6,617	7,861	1,244	18.8%
Water Quality Fund	4,756	7,315	6,222	25,195	18,973	304.9%
Total Enterprise Funds	57,885	66,795	65,963	77,922	11,959	18.1%

Revenues

Interceptor Sewer Fund

Sewer Service Charges. Revenues to operate, maintain, and finance the system are derived primarily from sewer service charges collected from residential, commercial, and industrial customers using the System. Sewer service charges for the City are primarily collected through the Tennessee-American Water Company, Hixson Utility District and Eastside Utility District. The sewer service rates are based upon the quantity of water used and are expressed as cents per thousand gallons.

Regional users such as Walker County, Georgia, the City of Collegedale and the Town of Lookout Mountain, Tennessee are billed on the basis of metered water consumption. This method of billing does not allow for the recovery of costs incurred to treat flows beyond the amount of water purchased, such as inflow and infiltration into the System. However, the wheelage and treatment rate is approximately two times the total metered flow rate, therefore, payment is made for some inflow and infiltration. The City of Chattanooga has installed flow metering stations on the discharge lines connecting regional users so that they may be billed on the basis of total measured wastewater flow, under the EPA approved user charge system. Contract negotiations with each respective government are underway and must be completed before this method of billing can begin.

The sewer service charges for the regional users (Windstone, Rossville, Northwest Georgia, Dade County, Ringgold, Collegedale, Lookout Mountain, TN, Lookout Mountain, GA, Hamilton County, East Ridge, Soddy Daisy, Red Bank and Walker County) are based on a regional service charge rate schedule (wheelage and treatment). The regional service charge rate schedule currently in effect provides rate schedules for billing the regional users on either a metered water consumption basis (billable flow method) or a total measured wastewater flow basis (total flow method). This allows the City to begin billing the regional users on a total flow method immediately upon completion of successful contract negotiation for total flow method billing. Other System revenues come from an industrial

user sewer surcharge, truck discharge operation permit fees, septic tank discharge fees, holding tank discharge fees, service line connection fees and garbage grinder usage fees.

The City operates the System on a self-supporting basis from sewer service charges and fees. The July 1, 2010 approved 2-tiered rate schedule, is as follows:

Enumeration Of Charges - Quantity of Water Used

Sewer service charges are based upon the quantity of water registered by water meters. The dollar amount is derived by applying the total charge in dollars per one thousand gallons for the following quantities of water:

User Class	FY2010/2011-1 Total Charges (\$/1,000 gal) 10/01/2010	FY2010/2011 - 2 Total Charges (\$/1,000 gal) 04/01/2011
First 100,000	\$ 5.43	\$ 5.58
Next 650,000	4.03	4.14
Next 1,250,000	3.27	3.68
Next 30,000,000	2.75	2.83
Over 32,000,000	2.68	2.75

Regional Service Charge Rate (Wheelage and Treatment)

The regional sewer service user charge (wheelage and treatment) shall be collected from regional users of the system including Rossville, Northwest Georgia, Dade County, Ringgold, Collegedale, Lookout Mountain, TN, Lookout Mountain, GA, Hamilton County, East Ridge, Soddy Daisy, Red Bank and Walker County and shall be determined either under the "billable flow" method based upon quantity of water used as shown by applicable water company meter readings or the "total flow" method based upon flow meter measured flow accordingly to the applicable contract with the regional user.

Billable Flow

The amount due from the regional user shall be the dollar amount derived by applying the total charge shown in the table below per one thousand (1,000) gallons of water sold.

User Class	Regional Operation & Maintenance Charge (\$/1,000 gal)	Regional Debt Charge (\$/1,000 gal)	Regional Total Charge Wheelage & Treatment (\$/1,000 gal)
Wheelage & Treatment	\$ 1.6768	\$ 0.5248	\$ 2.2016

If regional customers are billed directly through the water company, the rate shall be two dollars and twenty-one cents (\$2.21) per one thousand (1,000) gallons.

Total Flow

The amount due from the regional user shall be the dollar amount derived by applying the total charge shown in the table below applied to the quantity of wastewater measured by a flow meter installed and maintained at or near the point of connection between the system of the regional user and the Chattanooga System. In the event of any malfunction of said meters, flow shall be estimated, interpolated and/or projected in the most equitable manner possible. Such estimates along with available readings for periods where there was no malfunction shall be the basis for billing.

User Class	Regional Operation & Maintenance Charge (\$/1,000 gal)	Regional Debt Charge (\$/1,000 gal)	Regional Total Charge Wheelage & Treatment (\$/1,000 gal)
Wheelage & Treatment	\$ 0.8584	\$ 0.2577	\$ 1.1161

Monthly Minimum Sewer Service Charges

Minimum sewer service charges based upon water meter connection size are as follows:

Meter Size	FY2010/2011 - 1 Charge per Month	FY2010/2011 - 2 Charge per Month
5/8"	\$ 11.20	\$ 11.50
3/4"	39.96	41.03
1"	69.83	71.70
1 1/2"	156.28	160.46
2"	276.71	284.12
3"	648.63	666.00
4"	1,198.67	1,230.78
6"	2,855.04	2,931.51
8"	5,050.05	5,185.32

Industrial User Sewer Surcharge

An industrial user surcharge is levied upon industrial users which discharge wastewater in concentrations in excess of "normal wastewater" at the following rates:

- \$0.102 per pound of 5-day biochemical oxygen demand (BOD₅) for concentrations in excess of 300 milligrams per liter, and,
- \$0.0695 per pound of total suspended solids for concentrations in excess of 400 milligrams per liter.

The City has also established the following fees and charges:

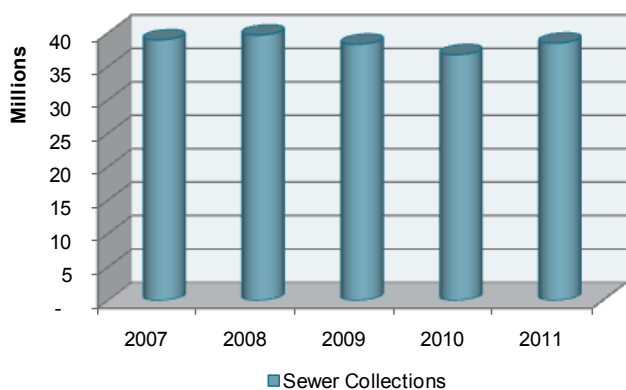
- A Sewer Service Line Connection Fee of \$800;
- A Truck Discharge Operation Permit Fee of \$100 per truck per year;
- A Septic Tank Discharge Fee of \$63.00 per 1,000 gallons of waste;
- Holding Tank Waste Fee of \$5.58 per 1,000 gallons of waste and
- Garbage Grinders Fee of \$169.00 per month per unit.

In 1985, the City, in conjunction with consulting engineers and financial advisors, developed a five year financial analysis which examined the System's capital improvement program at different yearly funding commitments of the City. As a result of this analysis, the City established its annual funding commitment of the System at \$10,000,000 per year. Simultaneously, the City committed itself to enacting annual rate increases of at least 6.14% for each of the five consecutive years starting in July 1985 in order to support the \$10,000,000 per year funding program. The City has followed through with its commitment to raise rates to support the program since 1985. As of April 1990, the City had adopted five consecutive annual sewer rate increases of 6.14%.

Since the City successfully accomplished its goal of enacting 6.14% sewer rate increases for the five consecutive fiscal years, the City planned to enact future annual rate increases at a lower level than 5%. As evidenced by its program since 1985, the City remains committed to keeping the System self-supported from sewer revenues including adoption of any necessary sewer rate increases to ensure that it remains self supporting. Following is a history of rate increases since 1988:

FY 87/88 6.14%	FY 95/96 0.00%	FY 03/04 7.07%
FY 88/89 6.14%	FY 96/97 0.00%	FY 04/05 2.54%
FY 89/90 6.14%	FY 97/98 0.00%	FY 05/06 0.00%
FY 90/91 5.24%	FY 98/99 0.00%	FY 06/07 15.48%
FY 91/92 3.32%	FY 99/00 (10.00%)	FY 07/08 6.00%
FY 92/93 5.79%	FY 00/01 0.00%	FY 08/09 6.00%
FY 93/94 3.00%	FY 01/02 0.00%	FY 09/10 3.00%
FY 94/95 0.00%	FY 02/03 7.29%	FY 10/11 3.00%

Below is the sewer systems historical trend of collections. Revenue increases can be attributed to the completion of several construction projects bringing more taps on line and rate increases to address the CMOM (Capacity, Management, Operations and Maintenance) project proactively.



Solid Waste and Sanitation Fund

This fund accounts for the costs associated with the disposal of solid waste and recyclable materials. Prior to FY2002, the fund accounted for both collection and disposal of these materials. Due to reorganization, the collection portion of garbage and brush and trash were transferred to Public Works General Fund. Section 68-31-874 (a) of the Tennessee Code Annotated sets forth the accounting requirements for financial activities related to the management of solid waste. Effective July 1, 1993, it became a requirement to account for the operation of a landfill as an enterprise fund.

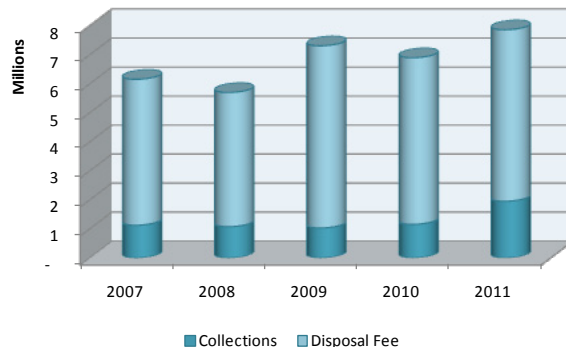
Landfill Tipping Fees. Revenues to operate, maintain

and finance the Solid Waste Disposal System are derived primarily from tipping fees charged at the disposal sites. Municipalities may impose such a fee upon each ton of waste or its volume equivalent received at such a disposal facility. During FY 98/99, the disposal operation was relocated to a new site in Birchwood as the available space at the old facility had been depleted. The new location is farther away from the center of the city, which has led some disposal companies to reroute their disposal traffic to other regional disposal facilities more conveniently located. The new sanitary landfill also stopped accepting construction waste; the construction debris site is operated by a private company. These changes have led to a reduction in the projected revenue for the fund but should result in a longer life for the landfill.

Solid Waste Disposal Fee. Since the revenue from the landfill tipping fees does not totally fund the expenditures of the fund, it is necessary for the General Fund to support the Solid Waste & Disposal Fund through a General Fund Waste Disposal Fee. This FY10/11 fee of \$5,907,775 accounts for 75.1% of the total budget.

The chart below shows the historical trend of collections. The primary sources of revenues for this fund are landfill tipping fees and a City of Chattanooga waste disposal fee.

Solid Waste Revenue



Water Quality Management Fund

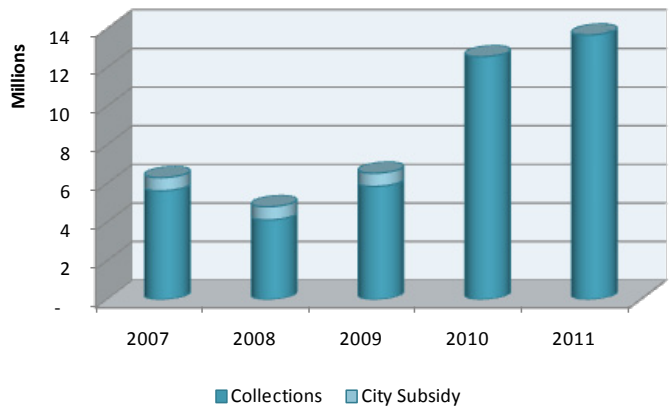
The Water Quality Management Fund was established in 1993 to comply with a Federal mandate for the City to control storm water runoff. The City is required to impose controls to reduce the discharge of pollutants in storm water to the maximum extent practicable using management practices, control techniques and system design and engineering methods for the control of such pollutants. This fund accounts for the construction and operation of the storm water system of the City.

For the purpose of operating the water quality program of the City and the payment of the cost and expenses appurtenant, incident or necessary thereto for the construction, extension, enlargement or acquisition of necessary storm water facilities or flood control improvement, including replacement thereof, and for the operation and maintenance thereof, there is imposed a water quality user's fee upon the owner of property served directly or indirectly by the City's storm water system. The Water Quality fee has remained constant since 1993. Over the past couple of years the City has conducted a water quality utility program level of service analysis, cost of service analysis, rate study analysis and cash flow analysis which has identified water quality and water quantity problems and needs. As a result of this study the Council determined that was in the best interest of the City, its citizens, and the users of the City storm water system to revise the mechanism for the financing of storm water and water quality facilities, systems, and services provided by the City through a revised water quality fee. The fee was increased to \$115.20 per ERU passed April 20, 2010 per City Ordinance 12377.

The revenue for this fund is derived from water quality fees totaling \$13,694,524 for FY2011.

Following is a chart showing the historical trend of fees collected:

Water Quality Collections



Enterprise Funds						
Expend Fund Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg
Interceptor Sewer System	39,147	50,461	53,123	44,867	(8,256)	-15.5%
Solid Waste & Sanitation	6,969	6,873	6,617	7,861	1,244	18.8%
Water Quality Fund	6,479	6,555	6,222	25,195	18,973	304.9%
Total Enterprise Funds	52,595	63,890	65,963	77,922	11,959	18.1%

Expenses

Interceptor Sewer Fund

Expenses for the Interceptor Sewer System reflect major cost areas: personnel costs, chemical costs for liquid and solid handling, maintenance costs, electricity costs, pump stations, combined sewer overflow facilities and depreciation. Major capital expenses needed for the Moccasin Bend Wastewater Treatment Plant (MBWWTP), such as vehicle replacement, pump replacement, and major system repairs occur here. In FY 10/11, the operations and maintenance budget increased \$2,247,391, or 8.4%, due to increases related to the CMOM program, the addition of one position, and increases in the cost of liquid chemicals and plant maintenance. The largest single change in the ISS budget for FY10/11 is the \$976,670 appropriation for liquid handling operations at MBWWTP and \$596,746 increase for the operations of the system pump stations.

The debt service portion of the proposed budget for FY 10/11 decreased \$122,706 from FY 09/10. This change is due to the varying interest and principal payments on bonded debt and/or capital outlay notes required from one fiscal year to the next.

Solid Waste and Sanitation Fund

Expenses in the Solidwaste & Sanitation Fund include:

- Recycle Center
- Waste Disposal - Landfill
- Compost Waste Center
- Debt Service
- Capital Projects

Major expenses of this fund are personnel costs and vehicle related costs. The Solid Waste Fund budget for FY 09/10 decreased \$647,154 due mainly to the City not funding the post closure care cost for FY2010. The Solid Waste Fund budget for FY 10/11 increased \$479,151 due mainly to the City reinstating funding

the post closure care cost, and increased cost of hauling and handling for FY2011.

In February 1995, the City issued \$13,291,500 General Obligation Bonds for Solid Waste facilities improvements and equipment purchases. This issue provided financing for the capital improvements necessary for the landfill.

In March 1998 and March 2001, the City issued general obligation bonds totaling \$17.9 million and \$6.7 million respectively, to fund capital improvements at the Summit landfill and the new landfill located in Birchwood. In fiscal year 2004, the City issued \$540,000 general obligation bonds for capital improvements at the Summit landfill and \$5,705,097 in fiscal year 2006 for construction of additional landfill area located in Birchwood.

Water Quality Management Fund

As this is an Enterprise Fund, its major revenue is derived from the Water Quality Fee. Expenses in the Water Quality Management Fund include:

- Personnel
- Operations
- Debt Service
- Capital Projects

Prior to FY2010, the City has maintained the same level of General Fund support for water quality maintenance and repairs as prior to the implementation of the water quality fee. Due to requirements from the Tennessee Department of Environment and Conservation to obtain a NPDES Phase I permit, the City will be required to implement new programs to improve the quality of storm water entering the system. As a part of this process the Public Works Department was reorganized in fiscal year 2011 to consolidate Water Quality related expenses. General Fund and State Street Aid costs were transferred to Water Quality along with thirty (30) General Fund and nineteen (19) State Street Aid positions.

Enterprise Funds							
Revenue Fund Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of total
Interceptor Sewer System (Fund 6010):							
Sewer Service Charges	33,719,554	34,293,838	33,933,848	35,649,467	1,715,619	5.1%	45.75%
Industrial Surcharges	3,786,624	3,585,652	2,500,000	2,500,000	0	0.0%	3.21%
Septic Tank Charges	353,817	420,517	307,335	324,238	16,903	5.5%	0.42%
Wheelage & Treatment							
Lookout Mountain, TN	149,210	176,294	188,282	214,303	26,021	13.8%	0.28%
Dade County, GA	10,860	12,344	13,920	12,793	(1,127)	-8.1%	0.02%
Walker County, GA	396,277	445,780	413,859	412,683	(1,176)	-0.3%	0.53%
Collegedale, TN	246,690	300,380	291,538	306,225	14,687	5.0%	0.39%
Soddy-Daisy, TN	135,868	149,099	162,146	192,194	30,048	18.5%	0.25%
East Ridge, TN	866,384	1,047,337	1,081,977	1,462,403	380,426	35.2%	1.88%
Windstone	22,024	35,955	27,069	31,674	4,605	17.0%	0.04%
Hamilton County, TN	571,451	729,768	640,609	715,198	74,589	11.6%	0.92%
Northwest Georgia	621,950	706,652	641,584	728,097	86,513	13.5%	0.93%
Lookout Mountain, GA	57,075	66,369	62,376	61,480	(896)	-1.4%	0.08%
Ringgold, GA	337,306	305,335	422,655	349,255	(73,400)	-17.4%	0.45%
Rossville, GA	191,788	430,749	307,271	471,917	164,646	53.6%	0.61%
Red Bank, TN	436,981	489,023	484,533	595,584	111,051	22.9%	0.76%
Debt Service Northwest Georgia	372,794	372,794	447,353	447,353	0	0.0%	0.57%
Industrial User Permits	38,500	39,000	41,000	41,000	0	0.0%	0.05%
Industrial Violation Fines	3,300	700	0	0	0	N/A	0.00%
Garbage Grinder Fees	49,130	47,581	51,840	50,700	(1,140)	-2.2%	0.07%
Miscellaneous Revenue	78,939	46,775	0	0	0	N/A	0.00%
Fund Balance for Capital	0	7,500,000	10,804,000	0	(10,804,000)	-100.0%	0.00%
Interest Earnings	1,630,150	971,072	300,000	300,000	0	0.0%	0.38%
Total Interceptor Sewer	\$44,076,672	\$52,173,014	\$53,123,195	\$44,866,564	(\$8,256,631)	-15.5%	57.58%
Solid Waste & Sanitation(Fund 6020):							
Landfill Tipping Fees	505,958	558,019	430,000	415,024	(14,976)	-3.5%	0.53%
Landfill Permit Fees	2,646	2,658	2,500	0	(2,500)	-100.0%	0.00%
City of Chattanooga Tipping Fees	4,622,810	6,275,560	5,740,775	5,907,775	167,000	2.9%	7.58%
State Sub Recyclable Material	21,838	24,044	60,000	60,000	0	0.0%	0.08%
Interest	448,283	286,642	284,053	320,930	36,877	13.0%	0.41%
Fund Balance	0	0	0	765,000	765,000	N/A	0.98%
State THHWG	46,214	81,171	65,000	85,000	20,000	30.8%	0.11%
Misc Revenues	52,185	79,413	34,900	307,650	272,750	781.5%	0.39%
Total Solid Waste & Sanitation	\$5,699,934	\$7,307,507	\$6,617,228	\$7,861,379	\$1,244,151	18.8%	10.09%
Water Quality (Fund 6030):							
Water Quality Fee	5,619,138	5,757,905	5,458,259	13,694,524	8,236,265	150.9%	17.57%
Fund Balance for Capital	1,675,000	775,000	0	11,500,000	11,500,000	N/A	14.76%
Misc Revenue	129,876	97,717	80,000	0	(80,000)	-100.0%	0.00%
General Fund Subsidy	683,952	683,952	683,952	0	(683,952)	-100.0%	0.00%
Total Water Quality	\$8,107,966	\$7,314,574	\$6,222,211	\$25,194,524	\$18,972,313	304.9%	32.33%
Grand Totals:	\$57,884,572	\$66,795,095	\$65,962,634	\$77,922,467	\$11,959,833	18.1%	100.00%

Enterprise Funds							
Revenue Fund Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of total
Interceptor Sewer System (Fund 6010):							
Operations & Maintenance:							
Administration	2,434,463	2,828,438	2,492,653	3,007,083	514,430	20.6%	3.86%
Laboratory	582,023	590,630	603,444	659,130	55,686	9.2%	0.85%
Engineering	340,620	365,999	455,897	482,381	26,484	5.8%	0.62%
Plant Maintenance	1,338,616	1,333,338	1,491,720	1,546,923	55,203	3.7%	1.99%
Sewer Maintenance	2,089,454	3,050,364	3,522,309	3,572,007	49,698	1.4%	4.58%
Moccasin Bend - Liquid Handling	7,943,862	9,714,198	8,176,257	9,152,927	976,670	11.9%	11.75%
Inflow & Infiltration	1,082,659	1,028,589	1,199,812	1,213,637	13,825	1.2%	1.56%
Safety & Training	132,364	128,056	127,666	136,361	8,695	6.8%	0.17%
Pretreatment/Monitoring	403,806	462,245	447,634	504,979	57,345	12.8%	0.65%
Moccasin Bend - Solid Handling	3,223,784	3,080,591	3,865,084	3,637,243	(227,841)	-5.9%	4.67%
Landfill Handling	1,606,636	1,506,615	1,482,000	1,600,000	118,000	8.0%	2.05%
Combined Sewer Overflow	149,071	177,840	434,150	436,600	2,450	0.6%	0.56%
Subtotal O & M	21,327,358	24,266,903	24,298,626	25,949,271	1,650,645	6.8%	33.30%
Pumping Stations							
19th Street	29,555	36,459	45,325	63,925	18,600	41.0%	0.08%
23rd Street	142,852	150,523	137,780	146,330	8,550	6.2%	0.19%
Big Ridge 1 - 5	73,831	63,144	91,373	104,481	13,108	14.3%	0.13%
Brainerd	47,038	16,731	20,350	70,850	50,500	248.2%	0.09%
Citico	360,587	348,933	269,335	314,135	44,800	16.6%	0.40%
Dupont Parkway	19,085	30,287	29,725	35,175	5,450	18.3%	0.05%
East Brainerd	70,608	42,630	37,615	69,515	31,900	84.8%	0.09%
Enterprise South	3,104	1,161	4,120	9,345	5,225	126.8%	0.01%
Friar Branch	124,172	205,082	143,040	203,490	60,450	42.3%	0.26%
Highland Park	9,600	9,806	13,760	14,210	450	3.3%	0.02%
Hixson 1,2,3,&4	123,487	116,678	99,623	176,861	77,238	77.5%	0.23%
Latta Street	7,412	9,085	14,560	16,360	1,800	12.4%	0.02%
Mountain Creek	24,979	19,123	18,835	42,285	23,450	124.5%	0.05%
Murray Hills	10,030	13,705	20,860	22,310	1,450	7.0%	0.03%
North Chattanooga	15,534	20,874	26,260	29,260	3,000	11.4%	0.04%
Northwest Georgia	32,750	41,292	123,725	59,875	(63,850)	-51.6%	0.08%
Odor Control Pump Stations	668,437	800,074	710,000	815,000	105,000	14.8%	1.05%
Ooltewah-Collegedale	80,018	92,815	93,020	92,645	(375)	-0.4%	0.12%
Orchard Knob	38,462	57,410	53,260	72,460	19,200	36.0%	0.09%
Residential Pump Stations	22,574	23,408	79,000	39,500	(39,500)	-50.0%	0.05%
Ringgold Pump Station	31,076	77,818	54,350	56,850	2,500	4.6%	0.07%
River Park	5,381	-	4,250	4,250	0	0.0%	0.01%
South Chattanooga	3,980	3,506	6,955	7,905	950	13.7%	0.01%
South Chickamauga Creek	422,817	311,501	305,800	367,450	61,650	20.2%	0.47%
Tiftonia 1&2	31,180	60,344	57,975	173,675	115,700	199.6%	0.22%
West Chickamauga	-	-	-	49,000	49,000	N/A	0.06%
VAAP	2,505	4,310	9,760	10,260	500	5.1%	0.01%
Subtotal Pumping Stations	2,401,054	2,556,699	2,470,656	3,067,402	596,746	24.2%	
Depreciation	0	0	0	0	0	N/A	0.00%
Capital Improvements Program	197,456	197,456	1,242,285	1,149,782	(92,503)	-7.4%	1.48%
Debt Service & Reserve							
Principal	10,854,522	10,988,409	\$9,492,618	9,137,500	(355,118)	-3.7%	11.73%
Interest	4,367,087	4,015,808	3,755,185	3,987,597	232,412	6.2%	5.12%
Reserve Coverage	0	935,697	1,059,825	1,575,012	515,187	48.6%	2.02%
	15,221,609	15,939,914	14,307,628	14,700,109	392,481	2.7%	
Construction Trust Fund (6011)	0	7,500,000	10,804,000	0	(10,804,000)	-100.0%	0.00%
Total Interceptor Sewer	\$39,147,477	\$50,460,972	\$53,123,195	\$44,866,564	\$2,547,369	4.8%	57.58%
Solid Waste & Sanitation (Fund 6020):							
Garbage Collection	0	0	0	0	0	N/A	0.00%
Recycle	615,992	684,207	808,336	923,918	115,582	14.3%	1.19%
Capital Improvements	1,865,000	300,000	0	765,000	765,000	N/A	0.98%
Sanitary Landfill (Summitt)	215,765	219,871	284,053	320,930	36,877	13.0%	0.41%
Waste Disposal - City Landfill	1,077,348	1,436,548	1,109,468	1,262,969	153,501	13.8%	1.62%
Compost Waste Recycle	693,658	376,203	532,674	594,358	61,684	11.6%	0.76%
Household Hazardous Waste	83,724	87,464	100,000	100,000	0	0.0%	0.13%
Solid Waste Reserve	0	0	0	150,000	150,000	N/A	0.19%
Montague Park Monitoring	3,701	5,827	9,000	0	(9,000)	-100.0%	0.00%
Debt Service	2,413,624	3,763,129	3,773,697	3,744,204	(29,493)	-0.8%	4.81%
Total Solid Waste & Sanitation	\$6,968,812	\$6,873,249	\$6,617,228	\$7,861,379	\$1,244,151	18.8%	10.09%

Enterprise Funds Revenue Fund Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of total
Water Quality (Fund 6030):							
Water Quality Management	1,769,322	2,060,592	2,395,782	1,850,293	(545,489)	-22.8%	2.37%
Water Quality Operations	1,539,090	1,384,397	1,496,776	5,254,480	3,757,704	251.1%	6.74%
Water Quality Site Development	0	0	0	348,649	348,649	N/A	0.45%
Water Quality Engineering	0	0	0	699,110	699,110	N/A	0.90%
Water Quality Public Education	0	0	0	65,158	65,158	N/A	0.08%
Renewal & Replacement	32,234	36,621	30,191	779,690	749,499	2482.5%	1.00%
Capital Improvement	1,675,000	775,000	0	11,500,000	11,500,000	N/A	14.76%
Depreciation and Bad Debt	0	0	0	0	0	N/A	0.00%
Debt Service	1,463,046	2,298,855	2,299,462	4,697,144	2,397,682	104.3%	6.03%
Total Water Quality	\$6,478,692	\$6,555,465	\$6,222,211	\$25,194,524	\$18,972,313	304.9%	32.33%
Grand Totals:	\$52,594,981	\$63,889,686	\$65,962,634	\$77,922,467	\$22,763,833	34.5%	100.00%



Internal Service Funds

Fund Structure

Internal Service Funds are used to provide goods or services to other governmental operating units such as departments, bureaus, and agencies. The cost associated with providing these goods or services is usually recovered from those governmental units that receive benefits. The budgetary basis of accounting for these funds is the accrual method with economic resources measurement focus, much like that of a private-sector business. Revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows. Funds are reported on GAAP basis in CAFR.

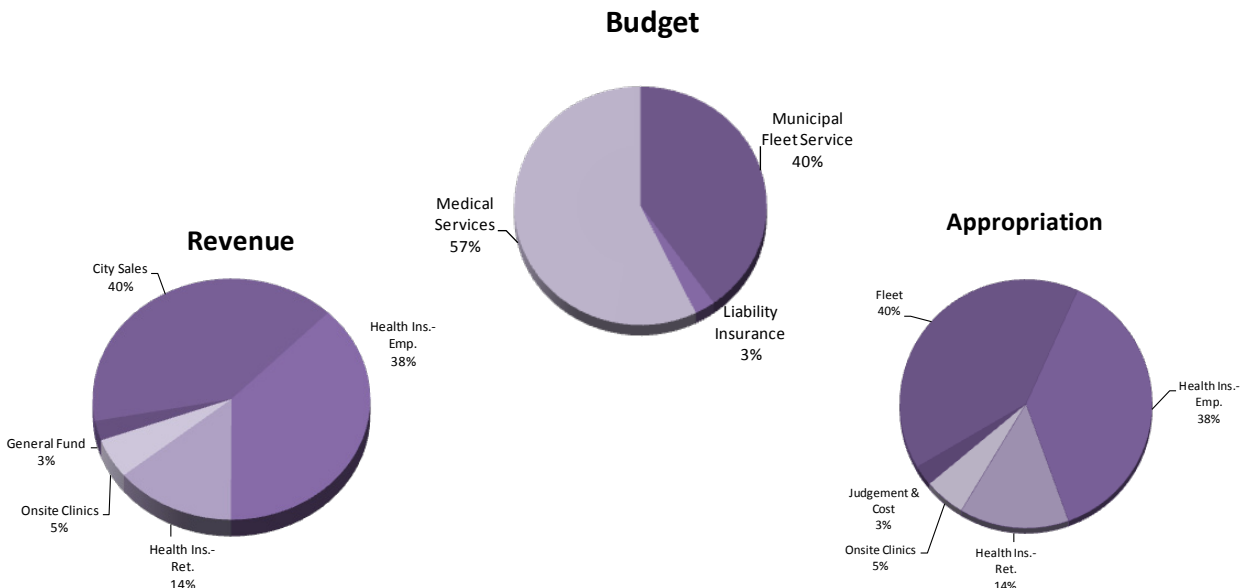
Municipal Fleet Services Fund accounts for revenues and expenditures associated with the operation of the City's garage, gasoline, and fleet leasing services. The cost for these services are paid by the departments and agencies of City government and charges to external agencies. Fleet disbursements for FY10 include a use of Fund Balance of \$2,113,732 for vehicle purchases.

FY 10 Results	Budget Rev & Exp	(unaudited) FY 10 Actual Rev	(unaudited) FY 10 Actual Exp
Municipal Service Station	\$ 3,752,629	\$ 3,068,354	\$ 3,069,300
Municipal Garage	\$ 5,807,500	\$ 6,328,043	\$ 6,424,035
Fleet Leasing Capital	\$ 3,554,817	\$ 2,597,559	\$ 2,597,560
Fleet Leasing Operations	\$ 1,512,904	\$ 1,669,729	\$ 1,079,723
Liability Insurance	\$ 4,025,000	\$ 3,517,311	\$ 3,517,311
Medical Services Fund	\$ 28,107,358	\$ 29,533,535	\$ 28,444,406
Total Internal Service Fund	46,760,208	46,714,531	45,132,335

Liability Insurance Fund accounts for the City self-insurance programs for claims and losses due to liabilities arising under the laws of State and Federal governments. The costs for these programs are funded through premiums paid by the departments and agencies of City government.

Medical Services Fund accounts for the health insurance, onsite clinic, and wellness program benefits for current employees and retirees. The costs are funded by employee and department/agency premiums.

Fiscal Year 2010/2011 Budgeted Amount by Fund \$51,457,475



Internal Service Funds						
Revenue Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg
Municipal Service Station	4,206,565	4,100,000	3,752,629	3,255,394	(497,235)	-13.3%
Municipal Garage	6,234,937	5,948,263	5,807,500	6,090,000	282,500	4.9%
Fleet Leasing Capital	5,866,574	4,100,000	3,554,817	9,300,160	5,745,343	161.6%
Fleet Leasing Operations	1,073,642	1,575,000	1,512,904	2,003,440	490,536	32.4%
Liability Insurance	800,000	3,824,400	4,025,000	1,360,000	(2,665,000)	-66.2%
Medical Services Fund	0	26,922,192	28,107,358	29,448,481	1,341,123	4.8%
Total Internal Service	18,181,718	46,469,855	46,760,208	51,457,475	4,697,267	10.0%

Revenues

Municipal Fleet Services Fund

Service Stations and Garages. Revenues to operate, maintain, and finance the Fleet Service areas are derived primarily from sales of fuel, parts, labor, and leased vehicles to City Departments and other municipalities and agencies.

The garages collections have increased slightly for FY11. Users will continue to pay a \$65.00 per hour charge for garage services for vehicles that are not part of the lease program. For budgeting or planning purposes during FY11, a 25% premium is applied to parts billed to departments. Gasoline and diesel fuel will be billed to departments with an approximate 10% premium applied to cost.

Fleet Leasing Program. Continuing in FY11 is the Fleet Leasing Program, in which new vehicles will be purchased, owned and maintained by Fleet Services and leased back to the various departments and agencies at a fixed rate. Started in FY07 and designed to replace the entire fleet over a period of six years, the program is expected to both provide the capital for vehicle replacement going forward and reduce maintenance costs with the progressive replacement of the oldest vehicles in the city fleet with new vehicles. In FY10, in order to relieve some expenses to the departments, the capital replacement component of the lease rate was suspended temporarily. This component was restored in FY11.

Liability Insurance Fund

Revenues to operate this fund are primarily premium payments from the General Fund. Revenue and expenses have fluctuated over the past four years. The premium requirement from General Fund fluctuates from fiscal year to fiscal year depending on the outstanding liabilities and potential outcomes based on the opinion and advice of the City Attorney.

Medical Services Fund

Revenues are generated from health insurance premiums charged to employees, retirees, departments, and agencies, and from charges to departments and agencies for the onsite medical clinics and wellness initiative. The city currently operates two clinics, one employee fitness facility, and an onsite pharmacy.

Internal Service Funds						
Expenditure Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg
Municipal Service Station	3,903,896	3,810,762	3,959,956	3,945,977	(13,979)	-0.4%
Municipal Garage	6,427,914	6,687,488	6,157,683	5,997,463	(160,220)	-2.6%
Fleet Leasing Capital	4,456,951	4,100,000	3,554,817	9,300,160	5,745,343	161.6%
Fleet Leasing Operations	359,522	1,125,013	955,394	1,405,394	450,000	47.1%
Liability Insurance	718,506	3,824,400	4,025,000	1,360,000	(2,665,000)	-66.2%
Medical Services Fund	0	26,868,192	28,107,358	29,448,481	1,341,123	4.8%
Total Internal Service	15,866,789	46,415,855	46,760,208	51,457,475	4,697,267	10.0%

Expenses

Municipal Fleet Services Fund

Expenses for these funds are primarily for personnel, inventory supplies, and vehicle purchases.

The number of positions within the Division of Fleet Services decreased from 77 to 61 from FY 02 to FY 07 and have remained constant since then. As equipment replacements were made with more up to date equipment, it was decided the positions would not be filled. However, the cost for salaries has not decreased at the same rate during this time period due to yearly 3% cost of living adjustments through FY 08 and Pay Plan implementation in FY08. Also, numerous positions have been upgraded to accommodate additional demands. No cost of living adjustment was given for FY 11 due to budgetary constraints.

Liability Insurance Fund

Expenses fluctuate from year to year depending on advice of Counsel as a result of claims made against the City.

Medical Services Fund

Expenses are primarily for employee and retiree health insurance claims and the cost of operating the onsite clinics and wellness initiative program. The city also invests in stop loss insurance so as to mitigate the financial impact of unusually large medical claims.

Internal Service Fund Revenue Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of total
Municipal Service Station (Fund 6100):							
Amnicola Service Station:							
Fleet Fuel-City Sales	1,318,856	1,300,000	1,375,129	1,100,000	(275,129)	-20.01%	2.14%
Fleet Fuel-Outside Sales	13,162	15,000	25,000	25,000	-	0.00%	0.05%
Total Amnicola Station	1,332,018	1,315,000	1,400,129	1,125,000	\$ (275,129)	-19.65%	2.19%
12th & Park Service Station:							
Fleet Fuel- City Sales	2,789,593	2,700,000	2,300,000	2,085,394	(214,606)	-9.33%	4.05%
Fleet Fuel- Outside Sales	83,685	85,000	52,500	45,000	(7,500)	-14.29%	0.09%
Transfers In-Gen.Govt.Cap.Fund 4103	1,269	-	-	-	-	N/A	0.00%
Total 12th & Park Station	2,874,547	2,785,000	2,352,500	2,130,394	\$ (222,106)	-9.44%	4.14%
Total Municipal Service Station	\$ 4,206,565	\$ 4,100,000	\$ 3,752,629	\$ 3,255,394	\$ (497,235)	-29.09%	6.33%
Municipal Garage (Fund 6101):							
Amnicola Garage:							
Sale of Surplus Equip/Scrap	33,924	28,263	10,000	10,000	-	0.00%	0.02%
Misc Revenue	-	-	-	-	-	N/A	0.00%
Fleet - Sale of Parts	1,454,710	1,400,000	1,200,000	1,300,000	100,000	8.33%	2.53%
Outside Sale of Parts	184,235	200,000	150,000	160,000	10,000	6.67%	0.31%
Sales - Labor	1,465,788	1,325,000	1,350,000	1,450,000	100,000	7.41%	2.82%
Outside Sales - Labor	263,416	270,000	191,000	180,000	(11,000)	-5.76%	0.35%
Total Amnicola Garage	3,402,073	3,223,263	2,901,000	3,100,000	\$ 199,000	6.86%	6.02%
12th & Park Garage:							
Fleet - Sale of Parts	1,476,000	1,400,000	1,630,000	1,630,000	-	0.00%	3.17%
Outside Sale of Parts	(183)	-	1,000	40,000	39,000	3900.00%	0.08%
Sales - Labor	1,348,964	1,325,000	1,275,000	1,300,000	25,000	1.96%	2.53%
Outside Sales - Labor	8,083	-	500	20,000	19,500	3900.00%	0.04%
Total 12th & Park Garage	2,832,864	2,725,000	2,906,500	2,990,000	83,500	2.87%	5.81%
Total Municipal Garage	\$ 6,234,937	\$ 5,948,263	\$ 5,807,500	\$ 6,090,000	\$ 282,500	9.73%	11.84%
Fleet Leasing Capital (Fund 6102)							
Damage Settlements	127,528	125,000	125,000	100,000	(25,000)	-20.00%	0.19%
Sale of Surplus Equip/Scrap	275,491	225,000	200,000	200,000	-	0.00%	0.39%
Fleet Leased Vehicles	-	-	-	-	-	N/A	0.00%
Vehicle Replacement Reserve	1,052,062	1,970,000	203,777	2,630,160	2,426,383	1190.71%	5.11%
Fleet Mileage Surcharge	339,067	390,000	26,040	370,000	343,960	1320.89%	0.72%
Use of Fund Balance	-	1,390,000	3,000,000	2,000,000	(1,000,000)	-33.33%	3.89%
Transfers In-General Fund	1,500,000	-	-	-	-	N/A	0.00%
Transfers In-Gen.Govt. Cap.Fund 4103	2,572,426	-	-	4,000,000	4,000,000	N/A	7.77%
Total Fleet Leasing Capital	\$ 5,866,574	\$ 4,100,000	\$ 3,554,817	\$ 9,300,160	\$ 5,745,343	161.62%	18.07%
Fleet Leasing Operations(Fund 6103)							
Damage Settlements	-	-	-	-	-	-	0.00%
Fleet Leased Vehicles	845,290	1,315,000	1,264,904	1,753,440	488,536	38.62%	3.41%
Fleet Mileage Surcharge	228,352	260,000	248,000	250,000	2,000	0.81%	0.49%
Total Fleet Leasing Operations	\$ 1,073,642	\$ 1,575,000	\$ 1,512,904	\$ 2,003,440	\$ 490,536	32.42%	3.89%
Total Fleet Services	\$ 17,381,718	\$ 15,723,263	\$ 14,627,850	\$ 20,648,994	6,021,144	41.16%	40.13%
Liability Insurance Fund (6200)							
Prior Year Surplus	-	3,424,400	3,225,000	-	(3,225,000)	-100.00%	0.00%
General Fund Transfer-1100	800,000	400,000	800,000	1,360,000	560,000	70.00%	2.64%
Total Liability Insurance	\$ 800,000	\$ 3,824,400	\$ 4,025,000	\$ 1,360,000	\$ (2,665,000)	-66.21%	2.64%
Medical Services Fund (6300)							
Employee Premium Health Insurance	-	3,310,000	3,365,244	3,641,772	276,528	8.22%	7.08%
Department Premium Health Insurance	-	13,240,000	13,460,975	14,566,791	1,105,816	8.21%	28.31%
Department Premium Health Ins.HSA	-	568,000	983,501	1,238,172	254,671	25.89%	2.41%
Department Premium Retiree Health Ins.	-	5,154,780	5,577,046	4,854,058	(722,988)	-12.96%	9.43%
Retiree Premium Health Insurance	-	1,841,220	1,916,874	1,671,497	(245,377)	-12.80%	3.25%
Department Premium Pensioners	-	787,044	700,000	700,000	-	0.00%	1.36%
Department Premium Onsite Med.Clinics	-	1,980,498	2,063,068	2,735,541	672,473	32.60%	5.32%
Miscellaneous Revenue	-	40,650	40,650	40,650	-	0.00%	0.08%
Total Medical Services	-	\$ 26,922,192	\$ 28,107,358	\$ 29,448,481	\$ 1,341,123	4.77%	57.23%
Grand Total:	\$ 18,181,718	\$ 46,469,855	\$ 46,760,208	\$ 51,457,475	\$ 4,697,267	10.05%	100.00%

Internal Service Fund Expenditure Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of total
Municipal Service Station(Fund 6100):							
Amnicola Service Station							
Salaries & Wages	60,160	47,169	33,849	26,226	(7,623)	-22.52%	0.05%
Fringes	16,823	16,466	9,809	12,100	2,291	23.36%	0.02%
Purchased Services	8,002	2,500	10,000	17,730	7,730	77.30%	0.03%
Materials & Supplies	308	500	-	-	-	N/A	0.00%
Vehicle Operating Expenses	10,386	5,000	5,000	5,000	-	0.00%	0.01%
Inventory Supplies	1,147,027	1,170,000	1,170,000	1,170,000	-	0.00%	2.27%
Capital Outlay	-	-	-	-	-	N/A	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	2,072	19,500	62,097	62,097	-	0.00%	0.12%
Total Amnicola Station	1,244,778	1,261,135	1,290,755	1,293,153	2,398	78.14%	2.51%
12th & Park Service Station							
Salaries & Wages	73,850	63,398	50,341	42,157	(8,184)	-16.26%	0.08%
Fringes	21,918	21,729	14,719	17,001	2,282	15.50%	0.03%
Purchased Services	11,364	4,200	2,200	14,025	11,825	537.50%	0.03%
Materials & Supplies	185	1,500	1,500	1,000	(500)	-33.33%	0.00%
Vehicle Operating Expenses	5,269	7,100	6,000	2,500	(3,500)	-58.33%	0.00%
Insurance, Claims, Damages	82	100	-	-	-	N/A	0.00%
Inventory Supplies	2,552,330	2,450,000	2,450,000	2,450,000	-	0.00%	4.76%
Capital Outly	(7,450)	-	-	-	-	N/A	0.00%
Gov'tl Charges, Taxes, Fees Misc.	1,570	1,600	144,441	126,141	(18,300)	-12.67%	0.25%
Total 12th & Park Station	2,659,118	2,549,627	2,669,201	2,652,824	(16,377)	-0.61%	5.16%
Total Municipal Service Station	\$ 3,903,896	\$ 3,810,762	\$ 3,959,956	\$ 3,945,977	\$ (13,979)	-0.35%	7.67%
Municipal Garage(Fund 6101)							
Amnicola Garage - Repair & Maint.							
Salaries & Wages	1,013,484	1,104,183	1,053,815	1,034,950	(18,865)	-1.79%	2.01%
Fringes	361,656	403,661	409,540	427,732	18,192	4.44%	0.83%
Purchased Services	250,143	221,500	165,864	236,235	70,371	42.43%	0.46%
Materials & Supplies	22,743	20,400	12,124	15,550	3,426	28.26%	0.03%
Travel	-	-	-	-	-	N/A	0.00%
Vehicle Operation Expenses	118,185	100,300	43,280	67,725	24,445	56.48%	0.13%
Insurance, Claim, Damages	9,152	9,100	9,100	135,100	126,000	1384.62%	0.26%
Inventory Supplies	1,331,385	1,400,000	1,360,000	1,248,034	(111,966)	-8.23%	2.43%
Capital Outlay	29,625	-	-	-	-	N/A	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	305,483	327,458	179,600	180,200	600	0.33%	0.35%
Total Amnicola Garage	3,441,856	3,586,602	3,233,323	3,345,526	\$ 112,203	3.47%	6.50%
12th & Park Garage - Repair & Maint.							
Salaries & Wages	835,739	1,025,785	997,434	995,102	(2,332)	-0.23%	1.93%
Fringes	318,604	367,243	390,050	377,665	(12,385)	-3.18%	0.73%
Purchased Services	109,009	89,600	106,550	118,420	11,870	11.14%	0.23%
Materials & Supplies	34,839	34,200	27,550	41,750	14,200	51.54%	0.08%
Travel	-	-	-	-	-	N/A	0.00%
Vehicle Operating Expenses	140,827	103,400	73,000	81,000	8,000	10.96%	0.16%
Insurance, Claims, Damages	121,494	123,000	126,000	-	(126,000)	-100.00%	0.00%
Inventory Supplies	1,125,348	1,070,000	1,050,000	1,038,000	(12,000)	-1.14%	2.02%
Capital Outlay	1,701	-	-	-	-	N/A	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	298,497	287,658	153,776	-	(153,776)	-100.00%	0.00%
Total 12th & Park Garage	2,986,058	3,100,886	2,924,360	2,651,937	(272,423)	-9.32%	5.15%
Total Municipal Garage	\$ 6,427,914	\$ 6,687,488	\$ 6,157,683	\$ 5,997,463	\$ (160,220)	-2.60%	11.66%
Fleet Leasing Capital(Fund 6102)							
Capital Outlay	3,061,037	1,390,000	3,000,000	6,000,000	3,000,000	100.00%	11.66%
Fund Balance Reserve	1,390,000	2,710,000	554,817	3,300,160	2,745,343	494.82%	6.41%
Purchased Services	5,914	-	-	-	-	N/A	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	-	-	-	-	-	N/A	0.00%
Total Fleet Leasing Capital Program	\$ 4,456,951	\$ 4,100,000	\$ 3,554,817	\$ 9,300,160	5,745,343	161.62%	18.07%
Fleet Leasing Operations(Fund 6103)							
Vehicle Operating Expenses	359,522	1,125,013	955,394	1,405,394	450,000	47.10%	2.73%
Total Fleet Leasing Operations Progr	\$ 359,522	\$ 1,125,013	\$ 955,394	\$ 1,405,394	450,000	47.10%	2.73%
Total Fleet Services	\$ 15,148,283	\$ 15,723,263	\$ 14,627,850	\$ 20,648,994	6,021,144	41.16%	40.13%
Liability Insurance Fund(6200)							
Special Council & Claims	718,506	3,824,400	4,025,000	1,360,000	(2,665,000)	-66.21%	2.64%
Total Liability Insurance	\$ 718,506	\$ 3,824,400	\$ 4,025,000	\$ 1,360,000	(2,665,000)	-66.21%	2.64%

Internal Service Fund Expenditure Summary	Actual 08	Actual 09	Budget 10	Budget 11	Inc(Dec)	% chg	% of total
Medical Services Fund(6300)							
Health Insurance Admin Fee	-	-	-				
Health Insurance Stop Loss	-	525,000	485,000	72,278	(412,722)	-85.10%	0.14%
Health Insurance Employees	-	15,850,000	16,357,827	16,892,905	535,078	3.27%	32.83%
Health Insurance Retirees	-	7,729,000	7,211,239	8,868,918	1,657,679	22.99%	17.24%
Pharmacy	-	-	1,769,272	944,272	(825,000)	-46.63%	1.84%
Employee Assistance Program(EAP)	-	40,650	40,650	40,650	-	0.00%	0.08%
COBRA	-	10,000	31,159	36,111	4,952	15.89%	0.07%
Health Insurance Pensioners	-	787,044	442,036	550,210	108,174	24.47%	1.07%
On-site Med Clinic Administration	-	1,036,000	1,075,808	1,127,402	51,594	4.80%	2.19%
On-site Med Clinic # 1 King St.	-	164,150	156,722	152,898	(3,824)	-2.44%	0.30%
On-site Med Clinic # 2 Amnicola	-	109,600	119,394	72,725	(46,669)	-39.09%	0.14%
On-site Med Clinic Other OccMed Cst	-	479,600	251,894	255,719	3,825	1.52%	0.50%
Wellness Initiative Administration	-	106,948	147,407	328,331	180,924	122.74%	0.64%
Wellness Initiative Fitness Facility	-	30,200	18,950	37,795	18,845	99.45%	0.07%
Wellness Programs	-	-	-	68,267	68,267	N/A	0.13%
Total Medical Services	\$ -	\$ 26,868,192	\$ 28,107,358	\$ 29,448,481	1,341,123	4.77%	57.23%
Grand Totals	\$ 15,866,789	\$ 46,415,855	\$ 46,760,208	\$ 51,457,475	4,697,267	10.05%	100.00%



General Government

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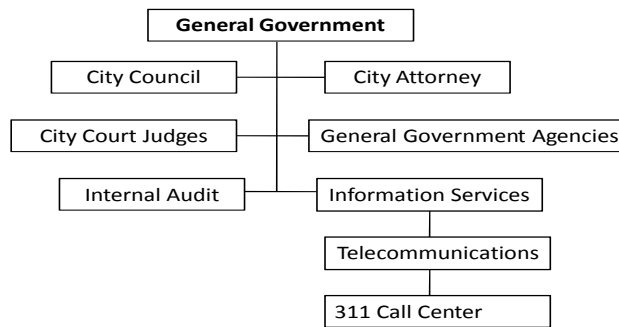
Mission:

To administer the executive, legislative, legal and judicial affairs for the City of Chattanooga.

Description:

The General Government budget provides for legal and legislative functions of government that pertain to the general day to day operations of the City of Chattanooga, as well as appropriations for most agencies and nonprofit organizations or other special funds to which the City contributes funding. The City Council Office and City Court Judges represent the elected officials of the City and their respective operations. The City Attorney's Office represents the City in all legal matters, litigating on behalf of the City, as well as providing legal advice to the governing body and other departments where appropriate. 311 Call Center simplifies citizen access to government by providing a single point of contact for all City services. In addition, 311 provides City departments with data needed to identify service needs, trends, and outcomes. Due to reorganization, Information Systems is now under General Government. This area includes information service and telecommunications. It is the policy of the Mayor to maintain a comprehensive program of internal auditing as an overall control measure and as a service to the City. Its purpose is to aid City management in achieving City goals without undue risk. It is in internal control that functions by measuring and evaluating the effectiveness of other controls. It also serves as a deterrent to fraud, waste, and abuse.

Other functions in General Government include funding for memberships in organizations such as the Tennessee Municipal League. Funds are also provided for promotion of the city through various means as determined by the Mayor or the City Council. Administrative expenses for the annual audit, various general studies and surveys which the City deems necessary are administered through this department.



Goals and Objectives

Develop prudent and applicable laws to further economic development, enhance educational opportunities and to respond to citizens requests as deemed prudent and necessary.

- ❶ 100% consideration of all citizens requests and concerns which pertain to legislative matters.
- ❷ Council minutes to be made available to any concerned party within 2 workdays after completion of a Council meeting.
- ❸ Adopt a budget to operate within budget guidelines and parameters set forth within the budget ordinance.

Enforce all laws pertaining to City ordinances and to support the city in legal disputes in which the city is involved.

- ❶ Hear 100% of cases reported to be in violation of any city ordinance and applicable traffic violations.
- ❷ Reduce the number of legal claims against the City.

Make recommendations that will enhance the efficiency and effectiveness of service delivery, reduce costs where appropriate, and ensure compliance with applicable standards and guidelines

- ❶ Identify high risk areas for audit.
- ❷ Plan and conduct audits in an independent and objective manner.
- ❸ Ensure staff are sufficiently trained to perform duties at a professional level.

To provide timely, efficient and quality telecommunications and information services for all City departments and agencies.

- ❶ Increase efficiency of service delivery.
- ❷ Achieve 100% on-time job performance.
- ❸ Strive for an excellent quality response to every support service request.

Deliver a quality customer experience to 311 customers

- ❶ Answer 85 percent of calls within two minutes or less and 95 percent of emails within 24 business hours.
- ❷ Meet or exceed target service levels of 135 calls per day per customer service representative.
- ❸ Maintain satisfaction ratings of "good" or "excellent" for 90 percent of 311 contacts.

Performance Measures	Actual FY09	Goal FY10	Actual FY10	Goal FY11
311 service requests created	66,443	80,000	114,711	118,000
311 service requests closed	97.3%	100%	98.3%	100%
Days from Council Meeting to minutes	2	2	2	2

*N/A=Not Available, N/P= Not Provided

Department Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
City Council Office	\$ 687,196	\$ 664,205	\$ 709,617	\$ 708,594
Office of City Court Judges	679,957	671,092	718,864	728,361
Office of City Attorney	1,057,642	1,010,754	1,084,778	1,237,222
Supported Agencies	12,905,712	12,248,921	13,160,857	14,080,896
Debt Service	9,392,174	10,956,089	15,906,307	15,494,469
311 Call Center	438,808	466,927	533,364	549,985
Internal Audit	468,415	467,159	478,740	485,037
Information Services	3,216,813	2,756,780	3,258,997	3,268,184
General Services	2,373,638	2,490,660	2,455,612	-
Other General Government Activities	16,434,026	10,773,213	2,281,634	7,599,204
Total Expenditures	\$47,654,382	\$42,505,800	\$40,588,770	\$44,151,952
Per Capita	\$283.16	\$252.57	\$237.53	\$257.67
Positions Authorized	177	177	181	91

Resources

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Personnel	\$ 6,655,073	\$ 4,691,381	\$ 6,644,299	\$ 9,380,322
Overtime	4,000	11,287	2,000	
Operating	40,995,309	37,803,132	33,942,471	34,771,630
Revenue	-	-	-	-

Supported Agencies

Supported agencies are a portion of General Government and are primarily in two different categories. The first category is appropriations to special funds that are either jointly supported with Hamilton County and/or some other agency which are accounted for in another fund on the City's books. These include CARTA, Bicentennial Library, Regional Planning Agency and the Air Pollution Control Bureau. The second category is appropriations to other organizations which the City Government determines meet the definition of serving a public purpose that are not accounted for on the City books. These include agencies such as Urban League, Allied Arts, and Chattanooga Neighborhood Enterprise (CNE). The following descriptions give a short explanation of each general government agency. Some of the appropriations are for closed-ended programs, but most are for ongoing programs or agencies which the City Government supports on a continual basis. In addition, the Liability Insurance Fund accounts for liability claims and losses. Amounts are provided for Fiscal Year 2010/2011.

Air Pollution Control Bureau

The overall mission is to achieve and maintain levels of air quality which will protect human health and safety and prevent injury to plant and animal life and property. The Chattanooga Area has progressed from being listed as one of the nation's most polluted cities in the late 1960's to being held out as a model of improvement. The City currently meets all federal air quality standards. The bureau provides a program of air pollution prevention, abatement, and control to foster the health, comfort and convenience of all citizens of Hamilton County.

City's Contribution.....\$270,820

Alexian Brothers Senior Neighbors

Since 1960, Senior Neighbors, an Alexian Brothers ministry, has been Chattanooga's resource for all things related to aging well. Senior Neighbors provides vocational, social, mental, spiritual and physical opportunities designed to maintain and improve health and wellness.

City Contribution \$17,700

Allied Arts Council

The overall mission is to provide a united voice for all cultural organizations and activities, further the significance of their roles in the life of the community, provide financial assistance and such other measures necessary to strengthen the area's cultural resources, and work with other agencies in the public and private sectors to make quality of life a priority issue for the community. Through its annual fund drive, Allied Arts provides essential operating funds to the following cultural institutions:

*Arts and Education Council
Association for Visual Arts*

*Ballet Tennessee
Chattanooga African American Museum
Chattanooga Ballet
Chattanooga Boys Choir
Chattanooga Girls Choir
Chattanooga History Center
Chattanooga Symphony and Opera
Chattanooga Theatre Centre
Choral Arts of Chattanooga
Creative Discovery Museum
Houston Museum of Decorative Arts
Hunter Museum of American Art
Shaking Ray Levi Society*

City's Contribution..... \$161,200

Bessie Smith Cultural Center/Chattanooga African-American Museum

The mission of the Bessie Smith Cultural Center is to collect, preserve, interpret and present art and artifacts relating to the history and culture of African Americans while serving as a resource for local and national history. The Cultural Center also houses artifacts and documents to support educational programs, services and resources for the community. The programs promote ethnic pride, self-esteem, cultural enrichment, cross-cultural awareness, improved human relations within the community and sensitivity to the African-American experience. The museum helps one to understand the culture and heritage of African-Americans.

City's Contribution..... \$54,000

Carter Street Corporation

Carter Street Corporation manages the Downtown Convention & Trade Center. The convention and trade center provides rental space for conventions, trade shows, meetings, banquets, etc., which bring outside dollars into the community, as well as providing a place for local organizations to hold events.

City's Contribution..... \$161,257

Chattanooga Area Regional Transportation Authority (ARTA)

The overall mission is the provision of public transit services. The Authority operates the regional bus service, the Lookout Mountain Incline Railway, and the free Downtown Electric Shuttle. Specialized transportation services are offered for the disabled in Hamilton County. ARTA is the sole provider in the Chattanooga-Hamilton County area of public transportation.

City's Contribution..... \$4,231,000

Chattanooga African-American Museum/Building Maintenance

The City & Hamilton County are responsible for the overall management and maintenance of the Heritage Center in which the Center houses the Bessie Smith Hall and the African-American Museum.

City's Contribution..... \$62,653

Chattanooga Area Food Bank

The Food Bank provides programs and supplies that feed hungry families residing in the City of Chattanooga.

City Contribution..... \$12,700

Chattanooga Area Regional Council of Governments / Southeast Tennessee Development District

The mission is to provide area-wide planning and coordination on a regional basis and to assist local governments in project and program development within the thirteen counties of Southeast Tennessee and the bi-state metropolitan Chattanooga region.

This agency's program represents local governments in their relationships to State and Federal programs and seeks to maximize the amount of external funding that can be brought to bear on the area's development needs. Examples of funding secured in past years include funding for ARTA, the regional sewage treatment facility, industrial parks, water and sewer projects and a number of social service agencies for the elderly.

City's Contribution.....\$36,038

Chattanooga Area Urban League

The overall mission is the elimination of discriminatory behavior by empowering African-Americans and other minorities through educational and vocational training which will increase economic power. The

tools of social work, economic law and business are utilized to secure equal opportunities throughout all sectors of society. The essence of this program is to assist the Hamilton County and City of Chattanooga governments in improving minority representation on construction sites which are funded with public funds. It will also provide technical assistance and make available to contractors a pool of applicants for employment consideration. This will create avenues for employment opportunities and also ensure that the county is in compliance with local, state, and federal regulations governing minority representation in the construction industry and have an impact on affirmative action goals throughout the local governments.

City's Contribution.....\$42,200

Chattanooga/Hamilton County Bicentennial Library

The library serves the community by making materials and services available to all residents. To meet patrons' educational, professional, and personal needs, the library provides current information, promotes learning, and preserves the community's history. The library provides access to information through books, periodicals, newspapers, pamphlets, government documents, phonograph records, audiocassettes, videocassettes, films, internet, and brochures. Through state, regional, national and international networks, the library can provide access to resources. The library encourages the love of reading in children and adults and provides information for both leisure and professional use.

City's Contribution..... \$2,792,400

Chattanooga/Hamilton County Regional Planning Agency

The mission of the CHCRPA and its staff is to develop a comprehensive vision and guide for the region which ensures that our land resources support, enhance, and sustain our community and its quality of life. This vision should include both short and long-range goals and strategies which public and private community leaders can utilize to implement these objectives. The planning program facilitates government and various public and private decision-making by providing research, data, plans, studies and suggested strategies related to community land use, transportation, and social issues.

City's Contribution.....\$1,378,500

Chattanooga History Center

The overall mission is to collect, preserve, research, interpret and display the written, spoken, pictorial and

artifactual record of the Chattanooga and Tri-State region from the earliest times to the present. This is accomplished by operating a museum and providing appropriate publications, exhibits and educational programs for all segments of the community in the context of the museum's permanent theme, "Chattanooga Country: Its Land, Rivers, and People".

The museum has a working board and staff, and a proven track record of helping to improve the quality of life for current and future Hamilton County residents. Education is the primary purpose, which the education department fulfills with a full schedule of school tours, adult programs and outreach programs. The "Traveling Trunks" outreach program includes hands-on activities that bring to life specific historical periods in our area.

City's Contribution.....\$15,200

Chattanooga Neighborhood Enterprise

The mission of the organization is to rid the Chattanooga area of all substandard housing. The City government joined in this effort in 1989.

City's Contribution..... \$1,000,000

Children's Advocacy Center

Mission is to provide a safe environment where a child's voice is heard and respected. This includes the coordination and facilities for the state-mandated team responsible for the investigation, intervention and treatment for the child and family, and prosecution of the abuser. Extended assessments, crisis counseling, therapeutic groups and support groups for children and their families are also provided.

City's Contribution..... \$19,000

Choose Chattanooga

Choose Chattanooga is a marketing effort designed to increase area population growth as a necessary ingredient to accelerating economic development and organically increasing the local tax base. Funding will be used to promote Hamilton County to retirees and others who might potentially locate in the Chattanooga area.

City's Contribution..... \$16,900

Community Foundation Scholarships

This is a partnership of public and private funds to provide for scholarships to qualified and deserving students who would not otherwise be able to further their education beyond the public school system. The Foundation is committed to raising, on a two-

to-one basis, funds from the community to match the City's contribution. Scholarships are awarded annually to students who meet the established criteria.

City's Contribution.....\$101,300

Community Impact of Chattanooga, Inc.

Community Impact is a non-profit organization created to support the City of Chattanooga in its efforts to revitalize distressed urban neighborhoods. Its mission is "to create an improving quality of life for participating neighborhoods through support of neighborhood associations and partnerships with key organizations."

City's Contribution..... \$175,600

Enterprise South Industrial Park Security

This activity is to provide security services specific to the Enterprise South Industrial Park and is equally funded between Hamilton County and the City. The park is managed by the County with the City contributing half of the cost of operations.

City's Contribution\$53,827

Enterprise South Nature Park

This is the passive park area of the Enterprise South Industrial Park. It is jointly funded between Hamilton County and the City. The park is managed by the County with the City contributing half of the cost of operations.

City's Contribution..... \$564,697

Finley Stadium

These funds will be distributed to the Stadium Corp. to cover a portion of the operating expenses for Finley Stadium/Davenport Field. The facility is used for many local sporting events.

City's Contribution..... \$60,000

Friends of Moccasin Bend

The purpose of the Friends of Moccasin Bend National Park is to support the preservation, protection and interpretation of the cultural, historical and natural resources of Moccasin Bend National Archeological District in partnership with the National Park Service, The Friends will also support the design, construction and sustainability of an interpretive center/visitor facility at Moccasin Bend.

City's Contribution..... \$25,300

Front Porch Alliance

The Front Porch Alliance seeks to mobilize groups such as churches and faith-based organizations to have a greater impact in the low and moderate-

income neighborhoods where they are located.
City Contribution..... \$22,800

Homeless Healthcare Center

The Chattanooga - Hamilton County Homeless Healthcare Center provides outreach, primary care, substance abuse, and mental health services to Chattanooga's homeless population. Clients are provided assistance with locating housing, applying for entitlement programs and with obtaining jobs.
City's Contribution.....\$13,300

Liability Insurance Fund

The Liability Insurance fund accounts for the City self insurance program for liability claims and losses due to liabilities arising under the laws of State and Federal governments. Cost incurred in this account may include judgement and cost, special counsel fees, and cost for any special legal cases of the City. The cost for these programs are funded through premiums paid by the departments and agencies of City government.
City's Contribution.....\$1,360,000

Railroad Authority

The Railroad Authority is governed by a board which includes the City and County Mayors and the Executive Director of the Chamber of Commerce, providing for continuation of rail service in the region as it is needed and feasible.
City Contribution..... \$12,281

RiverCity

The RiverCity Company is a private, not-for-profit corporation. RiverCity's Board of Directors is made up of the City and County Mayors, the Chairs of the City Council and the County Commission and community leaders. The primary mission is to ensure a vibrant and attractive downtown that is the economic, social and cultural centerpiece of the Chattanooga region by developing downtown real estate, making and programming great urban spaces and employing creative urban design.
City Contribution \$67,500

Scenic Cities Beautiful

The organization's focus is to study, investigate, develop, and carry out programs for improving the cleanliness and beauty of the community through organized cleanups and beautification efforts. The organization also works with groups to implement proper waste handling practices, and to support and promote community wide recycling. Scenic Cities serves as the coordinating body for county-wide

cleanups and beautification programs, and provides support, information, and materials to those involved in promoting a cleaner community. It also provides speakers and environmental exhibits for community affairs, garden clubs, civic groups, and neighborhood organizations.
City's Contribution..... \$4,220

Tennessee Riverpark

This is a jointly funded activity in partnership with the Hamilton County Government. The local leaders have committed to a redevelopment of the riverfront area which includes a park connecting the north shore and downtown area with the Chickamauga Dam. This park is overseen by the County government, with the City contributing half of the cost of operations.
City's Contribution.....\$1,191,180

The Enterprise Center

The Enterprise Center is a public benefit corporation that is organized exclusively for charitable purposes including relief of the poor and distressed, lessening the burdens of government, promoting social welfare, and combating community deterioration. In furtherance of such purposes, the corporation will operate to further the economic development of the City of Chattanooga and its surrounding region.
City's Contribution \$160,500

WTCI TV 45

The overall mission is to provide informational, educational, and quality cultural television programs to the people of the Greater Chattanooga and Hamilton County community on Channel 45. The station provides information on the City of Chattanooga and Hamilton County governments, getting the public involved by way of television.
City's Contribution.....\$50,650

Agencies	Actual FY07/08	Actual FY08/09	Budget FY09/10	Budget FY10/11
Air Pollution Control Bureau	270,820	270,820	270,820	270,820
Alexian Brothers Senior Neighbors ¹⁾				17,700
Allied Arts Council	255,000	255,000	191,250	161,200
Bessie Smith Cultural Center	70,000	70,000	64,000	54,000
Carter Street Corp	200,000	200,000	185,000	161,257
Chatt. Area Regional Council of Gov. Southeast Tennessee Dev. District	31,038	31,111	31,111	36,038
Chattanooga - Hamilton County Bicentennial Library	2,491,660	2,640,000	2,640,000	2,792,400
Chattanooga African-Museum Building Maintenance	57,019	57,019	62,653	62,653
Chattanooga Area Food Bank	0	0	15,000	12,700
Chattanooga Area Regional Transportation Authority (CARTA)	3,738,606	3,851,000	3,851,000	4,231,000
Chattanooga Area Urban League	50,000	50,000	50,000	42,200
Chattanooga Downtown Partnership	100,000	100,000	80,000	0
Chattanooga History Center	24,000	24,000	18,000	15,200
Chattanooga Neighborhood Enterprises	1,000,000	1,000,000	900,000	1,000,000
Chattanooga/ Hamilton County Regional Planning Agency	942,817	990,007	1,115,712	1,378,500
Children's Advocacy Center	30,000	30,000	22,500	19,000
Choose Chattanooga	25,000	25,000	20,000	16,900
Community Foundation Scholarships	160,000	160,000	120,000	101,300
Community Impact of Chattanooga	300,000	300,000	208,511	175,600
Enterprise Center	100,000	100,000	237,500	160,500
Enterprise South Nature Park	130,475	190,150	283,861	564,697
Finley Stadium	0	60,000	60,000	60,000
Friends of Moccasin Bend	0	0	30,000	25,300
Front Porch Alliance	32,000	30,000	27,000	22,800
Homeless Healthcare Center	17,500	17,500	15,750	13,300
Liability Insurance Fund	800,000	400,000	800,000	1,360,000
Railroad Authority	74,960	55,794	67,822	12,281
RiverCity	0	0	0	67,500
Scenic Cities Beautiful	22,888	22,888	5,000	4,220
Stop the Madness	100,000	0	0	0
Tennessee Riverpark	1,175,386	1,258,632	1,219,775	1,191,180
WTCL TV 45	60,000	60,000	45,000	50,650
TOTAL	12,259,169	12,248,921	12,637,265	14,080,896

1) Alexian Brothers was previously funded in Parks & Recreation Department





Economic Development

Ron Littlefield, Mayor

www.chattanooga.gov

Description:

In August 1997, the citizens of Chattanooga approved a half-cent tax on retail sales in the city. Revenues from this tax were shared on a 50/50 basis for education and economic development. In a county-wide election in February 2004, the residents of Hamilton county voted to increase the county-wide local option tax rate from 1.75% to 2.25% thereby repealing the city-only 1/2% tax. The additional taxes generated by the 1/2% increase in the county-wide tax are distributed to the county, city and education in accordance with TCA 67-6-712 which requires that 50% is used for education and the remainder on situs basis. The City should continue to receive a comparable amount for economic development from the county-wide tax as it has in prior years. With the passage of the county-wide tax increase the education component is distributed directly to the Hamilton County Department of Education.

Department Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Capital fund	2,845,000	2,925,688	2,999,500	2,157,131
African American Chamber	150,000	150,000	75,000	75,000
Chamber for Economic Devel	450,000	450,000	450,000	450,000
Chamber Marketing-Enterprise South	0	75,000	75,000	75,000
Tourist Development Debt Service	0	0	0	0
Net Debt Service	6,772,702	4,877,463	8,162,556	8,754,144
Total Expenditures	\$ 10,217,702	\$ 8,478,151	\$ 11,762,056	\$ 11,511,275
City Only Sales Tax	\$ 10,767,083	\$ 10,394,686	\$ 10,400,000	\$ 10,011,275
Unreserved Fund Balance	0	0	0	0
TDZ State Sales Tax	0	0	0	0
TDZ County Sales tax	0	0	0	0
Interest Income	200,783	90,029	0	0
Total Revenues	\$ 10,967,866	\$ 10,484,715	\$ 10,400,000	\$ 10,011,275
Per Capita	\$ 65.98	\$ 54.75	\$ 68.83	\$ 67.18





Community Development

Beverly P. Johnson, Administrator

Anthony Sammons, Deputy Administrator

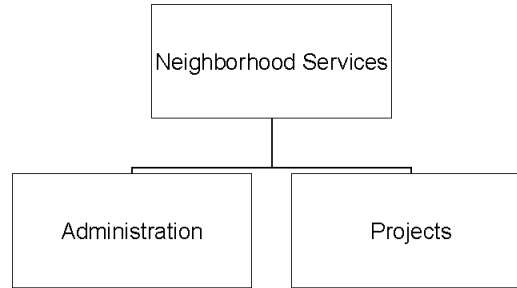
www.chattanooga.gov/communitydev

Mission:

To improve housing and employment opportunities for all low-to-moderate income Chattanooga residents and to provide the support needed to stabilize and revitalize low income communities.

Description:

Community Development, using grants from the U. S. Department of Housing and Urban Development, is dedicated to the revitalization of low-to-moderate income neighborhoods and the economic improvement of its residents. The department funds affordable housing initiatives, employment and business assistance, public facility and infrastructure improvements, and social services to assist the community as a whole.



Goals & Objectives:

To increase availability and access to affordable, quality housing in the City's low-to-moderate income communities.

- ① Increase neighborhood understanding of fair housing regulations to make sure good quality housing is accessible for lower income residents.
- ② Increase the stock of available, quality housing by the creation of new homes and rental units or providing financing to enable residents to build a new home.
- ③ Help homeowners preserve existing housing and restore structures that have become uninhabitable.
- ④ Encourage home ownership as a means of further stabilizing the community.

To drive the revitalization of Community Development Block Grant (CDBG) eligible neighborhoods.

- ① Strengthen the foundation of neighborhoods through infrastructure repairs and streetscape improvements.
- ② Create or renew public facilities to be used as community centers in targeted neighborhoods.

To increase employment in lower income areas.

- ① Use available resources and training to make sure that lower income residents have needed skills to get and retain good jobs.
- ② Bolster the existing business base and encourage the creation of new enterprises through access to capital funds.

Performance Measures

	Actual FY09	Goal FY10	Actual FY10	Goal FY11
Increase the stock of safe, affordable rental units	110	90	17	20
Rehabilitate substandard housing # of units	207	100	292	104
with mortgages	59	120	158	50
# of Participants in Homebuyer Education Programs	145	200	280	160

*N/A=Not Available

Community Development

Beverly P. Johnson, Administrator

Anthony Sammons, Deputy Administrator

www.chattanooga.gov/communitydev

Department Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY09/10	Budget FY10/11
Administration	583,265	451,119	560,000	394,000
Community Dev Projects	4,513,676	3,687,407	4,997,680	5,706,000
Total Expenditures	\$ 5,096,941	\$ 4,138,526	\$ 5,557,680	\$ 6,100,000
Per Capita	\$ 32.93	\$ 26.74	\$ 32.52	\$ 35.60
Positions Authorized	7	7	7	7

Resources

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY10/11
Personnel	\$ 405,531	\$ 390,000	\$ 390,000	\$ 390,000
Overtime	0	0	0	0
Operating	4,691,410	3,744,245	5,167,680	5,710,000
Revenue	8,515,233	4,134,245	5,557,680	6,100,000



Department of Finance & Administration

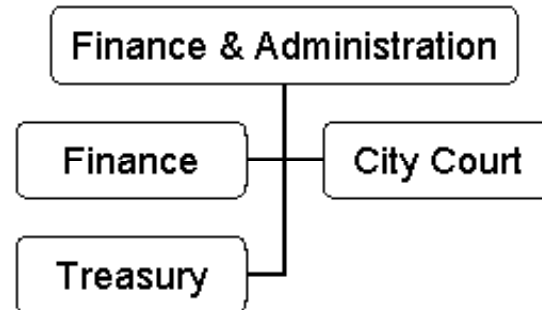
Daisy W. Madison, Administrator
 Vickie C. Haley, Deputy Finance Officer
www.chattanooga.gov/finance

Mission:

To ensure the overall fiscal health of the City of Chattanooga and provide high quality support services to City departments and agencies.

Description:

The Finance and Administration Department provides financial and management information, control, and guidance to the Mayor, Department Administrators and the City Council. The department is responsible for all budget and finance related functions of the City including accounting, and treasury operations. The department also provides support to other departments and agencies in the areas of City Court operations, Accounts Payable and Payroll.



Goals & Objectives:

Using prudent economic forecasts, develop, monitor and help implement a balanced budget that secures the efficient and appropriate delivery of City Services.

- ❶ Propose and maintain a balanced budget that accounts for recurring revenue and cost.
- ❷ Develop an accurate and prudent economic revenue forecast.
- ❸ Provide for the efficient and effective use of budgeted funds to eliminate wasteful spending, and maximizing the service and program results from each tax dollar spent.

To provide for the fair and efficient collection of and appropriate use and accounting of city revenues in a manner consistent with Federal, State and Local laws.

- ❶ Maximize revenue collection.
- ❷ Increase collection efficiency.
- ❸ Maintain best use and investment of assets.
- ❹ Ensure 100% GAAP compliance.
- ❺ Compliance with law.

Performance Measures	Actual FY09	Goal FY10	Actual FY10	Goal FY11
Cash Management Yield on investment portfolio	5.2%	5.0%	5.2%	5.0%
% of Current Levy Collected	95.1%	97.0%	95.1%	97.0%
Annual Debt Service Requirement as % of General Fund	5.6%	5.0%		5.0%
Bond Rating by Standard & Poor's	AA	AA	AA+	AA+
Bond Rating by Fitch Ratings Ltd.	AA	AA	AA+	AA+

Department of Finance & Administration

Daisy W. Madison, Administrator

Vickie C. Haley, Deputy Finance Officer

www.chattanooga.gov/finance

Department Summary

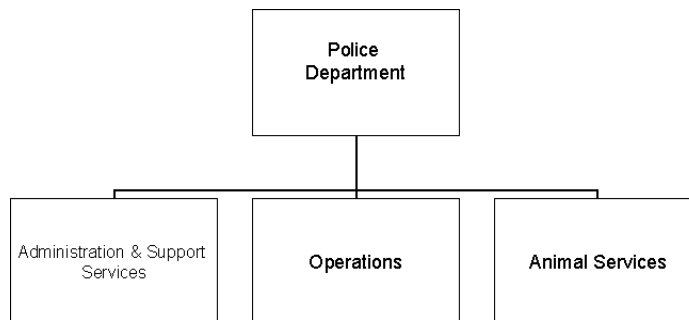
	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY10/11
Finance	\$1,959,594	\$2,005,312	\$2,057,102	\$2,383,924
Treasurer	701,627	725,645	765,946	803,400
City Court Clerk	1,174,817	1,045,071	1,051,252	1,091,176
Total Expenditures	\$ 3,836,038	\$ 3,776,028	\$ 3,874,300	\$ 4,278,500
Per Capita	\$ 24.79	\$ 24.40	\$ 22.67	\$ 24.97
Positions Authorized	66	67	67	68

Resources

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY10/11
Personnel	\$ 3,123,964	\$ 3,131,907	\$ 3,335,951	\$ 3,694,596
Overtime	13,645	9,382	5,200	5,200
Operating	698,429	634,739	533,149	578,704
Revenue	162,621,358	155,800,576	155,923,859	178,686,900

Mission:

To work cooperatively with the public and within the framework of the constitutions of the United States and the State of Tennessee to enforce the laws, preserve the peace, maintain order, and provide for a safe community.



Description:

The department is separated into three major divisions: Police Administration & Support Services, Operations, and Animal Services.

The department's responsibilities include effective and efficient police protection through investigation of criminal offenses, enforcement of state laws and City ordinances, response to citizen requests for services, and maintenance of support services.

Although, the Animal Services remain a division of the department, the function of Animal Services is no longer performed by the City directly, we only oversee. In 2008 the McKamey Animal Care and Adoption Center was created to provide essential services to residents of Chattanooga. The mission of the Animal Care Trust/McKamey Animal Center is to protect animals from neglect, abuse and exploitation; to advocate for their interests and welfare; to reduce the unwanted pet population through an effective spay/neuter program; and to inspire and educate the citizens of the City of Chattanooga toward an awareness and compassion for all living beings.

Goals & Objectives:

Reduce Index Offenses Crime

- ① Reduce all Crime 3% in 2010 (Calendar Year)
- ② Reduce all Property Crime 5% in 2010 (Calendar Year)
- ③ Meet or surpass national Uniform Crime Report crime reduction trends each year.

Prevent Crime and Make Citizens Safe

- ① Increase traffic safety
- ② Reduce "broken window" crimes & violations
- ③ Maximize the visibility and effectiveness of police officers.

Promote the Attractiveness and Long-Term Economic Growth of the Area

- ① Create a safe, orderly and appealing destination for visitors
- ② Build a community environment that is conducive to the maintenance of peace and order and attractive to businesses

Rigorously Comply with all Local, State, and Federal Laws in the Pursuit of a Safe, Lawful Community

- ① Minimize sustained incidences of police misconduct
- ② Increase police awareness and respect for citizens rights to effect fewer litigation claims and more legally defensible police actions
- ③ Provide sufficient assistance, time, resources, and training for officers to insure successful prosecution of charges.

Calendar Year

Performance Measures	Actual 2008	Goal 2009	Actual 2009	Goal 2010
Crimes Committed	2.5%	-3%	-1.3%	-3%
Moving Violations	10.2%	-5%	7.1%	-5%
Parking Violations	5.8%	-3%	-16.1%	-3%
Traffic fatalities	27	20	21	25
Weapons Seized	439	600	492	400
Citizen Complaints	36	75	40	50

N/A = Not Available

Department of Police

Bobby H. Dodd, Chief of Police

Mike Williams, Deputy Police Chief

www.chattanooga.gov/police/

Department Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Police Administration	\$ 2,399,164	\$ 2,196,158	\$ 2,302,093	\$ 3,259,536
Operations	25,270,558	24,814,505	26,200,005	26,679,979
Animal Services	1,054,288	1,171,917	1,474,572	1,518,809
Support Services	14,731,635	15,201,614	10,856,193	15,601,676
Total	\$ 43,455,645	\$ 43,384,194	\$ 40,832,863	\$ 47,060,000
Per Capita	\$ 280.79	\$ 280.33	\$ 238.96	\$ 274.64
Positions Authorized	685	675	601	597*

*Automated Traffic Control (Special Revenue Fund) includes 7 sworn positions. FY 11 total is 604.

Resources

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Personnel	\$ 34,507,418	\$ 31,274,112	\$ 31,274,111	\$ 34,430,322
Overtime	1,170,290	722,000	722,000	722,000
Operating	7,777,937	8,836,751	8,836,751	11,907,678
Revenue	454,843	419,322	368,000	570,100



Department of Fire

Randall Parker, Fire Chief
Lamar Flint, Exec Dep Fire Chief

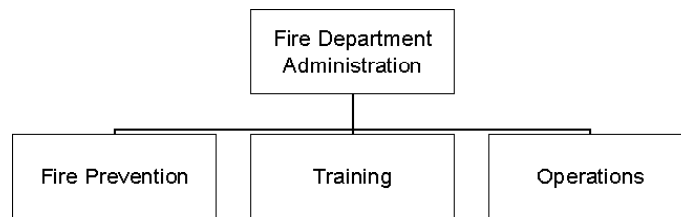
www.chattanooga.gov/fire/fire

Mission:

To protect life, property and community resources through prevention, preparation, response and mitigation.

Description:

The department has four core divisions: Fire Administration, Operations, Fire Prevention, and Training. Operations includes 18 fire stations and more than 380 firefighters who respond to fire, automobile accidents, first response medical emergencies, hazardous materials incidents and other emergencies. The Fire Prevention Bureau includes code enforcement, fire investigation, and fire safety education. The Training Division provides instruction to all fire fighters on the latest tactics and technology in the fire service, and also trains new recruits in fire academies.



Goals & Objectives:

Reduce fire fatalities and injuries for civilians and firefighters.

- ① Meet or surpass National Fire Prevention Association (NFPA) reduction numbers for fatalities, injuries and total fires.
- ② Pursue an aggressive fire prevention education program to reach throughout the community.

Reduce property loss resulting from fire.

Maintain or improve the City's Insurance Services Office (ISO) public protection classification in order to reduce insurance costs to residents and businesses.

Provide a timely first response to medical emergencies, and offer well-trained emergency personnel to administer appropriate treatment.

Provide a Homeland Security regional response

- ① Establish a regional response team that is capable and ready to respond to any chemical, biological, radiological, nuclear or explosive (CBRNE) incident, as well as hazardous spills or structural collapse emergencies.

Performance Measures	Actual FY09	Goal FY10	Actual FY10	Goal FY11
Average response time (Department)	5:15	5:00	5:06	5:00
Inspections	7,769	6,277	5,466	6,500
Civilian Deaths	1	-	1	-
Civilian injuries	7	-	7	-
Firefighter Injuries	48	-	63	-
Property Damage (\$million)	\$5.02	\$ 5.45	\$6.31	\$ 5.45
Fire Calls	920	-	670	-
Non-Fire Calls	11,969	-	11,803	-

*Response time in minutes and seconds (mm:ss)

Department of Fire

Randall Parker, Fire Chief

Lamar Flint, Exec Dep Fire Chief

www.chattanooga.gov/fire/fire

Department Summary

	Actual FY08	Actual FY09	Budget FY10	Budget FY11
Fire Administration	\$ 2,249,523	\$ 1,597,151	\$ 1,837,117	\$ 1,867,596
Operations	23,541,145	24,471,701	23,609,126	27,226,722
Prevention	1,097,176	1,085,381	1,088,633	1,119,353
Training	956,583	935,046	900,947	771,829
Total Expenditures	\$ 27,844,427	\$ 28,089,279	\$ 27,435,823	\$ 30,985,500
Per Capita	\$ 179.92	\$ 165.34	\$ 160.56	\$ 180.83
Positions Authorized	417	417	417	429

Resources

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Personnel	\$ 25,057,284	\$ 25,056,774	\$ 25,054,900	\$ 25,055,700
Overtime	21,116	21,626	23,500	22,700
Operating	2,766,028	2,769,937	2,799,712	3,213,625
Revenue ¹⁾	750	304	750	31,500

1) During FY10 by Ord.# 12356 the City Council ammended the fees for services rendered by the Fire Department.



Department of Public Works

Steve Leach, Administrator

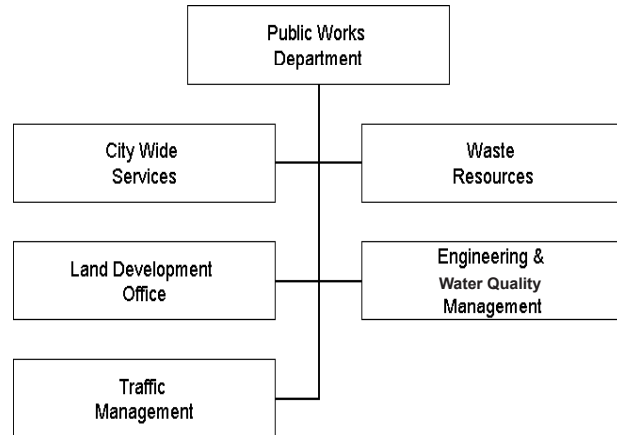
Lee Norris, Deputy Administrator

www.chattanooga.gov/pubworks/

Mission:

To preserve and enhance the quality of the physical environment through prompt, cost effective and courteous delivery of services that protect the health, safety and welfare of citizens, and to maintain and improve the city's infrastructure.

Description: Public Works is responsible for the City's infrastructure: its design, construction and maintenance; the interceptor sewer system; the City's storm water system; the collection and disposal of garbage and brush, recycling and household hazardous waste; building inspections and code enforcement; and traffic management, signs and markings.



Goals & Objectives:

To preserve and enhance the city's physical environment, provide clean streets and clean water, and enforce zoning regulations as a foundation for a healthy and pleasing community.

- 1 To achieve 100% compliance with applicable Federal and State clean water laws and regulations
- 2 Increase the number of clean communities by striving for 100% maintenance of rights-of-way, and dependable scheduled curbside garbage collection.
- 3 To insure full compliance with zoning laws to preserve and protect communities and their citizens.

To provide prompt, courteous and cost-effective service delivery for solid waste collection, building inspection, permitting, and response to citizen inquiries and requests.

- 1 Strive to consistently provide "on time" response to citizen service requests and inquiries.
- 2 Maintain and increase the percentage of residents satisfied with the city's response to service requests, including those whose requests fall outside the departments' authority.
- 3 Reduce the number of citizen complaints, especially those involving repeated storm water grievances.

Maintain and improve the infrastructure of the city, including streets, bridges, traffic lights, signals and parking meters; sewers, treatment plant and storm water facilities; and the landfill and recycling center

- 1 Maintain and increase the quality of paved streets.
- 2 Maintain treatment plant, landfill and sewers in compliance with federal and state regulations.
- 3 Maintain and improve the condition and flow of the storm water infrastructure to address any existing or anticipated problem areas.
- 4 Ensure that the city has sufficient streets to handle substantive changes in the traffic load.

Department of Public Works

Steve Leach, Administrator

Lee Norris, Deputy Administrator

www.chattanooga.gov/pubworks/

To protect the health, safety and welfare of the City's residents through the enforcement of building codes, flood protection and mitigation, traffic safety, and by providing for recycling and solid waste disposal, all within compliance of applicable state and federal regulations.

- ❶ *To reduce the threat of personal or property damage or loss due to non-compliant construction.*
- ❷ *To prevent or mitigate property damage or loss due to flooding.*
- ❸ *To reduce the number of traffic accidents, injuries and fatalities in the City.*
- ❹ *To anticipate and provide adequate capacity for disposal of the City's solid waste.*

Performance Measures	Actual	Goal	Actual	Goal
	FY09	FY10	FY10	FY11
City Wide Service CSRs closed on time	95%	95%	98%	95%
Trash Flash CSRs closed on time	97%	96%	98%	96%
Engineering CSRs closed on time	77%	95%	71%	95%
Missed Garbage CSRs closed on time	94%	96%	94%	96%
Traffic Engineering CSRs closed on time	94%	95%	90%	95%
Waste Resources CSRs closed on time	96%	96%	95%	96%

Department Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
General Fund	\$ 30,923,929	\$ 28,403,701	\$ 30,430,100	\$ 29,183,526
Interceptor Sewer Fund	\$ 37,989,525	\$ 50,460,972	\$ 53,123,195	\$ 44,866,564
Solid Waste Fund	\$ 6,425,720	\$ 6,873,249	\$ 6,617,228	\$ 7,861,379
Water Quality Fund (1)	\$ 6,661,948	\$ 6,555,465	\$ 6,222,211	\$ 25,194,524
State Street Aid Fund	4,824,090	4,523,903	3,985,115	4,079,360
Total Expenditures	\$ 86,825,212	\$ 96,817,290	\$ 100,377,849	\$ 111,185,353
Per Capita	\$ 561.02	\$ 569.90	\$ 587.42	\$ 648.88
Positions Authorized	618	620	618	627

(1) See page 123 Enterprise funds for explanation of budget increase.

Resources

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Personnel	\$ 26,049,026	\$ 27,418,860	\$ 28,180,725	\$ 29,986,307
Overtime	687,020	609,999	672,400	661,950
Operating	60,089,166	68,788,431	71,524,724	80,537,096
Revenue	58,154,871	64,836,144	66,730,374	84,575,431



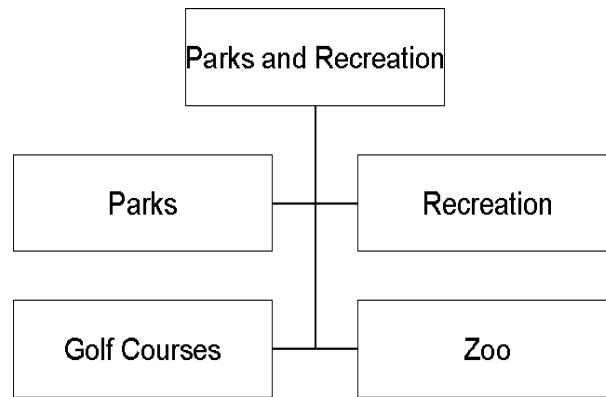
Parks & Recreation

Larry Zehnder, Administrator

www.chattanooga.gov/cpr

Mission:

To provide public space and programs that promote a healthy active lifestyle that will impact our community's economy and tourism. To offer programs, parks, and facilities equitably to maximize use by the broadest spectrum of Chattanooga residents and visitors, which will help develop and educate our community physically, socially, and morally.



Goals & Objectives:

To maximize usage at the City's parks, facilities and recreational programs.

- ① Increase the use/attendance of parks.
- ② Increase the use/attendance of recreation centers and programs.
- ③ Increase the use/attendance of the golf courses.
- ④ Increase the use/attendance of the zoo.

To increase access to the park system for all residents, and to offer facilities and programs that appeal to all segments of our diverse community.

- ① To ensure that the park system is accessible to all city residents.
- ② To ensure that parks and programs are offered in diverse areas, and to Reasonable anticipate different priorities or needs in each one.

To work in concert with existing preservation groups.

- ① To maintain existing conservation sites within the parks department.
- ② To increase land set aside for conservation along creeks and waterways.

Description:

Parks & Recreation provides a wide variety of educational and recreational activities throughout a network of programs, parks and public facilities. The department includes Recreation Centers, Aquatics, Therapeutic Recreation activities, Sports, the Chattanooga Fitness Center, Outdoor Chattanooga Programs, and the Chattanooga Zoo. The department is responsible for all park and public spaces maintenance including two public golf courses and a tournament quality tennis complex and softball complexes.

Performance Measures	Actual FY09	Goal FY10	Actual FY10	Goal FY11
Park Permit CSRs closed on time	98.8%	95%	93.0%	95%
Park reservation CSRs closed on time	98.6%	95%	95.3%	95%
Park work requests closed on time	87.4%	90%	80.3%	90%
Recreation Center Attendance	588,927	575,000	550,496	590,000

Parks & Recreation

Larry Zehnder, Administrator

www.chattanooga.gov/cpr

Department Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Parks & Recreation	\$ 11,260,790	\$ 11,230,353	\$ 11,012,722	\$ 12,545,823
Chattanooga Zoo	544,650	589,871	576,741	658,577
Municipal Golf	1,873,559	2,135,009	1,827,652	1,817,360
Total Expenditures	\$ 13,678,999	\$ 13,955,233	\$ 13,417,115	\$ 15,021,760
Per Capita	\$ 88.39	\$ 90.17	\$ 78.52	\$ 87.67
Positions Authorized	229	229	236	237

Resources

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Personnel	\$ 9,170,651	\$ 9,037,797	\$ 9,098,826	\$ 9,963,450
Overtime	76,398	70,275	69,115	81,793
Operating	4,431,949	4,847,161	4,249,175	4,976,517
Revenue	3,625,276	3,634,914	3,569,386	3,437,760



Department of Human Services

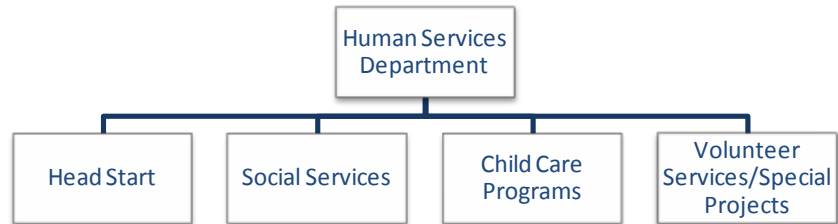
Al Chapman, Administrator

Donna Stone, Assistant Administrator

www.chattanooga.gov

Mission:

To improve quality of life by providing a safety net of services for very low income and/or disadvantaged citizens in Hamilton County.



Description:

The Department of Human Services seeks to improve the lives of the lower income or disadvantaged citizens in Hamilton County through a number of programs funded by the federal, state or local governments. These include Social Services, Head Start, Foster Grandparents, and child care. The department also offers emergency assistance to help individuals or families in dire circumstances maintain independent living.

Goals & Objectives:

To promote independent living, offering support and assistance to help the greatest number of residents maintain their autonomy.

- ❶ *Maintain the Foster Grandparents program to enable eligible older adults to help special needs children within their community, while strengthening their bond to the neighborhood.*
- ❷ *Offer emergency assistance including food vouchers, clothing, and rent or utility funds to prevent eviction or service interruption.*
- ❸ *Within the reach of Hamilton County, make certain that no one perishes because they lacked the resources to provide for the most basic human needs.*
- ❹ *Increase the availability of decent and affordable shelter through the Low Income Home Energy Assistance Program (LIHEAP), Mortgage Assistance, Rental Assistance and Reverse Mortgage counseling.*
- ❺ *Reduce foreclosures, evictions and utility cutoffs within the very low income population.*
- ❻ *Offer numerous channels to reduce hunger and improve nutrition.*

Provide early education for low income children through Head Start and Early Head Start.

- ❶ *Seek constant improvement in each child's skill attainment level, tracked in a Child Portfolio, as a gauge of school readiness.*
- ❷ *Increase the numbers of children in Early Head Start.*
- ❸ *Increase childhood immunizations.*

Performance Measures

	Actual FY 09	Goal FY 10	Actual FY 10	Goal FY 11
Number of foster grandparents	116	110	108	110
Gas, electric, water shutoffs prevented	2,120	2,800	2,163	2,800
Homeless preventions	803	800	1,189	1,000
Participants in food distribution program	8,465	6,000	8,235	6,000
Dwelling units weatherized	117	90	251	-
Headstart funded enrollment	605	622	614	622
Early Headstart funded enrollment	148	146	226	146
Children immunized	869	900	1,014	1,000
Parents in adult ed/GED training	174	175	176	176

Department of Human Services

Al Chapman, Administrator

Donna Stone, Assistant Administrator

www.chattanooga.gov

Department Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Administration	1,053,817	954,982	944,260	815,142
Head Start	7,839,332	7,531,703	8,043,413	7,841,179
Day Care	886,072	858,801	868,641	830,209
Weatherization	336,775	474,682	218,154	0
Foster Grandparents	504,956	524,489	497,877	504,143
LIEAP	1,367,658	2,620,237	1,141,374	1,393,910
CSBG	794,721	757,506	603,805	592,734
Occupancy	-	(15,368)	16,573	-
Human Services Program	286,360	348,376	115,000	25,000
City General Relief	72,513	71,490	105,009	104,909
ARRA Stimulus Grant	-	800	6,125,855	4,959,690
Total Expenditures	13,142,204	14,127,698	18,679,961	17,066,916
Per Capita	\$ 78.09	\$ 83.16	\$ 109.32	\$ 99.60
Authorized Positions	289	289	286	286

Resources

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Personnel	7,253,954	7,198,921	8,136,344	7,351,652
Overtime	77,174	23,970	-	-
Operating	5,811,076	6,904,807	10,543,617	9,715,264
Revenue	12,724,180	12,432,112	17,530,710	10,982,886



Department of Personnel

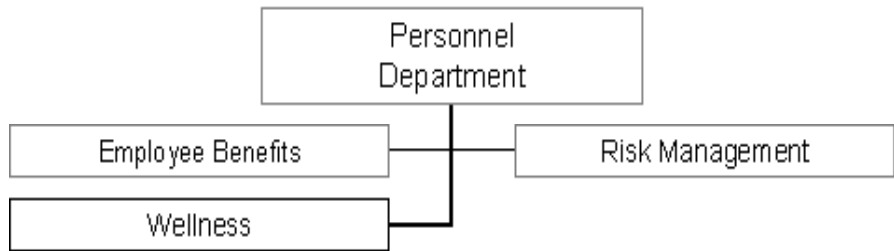
Donna Kelley, Administrator

Susan Dubose, Deputy Administrator

www.chattanooga.gov

Mission:

Recruit and retain a qualified and diverse workforce to serve our citizens in compliance with federal, state, and local laws.



Description:

Personnel works with each department to develop specific standards for the recruitment and hiring of a qualified, diverse workforce, and to help identify those employees who should be considered for promotion. The department also assesses job classifications, compensation and benefits, and offers employee training and skill development. In addition, Personnel maintains a competitive and quality medical program as well as two on-site medical clinics dedicated to employee wellness. The department also offers an Employee Assistance Program for confidential counseling service. All safety issues and on-the-job injuries are addressed through Risk Management.

Goals & Objectives:

Recruit a highly qualified workforce

- ❶ Determine the percentage of applicants that are qualified/well qualified.
- ❷ Reduce to zero the number of positions posted for which no qualified candidates apply.
- ❸ Determine and reduce the number of declined job offers.

Recruit and retain a diversified workforce that reflects a representation of the local workforce.

- ❶ Recruit individuals that are representative of local demographics.
- ❷ Seek diversity across all strata of pay and position.
- ❸ Retain a well qualified, diverse workforce.

Retain a well-qualified and experienced workforce.

- ❶ Reduce turnover of the most successful employees, and make a concerted effort to retain those that have been highly qualified and productive.
- ❷ Use strategic initiatives to implement a wellness program that promotes and increases the good health of City employees as a means of maintaining a productive and effective workforce at reduced cost.

Ensure compliance with all federal, state, and City regulations and practices in all personnel circumstances.

Performance Measures	Actual	Goal	Actual	Goal
	FY09	FY10	FY10	FY11
Avg. eligible candidates per Requisition	9.72	6.00	N/P	N/P
Positions where qualified candidate found	100%	100%	100%	100%
Declined job offers	18	< 30	N/P	N/P
Turnover rate	2%	<10%	N/P	N/P
Number of promotions	55	100	N/P	N/P
Compliance with law	100%	100%	100%	100%
Workforce Diversity - Overall (+/-3%)	N/A	N/A	N/A	N/A
Workforce Diversity - Minorities (+/-3%)	N/A	N/A	N/A	N/A

*N/A=Not Available, N/P= Not Provided

Department of Personnel

Donna Kelley, Administrator

Susan Dubose, Deputy Administrator

www.chattanooga.gov

Departmental Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Administration	\$ 1,157,528	\$ 1,103,538	\$ 1,057,900	\$ 1,245,832
Physical Exams	14,210	15,305	13,000	13,000
Wellness	-	-	-	-
Employee Insurance Office	366,436	306,174	265,561	280,790
Employee Insurance Program	4,986,327	5,118,057	5,639,161	5,644,761
Job Injury Administration	69,883	69,384	72,000	74,000
Total Expenditures	\$ 6,594,383	\$ 6,612,457	\$ 7,047,622	\$ 7,258,383
Per Capita	\$ 39.18	\$ 39.29	\$ 41.24	\$ 42.36
Positions Authorized	21	21	21	21

Resources

	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	Budget FY 10/11
Personnel	\$ 1,131,091	\$ 1,140,900	\$ 1,186,170	\$ 1,252,590
Overtime	-	-	-	-
Operating	5,463,292	5,475,757	5,861,452	6,005,793
Revenue	25,000	45,760	25,000	40,000
Total	\$ 6,619,383	\$ 6,662,417	\$ 7,072,622	\$ 7,298,383



Neighborhood Services & Community Development

Beverly P. Johnson, Administrator

Anthony Sammons, Deputy Administrator

www.chattanooga.gov/neighserv/

Mission:

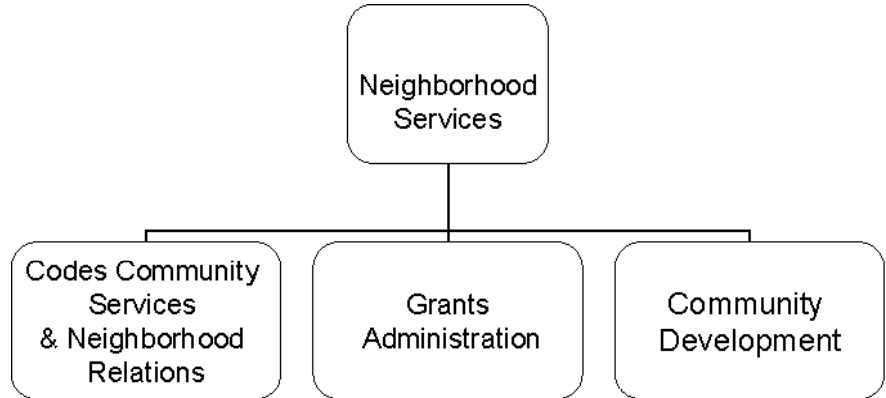
Make all Chattanooga neighborhoods a choice for people to live and invest in through the elimination of blight, code enforcement and individual participation and expended civic engagement.

Description:

The department of Neighborhood Services is comprised of four divisions: Administration; Codes and Community Services & Neighborhood Relations, Community Development, and Grants Administration.

The Codes and Community Services division is the agency which has the responsibility of enforcing the City's minimum housing, anti-litter, overgrowth and inoperable vehicle codes. They also share responsibility for overseeing proper brush and trash and garbage set out regulations along with the spot blight acquisition code.

The Neighborhood Relations division works hand in hand with Chattanooga's neighborhood associations to identify and resolve specific community problems.



Goals and Objectives:

To empower the community to use the tools of code enforcement and citizen participation to guarantee that every neighborhood throughout Chattanooga offers a pleasant and peaceful environment and makes an appealing choice for residents.

Increase the investment in housing in every neighborhood in the City annually.

- ❶ To provide all neighborhoods the tools to make their community one that offers the real expectation of a sound investment and an appealing home.
- ❷ To increase housing investment in every neighborhood annually.
- ❸ Increase owner-occupied homes in every neighborhood.
- ❹ Increase commercial investment in neighborhoods zoned commercial and manufacturing.

Elimination of blight in Chattanooga

- ❶ Reduce abandoned vacant land
- ❷ Increase compliance by 5 - 10% annually

Performance Measures

	Actual FY09	Goal FY10	Actual FY10	Goal FY11
Abandoned vehicle CSRs closed on time	93.0%	95.0%	99.2%	95.0%
Housing CSRs closed on time	97.0%	95.0%	98.7%	95.0%
Litter CSRs closed on time	95.0%	95.0%	99.3%	95.0%
Vacant lot overgrowth CSRs closed on time	94.0%	95.0%	99.6%	95.0%
Non-vac overgrowth CSRs closed on time	97.0%	95.0%	98.5%	95.0%

Department of Neighborhood Services

Beverly P. Johnson, Administrator

Anthony Sammons, Deputy Administrator

www.chattanooga.gov/neighserv/

Department Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY10/11
Administration	\$ 516,367	\$ 532,183	\$ 524,218	\$ 523,707
Grants Administration	75,071	67,985	42,812	44,028
Codes & Community Svc	1,343,949	1,334,858	1,247,990	1,282,247
Neighbor Partners Project	43,224	55,000	55,000	55,000
Community Development	6,295,153	4,551,000	5,557,680	6,100,000
Total	\$ 8,273,764	\$ 6,541,026	\$ 7,427,700	\$ 8,004,982
Per Capita	\$ 53.43	\$ 42.24	\$ 43.47	\$ 46.72
Positions Authorized	36	36	36	35

Resources

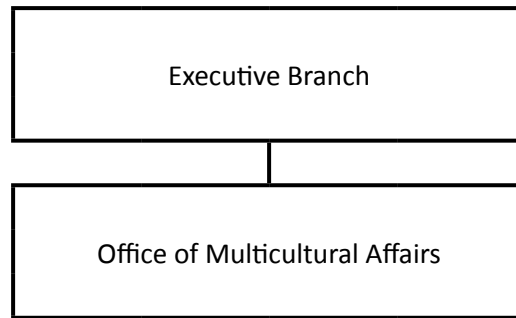
	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY10/11
Personnel	\$ 1,856,355	\$ 1,842,666	\$ 1,817,003	\$ 1,781,806
Overtime	425	170	1,000	1,000
Operating	6,416,984	4,698,190	5,609,697	6,222,176
Revenue	8,515,428	4,551,000	5,557,680	6,100,000



Executive Branch

Ron Littlefield, Mayor
L. Dan Johnson, Chief of Staff
www.chattanooga.gov

Mission: To provide executive leadership for City government and enhance the City's capability to meet the needs of citizens by facilitating the effective, efficient and innovative application of information and resources.



Description:

The Executive Branch is comprised of the Mayor's Office, Office of Multicultural Affairs, and Office of Faith Based Initiatives. The Mayor is elected-at-large for a four year term. He serves as the chief executive officer and oversees the operations of all city departments. The Mayor sets administrative procedures and provides direction and leadership in carrying out the wishes of the citizens in matters of government operations.

The Office of Multicultural Affairs (OMA) is responsible for reviewing, implementing, and monitoring public policy that affects the disadvantaged cultural communities in Chattanooga. The Office of Faith Based Initiatives was combined with the office of Multicultural Affairs in the FY2011 budget. This office attempts to develop partnerships and resources that would empower efficient models of government with business and faith-based cooperation.

Goals & Objectives: Office of Multicultural Affairs

Eliminate discrimination in all its forms.

- ❶ Track hotline complains of discrimination and report to board.
- ❷ Work with other agencies (i.e., UD, THRC, EEOC) to ensure City compliance.
- ❸ Act as resource to City of Chattanooga Departments to ensure compliance with non-discrimination policies at the Federal, State and Local level.

Create a climate for equity and equal opportunity.

- ❶ Organize committees and task forces to educate the community.

Promote cross cultural communication

- ❶ Create collaborative community projects.
- ❷ Identify and network with culturally diverse organizations and communities.

Open communication between conflicting groups

- ❶ Conduct research and studies.
- ❷ Liaison with appropriate advocacy groups to promote diversity principles.

Office of Faith Based Initiatives (Combined with the Office of Multicultural Affairs in FY2011)

Improve social services and their accessibility to all of our citizens

- ❶ Identify and assist in developing programs to address social issues in our neighborhoods and communities.
- ❷ Develop or enhance outreach programs that educate and enrich the lives of our youth and senior citizens.

Develop partnerships between government, business and faith-based organizations

- ❶ Assist social service programs that employ the resources of the faith community.
- ❷ Provide open communications between government agencies in the area of faith-based concerns.

Prevent and end chronic poverty and homelessness

Executive Branch

Ron Littlefield, Mayor

L. Dan Johnson, Chief of Staff

www.chattanooga.gov

Department Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Mayor's Office	\$ 851,968	\$ 822,445	\$ 871,587	\$ 891,984
Office of Faith Based Initiative	269,449	282,806	324,242	0
Great Ideas Competition	12,758	6,016	0	0
Office of Multicultural Affairs	294,174	301,591	384,284	393,599
Total Expenditures	\$ 1,428,349	\$ 1,412,858	\$ 1,580,113	\$ 1,285,583
Per Capita	\$ 9.23	\$ 13.82	\$ 9.25	\$ 7.50
Positions Authorized	15	16	16	15

Resources

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Personnel	\$ 1,165,856	\$ 1,157,450	\$ 1,267,898	\$ 1,049,943
Overtime	100	156	0	0
Operating	262,393	255,252	312,215	235,640
Revenue	0	0	0	0

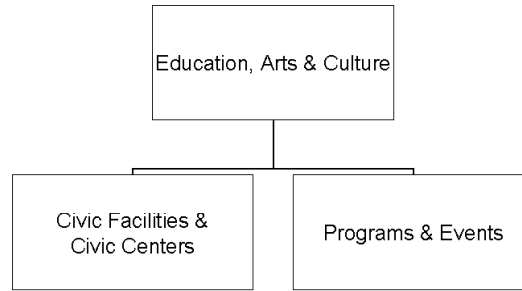


Department of Education, Arts & Culture

Missy Crutchfield, Administrator
 David Johnson, Deputy Administrator
www.chattanooga.gov

Mission:

To expand, enhance and increase awareness and opportunities related to education, arts and culture; to provide safe, attractive and accessible public venues that invite both active participation and passive enjoyment of entertainment, cultural, and educational programs; and to take a leadership role in coordinating Chattanooga's public, private and non-profit agencies to advance public art, foster the visual and performing arts, and support educational enrichment for all citizens.



Goals & Objectives:

To maximize usage of all City of Chattanooga venues and facilities, and identify new sources of funding.

- ❶ Provide safe and secure venues with quality programs and productions for all Chattanoogaans to enjoy.
- ❷ Identify and maintain opportunities for education, arts and cultural programs by actively seeking and sustaining sponsorships, partnerships and grants.
- ❸ Launch a capital campaign for renovation of the Soldiers and Sailors Memorial Auditorium, the Tivoli Theatre, and the Community Theatre.
- ❹ Promote film production through the Chattanooga SE/TN Film Commission.
- ❺ Cultivate new partnerships with public and private educational institutions and organizations.
- ❻ Strengthen and develop effective community programming through collaboration with all City departments, as well as public and educational organizations.

To expand education, arts and cultural opportunities for underserved segments of the community.

- ❶ Increase and develop networking and programming opportunities between education, arts and cultural groups, schools, recreation centers, and area churches.
- ❷ Expand programming that addresses diversity issues, social issues and community concerns.
- ❸ Continue to work with area social services, art, and educational agencies to expand access to education, arts and cultural programs within the community.

To enhance the visibility of the arts in Chattanooga.

- ❶ Maintain the integrity and historic preservation of the City of Chattanooga civic facilities.
- ❷ Collaborate with local education, arts and cultural groups to promote growth of special events and on-going programs at City of Chattanooga public sites.
- ❸ Use City of Chattanooga civic facilities, civic centers, recreation facilities, and outdoor sites for Education, Arts & Culture events and programs.
- ❹ Identify opportunities for partnerships with all print, broadcast and on-line media to create new outlets for education, arts and cultural information.

Description:

Education, Arts and Culture provides a wide variety of activities throughout the city through its civic facilities. The department consists of two major Civic Facilities and three Civic Centers. Civic Facilities manage, maintain and promote the use of the Memorial Auditorium and Tivoli Theatre. These facilities offer a gathering place for all citizens to enjoy the arts, special events, as well as regular programming for the public. They also host a wide variety of programming for school groups and young children. The Civic Centers promote the arts with programs that include art, craft, and music classes at Eastgate Senior Activity Center, Heritage House, and North River Civic Center. In addition to programs and information, publications are released to further enhance the awareness of the arts.

Performance Measures

	Actual FY09	Goal FY10	Actual FY10	Goal FY11
Civic Facilities - Attendance	225,952	250,000	247,452	250,000
Civic Facilities - # of Events	308	375	343	375
Civic Centers - Attendance	55,718	60,000	66,974	68,983
Civic Centers - # of Events	2,166	2,000	2,251	2,200

Department of Education, Arts & Culture

Missy Crutchfield, Administrator

David Johnson, Deputy Administrator

www.chattanooga.gov

Department Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11
Administration	\$ 377,478	\$ 325,260	\$ 346,131	\$ 344,415
Civic Facilities	1,556,138	1,443,608	1,599,865	1,647,844
Arts & Culture	289,162	255,535	276,380	288,431
Programs	56,572	61,680	63,550	3,192
Total Expenditures	\$ 2,279,350	\$ 2,086,083	\$ 2,285,926	\$ 2,283,882
Per Capita	\$ 14.73	\$ 13.82	\$ 13.38	\$ 13.33
Positions Authorized	26	26	27	27

Resources

	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	Budget FY 10/11
Personnel	\$ 1,297,025	\$ 1,330,338	\$ 1,376,891	\$ 1,360,954
Overtime	40,438	23,448	42,271	41,500
Operating	941,887	755,741	866,764	881,428
Revenue	1,021,888	734,607	625,000	702,900



Department of General Services

Paul Page, Director

www.chattanooga.gov/Gen_Serv

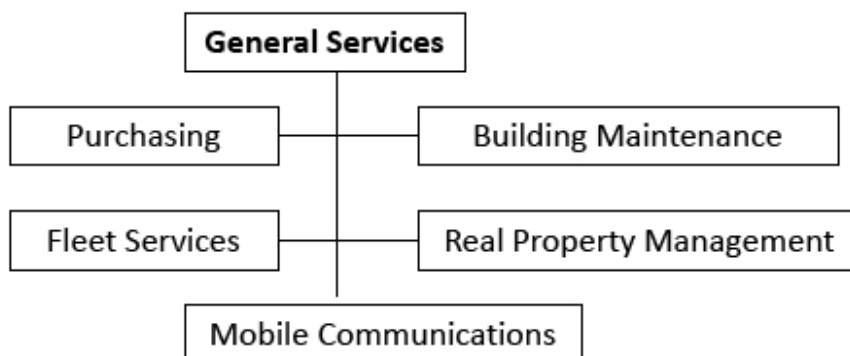
Mission:

To provide quality services and controls in the areas of City-wide purchasing, fleet services, building maintenance, real property management, and mobile communications.

Description:

General Services provides support to other city departments and agencies in the areas of purchasing, building maintenance, real property management, mobile communications, and fleet services.

The Purchasing area is responsible for obtaining the maximum value at lowest possible cost through a centralized purchasing function and also seeks to obtain the greatest possible revenue for the disposal of by-products and surplus assets. Building Maintenance is responsible for the repair and maintenance of all buildings within and near the City Hall Campus. Custodial services, minor maintenance and repairs are done by city employees, while major or more extensive maintenance/repairs are contracted to private organizations. Real Property Management area is responsible for acquiring property, selling of surplus property, leasing land or buildings, maintaining City owned back-tax properties and keeping all of the city real estate records. Mobile Communications Services provides management and maintenance of Tennessee Valley Regional Communications System (TVRCS) on a 24 hour basis. The TVRCS is an APCO P23 communications trunking system encompassing a region that includes ten counties in Tennessee and three counties in Georgia which includes over 23 radio sites, four 911 centers and 2 other dispatch centers. Fleet Services is comprised of two main areas the service station and garage. Fleet maintenance which includes two automotive repair centers and three fueling stations which serves not only the City but several outside local government agencies and non-profit organizations for their EMS, Police and Fire. Fleet Management utilizes an internal leasing program to distribute the fully burdened cost allocation of vehicle and equipment assets to the departments who utilize them.



Goals & Objectives:

Improve the efficiency and quality of purchases

- 1 Use state of the art technology to improve business processes
- 2 Re-engineering the purchasing process and reducing paper processes

To Operate building maintenance in an efficient manner

- 1 Provide clean, safe, and well maintained workplaces for all employees
- 2 Exercise the capability of appropriately allocating our resources
- 3 Meet and fulfil all customer service requests to the best of our ability
- 4 Work independently or as part of a working team

To provide quality repair services and technological guidance to our customers

- 1 Provide a reliable communication system with unplanned downtime not to exceed 0.001% over the course of the year.
- 2 Provide focus and direction in establishing objectives for the current and future wireless technology needs of the City of Chattanooga and other TVRCS partners.

To manage the City's real property in a responsible and efficient manner

- 1 Fine tune departmental strategies for disposition, development or redevelopment of vacant, surplus and back-tax properties.
- 2 Maintain professional relationships with associations, realtors and developers.

To insure efficiency in both Fleet Management and Fleet Maintenance

- 1 Reduce fleet operational costs (fuel and maintenance) by purchasing more fuel efficient vehicles and proper lifecycle timing of acquisitions and disposals.
- 2 Reduce overall fleet size by fleet utilization analysis of departmental use.
- 3 Create a revolving fleet replacement fund by internal fleet leasing program with lease costs lower than private sector leasing.
- 4 To provide safe reliable vehicles and equipment to the user department at the lowest possible cost with the least possible interference with operations.
- 5 Maintain equipment technician efficiency by training and ASE and/or EVT certified.

Department of General Services

Paul Page, Director

www.chattanooga.gov/Gen_Serv

Performance Measures

	Actual FY09	Goal FY10	Actual FY10	Goal FY11
Total City Fleet	1773	1780	1786	1775
Total City Fleet Repairs and Maintenance	\$ 13,594,949	\$ 5,900,000	\$ 5,980,035	\$ 6,000,000
% Bldg Maint. Service Request Resolved on-time	78.5%	80.0%	60.7%	80.0%

*FY09 actual increase due to replacement of garbage truck arms

Department Summary

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget** FY10/11
Gen Svc Admin	287,371	343,791	310,220	451,787
Purchasing	727,112	724,914	692,677	770,279
Bldg. Maintenance	780,952	1,093,553	901,616	1,126,366
Mobile Communications*	469,315	414,605	491,062	-
Real Est./Prop. Maint/CCRC homeless	88,568	65,716	60,037	242,860
Total General Fund	\$ 2,353,318	\$ 2,642,579	\$ 2,455,612	\$ 2,591,292
Fleet Services Operations	11,730,860	11,740,557	11,073,033	17,453,651
Heritage Ctr. Maint.	146,280	138,215	120,999	120,999
TN Valley Regional Communications*	-	-	-	856,954
DRC	485,727	460,810	445,324	445,324
TOTAL GEN SVCS EXPENDITURE	\$ 14,716,185	\$ 14,982,161	\$ 14,094,968	\$ 21,468,220
Per Capita	\$ 95.09	\$ 96.81	\$ 82.48	\$ 125.29
Positions Authorized	101	101	106	107

Resources

	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget** FY10/11
Personnel	\$ 4,557,380	\$ 4,581,759	\$ 4,874,626	\$ 4,950,000
Overtime	49,850	53,680	29,681	30,000
Operating	10,108,955	10,346,722	9,190,661	16,488,220
Revenue	13,291,947	13,316,685	11,967,540	18,310,605

* Mobile communications has been moved to special revenue fund as TN Valley Regional Communications in FY11

** Non General fund budgets are estimates.

Debt Service Fund

The Debt Service Fund was established to account for all principal and interest payments on the City's long-term debt. This fund is accounted for using the modified accrual method of accounting. The long-term debt is composed of City of Chattanooga General Obligation Bonds, Notes Payable, and Capital Leases. A majority of the outstanding debt is general obligation bonds. The debt can be either Direct Indebtedness, in which case an operating transfer is made from the General Fund for the maturity payments, or it can be an Indirect Indebtedness, with the supporting fund transferring funds for the maturities. The following chart shows the history of the City's debt over the past seven years and the relationship between Direct and Indirect Indebtedness.

Gross outstanding indebtedness as of June 30, 2010 is \$436,663,186. This amount includes a 30-year Chattanooga Downtown Redevelopment capital lease of \$106,308,081 with final payment due on October 1, 2030. Total authorized unissued debt at June 30, 2010 related to the 2004 TMBF Loan is \$378,756.

The City government is authorized by the City Charter to issue bonds. Title 6, Chapter V, Article I, Section 6.107 of the Charter creates this authority and at the same time creates a debt limit.

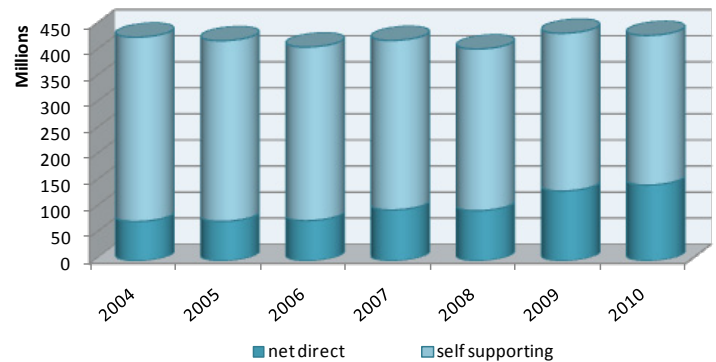
Sec.6.107. General Debt Limit. Hereafter no bonds shall be issued by the City of Chattanooga in such an aggregate amount as will create or increase the total bonded indebtedness of said City more than ten percent (10%) of the assessed valuation for the preceding year of all taxable property in said City.

The chart to your right shows the debt limit for the past seven years, based upon the assessed property valuation for the same period of time. After viewing the debt limits imposed by the City Charter when considering the assessed property valuation, the next chart presented compares the Net Direct Indebtedness with the 10% Debt Limit.

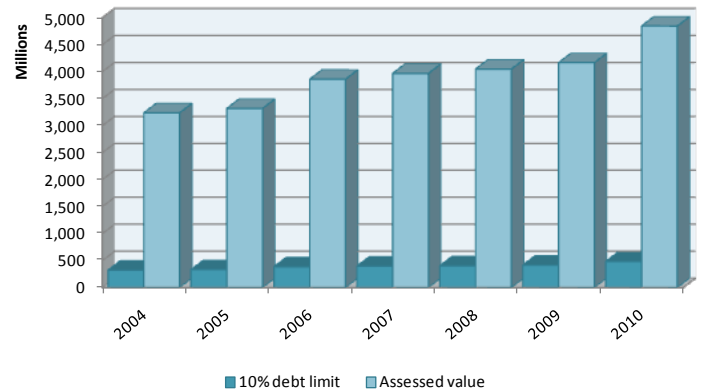
The Net Direct Indebtedness is the Gross Indebtedness less the Self-Supporting Indebtedness and the Debt Service Fund Balance for each year. As is evidenced by the following chart, the City's Net Legal Debt Margin is very favorable.

In October 2000, the City entered into a 30-year noncancelable capital lease agreement with the

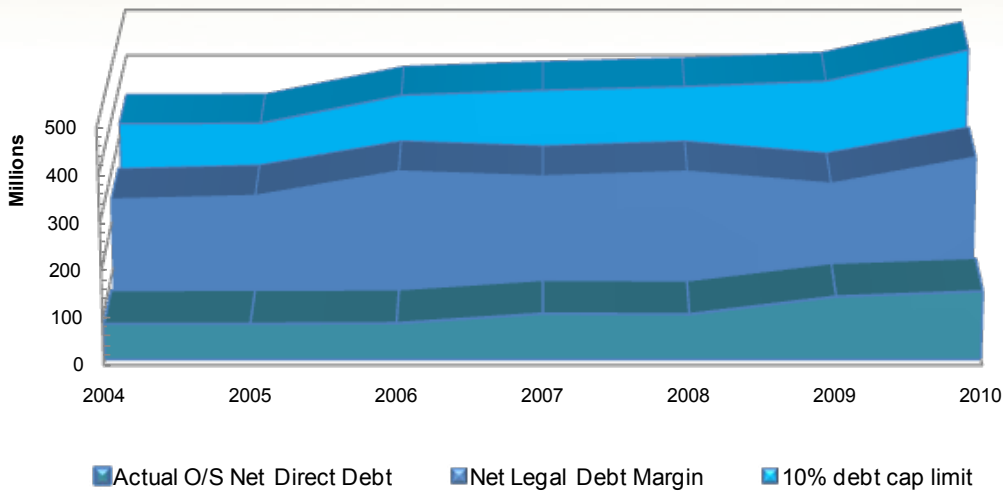
**Outstanding debt
Fiscal Year 2004-2010**



**General Obligation Debt Limit
Fiscal Year 2004-2010**



**Actual Outstanding Debt vs Debt Limit
Fiscal Year 2004-2010**



Chattanooga Downtown Redevelopment Corporation (CDRC), formerly the Southside Redevelopment Corporation, for the purpose of financing the cost of designing, acquiring, constructing and equipping four (4) facilities in the Tourist Development Zone comprising of more than 631,210 sq. ft. at a cost of over \$120M. The lease provides for semi-annual payments in amounts sufficient to meet the annual debt service requirements on \$129M in revenue bonds issued by the Industrial Development Board (IDB) of the City of Chattanooga on behalf of the CDRC, a non-profit corporation. IDB bonds are secured by payments to be made by the CDRC. The lease payments are funded by the city's share from the 1/4% increase in the county-wide sales tax passed by the county-wide referendum (see overlapping debt schedule), income from The Chattanooga, state incremental sales tax generated in the Tourist Development Zone and interest income from a debt service fund in excess of \$9M included as part of the bond issue. The City's obligation under the capital lease is estimated at \$106,308,081 at June 30, 2010. The debt service reserve fund held by the fiscal agent at June 30, 2010 amounts to \$9,995,527. The fiscal agent is required by the agreement to apply any interest on the debt service reserve fund toward the lease payments. The debt service reserve fund will be used to retire debt near the end of the lease. Beginning in FY2003, this long-term lease agreement is reported as an obligation from the City resulting in a high increase in the gross outstanding debt.

In order to take advantage of declining interest rates in 2002, the City issued \$58,130,000 General Obligation Refunding Bonds and \$38,290,000 Series A Refunding Bonds. These bonds refunded certain outstanding issues in FY02. That same year, the City also issued \$54,990,000 Hotel-Motel Tax Revenue Pledge Bonds for the 21st Century Waterfront Plan which is for the improvement in the downtown and riverfront area to encourage tourism and enhance the quality of life in Chattanooga.

In FY03, the City issued \$12,190,000 General Obligation Bonds and \$13,175,000 Sewer Refunding Bonds. The City also entered into a loan agreement with the State of TN Department of Environment and Conservation for an amount up to \$37,321,000 from the State Revolving Loan Fund. This loan is for sewer projects related to upgrades & expansion of the Moccasin Bend Waste Water Treatment Plant. Loan funds are drawn as needed. The loan has an interest rate of 2.98% with repayment over 20 years.

In FY04, the City entered into an agreement with the Tennessee Municipal Bond Fund for a variable rate loan not to exceed \$6,000,000. This debt is to partially fund certain projects in the FY02 Capital Budget. The City also increased the State Revolving Loan Fund debt by \$3.4M increasing the total loan amount from \$37,321,000 up to \$40,721,000. Pursuant to a loan agreement with Fannie Mae American Communities Fund, the City is authorized to incur indebtedness up to \$5,000,000 to finance the cost of infrastructure relative to the Alton Park Hope VI grant as part of the City's match. The source of funds for repaying the loan shall be program income generated by Chattanooga Neighborhood Enterprise (CNE) from the use of funds obtained through Community

Development Block Grant (CDBG) activities. In the event program income is insufficient to pay the loan, the City pledges to pay the same from available appropriations or reserves. The loan is structured on a ten-year amortization schedule with the possibility of an earlier lump-sum payment. Funds will be drawn as needed and as of June 30, 2010, \$4,576,000 had been drawn, retired \$305,000 in FY10 and outstanding balance is \$4,271,000. A five year Capital Lease Agreement for \$3.8M was entered into by the city for the 800 MHz Communication System. Lease payments will be funded by the Hamilton County Emergency Communication District (911) subject to availability of funds, pursuant to an interlocal agreement between the City, Hamilton County and 911. Last payment was paid July 1, 2009.

In 2004 the CDRC entered into a swaption contract to provide an upfront payment of \$3,088,000 based on a notional amount of \$59,655,000. As a synthetic refunding of its 2000 bonds, this payment represents the risk-adjusted, present-value savings of a refunding in October 2010 without issuing refunding bonds currently. The counterparty has the option to exercise the agreement on October 1, 2010. The fixed rate swap (5.45%) was set at a rate that, when added to an assumption for remarketing and liquidity costs, will approximate the coupons of the "refunded" bonds. The swap's variable payment would be based on the Bond Market Association Municipal Swap Index. At June 30, 2010, the swap had a negative fair value of \$13,565,247 and was terminated early in FY11.

In FY05, the City issued \$51,375,000 General Obligation Refunding Bonds Series 2005A. These bonds refunded portions of outstanding issues of 2001 General Obligation, 2002 Hotel-Motel Tax, 1998 Sewer, Storm Water and Solid Waste General Obligation and 2001 Storm Water and Solid Waste General Obligation bonds. In December 2004, the City received approval to enter into an agreement with the Public Building Authority of Clarksville, Tennessee (PBACC) from the Tennessee Municipal Bond Fund Series 2004 for an amount not to exceed \$25,000,000 including originating cost of the loan used to fund the Fiscal Year 2004 and 2005 Capital Projects. As of June 30, 2010, \$24,459,915 had been issued out of the total \$24,838,671 estimated projects cost.

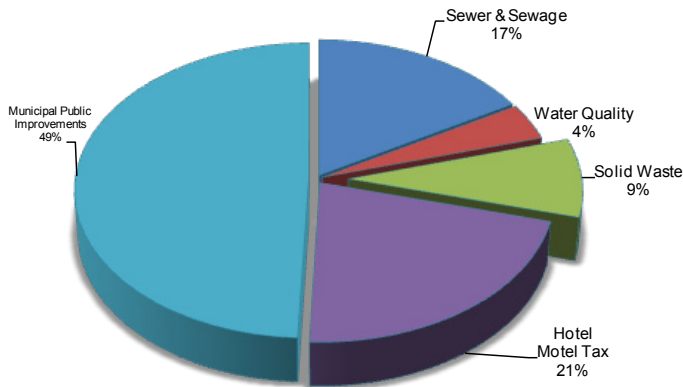
In FY07, the City issued \$26,400,000 General Obligation Bonds, Series 2006A. These bonds were issued to support the FY06 & FY07 capital improvement budgets of which \$5.7M for SolidWaste or landfill improvements and \$20.4M general government capital improvement including \$2M as a portion of the costs of a public building housing an animal shelter to be owned by the City and operated by the Animal Care Trust, a Tennessee not-for profit institution operating under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The City also issued \$56,110,000 Lease Rental Revenue Refunding Bonds, Series 2007. The proceeds of the Series 2007 Bonds are to be used to (i) advance refund \$55,340,000 in aggregate principal amount outstanding of certain of the Prior Bonds (Series 2000), and (ii) pay the costs of issuing the Series 2007 Bonds. The proceeds of the Series 2007A Bonds (\$17,750,000) were issued to provide the funds to advance refund certain outstanding maturities of the General Obligation Bonds, Series 2001 totaling \$17,715,000.

In FY08, The City entered into a loan agreement with the State of TN Department of Environment and Conservation for an amount up to \$13,000,000 from the State Revolving Loan Fund. This loan is for sewer projects related to upgrades & expansion of the Moccasin Bend Waste Water Treatment Plant. As of June 30, 2010 the City had drawn all of the loan. The loan has an interest rate of 2.79% with repayment over 20 years.

In FY09, the City issued \$45,415,000 General Obligation Bonds, Series 2009A. These bonds were issued to support the FY08 & FY09 capital improvement budgets including \$10,963,319 for Summit of Softball, \$5,713,000 for new fire hall near ESIP/VW, \$5,550,000 for ERP software, \$3,312,000 for North Shore Garage, \$2,293,000, for Warner Park improvements and \$14,420,154 for Road Improvement projects.

In FY10, the City issued \$6,725,000 General Obligation 2010 A Series bond for funding Mesh Network project at \$1,500,000, Fire capital projects at \$3,188,945, ESIP Railway Lines at \$1,308,677 and \$375,000 of other projects. City also issued \$34,265,000 General Obligation 2010B Series refunding bond which refunded \$27,900,000 of 2002 Hotel-Motel Tax pledge and \$4,440,000 of 2003 GO bonds. In addition to that, City issued 2010C series

**General Obligation Bond by Purpose
Fiscal Year 2010**



Recovery Zone Facility Bonds in the amount of \$6,840,000, used entirely for local commitment to Volkswagen..

\$436,663,186 Gross Outstanding Indebtedness of the City of Chattanooga as of June 30, 2010 reflects the financing decisions being made by the City to meet its long-term goals.

As the pie chart points out, the City is concentrating on Sewer and Municipal Public Improvements Bonds to satisfy the needs generated by these goals. All of the Sewer portion of the debt and 35% of the debt for Municipal Public Improvements is self supported debt.

The City is in an excellent position to issue additional debt if required for future projects. The operating transfer from the General Fund to pay the non-supported portion of the debt has remained fairly constant for the past six years, as reflected in the following chart.

In FY 2006, the General Fund appropriated \$9,801,307 for debt service. This increase from FY05 covered additional funds withdrawn from authorized bonds and loans in FY05 and paid in FY06.

In FY 2007, the General Fund appropriated \$11,567,051. This increase from FY06 reflects an anticipated debt issue of \$30M to cover FY06 and FY07 capital project expenditures.

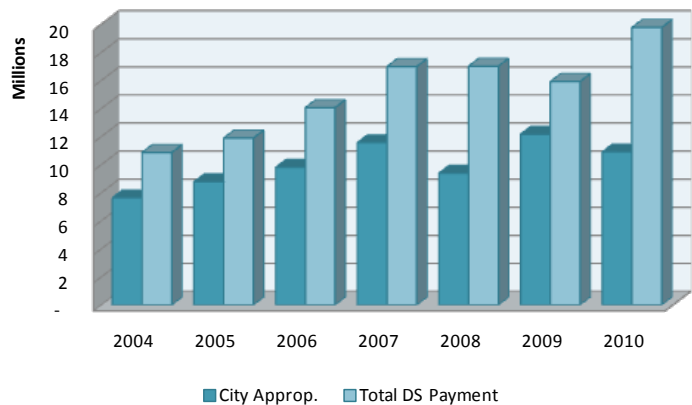
In FY 2008, the General Fund appropriated \$9,392,174. This decrease from FY07 is due to the effect of 2007A Refunding, debt retirements and the planned use of \$567,100 from the Debt Service fund balance.

In FY 2009, the General Fund appropriated \$12,166,456. This increase from FY08 is due to the principal retirement structure of existing debt.

In FY 2010, the General Fund appropriated \$10,906,307. This year portion of debt service fund balance was used to pay current year debt service

In FY 2011, the General Fund appropriated \$15,494,470. This increase over FY10 reflects the three new bond issues in FY10.

**General Fund Debt Service Appropriation
Fiscal Years 2004 thru 2010**



Overlapping Debt

In addition to the City, the County has the power to issue debt and to levy taxes or cause taxes to be levied on taxable property in the City. As of June 30, 2010, the County had gross outstanding general obligation bonded debt of \$206,960,000 and net indebtedness of \$206,662,297. The percentage of County net indebtedness applicable to the City is 60.1216% or \$154,968,909. Also included in this section on Debt Service are schedules on Debt Ratios as of June 30, 2010, Historical Debt Ratios, and an analysis of General Obligation Debt as of June 30, 2010.

Outstanding General Obligation Debt

General Obligation Bonds by Purpose	
Municipal Public Improvement ⁽¹⁾	207,398,317
Sewer and Sewage Facilities	<u>41,146,682</u>
Total Bonded Indebtedness	248,544,999
Other Long-Term Indebtedness	
Chatt. Downtown Redev. Capital Lease	106,308,081
HUD Sec 108 Notes	4,271,000
2009 Golf Course Capital Lease	223,738
General Obligation Capital Outlay Notes	<u>77,315,368</u>
Total Long-Term Indebtedness	<u>188,118,187</u>
Gross Direct Indebtedness	436,663,186
Less: Self-Supporting Indebtedness	
Sewer and Sewage Facilities Bonds ⁽²⁾	41,146,682
State Revolving Loan-CSO (ISS portion) ⁽³⁾	44,876,223
State of GA Revolving Loan (ISS portion) ⁽⁴⁾	4,035,967
Cap Lease City of Collegedale (ISS)	122,705
Chatt. Downtown Redev. Capital Lease ⁽⁵⁾	106,308,081
State Revolving Loan-CSO (Water Quality portion) ⁽³⁾	496,905
Tennessee Municipal Bond Notes (SoWa) ⁽⁶⁾	788,453
Municipal Public Improvement Bonds(StWa&SoWa) ⁽⁶⁾	31,334,107
Hotel/Motel Tax Revenue Pledge	53,455,510
HUD Sec. 108 Notes	4,271,000
2009 Golf Course Capital Lease (Golf Cart)	<u>223,738</u>
Total Self Supporting Indebtedness	287,059,370
Debt Service Fund ⁽⁷⁾	<u>4,188,650</u>
Net Direct Indebtedness	145,415,166
Plus: Estimated Net Overlapping Indebtedness	<u>154,968,909</u>
Net Direct and Net Overlapping Indebtedness	<u>300,384,075</u>

- Note:*
- (1) \$170,000 is payable from the hotel-motel tax collected by Hamilton County for such purpose,
 - (2) Sewer and Sewage Facilities Bonds have the pledge of unlimited ad valorem taxes on all taxable property in the City for their repayment. However, such bonds have been paid by the City from revenues derived from the operation of the City's Interceptor Sewer System.
 - (3) This amount represents 100 percent of the outstanding balance on a State revolving loan, which will be paid by the City from revenues derived from the operations of the City's Interceptor Sewer System and from the operations of the Water Quality fund.
 - (4) The City of Chattanooga is the lead agent on the State of Georgia Revolving Loan; however, the debt is to be repaid by participating North Georgia municipalities.
 - (5) Funding will be paid by revenues from incremental State sales tax, profits from the Chattanooga center, and the city's Share of the 1/2% increase in the county-wide sales tax passed by county-wide referendum held in February 2004. This increase replaced the 1/2% city-only sales tax effective July 1, 2004.
 - (6) \$31,334,107 represents the outstanding balance of 1998 through 2007A Municipal Public Improvement Bonds of which \$9,962,495 is related to Water Quality and \$21,371,612 is related to Solid Waste, which will be paid by the city from the revenue derived from the operations of these funds. \$327,056 & \$461,396 from the 2003 and 2004 Tennessee Municipal Bond Fund, respectively.
 - (7) This represents unaudited Fund Balance at June 30, 2010.

Debt Ratios

The following table sets forth certain ratios relating to the City's general obligation indebtedness as of June 30, 2010.

	<u>Amount of Indebtedness</u>	<u>Per Capita</u> ¹	<u>Percentage of Assessed Valuation</u> ²	<u>Percentage of Full Valuation</u> ³
Gross Direct Indebtedness ⁴	\$ 436,663,186	\$ 2,548	9.01%	2.85%
Net Direct Indebtedness ⁴	145,415,166	849	3.00%	0.95%
Gross Direct and Net Overlapping Indebtedness ⁵	300,384,075	1,753	6.20%	1.96%
Net Direct and Net Overlapping Indebtedness ⁵	300,384,075	1,753	6.20%	1.96%
Per Capita Assessed Valuation ¹	\$28,280 *			
Per Capita Full Valuation ¹	\$89,334 *			

*Based on 2009 population estimate.

- Notes:
- (1) The City's population in 2010 was estimated at 171,349.
 - (2) The City's preliminary assessed valuation of taxable property as of June 30, 2010 was \$4,845,694,497.
 - (3) The City's estimated full valuation of taxable property as of June 30, 2010 was \$15,307,270,881.
 - (4) See "Historical Debt Ratios" under this section.
 - (5) The County's net overlapping indebtedness is \$257,758,982. The City's share is \$154,968,909. (60.1216%).

<u>Ratio</u>	<u>Requirement</u>	<u>Actual</u>
General Fund Balance Requirement	15%	16.15%
Average Life of Total Debt	≤ 10 Years	9.7 Years
Percentage of Principal Paid within 10 Years	≥ 50%	57.7%
Per Capita Debt/Per Capita Income	≤ 4%	2.44%
Per Capita Debt/Per Capita Assessed Value	≤ 4%	3.00%
Debt Service/General Fund Operation Expense	≤ 10%	7.73%

Other Long-Term Indebtedness

As of June 30, 2010, the City had the following other outstanding long-term indebtedness.

	Outstanding Amount	Issue Dated Date	Maturity
State of Tennessee Revolving Loan 1992	993,809	03/01/1993	02/28/2013
State of Tennessee Revolving Loan 2003	31,379,318	02/03/2003	10/20/2024
Tennessee Municipal League Bond Pool (1997)	1,454,023	02/01/1997	05/25/2012
State of Georgia Revolving Loan (1)	4,035,967	07/01/2000	10/01/2019
Fire Hall Land Note (2)	18,059	04/01/1999	04/01/2014
Capital Lease City of Collegedale (3)	122,705	10/01/2000	08/01/2014
Chatt. Downtown Redev. Corp. Capital Lease (4)	106,308,081	07/01/2002	10/01/2030
800 MHz Equipment Capital Lease	0	10/01/2003	07/01/2009
Tennessee Municipal League Bond Pool (2003)	3,552,000	09/07/2003	05/25/2018
Tennessee Municipal League Bond Pool (2004)	19,254,118	05/20/2005	04/20/2025
Hennen Land Note (2008) (5)	453,498	01/15/2007	12/15/2013
Petros Land Note (2008) (5)	250,000	03/31/2008	03/13/2011
HUD Section 108 Loan Program (2008) (6)	4,271,000	06/01/2008	06/01/2024
2009 IDB Foreign Trade Zone (7)	51,871	07/01/2009	06/30/2013
2009 Golf Course Capital Lease	223,738	07/01/2009	06/30/2014
2010 VAAP Land Note (8)	2,750,000	07/01/2005	06/30/2015
Total	<u>\$ 175,118,187</u>		

Notes:

- (1) Loan agreement with the State of Georgia.
- (2) Land purchased for \$45,000 to build a Fire Super Station. Term of Loan - 15 years at 9.5%.
- (3) To lease and purchase an interceptor gravity sewer line, force main, pump station, easements and fee for property associated with purchase
- (4) Construction and purchase of the Conference Center (Chattanooga), Trade Center expansion, Development Resource Center, Parking Garage and associated infrastructure improvements.
- (5) Land purchases to support 1 Public Works road improvement project and 1 Parks greenway project
- (6) Loan agreement to pay off Fannie Mae note and establish a brownfield revolving loan fund. Community Development Block Grant program income will be used to retire the debt.
- (7) Note for FTZ related to Volkswagon
- (8) Purchase of former Volunteer Army Ammunition Plant 1,024 acre land for development of Enterprise South Industrial Park in 2005 with payment deferred 10 years, payable in 2015.

Future Capital Financing

Each year the City develops and formally adopts a long range, five year capital improvement program (CIP). Annually, as part of the CIP process, the City departments are asked to review and prioritize their capital needs for the next five years. The capital projects for the first fiscal year of the five year CIP form the basis of the capital budget for that fiscal year. When the capital budget projects are finalized for the fiscal year, those projects are formally adopted by the City Council. The capital budget is funded each year from a variety of sources including debt proceeds, City appropriations, and Federal and State aid. Since departmental needs often change over time, the CIP is considered preliminary and subject to change until a capital budget is formally adopted by the City Council for a given fiscal year.

Capital Improvement Program Fiscal Years 2011 thru 2015

Department	2011	2012	2013	2014	2015
General Government	\$10,180,000	\$2,760,000	\$1,340,000	\$1,212,500	\$1,285,000
Public Works	41,314,753	72,122,653	35,854,153	48,466,653	22,742,000
Parks & Recreation	1,964,950	4,422,000	5,448,000	1,958,000	795,000
EAC	-	200,000	200,000	200,000	200,000
Police	0	867,100	810,550	326,600	326,600
Fire	1,335,000	2,071,800	3,103,350	2,396,000	3,585,000
Total	\$ 54,794,703	\$ 82,443,553	\$ 46,756,053	\$ 54,559,753	\$ 28,933,600

City of Chattanooga, Tennessee
General Obligation Self Supporting Bonded Debt Service Requirements
As of June 30, 2010
Sewer & Sewage Facilities Bonds
Municipal Public Improvement Bonds (Water Quality and Solid Waste)
and State Revolving Loan (CSO)
(Water Quality and Solidwaste)

Fiscal Year	Principal	Interest	Total P & I Requirements
2011	13,263,422.42	4,722,373.69	17,985,796.11
2012	11,409,006.10	4,172,853.76	15,581,859.86
2013	11,649,640.79	3,663,450.48	15,313,091.27
2014	10,691,589.17	3,186,114.08	13,877,703.25
2015	10,940,027.41	2,723,234.39	13,663,261.80
2016	9,288,490.11	2,285,408.64	11,573,898.75
2017	9,677,127.11	1,873,730.05	11,550,857.16
2018	10,080,874.17	1,445,030.87	11,525,905.04
2019	8,874,823.33	1,038,586.47	9,913,409.80
2020	3,942,459.01	784,539.93	4,726,998.94
2021	3,816,805.18	672,355.75	4,489,160.93
2022	3,914,591.18	546,721.94	4,461,313.12
2023	4,014,584.18	421,470.33	4,436,054.51
2024	4,126,820.60	289,632.92	4,416,453.52
2025	2,684,057.98	155,682.02	2,839,740.00
2026	1,543,360.18	68,142.61	1,611,502.79
2027	933,360.94	11,545.20	944,906.14
2028	1,950,000.00	0.00	1,950,000.00
Total	\$ 122,801,039.86	\$ 28,060,873.13	\$ 150,861,912.99

Does not include CDRC (Southside) Capital Lease of \$106,308,6081 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2010 consist of 2004 TMBF Loan of \$378,756.

City of Chattanooga, Tennessee
General Obligation Debt Service Requirements
As of June 30, 2010

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	15,843,828.66	13,985,897.12	29,829,725.78
2012	14,749,140.71	13,422,438.22	28,171,578.93
2013	14,559,414.32	12,880,552.87	27,439,967.19
2014	14,441,042.05	12,361,302.39	26,802,344.44
2015	17,706,056.02	11,824,393.89	29,530,449.91
2016	15,294,264.82	11,253,111.22	26,547,376.04
2017	14,983,640.82	10,659,211.24	25,642,852.06
2018	15,627,205.54	10,042,804.09	25,670,009.63
2019	14,338,950.82	9,350,232.05	23,689,182.87
2020	14,773,401.82	8,702,647.77	23,476,049.59
2021	15,378,600.82	8,126,426.25	23,505,027.07
2022	16,003,747.82	7,418,310.46	23,422,058.28
2023	16,662,174.82	6,692,498.67	23,354,673.49
2024	17,182,399.40	5,851,763.33	23,034,162.73
2025	16,310,122.82	5,023,655.98	21,333,778.80
2026	17,085,425.82	4,161,306.14	21,246,731.96
2027	15,004,266.55	3,252,449.30	18,256,715.85
2028	14,671,391.00	2,454,296.50	17,125,687.50
2029	15,220,579.00	1,722,932.75	16,943,511.75
2030	13,706,492.40	943,397.00	14,649,889.40
2031	4,320,000.00	172,800.00	4,492,800.00
Total	\$ 313,862,146.03	\$ 160,302,427.24	\$ 474,164,573.27

Includes CDRC (Southside) Capital Lease of \$106,308,6081 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2010 consist of 2004 TMBF Loan of \$378,756.

GOVERNMENTAL ACTIVITIES

Serial Bonds:

	Outstanding July 1, 2009	Interest Pd FY 2010	Issued FY 2010	Retired FY 2010	Refunded FY 2010	Outstanding 06/30/10	Maturing FY 2011	Interest Payable FY 2011
1998 Public Improvement Refunding	5,366,500.00	248,200.74		1,501,000.00		3,865,500.00	1,593,800.00	163,094
2001 Municipal Public Improvement	0.00	0.00		0.00		0.00	0.00	0
2002 Municipal Public Refunding	5,575,000.00	260,187.52		695,000.00		4,880,000.00	720,000.00	223,847
2002 Series A Refunding	2,039,720.00	71,835.68		603,952.70		1,435,767.30	385,552.05	52,817
2002 Hotel-Motel Tax Pledge	47,320,000.00	1,472,362.50		950,000.00	27,900,000.00	18,470,000.00	1,030,000.00	786,894
2003 Series A General Obligation	8,110,000.00	225,298.13		800,000.00	4,440,000.00	2,870,000.00	830,000.00	113,770
2005A Municipal Public Improvement Refunding	17,197,982.00	742,030.03		1,195,886.00		16,002,096.00	1,245,032.00	699,314
2005A Hotel-Motel Tax Pledge Refunding	5,448,980.00	240,157.37		21,010.00		5,427,970.00	24,475.00	239,361
2006A Municipal Public Improvement	18,659,516.00	742,493.28		1,036,639.82		17,622,876.18	1,036,639.82	701,028
2007A Municipal Public Refunding	14,520,000.00	690,782.50		0.00		14,520,000.00	0.00	690,805
2009 Series A General Obligation	45,415,000.00	2,144,602.99		2,275,000.00		43,140,000.00	2,275,000.00	1,569,388
2010A Series GO Bond	0.00	0.00	6,725,000.00	0.00		6,725,000.00	340,000.00	557,535
2010 B Refunding Hotel Motel Tax Pledge	0.00	0.00	29,557,539.57	0.00		29,557,539.57	237,219.42	1,238,267
2010 B Refunding GO bonds	0.00	0.00	4,707,460.43	0.00		4,707,460.43	37,780.58	197,212
2010C Recovery Zone Facility Bonds	0.00	0.00	6,840,000.00	0.00		6,840,000.00	340,000.00	192,974
Total Serial Bonds	169,652,698.00	6,837,950.74	47,830,000.00	9,078,488.52	32,340,000.00	176,064,209.48	10,095,498.87	7,426,304

Notes Payable:

1997 TML Bond Fund	2,125,023.00	10,653.93		671,000.00		1,454,023.00	708,000.00	21,471
1999 Fire Hall Land Note	21,788.00	1,910.12		3,728.69		18,059.31	4,098.75	1,540
2003 TML Bond Fund	3,573,585.00	13,088.32		348,641.28		3,224,943.72	360,445.00	12,201
2004 TML Bond Fund	19,252,634.00	71,319.61	654,203.00	1,114,115.42		18,792,721.58	1,144,385.00	71,099
2008 Hennen Land Note	507,806.00			54,308.00		453,498.00	111,197.10	0
2008 HUD Section 108 Loan Program	4,576,000.00	192,232.40		305,000.00		4,271,000.00	305,000.00	164,740
2008 Petros Land Note	500,000.00			250,000.00		250,000.00	250,000.00	0
2009 IDB Foreign Trade Zone	98,000.00			46,129.10		51,870.90	12,000.00	0
2010 VAAAP Land Note	0.00	0.00	2,750,000.00	0.00		2,750,000.00	0.00	0
Total Notes Payable	30,654,836.00	289,204.38	3,404,203.00	2,792,922.49	0.00	31,266,116.51	2,895,125.85	271,051

Capital leases payable:

CDRC Capital Lease	108,937,617.00	7,064,814.40		2,629,535.60		106,308,081.40	2,789,754.00	6,894,284
800 MHz Equipment Capital Lease	600,159.00	8,600.61		600,159.00		0.00	0.00	0
2009 Golf Course Capital Lease	284,250.00	12,196.00		60,512.00		223,738.00	63,449.94	9,258
Total Capital Leases Payable	109,822,026.00	7,085,611.01	0.00	3,290,206.60	0.00	106,531,819.40	2,853,203.94	6,903,542
Total governmental activities	310,129,560.00	14,212,766.13	51,234,203.00	15,161,617.61	32,340,000.00	313,862,145.39	15,843,828.66	14,600,897

City of Chattanooga, TN
 Analysis of General Obligation Debt
 June 30, 2010

	Outstanding July 1, 2009	Interest Pd FY2010	Issued FY2010	Retired FY2010	Refunded FY2010	Outstanding 06/30/10	Maturing FY 2011	Interest Payable FY 2011
BUSINESS TYPE ACTIVITIES:								
Interceptor Sewer System:								
Serial Bonds:								
1998 Sewer & Sewage Facilities Refunding	10,752,100.00	544,131.01		910,500.00		9,841,600.00	963,300.00	492,602
2002 Municipal Public Refunding	15,157,763.00	672,127.95		2,532,248.25		12,625,514.75	2,653,776.25	547,767
2002 Series A Refunding	10,895,280.00	383,714.32		3,226,047.30		7,669,232.70	2,059,447.95	282,123
2003 B Sewer & Sewage Facilities Refunding	0.00					0.00	0.00	0
2005A Municipal Public Improvement Refunding	11,014,916.00	550,388.35		4,581.30		11,010,334.70	268.00	550,303
Total serial bonds	47,820,059.00	2,150,361.63	0.00	6,673,376.85	0.00	41,146,682.15	5,676,792.20	1,872,795
Notes payable:								
1992 CSO State Revolving Loan	670,082.00	23,532.00		173,178.00		496,904.00	180,198.00	16,512
1998 State of Georgia Revolving Loan	4,379,320.00	170,065.18		343,353.00		4,035,967.00	357,294.29	156,124
2003 State Revolving Loan	34,148,518.00	994,344.00		2,769,200.20		31,379,317.80	1,765,476.00	942,576
2007-204 State Revolving Loan	11,302,798.88	301,798.29	1,697,201.12			13,000,000.00	650,000.00	294,191
Total notes payable	50,500,718.88	1,489,739.47	1,697,201.12	3,285,731.20	0.00	48,912,188.80	2,952,968.29	1,409,403
Capital leases payable:								
2001 Capital Lease City of Collegedale	147,723.00	8,634.62		25,018.37		122,704.63	26,585.00	7,068
Total capital leases payable	147,723.00	8,634.62	0.00	25,018.37	0.00	122,704.63	26,585.00	7,068
Total Interceptor Sewer System	98,468,500.88	3,648,735.72	1,697,201.12	9,984,126.42	0.00	90,181,575.58	8,656,345.49	3,289,266

City of Chattanooga, TN
 Analysis of General Obligation Debt
 June 30, 2010

	Outstanding July 1, 2009	Interest Pd FY2010	Issued FY2010	Retired FY2010	Refunded FY2010	Outstanding 06/30/10	Maturing FY 2011	Interest Payable FY 2011
Solid Waste & Sanitation Fund:								
Serial Bonds:								
1998 Municipal Public Improvement Refunding	2,530,500.00	105,437.75		1,226,900.00		1,303,600.00	1,303,600.00	35,849
2001 Municipal Public Improvement	0.00					0.00	0.00	0
2002 Municipal Public Improvement-Refunding	4,857,341.00	231,913.09		874,349.35		3,982,991.65	919,259.75	185,349
2005A Municipal Public Improvement Refunding	8,994,089.00	429,433.51		206,192.59		8,787,896.41	212,187.00	422,112
2006A Municipal Public Improvement	5,100,484.00	202,956.72		283,360.18		4,817,123.82	283,360.18	191,622
2007A Municipal Public Improvement Refunding	2,480,000.00	117,990.00				2,480,000.00	0.00	117,990
Total serial bonds	23,962,414.00	1,087,731.07	0.00	2,590,802.12	0.00	21,371,611.88	2,718,406.93	952,923
Notes payable:								
2003 TML Bond Fund	362,415.00	1,327.34		35,358.72		327,056.28	36,555.00	1,237
2004 TML Bond Fund	488,281.00	1,720.99		26,884.58		461,396.42	27,615.00	1,746
Total Notes Payable	850,696.00	3,048.33	0.00	62,243.30	0.00	788,452.70	64,170.00	2,983
Total Solid Waste & Sanitation Fund	24,813,110.00	1,090,779.40	0.00	2,653,045.42	0.00	22,160,064.58	2,782,576.93	955,906
Water Quality Fund								
Serial Bonds:								
1998 Municipal Public Improvement Refunding	1,735,900.00	72,330.50		841,600.00		894,300.00	894,300.00	24,593
2001 Municipal Public Improvement	0.00					0.00	0.00	0
2002 Municipal Public Improvement-Refunding	3,629,895.00	173,308.96		653,402.40		2,976,492.60	686,964.00	138,512
2005A Municipal Public Improvement Refunding	5,404,033.00	264,097.01		62,330.10		5,341,702.90	63,038.00	261,903
2007A Municipal Public Improvement Refunding	750,000.00	35,682.50				750,000.00	0.00	35,683
Total serial bonds	11,519,828.00	545,418.97	0.00	1,557,332.50	0.00	9,962,495.50	1,644,302.00	460,690
Notes payable:								
1992 State Revolving Loan	670,083.00	23,532.00		173,178.00		496,905.00	180,198.00	16,512
	670,083.00	23,532.00	0.00	173,178.00	0.00	496,905.00	180,198.00	16,512
Total Water Quality Fund	12,189,911.00	568,950.97	0.00	1,730,510.50	0.00	10,459,400.50	1,824,500.00	477,202
Total Business-Type Activities	135,471,521.88	5,308,466.09	1,697,201.12	14,367,682.34	0.00	122,801,040.66	13,263,422.42	4,722,374
TOTAL GENERAL OBLIGATION DEBT	445,601,081.88	19,521,232.22	52,931,404.12	29,529,299.95	32,340,000.00	436,663,186.05	29,107,251.08	19,323,271

PRIMARY GOVERNMENT REVENUE BONDS AND OTHER DEBTS

	Outstanding July 1, 2009	Interest Pd FY2010	Issued FY2010	Retired FY2010	Refunded FY2010	Outstanding 06/30/10	Maturing FY 2011	Interest Payable FY 2011
Electric Power Board								
Revenue Bonds:								
2000 Electric System Revenue Bonds	4,800,000.00	190,800.00		1,600,000.00		3,200,000.00	1,600,000.00	117,000
2006B Electric System Refunding Revenue Bonds	23,430,000.00	957,556.26				23,430,000.00	0.00	957,556
2006A Electric System Revenue Bonds	40,000,000.00	1,704,325.00		1,070,000.00		38,930,000.00	1,110,000.00	1,660,725
2008A Electric System Revenue Bonds	219,830,000.00	10,764,500.00				219,830,000.00	0.00	10,764,500
Total Primary Government Revenue Bonds	288,060,000.00	13,617,181.26	0.00	2,670,000.00	0.00	285,390,000.00	2,710,000.00	13,499,781
Notes And Loans:								
Feb 05 Equipment Note	119,000.00	2,000.00		119,000.00		0.00	0.00	0
May 05 Equipment Note	103,000.00	2,000.00		103,000.00		0.00	0.00	0
Jun 05 Equipment Note	88,000.00	2,000.00		88,000.00		0.00	0.00	0
Oct 05 Equipment Note	100,000.00	2,000.00		100,000.00		0.00	0.00	0
Dec 05 Equipment Note	176,000.00	4,000.00		176,000.00		0.00	0.00	0
Total Electric Power Board	586,000.00	12,000.00	0.00	586,000.00	0.00	0.00	0.00	0
Housing Management								
Other Obligations								
Obligation to Dogwood Manor, LLC	2,498,108.00					2,498,108.00	20,400.00	7,595
Total Housing Management	2,498,108.00	0.00	0.00	0.00	0.00	2,498,108.00	20,400.00	7,595
Total Primary Government	291,144,108.00	13,629,181.26	0.00	3,256,000.00	0.00	287,888,108.00	2,730,400.00	13,507,376
COMPONENT UNITS								
Revenue Bonds:								
Metropolitan Airport Authority:								
2009 Refunding	6,557,169.00	352,620.00		292,268.00		6,264,901.00	308,912.01	335,977
2002 Airport Revenue Series A Refunding	0.00					0.00	0.00	0
Total Metropolitan Airport Authority	6,557,169.00	352,620.00	0.00	292,268.00	0.00	6,264,901.00	308,912.01	335,977
Chatt Downtown Redevelopment Corporation:								
2000 Chatt Lease Rental Revenue Bonds	65,755,000.00	3,616,656.00		2,975,000.00		62,780,000.00	3,125,000.00	3,456,344
2007 Chatt Lease Rental Rev Ref Bonds	56,035,000.00	2,695,900.00		75,000.00		55,960,000.00	80,000.00	2,692,800
Total Chatt, Downtown Redev. Corp.	121,790,000.00	6,312,556.00	0.00	3,050,000.00	0.00	118,740,000.00	3,205,000.00	6,149,144
Total Component Units	128,347,169.00	6,665,176.00	0.00	3,342,268.00	0.00	125,004,901.00	3,513,912.01	6,485,121

History of General Obligation Debt

The following table sets forth all outstanding general obligation bond and note indebtedness of the city at the end of the fiscal years 2000/01 through 2009/10, less applicable exclusions, adjusted to reflect the City's applicable share of County debt.

General Obligation Bonds by Purpose	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Buildings Improvement	\$ 265,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer and Sewage Facilities	115,758,219	107,942,691	100,678,646	92,029,992	83,022,016	74,361,102	65,515,699	56,618,625	47,820,059	41,146,682
Municipal Public Improvement	125,716,782	120,057,309	181,276,354	174,535,008	167,682,984	159,728,898	177,464,301	170,276,376	205,134,941	207,398,317
Total Bonded Indebtedness	\$ 241,740,001	\$ 228,000,000	\$ 281,955,000	\$ 266,565,000	\$ 250,705,000	\$ 234,090,000	\$ 242,980,000	\$ 226,895,000	\$ 252,955,000	\$ 248,544,999
Other Long-Term Indebtedness										
General Obligation Capital Outlay Notes	8,434,926	9,866,532	24,399,322	41,145,146	39,608,208	46,145,255	47,232,935	48,101,287	56,874,396	(1) 57,203,522
Tennessee Municipal Bond Fund	7,819,523	6,550,098	5,339,097	6,619,343	19,424,258	18,664,185	25,781,445	27,604,081	25,801,938	24,260,141
Capital Leases	448,399	288,204	116,196,668	119,978,775	119,077,117	118,490,272	115,707,438	112,775,074	109,969,749	(2) 106,654,524
Gross Direct Indebtedness	\$ 258,442,849	\$ 244,704,834	\$ 427,890,087	\$ 434,308,264	\$ 428,814,583	\$ 417,389,713	\$ 431,701,818	\$ 415,375,442	\$ 445,601,083	\$ 436,663,186
Less: Self-Supporting Indebtedness	179,059,226	169,016,890	289,509,352	353,562,825	346,612,744	333,128,264	325,198,221	310,153,520	302,638,530	287,059,370
Debt Service Fund	3,971,606	5,497,083	4,988,142	5,222,704	6,471,929	7,139,208	8,871,564	8,925,003	8,925,003	4,188,650
Net Direct Indebtedness	\$ 75,412,017	\$ 70,190,861	\$ 133,392,593	\$ 75,522,735	\$ 75,729,910	\$ 77,122,241	\$ 97,632,033	\$ 96,296,919	\$ 134,037,550	\$ 145,415,166
Plus: Estimated Net Overlapping Indebtedness	103,117,962	109,591,857	96,147,876	107,821,749	97,486,316	87,645,429	89,393,466	136,287,686	149,048,842	154,968,909
Net Direct and Overlapping Indebtedness	\$ 178,529,979	\$ 179,782,718	\$ 229,540,469	\$ 183,344,484	\$ 173,216,226	\$ 164,767,669	\$ 187,025,499	\$ 232,584,605	\$ 283,086,392	\$ 300,384,075

Notes:

(1) As of June 30, 2010 Capital Outlay Notes consist of \$45,373,127 State of Tennessee Revolving Loan for combined sewer overflow facilities; \$4,035,967 State of Georgia Revolving Loan for the Northwest Georgia Sewer Expansion; \$4,271,000 HUD Sec 108 Note; \$703,498 Notes to Individual for land purchase; and \$18,059 Fire Hall Loan; \$51,871 for 2009 IDB Foreign Trade Zone; \$2,750,000 for 2010 VAAP Land Note.

(2) Capital leases as of June 30, 2010 includes the \$122,705 City of Collegedale for Sewer Easement, \$106,308,081 CDRC (Southside) Capital Lease and Golf Course Capital Lease (Golf Cart) \$223,738.

(3) In FY03, the \$54,990,000 2002 Hotel/Motel Tax bonds were initially treated as general government supported. In FY04 and forward they are treated as self-supporting debt since there is a dedicated revenue stream to retire the debt.

CITY OF CHATTANOOGA
HISTORICAL DEBT RATIOS
 June 30, 2010 (unaudited)

Year ended June 30	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Estimated population(1)	155,554	155,992	155,582	155,289	154,853	154,762	168,293	169,884	170,880	171,349
Appraised property valuation	\$ 8,281,644,305	\$ 9,789,654,070	\$ 9,944,568,067	\$ 10,057,472,717	\$ 10,323,946,674	\$ 11,955,447,979	\$ 12,310,849,619	\$ 12,906,102,564	\$ 13,294,163,310	\$ 15,307,270,881
Assessed property valuation	2,729,199,377	3,201,743,737	3,260,023,356	3,237,183,936	3,319,249,168	3,860,452,959	3,968,157,371	4,048,760,875	4,167,163,278	4,845,694,497
Gross indebtedness (2)	258,442,849	244,704,834	427,890,087	434,308,264	428,814,582	417,389,712	431,701,818	415,375,442	445,601,083	436,663,186
Less: Self-supporting indebtedness(3)	178,059,226	169,036,886	344,499,352	353,562,825	346,612,744	333,128,264	325,198,221	310,153,520	302,638,530	287,059,370
Debt Service Func	4,163,307	5,497,083	4,988,142	5,222,704	6,471,929	7,139,208	8,871,564	8,925,003	8,925,003	4,188,650
Net direct indebtedness	76,220,316	70,170,865	78,402,593	75,522,735	75,729,909	77,122,240	97,632,033	96,296,919	134,037,550	145,415,166
Plus: Estimated net overlapping indebtedness	103,117,962	109,591,857	96,147,876	107,821,749	97,486,316	87,645,429	89,393,466	136,287,686	149,048,842	154,968,909
Net direct and overlapping indebtedness	\$ 179,338,278	\$ 179,762,722	\$ 174,550,469	\$ 183,344,485	\$ 173,216,225	\$ 164,767,668	\$ 187,025,499	\$ 232,584,605	\$ 283,086,392	\$ 300,384,075
Gross debt per capita	\$ 1,661.43	\$ 1,568.70	\$ 2,750.25	\$ 2,796.77	\$ 2,769.17	\$ 2,696.98	\$ 2,565.18	\$ 2,445.05	\$ 2,607.68	\$ 2,548.38
Net direct debt per capita	489.99	449.84	503.93	486.34	489.04	498.33	580.13	566.84	784.40	848.65
Net direct and overlapping debt per capita	1,152.90	1,152.38	1,121.92	1,180.67	1,118.58	1,064.65	1,111.31	1,369.08	1,656.64	1,753.05
Gross debt to appraised valuator	3.12%	2.50%	4.30%	4.32%	4.15%	3.49%	3.51%	3.22%	3.35%	2.85%
Net direct debt to appraised valuator	0.92%	0.72%	0.79%	0.75%	0.73%	0.65%	0.79%	0.75%	1.01%	0.95%
Net direct debt and overlapping debt to appraised valuator	2.17%	1.84%	1.76%	1.82%	1.68%	1.38%	1.52%	1.80%	2.13%	1.96%
Gross debt to assessed valuator	9.47%	7.64%	13.13%	13.42%	12.92%	10.81%	10.88%	10.26%	10.69%	9.01%
Net direct debt to assessed valuator	2.79%	2.19%	2.40%	2.33%	2.28%	2.00%	2.46%	2.38%	3.22%	3.00%
Net direct and overlapping debt to assessed valuator	6.57%	5.61%	5.35%	5.66%	5.22%	4.27%	4.71%	5.74%	6.79%	6.20%

(1) Population figures for all years are estimates

(2) Gross indebtedness excludes revenue bonds payable by the Electric Power Board of Chattanooga and the Metropolitan Airport Authority

(3) The self-supporting debt includes Sewer Bonds and municipal public improvement bonds supported by Hotel Motel taxes, CDRC capital lease, HUD Sec. 108 Notes, 800 MHz Equipment Capital Lease

Debt Service Fund Revenues

Fiscal Years 2008-2011

Revenue Source	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11	Budget '11 Inc/(Dec)	% Change FY 10/11	% of Total
Debt Service (Fund 3100):							
General Fund	9,392,174	10,956,089	10,906,307	15,494,470	4,588,163	42.07	75.96
Tfrs-Safety Cap Project Fd	2,553	2,247	5,639	5,639	0	0.00	0.03
Hamilton County	660,981	478,191	527,853	474,423	(53,430)	(10.12)	2.33
Miscellaneous Revenue	0	289,311	0.00	433,905	(174,855)	(28.72)	2.13
911 Communication	808,759	200,000	200,000	200,000	0	0.00	0.98
City Hotel/Motel Tax	3,216,150	3,265,313	3,338,655	3,318,996	(19,659)	(0.59)	16.27
CDBG (Fannie Mae Loan)	2,939,581	124,823	862,429	469,740	(392,689)	(45.53)	2.30
Homeland Security Grant	0	608,759	608,760	0	(608,760)	0.00	0.00
Use of Fund Balance	0	0	5,000,000	0	(5,000,000)	(100.00)	0.00
Total Debt Service Fund	\$17,020,198	\$15,924,733	\$21,449,643	\$20,397,173	(1,052,470)	(4.91)	100.00
Grand Total	\$17,020,198	\$15,924,733	\$21,449,643	\$20,397,173	# (1,052,470)	(4.91)	100.00

Debt Service Fund Expenditures

Fiscal Years 2008-2011

Expenditures	Actual FY 07/08	Actual FY 08/09	Budget FY 09/10	Budget FY 10/11	Budget '11 Inc/(Dec)	% Change FY 10/11	% of Total
Debt Service (Fund 3100):							
Principal	10,839,021	9,591,680	12,482,331	13,054,075	571,744	5.96	64.00
Interest	6,873,641	6,236,742	8,867,312	7,243,098	(1,624,214)	(26.04)	35.51
Service Charges	100,087	96,302	100,000	100,000	0	0.00	0.49
Total Debt Service Fund	\$16,934,360	\$15,924,724	\$21,449,643	\$20,397,173	(1,052,470)	(4.91)	100.00
Grand Total	\$16,934,360	\$15,924,724	\$21,449,643	\$20,397,173	(1,052,470)	(4.91)	100.00
Per Capita	100.62	93.74	125.52	119.04			

Capital Project Funds

Fund Structure

The Capital Projects Funds are used for the acquisition and construction of major capital facilities. The basis of budgeting is modified accrual. Included funds are Safety, Public Works, Parks & Recreation, General Government, Finance & Administration, Neighborhood Services and Education, Arts & Culture.

FY 2010 Approved Capital Budget was as follows:

General Government	\$ 9,896,850
Parks & Recreation	750,000
Public Works	20,728,603
Police	252,000
Fire	4,960,100
Public Works Interceptor Sewer	<u>10,804,000</u>
	\$ 59,669,521

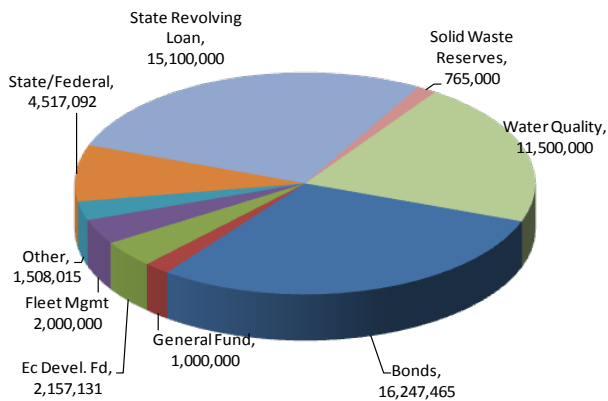
The FY11 Capital budget is as follows:

Revenue FY11	
Bonds	\$ 16,247,465
General Fund	1,000,000
Economic Development	2,157,131
Fleet Management Fund	2,000,000
Narcotics Fund	600,000
Hotel Motel Tax	350,000
Community Development Block Grant	475,075
Other	558,015
State of Tennessee	4,042,017
State Revolving Loan	15,100,000
Solid Waste Reserves	765,000
Water Quality Reserves	<u>11,500,000</u>
	\$ 54,794,703

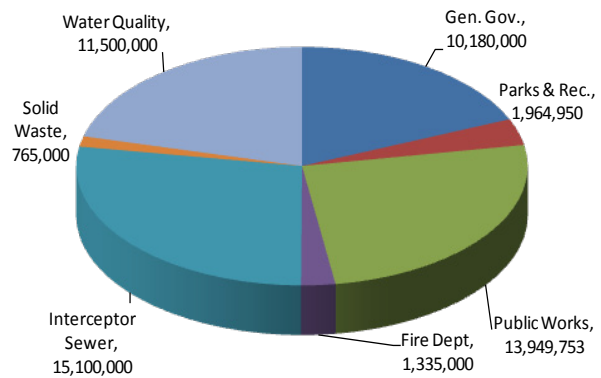
Appropriation FY11	
General Government	\$ 10,180,000
Parks & Recreation	1,964,950
Public Works	13,949,753
Fire (Safety)	1,335,000
Interceptor Sewer Fund	15,100,000
Solid Waste Fund	765,000
Water Quality Fund	<u>11,500,000</u>
	\$ 54,794,703

Fiscal Year Budget 2010/2011 \$54,794,703

Revenues



Appropriations



Capital Fund Revenues

Fiscal Years 2008 - 2011

Revenue Source	Actual FY07/08	Actual FY08/09	Budget FY09/10	Budget FY10/11	Budget '11 INC/(DEC)	%	
						Change FY10/11	% Of Total
General Fund Fund Balance	12,058,840	7,956,413	9,461,261	0	(9,461,261)	-100%	0.0%
General Fund	0	0	0	1,000,000	1,000,000	N/A	1.8%
State/Federal Grants	146,722	1,565,325	6,755,442	4,517,092	(2,238,350)	-33.1%	8.2%
Economic Development Fd	2,845,000	2,925,688	2,999,500	2,157,131	(842,369)	-28.1%	3.9%
General Obligation Bonds	0	0	6,713,945	16,247,465	9,533,520	142.0%	29.7%
Fleet Lease Program	0	1,390,000	3,000,000	2,000,000	(1,000,000)	-33.3%	3.6%
Hotel/Motel Tax Collections	625,000	2,000,000	0	350,000	350,000	N/A	0.6%
Interest Income	33,901	5,128	300,000	0	(300,000)	-100%	0.0%
Recovery Zone Facility Bonds	0	0	6,813,000	0	(6,813,000)	-100%	0.0%
Interceptor Sewer Reserves	0	0	10,804,000	0	(10,804,000)	-100%	0.0%
State Revolving Loan	0	0	0	15,100,000	15,100,000	N/A	27.6%
Solid Waste Fund	1,865,000	300,000	0	765,000	765,000	N/A	1.4%
Water Quality Fund	1,675,000	775,000	0	1,500,000	1,500,000	N/A	2.7%
Water Quality Fund Balance	0	0	0	10,000,000	10,000,000	N/A	18.2%
Other	3,507,447	2,204,130	12,822,373	1,158,015	(11,664,358)	-91.0%	2.1%
	\$ 22,756,910	\$ 19,121,684	\$ 59,669,521	\$ 54,794,703	\$ (4,874,818)	-8.2%	100%

Annual Budget

\$ 41,619,592 \$ 45,967,314

Revenues

The City funds its capital program through a variety of sources including current operations and reserves.

Funding for the FY 2008 Capital Budget was provided by the General Fund Fund Balance of \$12,058,840, Economic Development Fund \$2,845,000, General Obligation Bonds \$19,550,000, State of Tennessee and Federal grants of \$1,760,000, Water Quality Fund Balance of \$1,675,000, Solid Waste Fund balance \$1,865,000 and funds from foundations and other sources in the amount of \$5,699,294.

Funding for the FY 2009 Capital Budget is provided by the General Fund Fund Balance of \$7,956,413, General Obligation Bond Fund \$10,000,000, State of Tennessee and Federal grants of \$5,206,874, Economic Development Fund \$2,925,688, Hotel Motel Tax \$2,000,000, Water Quality Fund \$775,000, Solid Waste Fund \$300,000 and funds from foundations and other sources in the amount of \$4,628,274.

Funding for the FY 2010 Capital Budget is provided by the General Fund Fund Balance of \$9,461,261, General Obligation Bond Fund \$6,713,945 State of Tennessee and Federal grants of \$6,755,442, Economic Development Fund \$2,999,500, Economic Development Recovery Bonds \$6,813,000, Fleet Lease Program \$3,000,000, Interest Income \$300,000 Interceptor Sewer Fund Reserves \$10,804,000 and funds from Foundations and other sources in the amount of \$12,822,373.

Funding for the FY 2011 Capital Budget is provided by the General Fund of \$1,000,000, General Obligation Bonds \$16,247,465 State of Tennessee and Federal grants of \$4,517,092, Economic Development Fund \$2,157,131, Fleet Lease Program \$2,000,000, State Revolving Loan \$15,100,000, Solid Waste Fund reserves \$765,000, Water Quality Reserves \$11,500,000, Hotel Motel Tax \$350,000 and funds from Foundations and other sources in the amount of \$1,158,015.

Capital Fund Expenditures Fiscal Years 2008 - 2011

Expenditures	Actual	Actual	Budget	Budget	BUDGET '11	%	%
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	INC/(DEC)	FY 10/11	OF TOTAL
Capital Projects:							
Police	0	252,875	252,000	0	(252,000)	-100%	0%
Fire	801,214	3,615,091	4,960,100	1,335,000	(3,625,100)	-73%	2%
Public Works	5,743,605	16,319,603	20,728,603	13,949,753	(6,778,850)	-33%	25%
Parks & Recreation	9,751,281	10,630,645	750,000	1,964,950	1,214,950	162%	4%
General Government	6,787,275	9,859,379	9,896,850	10,180,000	283,150	3%	19%
Development Resource Center	141,963	0	0	0	0	N/A	0%
Interceptor Sewer Fund	0	17,477,554	10,804,000	15,100,000	4,296,000	40%	28%
Solid Waste Fund	624,219	488,087	0	765,000	765,000	N/A	1%
Water Quality Fund	75,607	1,473,056	0	11,500,000	11,500,000	N/A	21%
Appropriation to IDB	5,985,000	4,989,473	12,277,968	0	(12,277,968)	-100%	0%
Total Capital Projects	\$29,910,164	\$65,105,763	\$59,669,521	\$54,794,703	(\$4,874,818)	-8%	100%
Grand Total	\$29,910,164	\$65,105,763	\$59,669,521	\$54,794,703	(4,874,818)	-8%	100%
Annual Budget	\$ 41,619,592	\$ 45,967,314					

Expenditures

The appropriations to the Capital Improvements Budget are analyzed on a year to year basis. As priorities shift, the Capital Improvements Budget will vary to reflect this. Presented here is a brief overview of each department's appropriation.

POLICE

FY 2011 Budget	\$ 0
% of Total Capital Budget	0.00%
Decline From FY 2010	\$ -252,000
% Change	-100.0%

FIRE

FY 2011 Budget	\$1,335,000
% of Total Capital Budget	2.0%
Decline From FY 2010	\$-3,625,100
% Change	-73.0%

The FY 2011 appropriation for the Fire Department includes new fire apparatus, fire stations for newly annexed areas.

PUBLIC WORKS, SOLID WASTE, WATER QUALITY, INTERCEPTOR SEWER

FY 2011 Budget	\$41,314,753
% of Total Capital Budget	75.4%
Growth From FY 2010	\$ 9,782,150
% Change	31.0%

The FY 2011 Public Works capital appropriation reflects the City's street rehab program, replacement of city-wide services equipment and infrastructure improvements for the City's Enterprise South Industrial Park specifically improvements in intersections and railway lines around the new Volkswagen plant, implementation of a regional ITS signalization system and Traffic Operations Center, equipment replacement for the Summit Landfill, upgrade of the Interceptor and Qater Quality systems.

PARKS & RECREATION

FY 2011 Budget	\$ 1,964,950
% of Total Capital Budget	4%
Growth From FY 2010	\$ 1,214,950
% Change	162.0%

The FY 2011 Parks & Recreation Department appropriation includes City Greenways improvements and purchase of Stringers Ridge property for future park.

GENERAL GOVERNMENT

FY 2011 Budget	\$ 10,180,000
% of Total Capital Budget	19.0%
Growth From FY 2010	\$ 283,150
% Change	3.0%

The FY 2011 General Government budget includes funding for Chattanooga Area Regional Transit Authority, city wide vehicle replacement, Brownfield projects, various building renovation, Information Services software upgrades, enviromental study for possible Maglev connecting Chattanooga to Atlanta, security cameras, crime suppression technology and wireless infrastructure.

INDUSTRIAL DEVELOPMENT BOARD

FY 2011 Budget	\$ 0
% of Total Capital Budget	0.0%
Decline From FY 2010	-\$12,277,968
% Change	-100.0%

This appropriation is to fund infrastructure improvements to the City's Enterprise Industrial Park for the new Volkswagen Plant. The IDB is overseeing these improvements.

Capital Project Detail

General Government

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
CARTA	334,000	400,000	400,000	400,000	400,000	400,000
Information Services	3,600,000	1,900,000	200,000	70,000	-	70,000
General Services	5,650,350	6,180,000	1,350,000	-	-	-
Carter Street	262,500	-	90,000	180,000	162,500	155,000
Maglev Study	-	1,300,000	-	-	-	-
21st Century Waterfront	-	350,000	-	-	-	-
Fortwood Center	50,000	50,000	50,000	50,000	-	-
Total General Government	9,896,850	10,180,000	2,090,000	700,000	562,500	625,000

	Prior Years Appropriations	2010/2011 Budget	Total Project
1. CARTA			
Funding source: General Obligation Bonds		\$ 400,000	
Prior Years	\$ 9,206,850		\$ 9,606,850
This appropriation is to help fund the Chattanooga Area Regional Transportation Authority's capital needs.			
Impact on operating budget: None because these are one time funded projects for supported agencies.			
2. Information Services			
Funding Source: General Obligation Bonds		\$1,300,000	
Narcotics Fund		600,000	
Prior Years	\$12,664,386		\$14,564,386
This appropriation funds the upgrade of computer equipment and purchase of new software. The FY2011 appropriation also includes funding for a Public Safety Wireless Infrastructure.			
Impact on operating budget: None.			
3. General Services			
Funding Source: General Obligation Bonds		\$ 4,050,000	
Fleet Service Fund		2,000,000	
Economic Development Fund		130,000	
Prior Years	\$12,862,776		\$19,042,776
General Services is responsible for the City's buildings and vehicle lease program to buy vehicles for all the departments in the city except the fire department.			
Impact on operating budget: The vehicle replacement program results in lower operating, maintenance, and fuel costs along with a safer fleet operations. Cost savings expected to exceed \$30,000 .			

Capital Project Detail

	Prior Years Appropriations	2010/2011 Budget	Total Project
4. Carter Street			
Funding Source: Prior Years	\$ 262,500	0	\$ 262,500
This appropriation is to help fund capital ungrades for the Trade and Convention Center.			
Impact on operating budget: None because these are one time funded projects for supported agencies.			
5. Maglev Study			
Funding Source: Economic Development Fund	\$ 0	\$1,300,000	\$1,300,000
This appropriation is to fund the City's portion of matching funds for a Maglev environmental impact study.			
Impact on operating budget: None.			
6. 21st Century Waterfront			
Funding Source: Hotel Motel Funds	\$2,000,000	\$ 350,000	\$2,350,000
This appropriation is to fund repairs to the City's 21st Century Waterfront project.			
Impact on operating budget: None.			
7. Fortwood Center			
Funding Source: Economic Development Fund		\$ 50,000	
Prior Years	\$ 100,000		\$ 150,000
This appropriation is the third year of a commitment of 5 years to help fund capital ungrades for the Fortwood Center.			
Impact on operating budget: None			

Capital Project Detail

POLICE

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
Portable Radios	252,000	0	252,000	252,000	252,000	252,000
CPD File Room	0	0	62,500	62,500	62,500	62,500
Service Center Renovation	0	0	122,400	0	0	0
Furniture Upgrade	0	0	52,400	0	0	0
Annex Renovation	0	0	350,000	0	0	0
Service Center Maintenance	0	0	0	250,000	0	0
Police Property Security	0	0	0	87,550	12,100	12,100
Service Center Parking Lots	0	0	0	158,500	0	0
Service Center Renovation	0	0	27,800	0	0	0
Total Police	252,000	0	867,100	810,550	326,600	326,600

Prior Years Appropriations	2010/2011 Budget	Total Project
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1. Portable Digital Radios

Funding Source: Narcotics Fund

\$ 252,000	\$ 0	\$ 252,000
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This project funds the Systematic replacement of all of the old analog radios with new digital radios. All communication towers are being converted from the old analog system to the new digital system.

Impact on operating budget: None.

Capital Project Detail

Fire

Capital Budget Five Year Plan

Project Name	Estimated Project Cost by Fiscal Year					
	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
Fire Apparatus	1,075,000		58,300	926,500	2,016,000	2,878,400
Station Major Improvements			50,000	50,000	50,000	50,000
Fire Station Expansion	3,300,100					
Fire Hydrants	585,000		250,000	250,000	250,000	250,000
Fire Station Replacement		1,335,000	1,633,500	1,796,850	0	0
Fire Station Generators			80,000	80,000	80,000	80,000
Total Fire	4,960,100	1,335,000	2,071,800	3,103,350	2,396,000	3,258,400

	Prior Years Appropriations	2010/2011 Budget	Total Project
1. Fire Apparatus			
Funding Source: Prior Years	\$ 8,940,000	\$ 0	\$ 8,940,000
This appropriation will fund the purchase of new fire apparatus for new stations. These vehicles include Line Fire Apparatus, Elevating Platform, Hazardous Materials Vehicle, Technical Rescue Vehicle, Tankers and Brush Trucks.			
Impact on operating budget: The additional equipment is projected to increase vehicle operations and maintenance by \$25,000.			
2. Fire Station for Annexed Areas			
Funding Source: Prior Years	\$3,300,100	\$ 0	\$3,300,100
This appropriation funds two new fire stations in newly annexed areas.			
Impact on operating budget: Estimated cost of Operations is around \$300,000.			
3. Fire Hydrants for Newly Annexed Areas			
Funding Source: Prior Years	\$ 585,000	\$ 0	\$ 585,000
This appropriation funds fire hydrants in newly annexed areas.			
Impact on operating budget: None			
4. Fire Station Replacement			
Proposed Funding Source: General Obligation Bonds		\$ 1,335,000	
Prior Years	\$ 1,600,000		\$ 2,935,000
This appropriation allows for the ongoing replacement of outdated, high maintenance Fire Stations which are unable to accommodate modern fire apparatus. FY11 funds replacement of Station number 9.			
Impact on operating budget: Lower utility and maintenance cost			

Capital Project Detail

	Prior Years Appropriations	2010/2011 Budget	Total Project
5. Fire Station Generators			
Funding Source: Prior Years	\$ 105,000	\$ 0	\$ 105,000
<p>This project funds two station generators a year until all Fire Stations have a generator for back-up power. This project will allow each station to remain operational in case of a natural or man-made disaster. This project will also allow Fire Stations to be used as Safe Havens for the public during disasters</p> <p>Impact on operating budget: None</p>			

Capital Project Detail

Public Works

Capital Budget						
Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
Paving of Streets	\$0	\$1,576,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
ARRA Paving	\$1,565,000	\$0	\$0	\$0	\$0	\$0
City Wide Services Equipment	\$250,000	\$0	\$1,305,000	\$325,000	\$0	\$0
Bridge Rehab	\$0	\$0	\$2,350,000	\$350,000	\$350,000	\$350,000
Traffic Engineering Projects	\$824,000	\$2,805,015	\$21,493,000	\$505,500	\$538,000	\$477,000
Curbs, Gutters, and Sidewalks	\$355,000	\$703,075	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000
Street Rehabilitation	\$16,234,603	\$5,415,663	\$16,960,000	\$7,890,000	\$17,500,000	\$10,100,000
Software	\$0	\$0	\$50,000	\$0	\$0	\$0
ESIP Railway Lines	\$1,500,000	\$3,450,000	\$0	\$0	\$0	\$0
Wilcox Tunnel	\$0	\$0	\$800,000	\$0	\$0	\$0
Water Quality	\$0	\$11,500,000	\$2,650,000	\$5,100,000	\$13,925,000	\$6,675,000
Solid Waste	\$0	\$765,000	\$6,490,000	\$700,000	\$870,000	\$340,000
Interceptor Sewer	\$10,804,000	\$15,100,000	\$15,224,653	\$16,183,653	\$10,483,653	\$0
Total Public Works	\$31,532,603	\$41,314,753	\$72,122,653	\$35,854,153	\$48,466,653	\$22,742,000

	Prior Years Appropriation	2010/2011 Budget	Total Project
1. Paving of streets			
Funding sources: Bonds		\$1,000,000	
TDOT Grant		576,000	
Prior Years	\$19,564,450		\$21,404,450
This appropriation funds the resurfacing of streets City wide. It also provides for replacement of pavement markings and traffic signal loop detector wiring damaged due to pavement milling and resurfacing.			
Impact on operating budget: This program will reduce the cost of annual street maintenance.			
2. ARRA Paving			
Funding sources: Prior Years	\$ 1,565,000	\$ 0	\$ 1,565,000
This appropriation funds the resurfacing of certain streets named in an ARRA grant.			
Impact on operating budget: This program will reduce the cost of annual street maintenance.			
3. City Wide Services Equipment Replacement			
Funding sources: Prior Years	\$ 9,514,777	\$ 0	\$ 9,514,777
This appropriation allows for the ongoing replacement of older Public Works equipment.			
Impact on operating budget: The vehicle replacement program results in lower operating and maintenance costs and safer fleet operations.			

Capital Project Detail

	Prior Years Appropriations	2010/2011 Budget	Total Project
4. Traffic Engineering Projects			
Funding sources: CMAQ Grant		\$ 2,500,000	
General Obligation Bonds		175,000	
Donations		130,015	
Prior Years	\$ 8,196,749		\$11,001,764
<p>This appropriation provides for modernization of existing and installation of future traffic signals and equipment replacement. The current year contains an appropriation of CMAQ grant funds for preparation of plans and cost estimate for implementation of a regional ITS Signalization System and Traffic Operations Center.</p>			
Impact on operating budget: None.			
5. Curbs, Gutters and Sidewalks			
Proposed Funding Source: General Obligation Bonds		\$ 100,000	
Community Development Funds		475,075	
Capital Contributions		128,000	
Prior Years	\$ 6,732,621		\$ 7,435,696
<p>This appropriation provides for the continuing program of construction and repair of curbs, gutters, and sidewalks within the City.</p>			
Impact on operating budget: None			
6. Street Improvements			
Funding sources: General Obligation Bonds		\$ 3,797,515	
Economic Development Funds		477,131	
Capital Contributions		175,000	
State Grants		966,017	
Prior Years	\$47,887,469		\$53,303,132
<p>This appropriation will fund a program of major street rehabilitation within the City.</p>			
Impact on operating budget: This program of major street Improvements results in lower street maintenance costs			
7. Enterprise South Industrial Park Railway Lines			
Funding sources: General Obligation Bonds		\$ 3,450,000	
Prior Years	\$ 1,500,000		\$ 4,950,000
<p>This appropriation funds the City's matching funds for construction of railway infrastructure for the City's Enterprise South Industrial Park and specifically for the new Volkswagen Plant.</p>			
Impact on operating budget: None.			
8. Water Quality Fund			
Proposed Funding Source: Water Quality Fees	\$ 0	\$11,500,000	\$11,500,000
<p>This appropriation provides for expansion and upgrade of the City's storm water system to comply with Federal and State guidelines.</p>			
Impact on operating budget: None			

Capital Project Detail

	Prior Years Appropriation	2010/2011 Budget	Total Project
9. Solid Waste Fund			
Proposed Funding Source: Solid Waste Fund Reserves	\$ 0	\$ 765,000	\$ 765,000
This appropriation provides for the purchase of new equipment for the City's Sanitary Landfill.			
Impact on operating budget: This will result in lower operations and maintenance cost.			
10. Interceptor Sewer Fund			
Proposed Funding Source: Interceptor Sewer Fund Reserves		\$15,100,000	
Prior Years	\$10,804,000		\$25,904,000
This appropriation provides for the continuing program of upgrading the City's interceptor sewer system.			

Capital Project Detail

Industrial Development Board

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
Appropriation to Industrial Development Board	12,277,968	0	0	0	0	0
Total Industrial Development Board	12,277,968	0	0	0	0	0

1. Appropriation to Industrial Development Board

Funding sources: Prior Years

This appropriation funds improvements to the City's Enterprise Industrial Park being managed thru the Industrial Development Board. The Board is overseeing the development of the infrastructure for the City's new Volkswagen plant

Impact on operating budget: None

Prior Years Appropriation	2010/2011 Budget	Total Project
\$26,356,441	\$ 0	\$26,356,441

Capital Project Detail

Parks & Recreation

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
ARRA S. Chickamauga Creek Greenway	500,000	-	-	-	-	-
Parks	150,000	974,950	3,972,000	4,448,000	1,480,000	645,000
Public Art	100,000	-	-	-	-	-
Ross' Landing Marina	-	990,000	-	-	-	-
Recreation Centers	-	-	450,000	1,000,000	478,000	150,000
Total Parks & Recreation	750,000	1,964,950	4,422,000	5,448,000	1,958,000	795,000

	Prior Years Appropriation	2 010/2011 Budget	Total Project
1. Greenways			
Funding Source: Prior Years	\$ 4,337,367		\$ 4,337,367
The purpose of this project is to upgrade and expand the Greenway system in Chattanooga.			
Impact on operating budget: None			
2. Parks			
Funding Source: General Obligation Bonds		\$ 649,950	
Economic Development Fund		200,000	
Capital Contribution		125,000	
Prior Years	\$ 150,000		\$ 1,124,950
This appropriation fund the expansion and upgrade of parks within the City.			
Impact on operating budget: None			
3. Public Art			
Funding Source: Prior Years	\$ 400,000	\$ 0	\$ 400,000
This appropriation will fund city wide public art exhibits.			
Impact on operating budget: None			
4. Ross' Landing Marina			
Funding Source: General Obligation Bonds	\$ 0	\$ 990,000	\$ 990,000
This appropriation will fund the expansion of the City Marina at Ross' Landing.			
Impact on operating budget: Rent for the slips will be around \$450 per month.			

CAPITAL BUDGET ORDINANCE

ORDINANCE NO. 12421

AN ORDINANCE APPROPRIATING, AUTHORIZING OR ALLOCATING FUNDS TO THE CAPITAL IMPROVEMENTS BUDGET FOR THE FISCAL YEAR 2010/2011 AND TO AMEND THE FISCAL YEAR 2010/2011 BUDGET ORDINANCE NO. 12410.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE:

SECTION 1. That there be and is hereby appropriated, authorized, or allocated the hereinafter set funds from the sources specified for the public purposes indicated of the Capital Improvements Budget program for the Fiscal Year 2010/2011:

GENERAL GOVERNMENTAL FUNDS CAPITAL

FROM	General Obligation Bonds	\$16,247,465	
	General Fund	1,000,000	
	Economic Development Fund	2,157,131	
	Narcotics Fund	600,000	
	Hotel Motel Fund	350,000	
	Fleet Management Fund	2,000,000	
	Reappropriation of Public Works Capital (4016)	1,250,000	
	TVA Capital Contribution	35,000	
	Lyndhurst Foundation Capital Contribution	240,000	
	Hamilton County	20,000	
	Chattanooga Neighborhood Enterprise	8,000	
	Community Development Block Grant	475,075	
	State of Tennessee	4,042,017	
	Adman Electric Capital Contribution	15,324	
	Museum Bluff Condos Capital Contribution	22,737	
	UNUM	91,954	
TO	General Government & Supported Agencies		\$4,000,000
	Department of Fire		1,335,000
	Department of Public Works		13,949,753
	Department of Parks & Recreation		1,964,950
	Department of General Services		<u>6,180,000</u>
		<u>\$27,429,703</u>	<u>\$27,429,703</u>

CAPITAL BUDGET ORDINANCE

PROPRIETARY FUNDS CAPITAL

FROM: State Revolving Loan Fund	\$15,100,000	
Solid Waste Fund Reserves	765,000	
Water Quality Operations	1,500,000	
Water Quality Fund Reserves	10,000,000	
TO: Interceptor Sewer Fund		\$15,100,000
Solid Waste Fund		765,000
Water Quality Fund		11,500,000
TOTAL PROPRIETARY FUNDS	<u>\$27,365,000</u>	<u>\$27,365,000</u>
TOTAL CAPITAL BUDGET	<u>\$54,794,703</u>	<u>\$54,794,703</u>

SECTION 2. That Ordinance No. 12410, the BUDGET ORDINANCE, be and is hereby amended as provided hereinafter.

SECTION 5. That Section 5 of said Ordinance be and is hereby amended as hereinafter set out:

	Delete	Substitute in Lieu Thereof
GENERAL FUND APPROPRIATIONS:		
General Government & Agencies	\$ 44,151,952	\$ 45,151,952
Department of Public Works	<u>\$ 30,183,526</u>	<u>\$ 29,183,526</u>
AMENDED TOTAL APPROPRIATION	<u>\$ 185,188,000</u>	<u>\$ 185,188,000</u>
GENERAL GOVERNMENT & SUPPORTED AGENCIES		
Capital Improvements	\$ <u>0</u>	\$ <u>1,000,000</u>
AMENDED GEN. GOVT. & SUPPORTED AGENCIES	<u>\$ 44,151,952</u>	<u>\$ 45,151,952</u>
DEPARTMENT OF PUBLIC WORKS		
Street Paving	<u>\$ 1,000,000</u>	<u>\$ 0</u>
AMENDED TOTAL PUBLIC WORKS	<u>\$ 30,183,526</u>	<u>\$ 29,183,526</u>
AMENDED TOTAL APPROPRIATION	<u>\$ 185,188,000</u>	<u>\$ 185,188,000</u>

CAPITAL BUDGET ORDINANCE

SECTION 3. That Section 6 of said Ordinance be and is hereby amended as hereinafter set out:

	Delete	Substitute in Lieu Thereof
1111 ECONOMIC DEVELOPMENT EDUCATION FUND:		
APPROPRIATIONS		
Economic Development Capital Projects	\$ 582,131	\$ 657,131
TN Multicultural Chamber of Commerce	150,000	\$ 75,000
Amended Total Appropriation	<u>\$ 10,011,275</u>	<u>\$ 10,011,275</u>
6020 SOLID WASTE FUND:		
ESTIMATED REVENUE		
Fund Balance	\$ -	\$ 765,000
Total Amended Revenue	<u>\$ 7,096,379</u>	<u>\$ 7,861,379</u>
APPROPRIATIONS		
Appropriation to Capital Project Fund	\$ -	\$ 765,000
Amended Total Appropriation	<u>\$ 7,096,379</u>	<u>\$ 7,861,379</u>
6030 WATER QUALITY FUND:		
APPROPRIATIONS		
Debt Service		
Interest	\$ 1,530,603	\$ 477,203
Debt Service Reserve	1,342,041	895,441
Appropriation to Capital Project Fund	-	1,500,000
Amended Total Appropriation	<u>\$ 13,694,524</u>	<u>\$ 13,694,524</u>

BE IT FURTHER ORDAINED, That this Ordinance shall take effect two weeks from and after its passage as provided by law.

PASSED August 17, 2010

Manuel Rico/S/
CHAIRPERSON

APPROVED X DISAPPROVED _____

DATE: August 17, 2010

Ron Littlefield/S/

MAYOR

Capital Project Detail

