

SAFER STREETS | GROWING ECONOMY | STRONGER NEIGHBORHOODS
HIGH PERFORMING GOVERNMENT | SMARTER STUDENTS, STRONGER FAMILIES

City of Chattanooga

Fiscal Year 2021 Budget



Our mission is to break down the barriers that prevent people from living the lives they want in our community.


We are building this budget in a **crisis**.

OUR VALUES

Continue to serve the people of Chattanooga, particularly the most vulnerable, as efficiently and effectively as possible.

Do not make short-term decisions without considering long-term consequences for City employees or fiscal position.

Make sure Chattanooga can emerge from this crisis stronger.

The background of the slide is a dark blue aerial photograph of a city or town, showing streets, buildings, and green spaces. The text is overlaid on this background in a clean, white, sans-serif font.

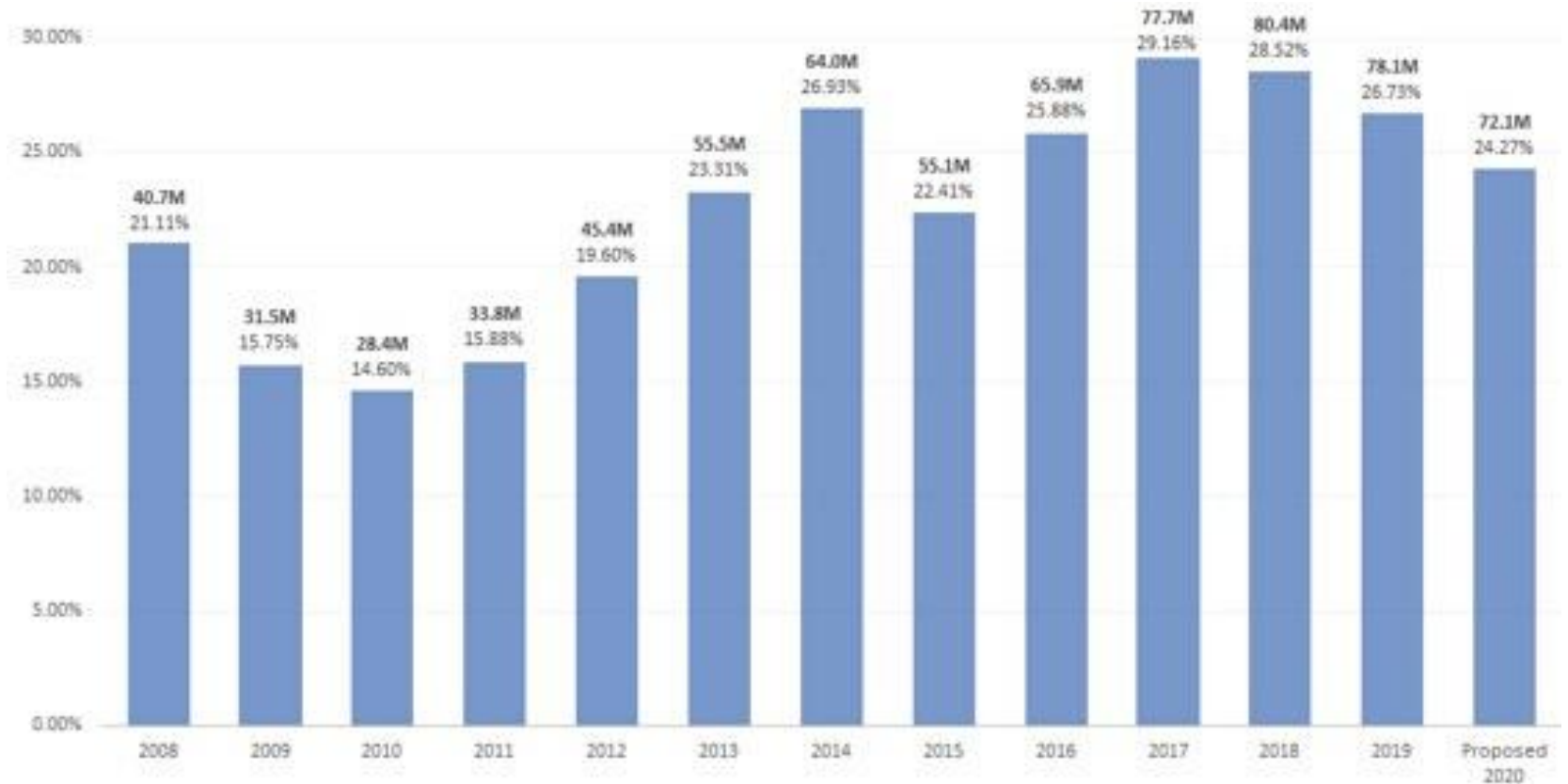
This budget is about
responsibility,
resilience, and results.

Where are we **going**?

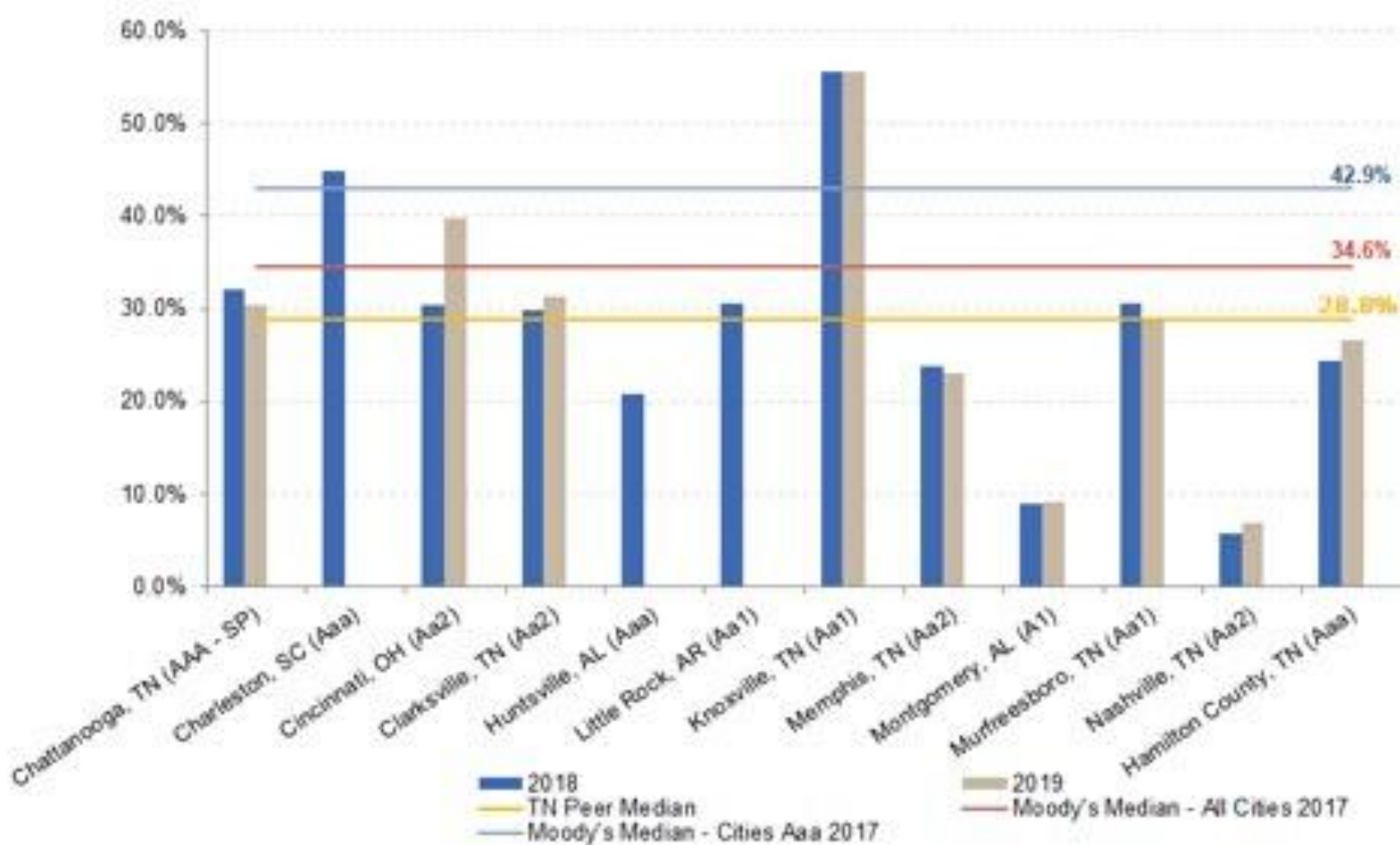
How will we **get there**?



Before the crisis, Chattanooga was in a strong fiscal position: **high liquidity, strong fund balance, sound fiscal management, and AAA bond rating.**



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graph LR; A((Background)) --- B((Revenue Crisis)); B --- C((Hard Choices)); C --- D((Overview)); D --- E((Conclusion));
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Background

**Revenue
Crisis**

Hard
Choices

Overview

Conclusion

Estimated \$8.4 million revenue loss in **Fiscal Year 2021**

Account Description	FY20	FY21	FY21 Prop vs FY20 Bdgt	
	Budget	Proposed	Difference	Variance
Property Taxes	150,677	150,719	0.0	0.0%
Other Local Taxes	19,543	19,062	(0.48)	-2.5%
Licenses, Permits	5,239	4,689	(0.55)	-10.5%
State Sales Tax	14,822	14,100	(0.72)	-4.9%
State Income Tax	1,100	1,200	0.10	9.1%
Local Option Sales Tax	52,254	47,016	(5.24)	-10.0%
Other Revenues	20,171	18,594	(1.58)	-7.8%
General Fund (1100) Only	263,806	255,380	(8.43)	-3.2%

Revenue
Crisis

City's response to April Tornadoes: **\$12.6 million**



Fiscal Year 2020 Revenue Shortfall Impact on Fund Balance and Cash Reserves

	Budget	Projected	Variance	% Change
Beginning Fund Balance	78,168,460	78,168,460		
Revenues	263,807,000	261,516,325	(2,290,675)	-0.87%
Expenditures *	269,807,000	267,759,456	(2,047,544)	-0.76%
Revenues Over/(Under Exp.)	(6,000,000)	(6,243,131)	(243,131)	4.05%
Ending Fund Balance	72,168,460	71,925,329		
<u>Pending Usage</u>				
FEMA Cash flow Tornado		(11,000,000)		
Reserve Cash Available Pending FEMA Reimbursement		60,925,329		

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graph LR; A((Background)) --- B((Revenue Crisis)); B --- C((Hard Choices)); C --- D((Overview)); D --- E((Conclusion));
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We are now doing more with **less**.



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A budget that builds for the **future**.

- All core city services are being maintained at the current levels.
- There will be no layoffs or reductions in salary for city personnel.
 - “Longevity” bonuses for employees who have worked for at least five years will be granted this year.
- \$3 million has been added for the increased costs of medical and pension trust funds.

A budget that builds for the **future**.

- Our road repair and resurfacing budget is **\$8,422,907**. This includes the City's largest-ever commitment of non-emergency funds for paving.
- Full replacement of **Fire Station 15**
- **"Power To Protect"** microgrid project in partnership with EPB allows emergency response during power outages.
- Continued commitment to housing trust fund.

General Fund Revenues by Sources

\$255,380,000

Overview

Other Revenues

6.1%

Other Local Taxes

7.5%

Inter- Governmental

3.0%

State Income Tax

0.5%

State Sales Tax

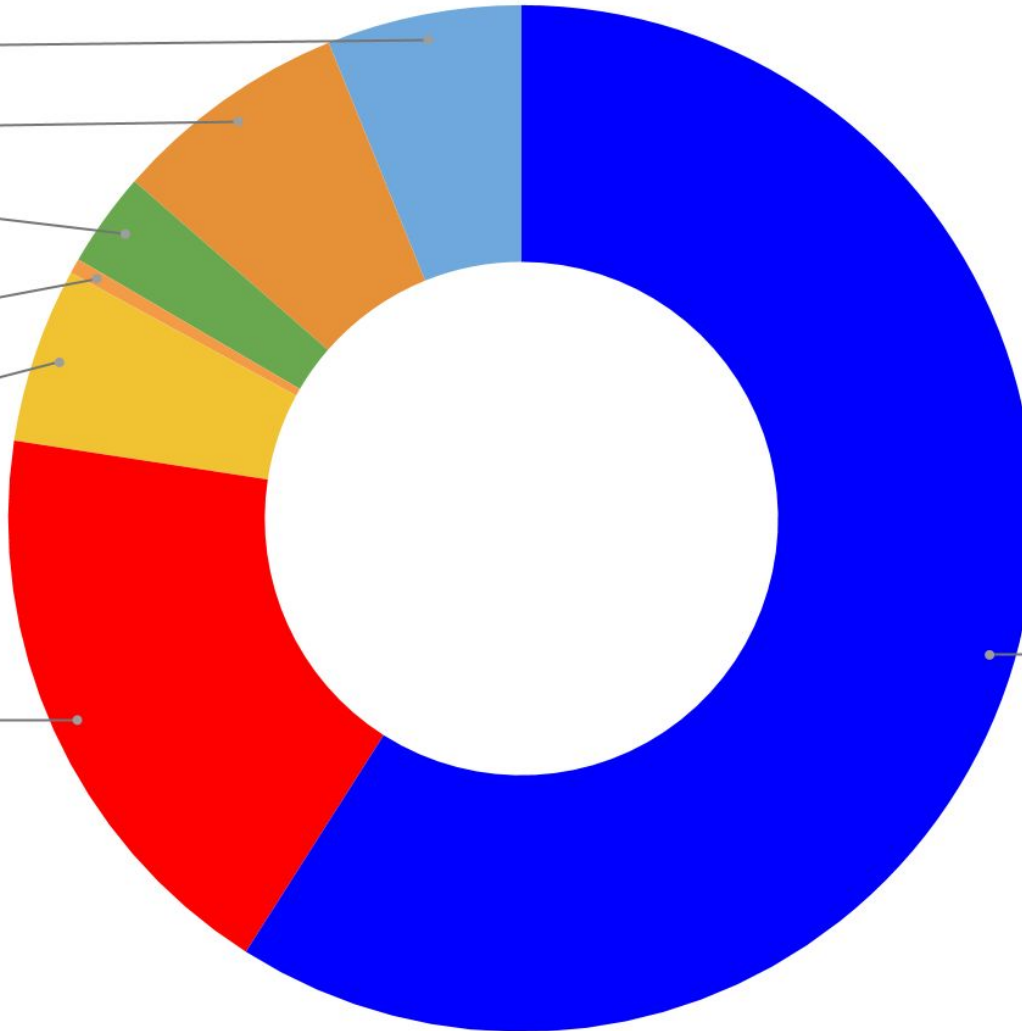
5.5%

Local Option Sales

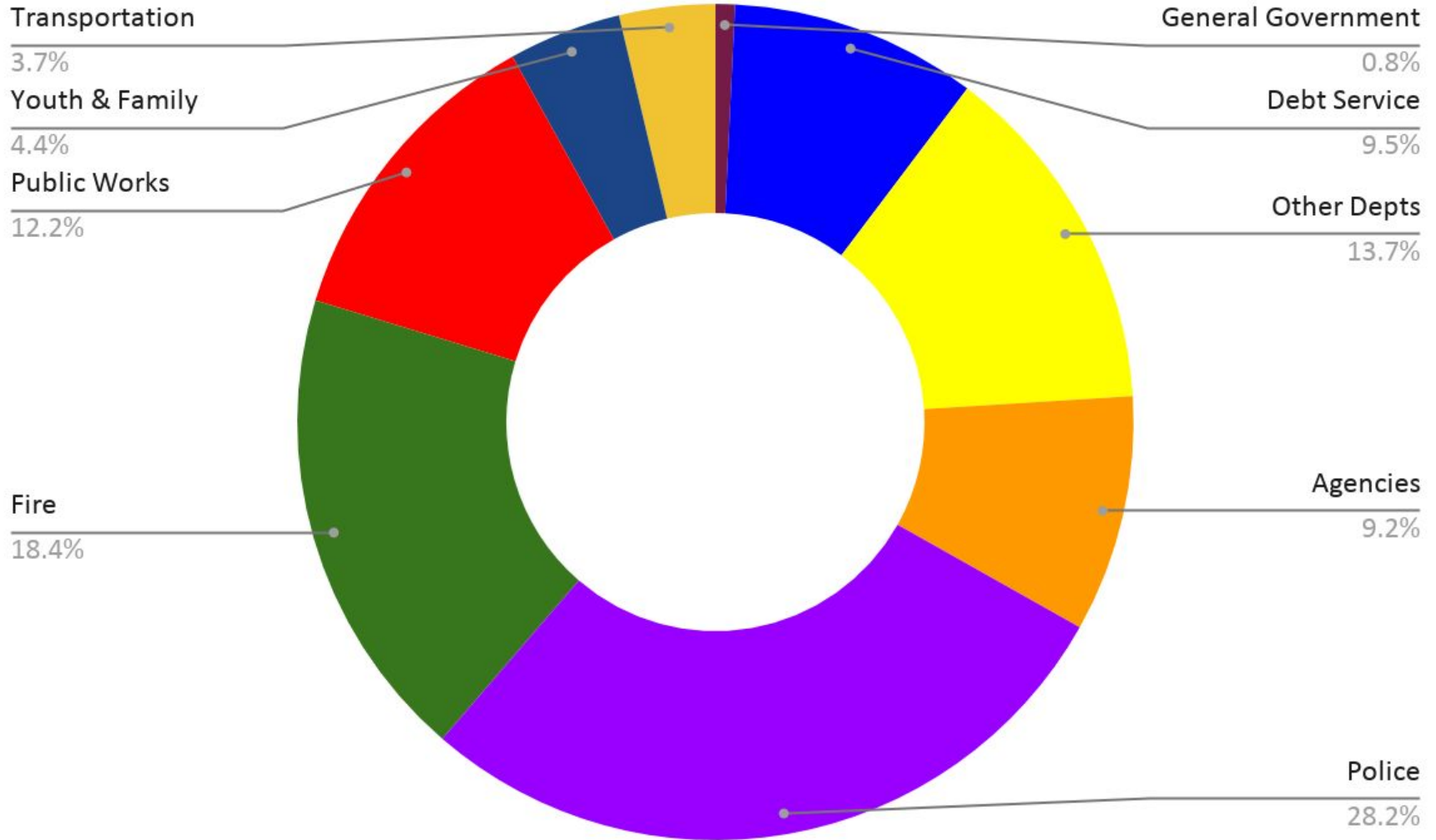
18.4%

Property Taxes

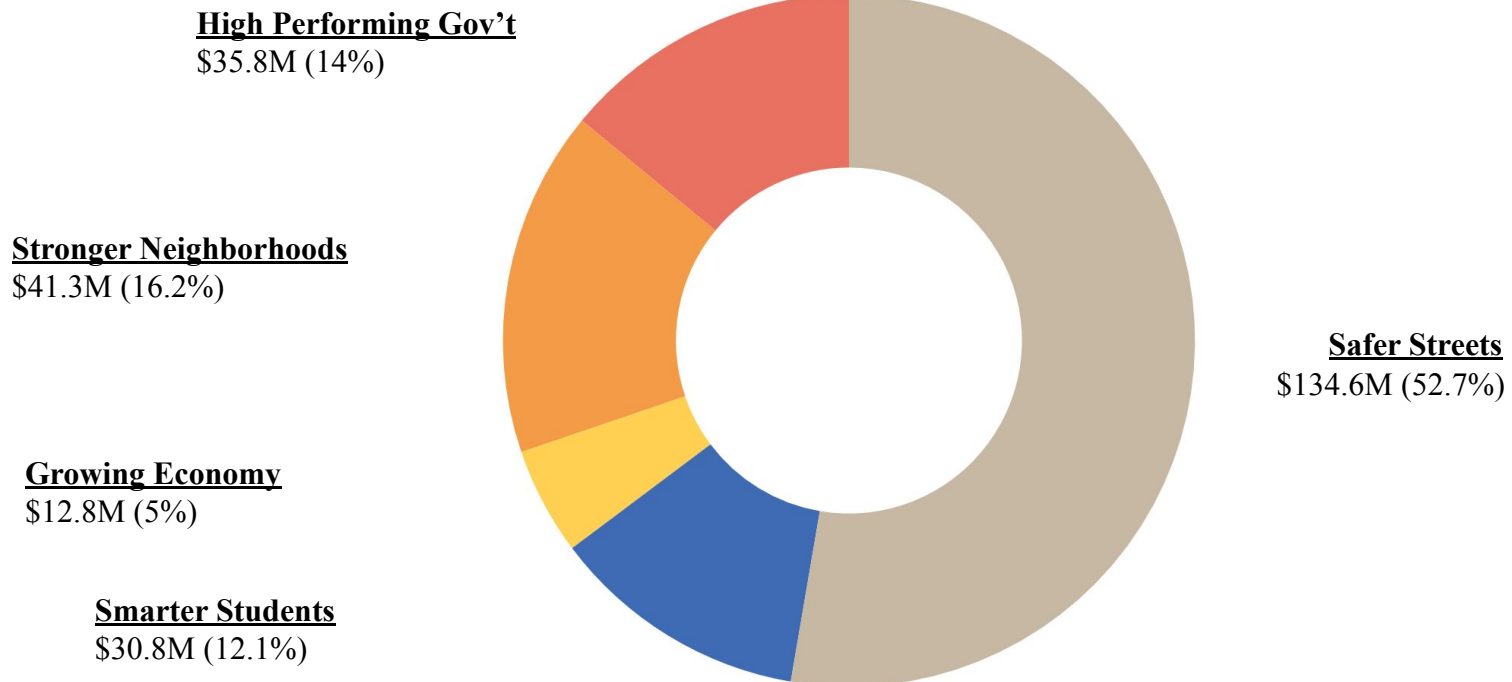
59.0%



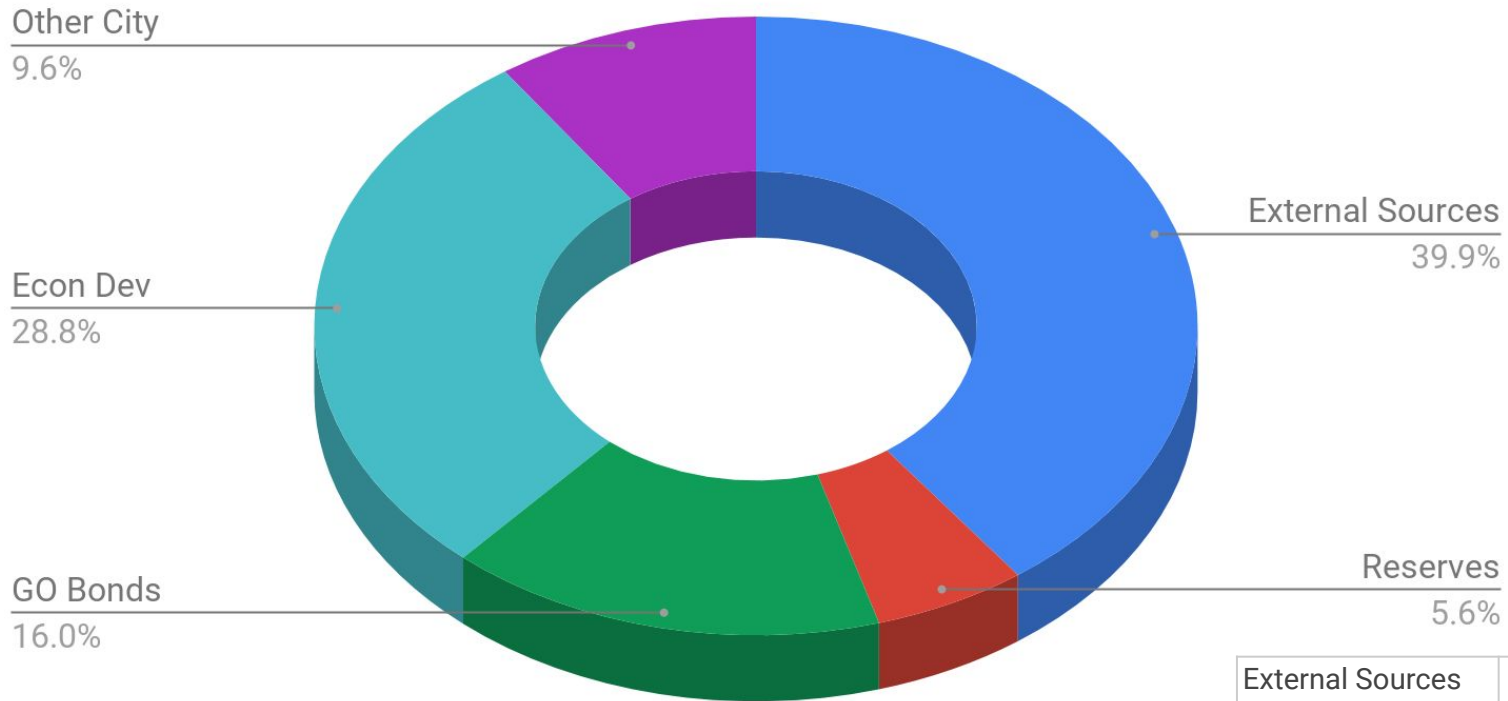
General Fund Operations Budget by **Uses**



General Fund Operating Budget by Results Area Allocation



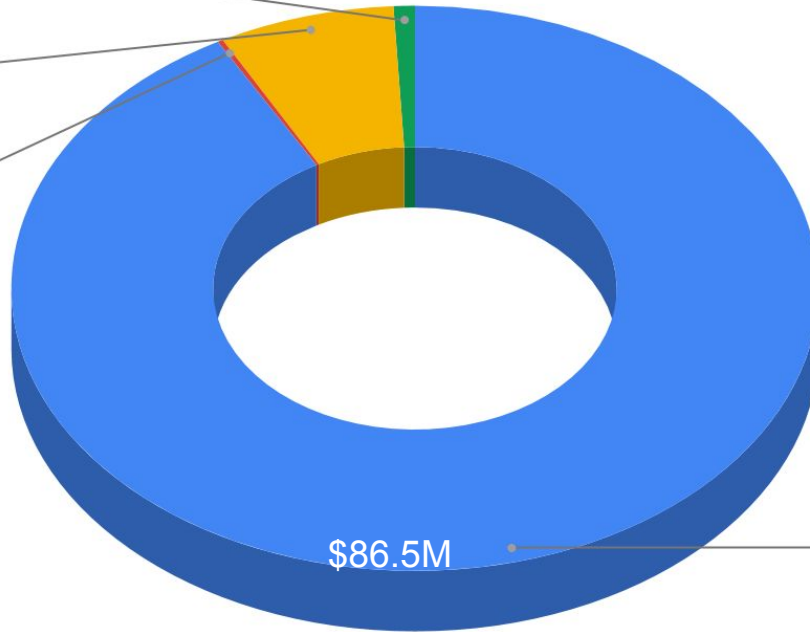
General Government Capital Budget by **Sources**



External Sources	\$24,894,505
Economic Development	\$18,000,000
GO Bonds	\$10,000,000
Other City	\$6,007,951
Reserves	\$3,500,000
Operations	\$0
Hotel/Motel	\$0
Total	\$62,402,456

Enterprise Funds Capital Budget by **Fund**

TVRCS
0.9%
Water Quality
7.1%
Solid Waste
0.2%



ISS/Sewer	\$86,450,000
Solid Waste	\$209,000
TVRCS	\$800,000
Water Quality	\$6,636,941
TOTAL	\$94,095,941

Sewer
91.9%

General Fund Capital Budget **Project Highlights**

- **\$8,422,907** for **paving and roads**
- **\$3.6 million for infrastructure** damaged in the tornado
- **Lake Resort Drive** repair
- Replacement of **Fire Station 15**
- **POWER to PROTECT** Public Safety Microgrid Project
- **Midtown Pathway**
- **Lynnbrook Park**

Summary of **All Funds**

<u>Major Funds</u>	<u>Proposed</u>	<u>Major Funds</u>	<u>Proposed</u>
General Fund	255,380,000	TN Valley Regional Communications	1,700,267
Golf Course	1,696,461	Water Quality Management Fund	26,150,000
Debt Service Fund	24,731,848	Interceptor Sewer System Fund	92,000,000
Economic Development Fund	17,290,495	Solid Waste Fund	4,349,000
State Street Aid Fund	6,219,156	Total All Budgeted Funds	333,886,770
Hotel/Motel Tax Fund	4,037,631	Use of Reserves for Capital	29,587,926
Automated Traffic Enforcement I	1,010,004	Total Operation & Reserve Funds	363,474,696
Narcotics Fund	425,000	Total Capital Budget *	156,498,397
Community Development	3,686,257	Total Operations & Capital	519,973,093
Social Services	19,409,918		

***Include \$132.5 million new capital and reductions of \$23.million to remove FEMA/TEMA (\$21.9 million) and DOE (\$1.5 million)**

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Responsible. Resilient. Results-oriented.

Our Fiscal Year 2021 budget...

- Invests in emergency response as our highest priority.
- Does not call for a tax increase.
- Maintains employee complement with no layoffs.
- Maintains core services that residents need and expect
- Invests in infrastructure for future economic development.
- Maximizes Federal and State assistance.
- Manages necessary cuts without sacrificing sound fiscal management.

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