

ORDINANCE NO. 1158

AN ORDINANCE TO ADOPT A BUDGET AND SET THE TAX RATE ON TAXABLE PROPERTY LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF ATHENS, TENNESSEE, FOR THE FISCAL YEAR JULY 1, 2026 THROUGH JUNE 30, 2027.

WHEREAS, the Council for the City of Athens, Tennessee, after much consideration and study of the budget prepared and submitted by the City Manager, considers said budget to be in complete detail showing the financial condition of the City for the past fiscal year, and the proposed budget and expenditures for the various departments for the fiscal year beginning **July 1, 2026** through **June 30, 2027**.

Section 1.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF ATHENS, TENNESSEE, AS FOLLOWS:

That the budget hereto attached and made a part hereof consisting of the following words and figures, be and is hereby adopted as the Budget for the City of Athens, Tennessee, for the Fiscal Year beginning July 1, 2026 and extending through June 30, 2027.

	<u>Actual</u>	<u>Estimated</u>	<u>Proposed</u>
	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>
GENERAL FUND			
<u>GENERAL FUND REVENUES</u>			
Taxes	18,961,603	18,542,000	19,001,000
Intergovernmental Revenue	2,973,357	2,808,000	3,019,000
Charges for Services	388,030	276,000	315,000
Fines and Forfeits	165,063	100,000	220,000
Interest	649,701	550,000	525,000
Miscellaneous	856,314	30,000	30,000
TOTAL GENERAL FUND REVENUES	23,994,068	22,306,000	23,110,000
<u>GENERAL FUND EXPENDITURES</u>			
<u>ADMINISTRATION</u>			
City Council	157,726	140,300	177,700
City Hall	253,775	220,900	222,700
City Manager's Office	363,793	384,400	368,600
TOTAL ADMINISTRATION	775,294	745,600	769,000
<u>COMMUNITY DEVELOPMENT</u>			
Administration	233,084	246,300	234,600
Cemeteries	124,911	52,200	53,200
Codes Enforcement	372,176	396,600	471,700
TOTAL COMMUNITY DEVELOPMENT	730,171	695,100	759,500
FINANCE	616,869	613,000	634,100
FINANCE - PURCHASING	126,916	93,400	98,100
<u>FIRE</u>			
Administration	255,418	245,600	251,800
Prevention	135,802	151,600	146,700
Suppression	2,937,663	3,102,300	3,392,300
TOTAL FIRE	3,328,883	3,499,500	3,790,800

ORDINANCE NO. 1158

HUMAN RESOURCES	271,340	278,900	292,600
INFORMATION TECHNOLOGY	413,644	898,100	597,500
PARKS & RECREATION			
Administration	233,878	240,700	332,200
Maintenance	796,296	901,700	937,000
Swimming Pools	62,722	61,600	67,900
Program Planning	467,740	421,500	453,900
TOTAL PARKS & RECREATION	<u>1,560,636</u>	<u>1,625,500</u>	<u>1,791,000</u>
POLICE			
Administration	354,803	353,000	362,100
Detectives	871,690	606,600	638,000
Patrol	3,412,356	3,624,300	3,817,000
TOTAL POLICE	<u>4,638,849</u>	<u>4,583,900</u>	<u>4,817,100</u>
PUBLIC WORKS			
Administration	440,874	444,000	434,500
Animal Shelter	289,180	309,300	294,400
Fleet Maintenance	409,915	407,200	420,800
Street Cleaning	1,099,689	1,077,000	1,076,800
Street Construction	567,389	674,000	639,100
Street Maintenance	875,737	1,106,600	1,095,200
Traffic Control	402,187	372,800	457,800
TOTAL PUBLIC WORKS	<u>4,084,971</u>	<u>4,390,900</u>	<u>4,418,600</u>
ATHENS CITY SCHOOLS	2,421,000	2,421,000	2,421,000
ATHENS UTILITIES BOARD	526,403	530,000	540,000
COMMUNICATIONS	366,716	378,000	393,000
SPECIAL APPROPRIATIONS	384,542	443,100	367,200
TRANSFERS	<u>3,462,000</u>	<u>1,400,000</u>	<u>1,300,000</u>
TOTAL GENERAL FUND EXPENDITURES	<u>23,708,234</u>	<u>22,596,000</u>	<u>22,989,500</u>
CHANGE IN CASH/FUND BALANCE	285,834	(290,000)	120,500
BEGINNING CASH/FUND BALANCE	<u>19,240,960</u>	<u>17,154,000</u>	<u>17,500,000</u>
ENDING CASH/FUND BALANCE	<u>19,526,794</u>	<u>16,864,000</u>	<u>17,620,500</u>
ENDING CASH AS A % OF EXPENDITURES	82.36%	74.63%	76.65%
DEBT SERVICE FUND-SCHOOLS			
<u>DEBT SERVICE FUND REVENUES</u>			
Interest	164,602	100,000	100,000
City Schools Contributions	700,000	700,000	700,000
Debt Proceeds	5,000,000	0	0
Transfers	1,941,528	1,000,000	900,000
TOTAL DEBT SERVICE FUND REVENUES	<u>7,806,130</u>	<u>1,800,000</u>	<u>1,700,000</u>

ORDINANCE NO. 1158

<u>DEBT SERVICE FUND EXPENDITURES</u>	6,575,189	1,529,000	1,529,000
CHANGE IN CASH/FUND BALANCE	1,230,941	271,000	171,000
BEGINNING CASH/FUND BALANCE	2,812,032	4,029,000	4,300,000
ENDING CASH/FUND BALANCE	4,042,973	4,300,000	4,471,000
ENDING CASH AS A % OF EXPENDITURES	61.49%	281.23%	292.41%
 DEBT SERVICE FUND-CITY PROJECTS			
<u>DEBT SERVICE FUND REVENUES</u>			
Interest	17,511	5,000	5,000
Transfers	400,000	400,000	400,000
TOTAL DEBT SERVICE FUND REVENUES	417,511	405,000	405,000
 <u>DEBT SERVICE FUND EXPENDITURES</u>			
CHANGE IN CASH/FUND BALANCE	34,046	23,500	25,000
BEGINNING CASH/FUND BALANCE	79,226	98,000	121,000
ENDING CASH/FUND BALANCE	113,272	121,500	146,000
ENDING CASH AS A % OF EXPENDITURES	29.54%	31.85%	38.42%
 SANITATION FUND			
<u>SANITATION FUND REVENUES</u>			
Charges For Services	1,023,867	989,000	1,099,000
Interest	68,156	50,000	70,000
Miscellaneous	73,868	1,000	1,000
TOTAL SANITATION FUND REVENUES	1,165,891	1,040,000	1,170,000
 <u>SANITATION FUND EXPENDITURES</u>			
CHANGE IN CASH/FUND BALANCE	(102,880)	(199,300)	(102,700)
BEGINNING CASH/FUND BALANCE	3,675,549	3,500,000	3,300,000
ENDING CASH/FUND BALANCE	3,572,669	3,300,700	3,197,300
ENDING CASH AS A % OF EXPENDITURES	281.59%	266.34%	251.22%
 CONFERENCE CENTER FUND			
<u>CONFERENCE CENTER REVENUES</u>			
Charges For Services	46,847	40,000	30,000
General Fund Contribution	120,000	0	0
TOTAL CONFERENCE CENTER REVENUES	166,847	40,000	30,000
 <u>CONFERENCE CENTER EXPENDITURES</u>			
CHANGE IN CASH/FUND BALANCE	77,081	(132,900)	(79,500)
BEGINNING CASH/FUND BALANCE	446,666	520,000	387,000
ENDING CASH/FUND BALANCE	523,747	387,100	307,500
ENDING CASH AS A % OF EXPENDITURES	583.46%	223.89%	280.82%
 DRUG FUND			
<u>DRUG FUND REVENUES</u>			
Fines and Forfeits	56,828	30,000	30,000
Interest	6,958	5,000	5,000
TOTAL DRUG FUND REVENUES	63,786	35,000	35,000

ORDINANCE NO. 1158

<u>DRUG FUND EXPENDITURES</u>	25,223	35,000	107,500
CHANGE IN CASH/FUND BALANCE	38,563	0	(72,500)
BEGINNING CASH/FUND BALANCE	168,686	200,000	200,000
ENDING CASH/FUND BALANCE	207,249	200,000	127,500
ENDING CASH AS A % OF EXPENDITURES	821.67%	571.43%	118.60%
HOTEL/MOTEL FUND			
<u>HOTEL/MOTEL FUND REVENUES</u>			
Hotel/Motel Tax	489,962	420,000	420,000
Interest	31,402	10,000	20,000
TOTAL HOTEL/MOTEL FUND REVENUES	521,364	430,000	440,000
<u>HOTEL/MOTEL FUND EXPENDITURES</u>	189,961	563,300	522,300
CHANGE IN CASH/FUND BALANCE	331,403	(133,300)	(82,300)
BEGINNING CASH/FUND BALANCE	683,722	990,000	850,000
ENDING CASH/FUND BALANCE	1,015,125	856,700	767,700
ENDING CASH AS A % OF EXPENDITURES	534.39%	152.09%	146.98%
CAPITAL IMPROVEMENT FUND			
<u>CAPITAL IMPROVEMENT FUND REVENUES:</u>			
Grant Funds	521,208	6,308,500	1,341,000
Investment Income	705,170	300,000	300,000
Miscellaneous	27,541	25,000	25,000
Third Party Contributions	0	475,000	176,300
Transfer From General Fund	1,942,000	0	0
TOTAL CAP IMPROVE FUND REVENUES	3,195,919	7,108,500	1,842,300
<u>CAPITAL EXPENDITURES</u>	3,997,480	16,675,000	11,478,000
CHANGE IN CASH/FUND BALANCE	(801,561)	(9,566,500)	(9,635,700)
BEGINNING CASH/FUND BALANCE	15,148,372	14,500,000	11,000,000
ENDING CASH/FUND BALANCE	14,346,811	4,933,500	1,364,300
ENDING CASH AS A % OF EXPENDITURES	358.90%	29.59%	11.89%
FLEET MANAGEMENT FUND			
<u>FLEET MANAGEMENT FUND REVENUES</u>			
Fleet Charges	1,270,900	1,279,900	1,148,100
Interest	362,000	200,000	200,000
Capital Contributions	289,552	0	0
Gain on Sale of Assets	20,655	20,000	30,000
TOTAL FLEET FUND REVENUES	1,943,107	1,499,900	1,378,100
<u>FLEET FUND PURCHASES</u>	722,707	706,000	2,706,000
CHANGE IN CASH/FUND BALANCE	1,220,400	793,900	(1,327,900)
BEGINNING CASH/FUND BALANCE	10,283,234	11,000,000	11,500,000
ENDING CASH/FUND BALANCE	11,503,634	11,793,900	10,172,100
ENDING CASH AS A % OF EXPENDITURES	1591.74%	1670.52%	375.91%

ORDINANCE NO. 1158

Section 2.

BE IT FURTHER ORDAINED that the budget hereto attached and made a part hereof consisting of the following words and figures, be and is hereby adopted as the Budget for the Athens City Schools, for the Fiscal Year beginning **July 1, 2026** and extending through **June 30, 2027**, as approved by the Athens City Board of Education:

	General Purpose Fund	Federal Projects Fund	Food Service Fund	Total All Funds
Revenues:				
Local Taxes	6,370,000	0	0	6,370,000
Charges for Services	229,000	0	47,000	276,000
Other Local Revenues	209,900	0	78,200	288,100
State Education Funds	13,446,014	0	11,000	13,457,014
Federal Funds received through State	51,248	1,471,793	1,613,006	3,136,047
Other Sources	100	0	0	100
Total estimated revenues	20,306,262	1,471,793	1,749,206	23,527,261
Expenditures:				
Regular Instruction	10,434,835	558,368	0	10,993,203
Special Education	1,338,167	559,377	0	1,897,544
Student Body Education	33,337	0	0	33,337
Support Services:				
Attendance	51,403	0	0	51,403
Health Services	355,742	0	0	355,742
Other Student Support	524,112	65,459	0	589,571
Regular Instruction	1,052,225	226,314	0	1,278,539
Special Education	110,644	62,275	0	172,919
Education Technology	234,994	0	0	234,994
Board of Education	1,012,741	0	2,500	1,015,241
Office of Superintendent	235,923	0	0	235,923
Office of Principal	1,227,785	0	0	1,227,785
Fiscal Services	247,403	0	0	247,403
Human Services/Personnel	150,262	0	0	150,262
Operation of Plant	1,202,302	0	0	1,202,302
Maintenance of Plant	282,163	0	0	282,163
Transportation	863,240	0	0	863,240
Non-Instructional Services:				
Food Service	3,134	0	1,746,706	1,749,840
Community Services	322,422	0	0	322,422
Early Childhood Education	891,728	0	0	891,728
Regular Capital Outlay	1,327,237	0	0	1,327,237
Total expenditures	21,901,799	1,471,793	1,749,206	25,122,798
Change in cash/fund balance	(1,595,537)	0	0	(1,595,537)
Beginning cash/fund balance	10,872,239	0	1,187,851	12,060,090
Ending cash/fund balance	9,276,702	0	1,187,851	10,464,553
Ending cash as a % of expenditures	42.36%	0.00%	67.91%	

ORDINANCE NO. 1158

Section 3.

BE IT FURTHER ORDAINED that the taxes provided by Chapter 387 of the Public Acts of 1971 known as the Business Tax Act, as amended, are hereby enacted, ordained and levied on the businesses, business activities, vocations or occupations carried on in the City of Athens, Tennessee, at the rates and in the manner prescribed by said Act; also, the tax on the gross sales of beer sold within the corporate limits of the City of Athens, Tennessee, as provided by Chapter 76 of the Public Acts of Tennessee, as amended, for the **fiscal year 2026-2027**.

Section 4.

BE IT FURTHER ORDAINED that the authority of municipalities to assess and collect certain privilege and license taxes is based upon the population of municipalities according to the **Federal Census of 2020** on a graduated basis or any subsequent Federal Census or other census authorized by and certified to the Federal Government by the Tennessee State Planning Commission, whichever is latest. It is therefore, declared by the Council for the City of Athens that the official census for Athens, Tennessee, is **14,084**. The levy and collections are only to the extent not repealed by Chapter 387 of the Public Acts of 1971.

Section 5.

BE IT FURTHER ORDAINED that the City Manager or his Assistant shall collect a fee on all business licenses sold in accordance with applicable state law and said fee shall be turned over to the City for General Fund purposes. The Tennessee Department of Revenue will receive business tax payments under the Business Tax Act and the Director of Finance shall coordinate with the Tennessee Department of Revenue regarding the City receiving its appropriate share of business taxes collected pursuant to this ordinance.

Section 6.

BE IT FURTHER ORDAINED that the tax rate for the year **2026-2027** be and is hereby fixed at **\$1.0078** on each ONE HUNDRED DOLLARS (\$100.00) assessed value of taxable property located within the corporate limits of the City of Athens, Tennessee.

Section 7.

BE IT FURTHER ORDAINED that refuse collection and disposal charges for fiscal year **2026-2027** is hereby fixed as follows: small professional, commercial or business establishments operating within the City of Athens shall pay a minimum fee of **\$9.50** per month; large professional, commercial or business establishments operating within the City of Athens shall pay a minimum fee of **\$28.50** per month; all residences within the City of Athens shall pay a minimum fee of **\$9.50** per month.

Section 8.

BE IT FURTHER ORDAINED that the Mayor and City Manager, by appropriate authorization may borrow upon tax anticipation notes such sums or sum of money as may be necessary to defray current operating expenses, provided however, that such notes shall bear interest at a rate not to exceed one (1%) percent in excess of prime interest rates set by New York Banks and shall not be borrowed for a period longer than the current fiscal year and said sums shall not exceed fifty percent (50%) of the annual tax levy as set out in Section 5 of the Corporate Powers of the Charter of the City of Athens, Tennessee, said interest to be exempt from all Federal, State, and Municipal taxation.

Section 9.

BE IT FURTHER ORDAINED that if for any reason a budget ordinance is not adopted prior to the beginning of the next fiscal year, the appropriations in this budget ordinance shall become the appropriations for the next fiscal year until the adoption of the new budget ordinance in accordance with Section 6-56-210, Tennessee Code Annotated provided sufficient revenues are being collected to support the continuing appropriations. Approval for a continuation budget will be requested from the Director of the State and Local Finance Division in the Office of the Comptroller of the Treasury if any indebtedness is outstanding.

Section 10.

BE IT FURTHER ORDAINED that all Ordinances, and parts of Ordinances in conflict with this Ordinance shall be, and the same are, hereby repealed and superseded.

ORDINANCE NO. 1158

Section 11.

BE IT FURTHER ORDAINED that if any section, paragraph, clause, or sentence of this Ordinance shall be held invalid by a Court of competent jurisdiction, such holding shall not affect the remaining sections, paragraphs, clauses, and sentences.

Section 12.

BE IT FURTHER ORDAINED in that the fiscal year begins on **July 1, 2026**, and time is of the essence, therefore, this Ordinance is declared to be an emergency ordinance to take effect from and after its passage.

FIRST READING: May 19, 2026 Passed
SECOND READING: June 16, 2026
DATE OF PUBLIC HEARING: June 16, 2026

ATTEST:

LARRY EATON, Mayor

RANDALL DOWLING, City Manager

APPROVED AS TO FORM:

CHRISTOPHER M. CALDWELL, City Attorney