

**ORDINANCE No. 22-006**

**AN ORDINANCE OF THE TOWN OF KINGSTON SPRINGS, TENNESSEE  
ADOPTING THE ANNUAL BUDGET AND TAX RATE FOR THE FISCAL YEAR  
BEGINNING JULY 1, 2022 AND ENDING JUNE 30, 2023**

WHEREAS, Tenn, Code Ann. § 9-1-116 requires that all funds of the State of Tennessee and all its political subdivisions shall first be appropriated before being expended and that only funds that are available shall be appropriated; and

WHEREAS, the Municipal Budget Law of 1982 requires that the governing body of each municipality adopt and operate under an annual budget ordinance presenting a financial plan with at least the information required by that state statute, that no municipality may expend any moneys regardless of the source except in accordance with a budget ordinance and that the governing body shall not make any appropriation in excess of estimated available funds; and

WHEREAS, the Governing Body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the Board will consider final passage of the budget.

**NOW THEREFORE BE IT ORDAINED BY THE GOVERNING BODY OF THE TOWN OF KINGSTON SPRINGS, TENNESSEE AS FOLLOWS:**

SECTION 1: That the governing body projects anticipated revenues from all sources and appropriates planned expenditures for each department, board, office or other agency of the municipality, herein presented together with the actual annual receipts and expenditures of the last preceding fiscal year and the estimated annual expenditures for the current fiscal year, and from those revenues and unexpended and unencumbered funds as follows for fiscal year 2023, and including the projected ending balances for the budget year, the actual ending balances for the most recent ended fiscal year and the estimated ending balances for the current fiscal years:

GENERAL FUND	Estimated		Budget
	Actual FY 2021	Actual FY 2022	
<b>Revenues</b>			
Local Taxes	\$ 1,783,887	\$ 1,874,211	\$ 1,779,579
Licenses And Permits	47,070	35,428	33,466
Intergovernmental	809,235	775,736	1,701,091
Fines And Forfeitures	31,629	34,607	30,292
Other	473,991	109,878	55,977
<b>Other Financing Sources</b>			
Issuance of Debt / Debt Proceeds	-	1,367,000	-
Transfers In - from other funds (PILOT)	10,666	-	-
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 3,156,478</b>	<b>\$ 4,196,860</b>	<b>\$ 3,600,405</b>
<b>Appropriations</b>			
<b>Expenditures</b>			
General Government	\$ 276,104	\$ 131,128	\$ 210,159
Administrative	196,634	255,907	257,122
City Council	11,463	12,573	12,860
City Clerk	113,199	108,372	143,166
Judicial and Legal	39,684	39,748	43,350
Grant Administration	-	60,688	1,359,840
Planning and Zoning	21,238	24,493	23,940
Building and Codes	16,641	21,729	30,010
Police	639,963	689,495	886,713
Fire	119,798	223,051	326,788
Streets	249,620	508,858	570,441
Street Aid	70,827	100,594	102,837
Parks and Recreation	368,662	753,416	355,558
Tourism & Economic Development	15,759	15,500	65,700
Debt Service - Principal and Interest	52,761	62,097	1,124,062
<b>Total Appropriations</b>	<b>\$ 2,192,353</b>	<b>\$ 3,007,649</b>	<b>\$ 5,512,546</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>	<b>964,125</b>	<b>1,189,211</b>	<b>(1,912,141)</b>
<b>Beginning Fund Balance July 1</b>	<b>2,255,499</b>	<b>3,219,624</b>	<b>4,408,835</b>
<b>Ending Fund Balance June 30</b>	<b>\$ 3,219,624</b>	<b>\$ 4,408,835</b>	<b>\$ 2,496,694</b>
<b>Ending Fund Balance as a % of Total Appropriations</b>	<b>146.9%</b>	<b>146.6%</b>	<b>45.3%</b>

**Debt Service paid from General Fund**

<b>Debt Management</b>			
2018 Fire Engine Purchase 110-49000-525	Capital Outlay Note Interest	\$ -	\$ 19,101
2018 Fire Engine Purchase 110-49000-515	Capital Outlay Note Principal	-	32,704
Sidewalks: State Portion 110-49000-513	Capital Outlay Note Interest	\$ -	\$ 15,263
Sidewalks: State Portion 110-49000-514	Capital Outlay Note Principal	-	997,000
Sidewalks: Town Portion 110-49000-610	Capital Outlay Note Interest	\$ -	\$ 8,020
Sidewalks: Town Portion 110-49000-611	Capital Outlay Note Principal	-	27,200
Train Depot Property 110-49000-530	Capital Outlay Note Interest	\$ -	\$ 6,869
Train Depot Property 110-49000-531	Capital Outlay Note Principal	-	17,800
<b>Total Annual Debt Service Payments</b>	<b>\$ -</b>	<b>\$ 51,805</b>	<b>\$ 1,124,062</b>

<b>DRUG FUND</b>	<b>Actual FY 2021</b>	<b>Estimated Actual FY 2022</b>	<b>Budget FY 2023</b>
<b>Revenues</b>			
Fines And Forfeitures	\$ 38,539	\$ 10,814	\$ 11,139
Other	7,639	16,136	73
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 46,178</b>	<b>\$ 26,950</b>	<b>\$ 11,212</b>
<b>Appropriations</b>			
Drug Enforcement	\$ 72,268	\$ 43,725	\$ 11,180
<b>Total Appropriations</b>	<b>\$ 72,268</b>	<b>\$ 43,725</b>	<b>\$ 11,180</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>	<b>(26,090)</b>	<b>(16,775)</b>	<b>32</b>
<b>Beginning Fund Balance July 1</b>	<b>143,082</b>	<b>116,992</b>	<b>100,217</b>
<b>Ending Fund Balance June 30</b>	<b>\$ 116,992</b>	<b>\$ 100,217</b>	<b>\$ 100,249</b>
<b>Ending Fund Balance as a % of Appropriations</b>	<b>161.9%</b>	<b>229.2%</b>	<b>896.7%</b>

<b>ADEQUATE FACILITIES TAX FUND</b>	<b>Actual FY 2021</b>	<b>Estimated Actual FY 2022</b>	<b>Budget FY 2023</b>
<b>Revenues</b>			
Adequate Facilities Tax	\$ 14,860	\$ 17,027	\$ 12,678
Interest Income	118	141	179
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 14,978</b>	<b>\$ 17,168</b>	<b>\$ 12,857</b>
<b>Appropriations</b>			
Capital Outlay	\$ -	\$ 35,000	\$ -
<b>Total Appropriations</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>	<b>14,978</b>	<b>(17,832)</b>	<b>12,857</b>
<b>Beginning Fund Balance July 1</b>	<b>78,683</b>	<b>93,661</b>	<b>75,829</b>
<b>Ending Fund Balance June 30</b>	<b>\$ 93,661</b>	<b>\$ 75,829</b>	<b>\$ 88,686</b>
<b>Ending Fund Balance as a % of Total Appropriations</b>	<b>0.0%</b>	<b>216.7%</b>	<b>0.0%</b>

SEWER FUND	Estimated		Budget FY 2023
	Actual FY 2021	Actual FY 2022	
<b>Operating Revenues</b>			
Sewer Charges	\$ 409,325	\$ 422,871	\$ 465,158
Tap Fees	2,200	8,266	2,200
Miscellaneous Other Fees	-	8,410	8,300
Total Operating Revenues	\$ 411,525	\$ 439,547	\$ 475,658
<b>Operating Expenses</b>			
Administrative	\$ 112,125	\$ 68,069	\$ 84,028
Sewer Department	115,866	192,834	216,749
Other	2,686	1,710	1,881
Depreciation	142,407	142,407	142,407
Total Operating Expenses	\$ 373,084	\$ 405,020	\$ 445,065
<b>Operating Income (Loss)</b>	\$ 38,441	\$ 34,527	\$ 30,593
<b>Nonoperating Revenues (Expenses)</b>			
Revenue: Investment Income	\$ 1,415	\$ 574	\$ 500
Grants - Operating	-	-	-
Other Income	-	92,066	-
Expense: Debt Service - Interest Expense	(24,627)	(22,348)	(19,995)
Total Nonoperating Revenue (Expenses)	\$ (23,212)	\$ 70,292	\$ (19,495)
<b>Income (Loss) Before Capital Contributions and Transfers</b>	\$ 15,229	\$ 104,819	\$ 11,098
<b>Capital Contributions and Transfers</b>			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ 213,000
Capital Contributions - Grants	-	-	-
Capital Contributions - Other	-	-	-
Transfers In - from Other Funds	-	-	-
Transfers Out - to Other Funds (PILOT)	(10,666)	(9,802)	(10,400)
Total Capital Contributions and Transfers	\$ (10,666)	\$ (9,802)	\$ 202,600
<b>Change in Net Position</b>	\$ 4,563	\$ 95,017	\$ 213,698
<b>Beginning Net Position July 1</b>	3,071,355	3,075,918	3,170,935
<b>Ending Net Position June 30</b>	\$ 3,075,918	\$ 3,170,935	\$ 3,384,633

<b>Statutory Change in Net Position Reconciliation:</b>			
<b>Change in Net Position</b>	\$ 4,563	\$ 95,017	\$ 213,698
<b>Subtract:</b>			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	-	-	213,000
Capital Contributions - Other	-	-	-
Grants - Operating	-	-	-
Transfers In - from Other Funds	-	-	-
Total amount subtracted for statutory change	\$ -	\$ -	\$ 213,000
<b>Statutory Change in Net Position*</b>	\$ 4,563	\$ 95,017	\$ 698

\* Note: A statutory negative Change in Net Position for two consecutive years will result in the local government's referral to the Water and Wastewater Financing Board.

<b>Debt Service to be Paid Out of Water Fund</b>				
<b>Debt Management</b>				
Capital Outlay Note for Sewer Lagoon	Note Principal Paid	76,000	78,000	81,000
Capital Outlay Note for Sewer Lagoon	Note Interest Paid	24,627	22,348	19,995
<b>Total Annual Debt Service Payments</b>	Annual Debt Service Payments	\$ 100,627	\$ 100,348	\$ 100,995

SECTION 2: At the end of the fiscal year 2022, the governing body estimates fund balances or deficits as follows:

Fund	Estimated Fund Balance/Net Position at June 30, 2022
General Fund	\$ 4,408,835
Adequate Facilities Tax	75,829
Drug Fund	100,217
Sewer Fund	3,170,935

SECTION 3: That the governing body herein certifies that the condition of its sinking funds, if applicable, are compliant pursuant to its bond covenants, and recognizes that the municipality has outstanding bonded and other indebtedness as follows:

Fund	Type of Debt	Loan Name and Description	Original Issuance Amount	Authorized & Unissued	Total Principal Outstanding at June 30	Budgeted Annual Debt Service			Detailed Budget Page Number
						Principal	Interest	Total	
General	Capital Outlay Note	\$498,704 CON - 12 Years: 2018 Fire Engine Purchase	\$ 498,704		\$ 395,000	\$ 37,000	\$ 14,910	\$ 51,910	11
	Capital Outlay Note	\$997,000 CON - 3 Years: State Portion of Sidewalks Grant	997,000		997,000	997,000	15,263	1,012,263	11
	Capital Outlay Note	\$370,000 CON - 12 Years: Town Portion of Sidewalks Grant	370,000		370,000	27,200	8,019	35,219	11
	Capital Outlay Note	\$250,000 CON - 12 Years: Train Depot Property Purchase	250,000		250,000	17,800	6,869	24,669	11
<b>Total</b>			<b>\$ 2,115,704</b>	<b>\$ -</b>	<b>\$ 2,012,000</b>	<b>\$ 1,079,000</b>	<b>\$ 45,061</b>	<b>\$ 1,124,061</b>	
Sewer	Capital Outlay Note	\$1,014,796 CON - 12 Years: Sewer Lagoon	1,014,796		\$ 716,000	\$ 81,000	\$ 19,995	\$ 100,995	15
	<b>Total</b>			<b>\$ 1,014,796</b>	<b>\$ -</b>	<b>\$ 716,000</b>	<b>\$ 81,000</b>	<b>\$ 19,995</b>	<b>\$ 100,995</b>
<b>Total Outstanding Debt</b>			<b>\$ 3,130,500</b>	<b>\$ -</b>	<b>\$ 2,728,000</b>	<b>\$ 1,160,000</b>	<b>\$ 65,056</b>	<b>\$ 1,225,056</b>	

SECTION 4: During the coming fiscal year (2023) the governing body has pending and planned capital projects with proposed funding as follows:

Pending Capital Projects	Pending Capital Projects - Total Expense	Pending Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Pending Capital Projects Expense Financed by Debt Proceeds
Safe Routes to School Sidewalks Grant Project	\$ 1,025,702.00	\$ -	\$ 1,025,702.00
Multimodal Sidewalks Grant Project	\$ 334,138.00	\$ -	\$ 334,138.00

Proposed Future Capital Projects	Proposed Future Capital Projects - Total Expense	Proposed Future Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Proposed Future Capital Projects Expense Financed by Debt Proceeds
Replace HVAC Unit	\$ 8,000.00	\$ 8,000.00	\$ -
Removal and replacement of decking and stair access	\$ 9,000.00	\$ 9,000.00	\$ -
Webpage Design	\$ 10,000.00	\$ 10,000.00	\$ -
Salary Survey/Study	\$ 7,000.00	\$ 7,000.00	\$ -
Removal and replacement of flooring in City Hall Building	\$ 15,000.00	\$ 15,000.00	\$ -
Grounds and Engineering work for newly purchased property	\$ 24,000.00	\$ 24,000.00	\$ -
Purchase and equip new police vehicle	\$ 75,000.00	\$ 75,000.00	\$ -
Purchase of 2 LUCAS Devices	\$ 34,000.00	\$ 34,000.00	\$ -
Purchase and placement of 6 license plate reader cameras	\$ 18,000.00	\$ 18,000.00	\$ -
Replace HVAC Unit	\$ 9,000.00	\$ 9,000.00	\$ -
SCBA replacement airpaks & expired turnout gear	\$ 50,000.00	\$ 50,000.00	\$ -
Equipment Storage Building 50 x 70	\$ 23,000.00	\$ 23,000.00	\$ -
Replace Fire vehicle # 332	\$ 55,000.00	\$ 55,000.00	\$ -
Purchase of attachments for skid steer Bushhog & Grabble Bucket	\$ 10,500.00	\$ 10,500.00	\$ -
Front End Loader	\$ 74,000.00	\$ 74,000.00	\$ -
Purchase of plow for work truck	\$ 9,000.00	\$ 9,000.00	\$ -
Playground swings	\$ 22,000.00	\$ 22,000.00	\$ -
Fencing for splash pad	\$ 25,000.00	\$ 25,000.00	\$ -
Purchase of Park Seating & Shade Sails	\$ 15,000.00	\$ 15,000.00	\$ -

SECTION 5: No appropriation listed above may be exceeded without an amendment of the budget ordinance as required by the Municipal Budget Law of 1982 (Tenn. Code Ann. § 6-56-208). In addition, no appropriation may be made in excess of available funds except to provide for an actual emergency threatening the health, property or lives of the inhabitants of the municipality and declared by a two-thirds (2/3) vote of at least a quorum of the governing body in accord with Tenn. Code Ann. § 6-56-205.

SECTION 6: The Financial Director is hereby granted the authority to transfer monies from one appropriation to another in the same fund, subject to such limitations and procedures as set by the Board of Commissioners pursuant to Tennessee Code Annotated § 6-56-209. Any resulting transfer shall be reported to the governing body at its next regularly scheduled meeting and entered into the minutes.

SECTION 7: A detailed financial plan will be attached to this budget and become part of this budget ordinance.

SECTION 8: There is hereby levied a property tax of \$0.77 per \$100 of assessed value on all real and personal property.

SECTION 9: This annual operating and capital budget ordinance and supporting documents shall be submitted to the Comptroller of the Treasury or Comptroller's Designee for approval pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated within fifteen (15) days of its adoption. If the Comptroller of the Treasury or

Comptroller's Designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes or as directed by the Comptroller of the Treasury or Comptroller's Designee.


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

SECTION 11: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

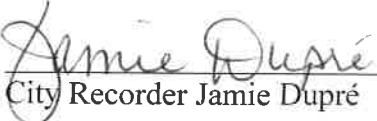
SECTION 12: This ordinance shall take effect July 1, 2022, the public welfare requiring it.

Passed 1<sup>st</sup> Reading: Tuesday, May 19, 2022

Passed 2<sup>nd</sup> Reading: June 14, 2022

  
\_\_\_\_\_  
Mayor Francis A. Gross III.

ATTESTED:

  
\_\_\_\_\_  
City Recorder Jamie Dupré

