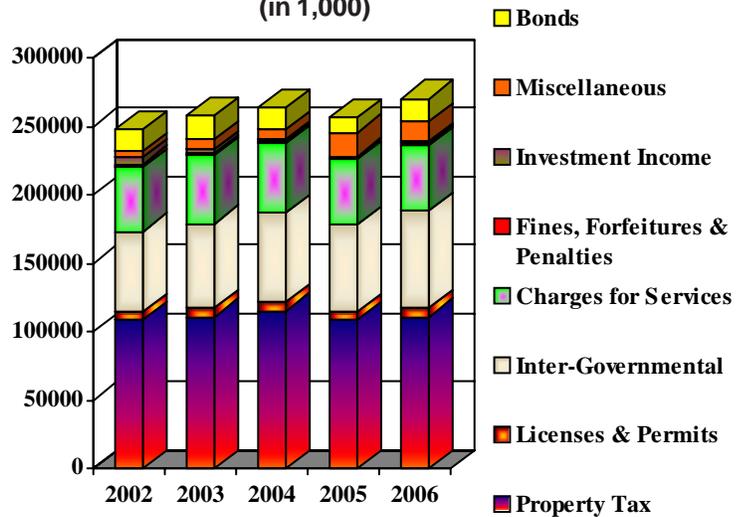


Financial Overview

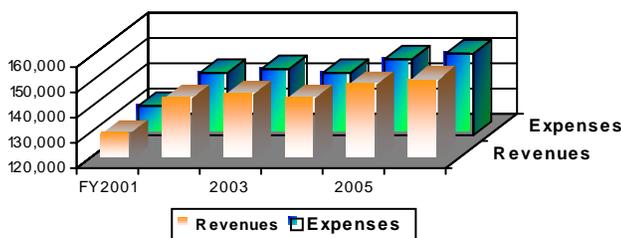
Revenue and Expenditure History

Total City revenues and operating transfers in for the fiscal year ended June 30, 2002 was \$240,468,918. Total projected City revenue for the fiscal year ended June 30, 2006 is \$300,644,568 which includes \$8.6 million from fund balance. This difference of \$60,175,650 represents a 25.0% increase over this four year period. The major reasons for the increase over this time frame includes a property tax increase in FY2002 from 2.31 to 2.516 per 100.00 and increases in capital and bond funding for capital. During this period the Undesignated General Fund Budget increased from \$144,594,307 in FY02 to \$152,214,238 in FY06. The chart below shows the Undesignated General Fund revenues and expenditures during this time period. To the right are five year comparisons of total revenues and expenditures.

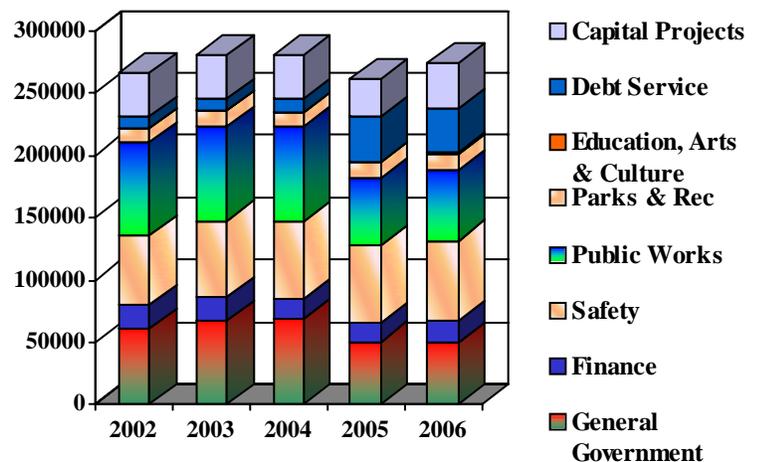
Budgeted Revenues
(in 1,000)



Undesignated General Fund



Budgeted Expenditures
(in 1,000)



**BUDGETED REVENUES & APPROPRIATIONS
BY FUND TYPE
FY2006**

<u>Revenues</u>	<u>Governmental Fund Types</u>			
	<u>Undesignated General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Taxes	98,099,441	12,799,000		
Licenses & Permits	6,349,990			
Intergovernmental	39,843,775	20,201,503	1,571,442	8,986,315
Charges for services	1,831,700	1,657,483		
Fines, forfeitures and penalties	1,172,500			
Interest earnings	825,000	45,000		
Miscellaneous	4,091,832	1,938,134		30,000
Bonds				16,845,181
Fund Balance		445,309		
Transfers In		1,333,477	12,336,464	7,093,111 (1)
Total Revenues	152,214,238	38,419,906	13,907,906	32,954,607
<u>Appropriations</u>				
General Government	14,704,283	24,988,000		
Finance & Administration	8,804,945			
Safety Department	64,534,331	157,134		
Public Works Department	26,978,799	4,754,289		
Parks, Recreation, Arts & Culture	10,055,886	1,657,483		
Personnel	6,684,279			
Neighborhood Services	1,827,966			
Executive Branch	1,432,397			
Education, Arts & Culture	1,520,941			
Debt Service		689,000	13,907,906	
Capital Projects		2,910,000		32,954,607
Transfers Out	15,670,411	3,264,000		
Total Appropriations	152,214,238	38,419,906	13,907,906	32,954,607

Note 1: Includes proposed \$3,500,000 from General Fund

**BUDGETED REVENUES & APPROPRIATIONS
BY FUND TYPE
FY2006**

Proprietary Fund Types	Internal Service Funds	Budget Total Revenue FY2006	Total Revenue FY2005
		110,898,441	108,333,636
		6,349,990	6,182,567
145,000		70,748,035	64,022,868
44,669,395		48,158,578	47,182,652
		1,172,500	1,091,759
803,750		1,673,750	1,362,736
145,340	8,547,474	14,752,780	17,605,472
		16,845,181	11,274,010
8,153,000		8,598,309	4,391,079
683,952		21,447,004	20,470,576
54,600,437	8,547,474	300,644,568	281,917,355
	650,000	40,342,283	40,426,528
	7,897,474	16,702,419	15,367,903
		64,691,465	61,699,431
25,176,409		56,909,497	54,504,941
		11,713,369	12,347,802
		6,684,279	6,349,619
		1,827,966	2,611,041
		1,432,397	1,317,050
		1,520,941	-
20,853,989		35,450,895	35,787,546
417,039		36,281,646	30,990,279
8,153,000		27,087,411	20,515,215
54,600,437	8,547,474	300,644,568	281,917,355

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 \$1.5 million. This is primarily due to the increased use in the fund balance for capital. The largest contributor to the capital increase is the bonds sold in October 2002 to fund the city's portion of the 21st Century Waterfront Plan. Over the past three years some funds have experienced a decline in Fund Balance, while some funds have had increases. Fund Balances for the General, Debt Service and Enterprise Funds have increased while the Fund Balances for Special Revenue, Capital, and Internal Service Funds have decreased during this period.

The General Fund Balance was \$40,677,979 in 2003. This has grown steadily to a current unaudited balance of \$47,584,750 for FY05. This has been accomplished through sound fiscal management. A large part of the Fund Balance build-up can be attributed to increasing sales and property tax revenues.

The Special Revenues Fund Balance decreased from a balance of \$14,882,558 in 2003 to a 2006 projected beginning balance of \$10,141,785. The decrease is a direct result of increased spending in the Community Development fund in fiscal year 2004.

Debt Service Fund Balance was \$4,988,142 in FY03 and \$6,471,930 in FY05. During FY06, debt service Fund Balance is predicted to experience no change from FY05, but budgeted revenues and expenditures are expected to increase.

The Capital Funds Fund Balances have fluctuated most during the past few years. This is primarily due to the City's 21st Century Waterfront capital plan, which for the most part should be completed in 2006. FY 05 experienced a decrease in Fund Balance of \$24,609,021 and FY06 is projected to be flat.

The growth of the Net Assets within the Enterprise Funds have been most dramatic. Net Assets of \$233,041,498 in 2003 have increased to a 2005 unaudited balance of \$245,705,346. Over the past ten year period, the City was subject to federal mandates relative to stormwater and landfill operations which necessitated the imposition of a stormwater fee and increased landfill rates to fund such mandates. There has also been an increase in sewer rates during

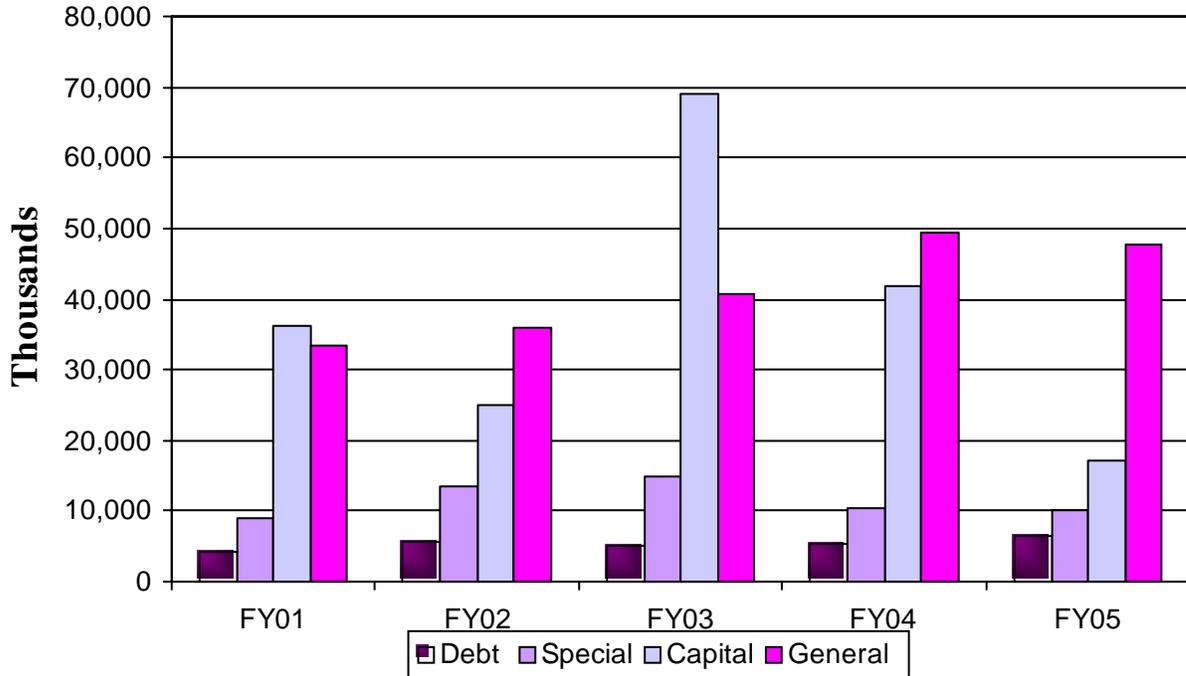
FY03, FY04 and FY05 of 7.29%, 7.07%, and 2.54% respectively. There will be no change for FY06.

The Internal Service Fund Balance was \$901,738 in 2003. At the beginning of 2006, this Fund Balance is projected to be \$35,076. This change reflects the increased cost of maintaining the City's fleet of vehicles, which has grown considerably. This fund is not intended to generate profits.

The chart on the following 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 and line items found in and outside of the budget ordinance, where the sections relate funds which are only accounted for in the budget ordinance.

Changes in Fund Balance Governmental Funds

Includes Designated Funds



Governmental Fund Balances					
	FY01	FY02	FY03	FY04	FY05
Debt Service Fund	\$ 4,163,307	\$ 5,497,083	\$ 4,988,142	\$ 5,222,704	\$ 6,471,930
Special Revenue Funds	\$ 9,058,189	\$ 13,587,108	\$ 14,882,558	\$ 10,460,134	\$ 10,141,785
Capital Funds	\$ 36,160,307	\$ 24,879,406	\$ 69,000,220	\$ 41,780,985	\$ 17,171,964
General Fund	\$ 33,494,589	\$ 35,967,697	\$ 40,677,979	\$ 49,359,359	\$ 47,584,750
Totals	\$ 82,876,392	\$ 79,931,294	\$ 129,548,899	\$ 106,823,182	\$ 81,370,429

NOTE: FY2005 Budget proposed a \$3.5 reduction in fund balance note realized. Project net change of FY2004

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, 2003 - 2006

	FY 02/03	FY 03/04	Unaudited FY04/05	Budget FY05/06
FUND BALANCE at beginning of year	<u>35,967,697</u>	<u>40,677,979</u>	<u>49,359,359</u>	<u>47,584,750</u>
Revenues				
Taxes	112,029,460	113,383,883	110,911,336	111,527,441
Licenses and permits	6,649,683	7,168,267 (1)	4,092,969	3,841,990
Intergovernmental Revenues	39,996,511	40,985,664	42,738,584	42,847,959
Charges for Services	3,177,234	3,166,443	3,774,828	3,758,723
Fines, forfeitures and penalties	1,427,541	1,112,159	1,410,642	1,172,500
Interest Income	883,364	676,088	1,191,282	813,348
Sale of Property	103,348	72,888	31,670	25,000
Prior Year Surplus	0	0	0	
Miscellaneous Revenues	<u>4,383,523</u>	<u>5,383,053</u>	<u>4,687,330</u>	<u>4,313,108</u>
Total Revenues	<u>\$168,650,664</u>	<u>\$171,948,445</u>	<u>\$168,838,641</u>	<u>\$168,300,069</u>
Expenditures				
General Government	40,370,683	38,164,011	34,851,436	36,346,326
Finance & Administration	8,313,779	8,209,869	8,463,320	9,109,195
Safety	57,757,343	61,216,949	62,075,047	65,392,219
Public Works	19,431,285	25,772,165	26,903,194	27,762,751
Parks, Recreation Arts & Culture	<u>12,506,051</u>	<u>12,157,459</u>	<u>12,707,871</u>	<u>13,245,868</u>
Total Expenditures	<u>\$138,379,141</u>	<u>\$145,520,453</u>	<u>\$145,000,868</u>	<u>\$151,856,359</u>
Excess (deficiency) of revenues over expenditures	30,271,523	26,427,992	23,837,773	16,443,710
Other Financing Sources (Uses)				
Operating transfers in	65,322	0	0	1,958,049
Operating transfers out	(22,386,913)	(14,587,962)	(22,327,382)	(14,986,459)
Operating transfers to component units	<u>(3,239,650)</u>	<u>(3,158,650)</u>	<u>(3,285,000)</u>	<u>(3,415,300)</u>
Total other financing sources (uses)	<u>(25,561,241)</u>	<u>(17,746,612)</u>	<u>(25,612,382)</u>	<u>(16,443,710)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>4,710,282</u>	<u>8,681,380</u>	<u>(1,774,609)</u>	<u>0</u>
FUND BALANCE at end of year	<u><u>\$40,677,979</u></u>	<u><u>\$49,359,359</u></u>	<u><u>\$47,584,750</u></u>	<u><u>\$47,584,750</u></u>

Note: Fund balance includes designated (largest of which is Economic Development) and undesignated general fund activity.

Note 1: Gross Receipt collections of \$3,641,709 reclassified from Licenses and Permits to Taxes beginning in FY05.

City of Chattanooga, Tennessee

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 2003 - 2006

	FY 02/03	FY 03/04	Unaudited FY04/05	Budget FY05/06
FUND BALANCE at beginning of year	<u>13,587,108</u>	<u>14,882,558</u>	<u>10,460,134</u>	<u>10,141,785</u>
Revenues				
Taxes	876,506	2,040,244	2,583,318	3,000,000
Intergovernmental Revenues	21,706,048	23,660,065	20,684,978	21,812,503
Charges for Services	73,112	123,317	141,512	53,000
Interest Income	391,028	256,603	125,508	50,670
Fines, Forfeitures, Penalties	19,880	16,153	0	0
Prior Year Surplus	0	0	0	445,309
Miscellaneous Revenues	<u>2,197,590</u>	<u>1,360,318</u>	<u>3,538,410</u>	<u>2,093,634</u>
Total Revenues	<u>\$25,264,164</u>	<u>\$27,456,700</u>	<u>\$27,073,726</u>	<u>\$27,455,116</u>
Expenditures				
General Government	21,868,299	27,222,678	22,475,236	23,454,830
Finance and Administration	25,331	687,902	63,799	0
Safety	264,346	132,866	162,294	157,134
Public Works	3,951,043	4,051,622	4,685,412	4,754,289
General Services	0	0	0	0
Capital Outlay/Fixed Assets	<u>635,407</u>	<u>919,277</u>	<u>281,866</u>	<u>2,910,000</u>
Total Expenditures	<u>\$26,744,426</u>	<u>\$33,014,345</u>	<u>\$27,668,607</u>	<u>\$31,276,253</u>
Excess (deficiency) of revenues over expenditures	(1,480,262)	(5,557,645)	(594,881)	(3,821,137)
Other Financing Sources (Uses)				
Operating transfers in	4,207,366	3,739,202	3,821,137	3,821,137
Operating transfers out	(1,431,654)	(2,603,981)	(3,544,605)	0
Change in Accounting Principle				
Total other financing sources (uses)	<u>2,775,712</u>	<u>1,135,221</u>	<u>276,532</u>	<u>3,821,137</u>
Net change in Fund Balance	<u>1,295,450</u>	<u>(4,422,424)</u>	<u>(318,349)</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$14,882,558</u>	<u>\$10,460,134</u>	<u>\$10,141,785</u>	<u>\$10,141,785</u>

Due to GASB 34 reporting, Community Development funds previously reported in the Fiduciary Funds are now reported in the Special Revenue Funds beginning fiscal year ending June 30, 2002.

City of Chattanooga, Tennessee

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Years Ended June 30, 2003 - 2006

	FY 02/03	FY 03/04	Unaudited FY04/05	Budget FY05/06
FUND BALANCE at beginning of year	<u>5,497,083</u>	<u>4,988,142</u>	<u>5,222,704</u>	<u>6,471,930</u>
Revenues				
Other intergovernmental funds	805,984	794,983	1,705,851	762,683
Other	<u>200,010</u>	<u>213,678</u>	<u>221,917</u>	<u>200,000</u>
Total Revenues	<u>1,005,994</u>	<u>1,008,661</u>	<u>1,927,768</u>	<u>962,683</u>
Expenditures				
Principal retirement	4,753,112	4,725,541	5,777,360	7,163,965
Interest	4,394,875	6,141,098	6,118,239	6,693,941
Fiscal agent fees	<u>58,830</u>	<u>27,184</u>	<u>53,198</u>	<u>50,000</u>
Total Expenditures	<u>9,206,817</u>	<u>10,893,823</u>	<u>11,948,797</u>	<u>13,907,906</u>
Excess (deficiency) of revenues over expenditures	<u>(8,200,823)</u>	<u>(9,885,162)</u>	<u>(10,021,029)</u>	<u>(12,945,223)</u>
Other Financing Sources (Uses)				
Operating transfers in	7,661,316	10,119,724	11,270,255	12,223,875
Operating transfers out	(28,618)	0	0	0
CDBG (Fannie Mae)	0	0	0	112,589
Hamilton County 911	0	0	0	608,759
Proceeds of refunding bonds	6,244,753	0	0	0
Payment of refunding bonds	<u>(6,185,569)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>7,691,882</u>	<u>10,119,724</u>	<u>11,270,255</u>	<u>12,945,223</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(508,941)</u>	<u>234,562</u>	<u>1,249,226</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$4,988,142</u>	<u>\$5,222,704</u>	<u>\$6,471,930</u>	<u>\$6,471,930</u>

City of Chattanooga, Tennessee

Capital Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Years Ended June 30, 2003 - 2006

	FY 02/03	FY 03/04	Unaudited FY04/05	Budget FY05/06
FUND BALANCE at beginning of year	<u>24,879,406</u>	<u>69,000,220</u>	<u>41,780,985</u>	<u>17,171,964</u>
Revenues				
Intergovernmental Revenues	4,027,263	6,163,609	9,424,398	8,986,315
Charges for services	14,530	0	32,606	0
Interest Income	1,015,593	590,850	661,255	0
Donations	0	0	0	30,000
Sale of Property	0	1,367,821	25,650	0
Miscellaneous Revenues	660,457	2,065,808	3,774,082	929,111
Total Revenues	<u>\$5,717,843</u>	<u>\$10,188,088</u>	<u>\$13,917,991</u>	<u>\$9,945,426</u>
Expenditures				
General Government	5,516,274	4,140,370	6,141,012	23,153,315
Finance & Administration	1,030,036	233,830	4,469,592	20,000
Safety	5,763,439	3,029,856	3,473,463	2,442,005
Public Works	14,445,487	8,465,212	12,665,890	14,027,287
Parks, Recreation, Arts & Culture	1,466,547	3,358,355	3,972,346	1,465,000
General Services	52,635	38,840	40,240	0
Capital outlay/fixed assets	9,543,865	23,191,459	29,386,325	0
Total Expenditures	<u>\$37,818,283</u>	<u>\$42,457,922</u>	<u>\$60,148,868</u>	<u>\$41,107,607</u>
Excess (deficiency) of revenues over expenditures	<u>(32,100,440)</u>	<u>(32,269,834)</u>	<u>(46,230,877)</u>	<u>(31,162,181)</u>
Other Financing Sources (Uses)				
Operating transfers in	9,525,770	5,130,128	12,695,410	14,317,000
Operating transfers out	(1,468,230)	(2,481,063)	(2,480,853)	0
Bond/Note Proceeds	68,163,714	2,401,534	35,365,630	16,845,181
Refund Bond Escrow Agent	0	0	(23,958,331)	0
Total other financing sources (uses)	<u>76,221,254</u>	<u>5,050,599</u>	<u>21,621,856</u>	<u>31,162,181</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>44,120,814</u>	<u>(27,219,235)</u>	<u>(24,609,021)</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$69,000,220</u>	<u>\$41,780,985</u>	<u>\$17,171,964</u>	<u>\$17,171,964</u>

City of Chattanooga, Tennessee

Fiduciary Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Years Ended June 30, 2003 - 2006

	<u>FY 02/03</u>	<u>FY 03/04</u>	<u>Unaudited FY04/05</u>	<u>Budget FY05/06</u>
REVENUES				
Interest Income	4,623	3,667	210,159	2,867
Total Revenues	<u>4,623</u>	<u>3,667</u>	<u>210,159</u>	<u>2,867</u>
EXPENDITURES				
Finance & Administration	300	261	15,609	2,867
General Government	0	0	58,934	0
Total Expenditures	<u>300</u>	<u>261</u>	<u>74,543</u>	<u>2,867</u>
Excess (deficiency) of Revenues over (under) Expenditures	4,323	3,406	135,616	0
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	4,323	3,406	135,616	0
FUND BALANCE at Beginning of Year	<u>71,734</u>	<u>76,057</u>	<u>3,064,000</u>	<u>3,199,616</u>
FUND BALANCE at End of Year	<u><u>\$76,057</u></u>	<u><u>\$79,463</u></u>	<u><u>\$3,199,616</u></u>	<u><u>\$3,199,616</u></u>

Due to GASB 34 reporting, Community Development funds are reported in the Special Revenue funds beginning in the fiscal year ending June 30, 2002

Fiduciary funds reflect the three medal funds: Chattanooga High School, Ochs-Oakes Fire and Police, and Ochs-Oakes High School. Library Endowment Fund added to Fiduciary Funds beginning in the fiscal year ending June 30, 2005

City of Chattanooga, Tennessee

Enterprise Fund

Combining Statement of Revenues, Expenses and
Changes in Net Assets
Years Ended June 30, 2003 - 2006

	<u>FY 02/03</u>	<u>FY 03/04</u>	<u>Unaudited FY04/05</u>	<u>Budget FY05/06</u>
REVENUES				
Customer Charges	39,730,915	47,882,673	(2) 48,087,314	44,222,042
Other	0	0	860,434	85,000
Total Revenues	<u>39,730,915</u>	<u>47,882,673</u>	<u>48,947,748</u>	<u>44,307,042</u>
OPERATING EXPENSES				
Sewer Plant Operation	17,957,546	17,951,304	18,648,491	19,226,171
Solid Waste Operation	2,621,150	2,247,325	1,870,879	2,564,580
Storm Water Operation	2,793,619	2,561,350	2,962,648	3,385,658
Depreciation and Amortization	11,343,379	11,483,482	11,579,176	13,791,430
Closure/Postclosure Costs	634,521	430,624	517,996	0
Other/Housing	1,098,510	1,215,595	1,069,346	417,039
Total Operating Expenses	<u>36,448,725</u>	<u>35,889,680</u>	<u>36,648,536</u>	<u>39,384,878</u>
OPERATING INCOME (LOSS)	<u>3,282,190</u>	<u>11,992,993</u>	<u>12,299,212</u>	<u>4,922,164</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Income	750,420	496,970	837,075	803,750
Interest Expense	(6,748,243)	(8,304,780)	(7,596,606)	(7,062,559)
Intergovernmental	1,241,536	720,213	83,652	592,353
Other Income (expense)	77,987	10,960	184,682	60,340
Total Nonoperating Rev. (Exp.)	<u>(4,678,300)</u>	<u>(7,076,637)</u>	<u>(6,491,197)</u>	<u>(5,606,116)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS TRANSFERS AND SPECIAL ITEM	<u>(1,396,110)</u>	<u>4,916,356</u>	<u>5,808,015</u>	<u>(683,952)</u>
Capital Contributions	0	521,640	170,247	0
Operating Transfers In	5,468,339	683,952	686,898	8,836,952 (2)
Operating Transfers Out	(1,612,697)		(123,260)	0
Special Item, Transfer of capital assets to governmental activities	0	0	0	0
NET INCOME (LOSS) BEFORE EXTRAORDINARY LOSS	<u>2,459,532</u>	<u>6,121,948</u>	<u>6,541,900</u>	<u>8,153,000</u>
Extraordinary loss on disposal of treatment plant	0	0	0	0
NET INCOME (LOSS)	<u>2,459,532</u>	<u>6,121,948</u>	<u>6,541,900</u>	<u>8,153,000</u>
Amortization of Contributed Capital	0	0	0	0
TOTAL NET ASSETS - Beginning	<u>230,581,966</u> (1)	<u>233,041,498</u>	<u>239,163,446</u>	<u>245,705,346</u>
TOTAL NET ASSETS - Ending	(1) <u>\$233,041,498</u>	<u>\$239,163,446</u>	<u>\$245,705,346</u>	<u>\$253,858,346</u>

Note 1: Beginning in FY04 the General Fund is paying tipping fees to the Solid Waste Fund

Note 2: Transfers In includes \$8,153,000 in capital appropriations from reserves. Prior year does not include capital funding.

City of Chattanooga, Tennessee

Internal Service Funds

Schedule of Revenues, Expenditures, and Changes in Net Assets
Years Ended June 30, 2003 - 2006

	FY 02/03	FY 03/04	Unaudited FY04/05	Budget FY05/06
Net Assets, beginning of year	<u>1,557,608</u>	<u>901,738</u>	<u>1,697,334</u>	<u>35,076</u>
Revenues				
Billings to Departments	7,845,687	9,464,024	9,227,287	8,015,391
Other	<u>658,953</u>	<u>607,358</u>	<u>534,206</u>	<u>532,083</u>
Total Revenues	<u>\$8,504,640</u>	<u>\$10,071,382</u>	<u>\$9,761,493</u>	<u>\$8,547,474</u>
Expenditures				
Repairs & Maintenance - Amnicola	3,228,040	2,951,243	3,195,192	2,870,330
Repairs & Maintenance - 12th St	3,403,577	3,158,074	3,315,469	2,858,658
Operations - Amnicola	453,357	505,233	698,210	634,906
Operations - 12th St	1,011,575	1,106,258	1,543,571	1,533,580
Judgments & Costs	590,286	1,151,146	2,414,202	405,000
Water System	0	4,242	301	0
Claims & Tort Liabilities	276,670	261,674	219,972	208,200
Special Counsel	<u>197,005</u>	<u>137,916</u>	<u>36,834</u>	<u>36,800</u>
Total Expenditures	<u>\$9,160,510</u>	<u>\$9,275,786</u>	<u>\$11,423,751</u>	<u>\$8,547,474</u>
Excess (deficiency) of revenues over expenditures	<u>(655,870)</u>	<u>795,596</u>	<u>(1,662,258)</u>	<u>0</u>
Net Assets, ending of year	<u><u>\$901,738</u></u>	<u><u>\$1,697,334</u></u>	<u><u>\$35,076</u></u>	<u><u>\$35,076</u></u>

Note 1: Beginning in FY05 , costs associated with claims and tort liabilities and special counsel was transferred to the general fund

Undesignated General Fund

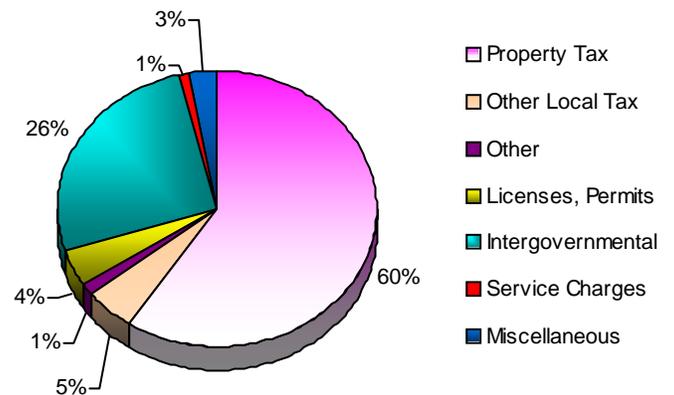
Fund Structure

The Undesignated General Fund accounts for all financial resources applicable to the general operations of city government which are not properly accounted for in another fund. This fund is the only unrestricted fund of a government unit. The basis of budgeting is the modified accrual. In FY 2006, the budgeted revenue and expenses are \$168,300,069. Included are designated general government operations totaling \$16,085,831, the largest of which is the Economic Development Fund with a budget of \$10,488,000. Undesignated general fund operations budget is \$152,214,238. The following charts relate to the undesignated general fund operations.

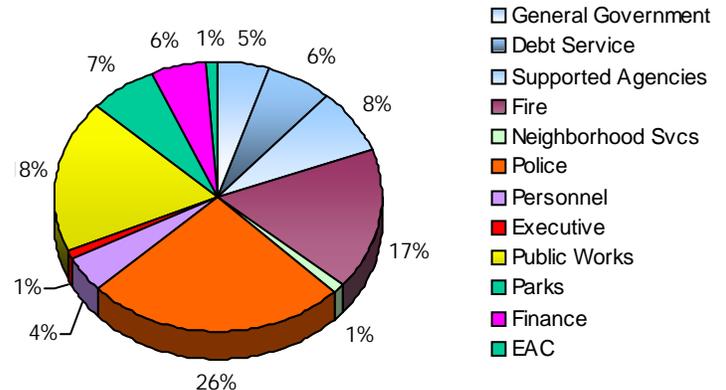
The major revenues of the general fund include: property taxes; other local taxes; licenses and permits; fines, forfeitures, and penalties; investment income; revenue from other agencies; and services charges. Departments of the General Fund include:

- General Government
 - General
 - Debt Service
- Supported Agencies
- Finance & Administration
- Police
- Fire
- Public Works
- Parks & Recreation
- Personnel
- Neighborhood Services
- Executive Branch
- Education, Arts, & Culture

Revenues 2006
\$152,214,238



Appropriations 2006
\$152,214,238



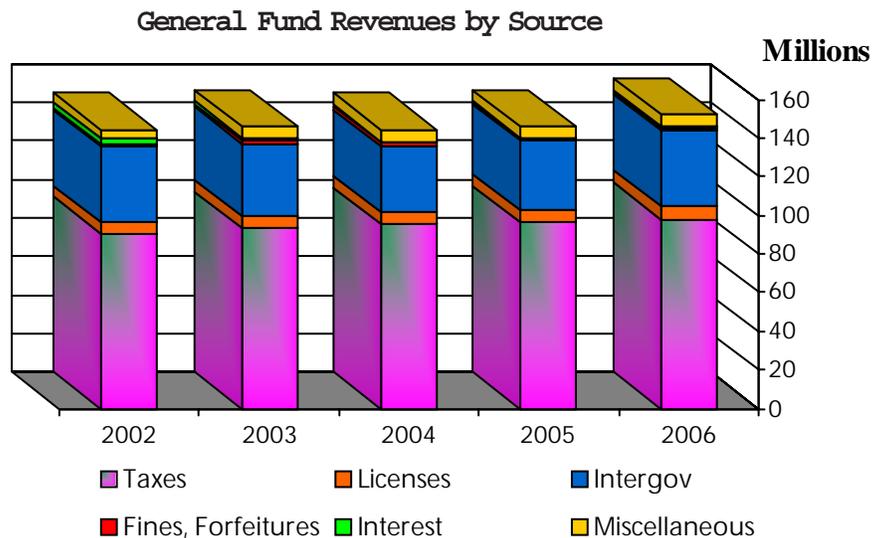
Fund Revenue Summary
Fiscal Years 2003 thru 2006
(expresses in \$1,000)

Fund Type	Actual FY02/03	Actual FY03/04	Budget FY04/05	Budget FY05/06	Budget 06 Increase (Decrease)	% Change FY 05/06
Undesignated General Fund:						
Property Taxes	87,247	87,196	88,759	90,118	1,359	1.53%
Other Local Taxes	7,517	7,743	7,646	7,981	335	4.38%
Licenses, Permits, Etc.	6,214	6,759	6,183	6,350	167	2.71%
Fines, Forfeitures & Penalties	1,428	1,112	1,092	1,173	81	7.44%
Investment Income	908	694	569	825	256	45.00%
Revenue form Other Agencies	36,116	36,314	36,218	39,844	3,626	10.01%
Service Charges	1,453	1,486	1,467	1,832	365	24.89%
Miscellaneous Revenues	4,723	4,931	4,106	4,092	(14)	-0.35%
Prior Year Surplus	-	-	3,927	-	(3,927)	N/A
<i>Total General Fund</i>	<u>145,607</u>	<u>146,235</u>	<u>149,967</u>	<u>152,215</u>	<u>2,248</u>	<u>1.50%</u>

Revenues

The proposed Budget for FY 2006 shows an increase in Estimated Revenues of \$2,247,238 or 1.5% when compared to FY 05. This increase in Estimated Revenues for FY 2006 can be attributed to increased tax revenues and governmental transfers. County-Wide sales tax is estimated to increase \$2,644,133; Gross Receipts is expected to increase by \$168,000; and the State Sales Tax is expected to increase \$1,060,977 or 11.9% for the City in FY 2006. Property Tax is anticipated to continue a strong, healthy growth.

The chart shows the General Fund Revenues by Source for the fiscal years 2002 thru 2006.



Property Taxes

FY 2006 Estimate : **\$90,118,187**
% of General Fund: **59.2%**
Growth From FY 05: **1,359,513**
% Change: **1.5%**

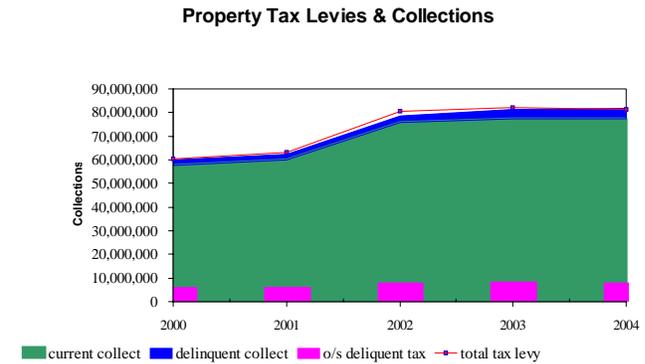
Current Real Property Taxes remain the primary source of funds for the City of Chattanooga, with the FY 2006 estimate of \$80,650,402 representing 52.98% of the total General Fund Budget. All property tax estimates inclusive of delinquencies and in lieu of tax payments total \$90,118,187 or 59.20% of the total General Fund budget. The current tax rate is \$2.202 per \$100.00 of the assessed valuation. This is considerably less than the 1995 rate of \$2.98, this reappraisal is the lowest tax rate in nearly 50 years. Revenues generated in 1996 with a \$2.98 tax rate amounted to \$65,915,783 while the estimate for FY 2006 is \$80,650,402, an increase of \$14,238,105, or 17.77%. Assessments for 1995 were \$2,198,869,948. This figure has risen to \$3,237,183,936 in 2005, an increase of \$836,835,946 or 27.56%. 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.

Below is a graphical outlook of Property Tax Levies and Collections for the last five years. Not included in the totals are payment in lieu of taxes (PILOT) received

from the EPB and certain other entities within the City.



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 based on 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 2006 is \$2,901,037 or 1.95% over FY05. The Telecommunication in lieu of tax due from the EPB is \$240,138, 13.92% over FY05.

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

Fiscal Year	Tax Rate	Event
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

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. A one penny increase produces additional income of \$320,550.

Current City policy for budgeting is to estimate collections of 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. The largest is received from the Electric Power Board of Chattanooga, a separate administrative agency of city government. Other major In-Lieu of payments received include: Tennessee Valley Authority, Burner Systems, Kenco Group, E.I. Dupont, Messer Griesheim Industries, and Signal Mountain Cement. The collection of In Lieu of Taxes accounts for approximately three percent (3.56%) of the operating budget each year.

Other Local Taxes:

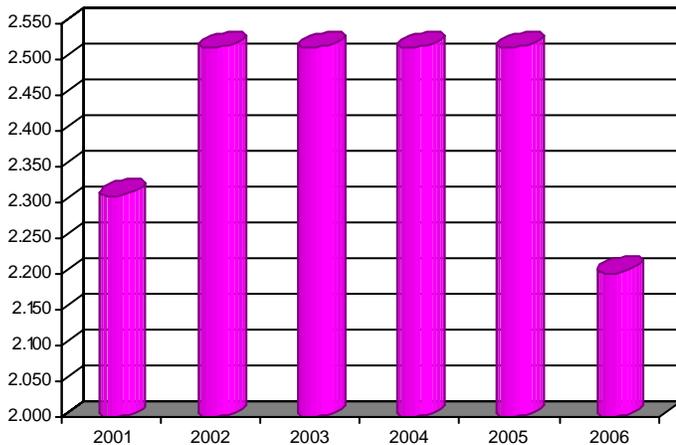
FY 2006 Estimate :	\$7,981,254
% of General Fund:	5.24%
Growth From FY 05:	334,792
% Change:	4.4%

Wholesale Beer Tax

FY 2006 Estimate:	\$4,633,840
% of General Fund:	3.04%
Growth From FY 05:	212,918
% Change:	4.8%

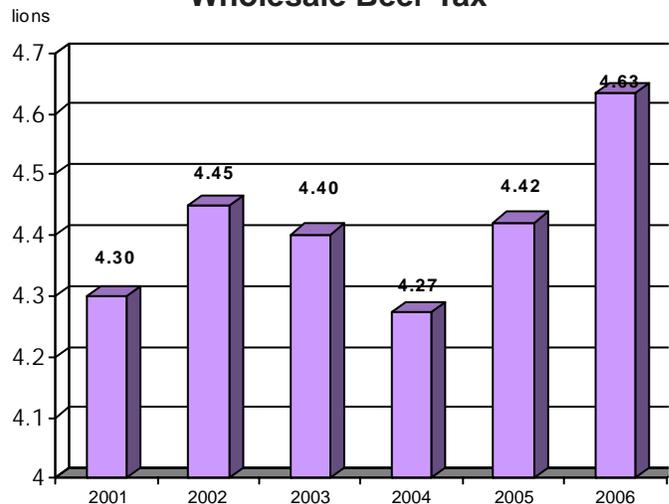
The Wholesale Beer Tax is a steady source of revenue to the City. The 17% tax is authorized by the State of Tennessee and is based on wholesalers' sales to retailers in the city. These collections represent an average of 3% of General Fund revenues. The average growth in these collection is about 2%. FY06 indicates a 4.8% increase from FY05, which had a realized 3.5% increase in revenues from FY05, suggesting continued growth as a revenue source. Revenue estimates for these collections are based on these known growth factors.

Property Tax Rates



(per \$100 of Assessed Valuation)

Wholesale Beer Tax



Licenses, Permits, Etc.:

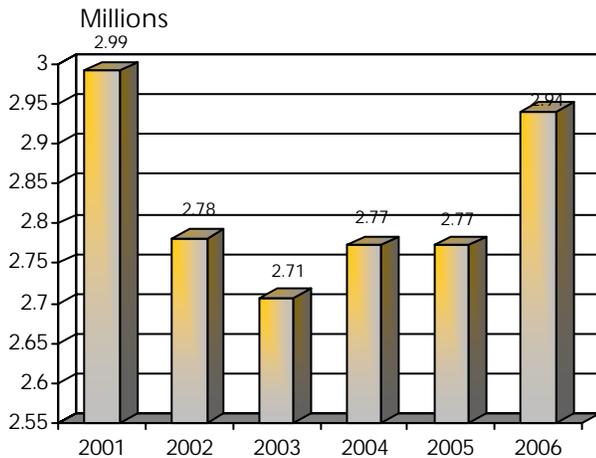
FY 2006 Estimate :	\$6,349,990
% of General Fund:	4.17%
Growth From FY 05:	167,423
% Change:	2.7%

Gross Receipts Taxes

FY 2006 Estimate :	\$2,940,000
% of General Fund:	1.93%
Growth from FY 05:	168,000
% Change:	6.1%

Even though Gross Receipts Taxes are a steady source in the General Fund, they represent only 2% of total collections each year. The trend over the past six years reveals the growth of this collection has varied between 4% and 8%, as shown in the chart. However, the economic impact on retail sales in FY02 required a downward adjustment in the FY03 estimate, which has resulted in relatively stagnant growth in FY04 and FY05, but in FY06 collections are on the rise.

Gross Receipt Taxes



Revenue from Other Agencies:

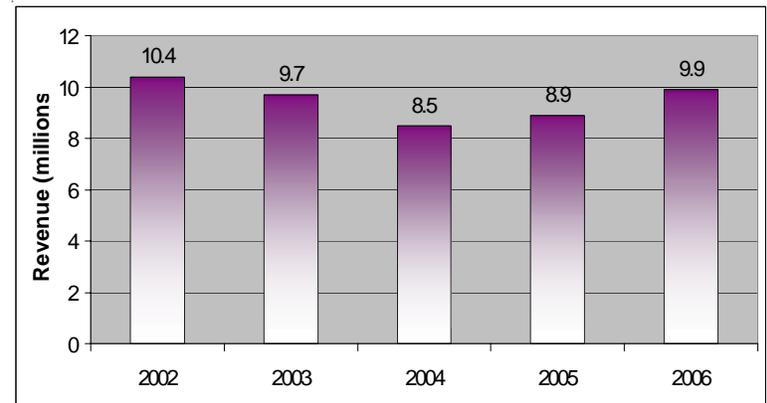
FY 2006 Estimate :	\$39,843,775
% of General Fund:	26.18%
Growth From FY 05:	3,625,505
% Change:	10.0%

City Allocation State Sales Tax

FY 2006 Estimate:	\$ 9,989,522
% of General Fund :	6.56%
Growth From FY 05:	1,060,977
% Change:	11.9%

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 154,853 and its per capita allocation from state sales tax for Fiscal Year 2006 is \$64.51. The State Sales Tax is expected to increase by 11.9% or \$1,060,977 in FY 2006. This suggests that the economy may be strengthening and that fewer consumers are traveling across state lines to purchase goods and services.

State Sales Tax



Revenues from Other Agencies

County-Wide Sales Taxes

FY 2006 Estimate :	\$24,529,206
% of General Fund:	16.11%
Growth From FY 05:	2,644,133
% Change:	12.1%

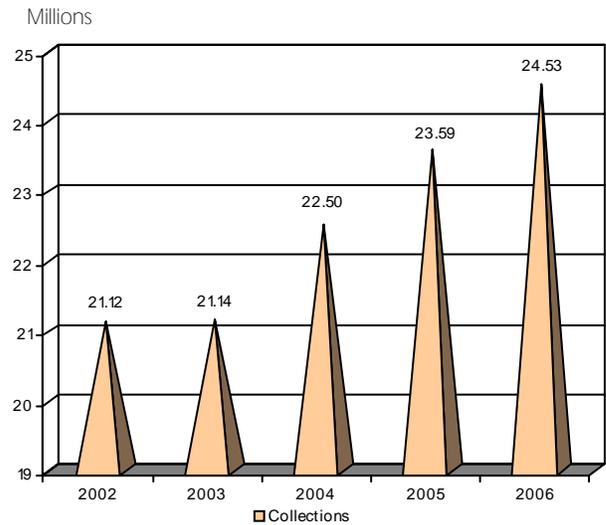
The County Wide Sales Tax, or Local Option Sales Tax, is another principal source of revenue for the City. In accordance with the 1993 Local Option Revenue Act Title 67, Chapter 6, Part 7 of the Tennessee Code Annotated, as amended, the City and County have adopted a Local Option Sales Tax. The citizens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

Since FY04 growth in County-Wide sales tax revenues has increased by 9%. This is a reflection of the economic growth that has taken place in Hamilton County in the last few years.

The County-wide sales tax represents 16.11% of the total General Fund revenues for FY 2006.

County-Wide Sales Tax



Undesignated General Fund Expenditure Summary

Fiscal Years ending June 30, 2003 thru 2006

(expressed in \$1,000)

Fund Type	Actual FY02/03	Actual FY03/04	Budget FY04/05	Budget FY05/06	Budget 06 Increase (Decrease)	% Change FY 05/06
General Fund						
General Government	29,650	28,975	31,992	29,619	(2,373)	-7.42%
Department of Finance & Administration	8,014	7,948	8,665	8,805	140	1.62%
Department of Police	34,827	36,362	36,161	38,883	2,722	7.53%
Department of Fire	22,308	24,044	25,538	25,723	185	0.72%
Department of Public Works	25,284	26,494	26,673	27,663	990	3.71%
Department of Parks & Recreation	10,741	10,498	10,660	10,056	(604)	-5.67%
Department of Personnel	8,102	5,153	6,350	6,684	334	5.26%
Department of Neighborhood Services	1,577	1,510	2,611	1,828	(783)	-29.99%
Executive Branch	1,475	1,234	1,317	1,432	115	8.73%
Department of Education, Arts, & Culture	0	0	0	1,521	1,521	N/A
<i>Total General Fund</i>	<u>141,978</u>	<u>142,218</u>	<u>149,967</u>	<u>152,214</u>	<u>2,247</u>	<u>1.50%</u>

Expenses

General Government

FY 2006 Appropriation: \$29,619,077
% of General Fund: 19.46%
Growth From FY 05: 1,126,966
% Change: 3.96%

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. Major appropriations in the General Government area year-to-year are:

CARTA Subsidy

FY 2006 Appropriation: \$3,415,300
% of General Fund: 2.24%
Growth From FY 05: 130,300
% Change: 3.97%

The City finances part of the Chattanooga Area Regional Transportation Authority's operating loss. The CARTA appropriation of \$3,415,300 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.

Carter Street Corporation Lease Agreement

FY 2006 Appropriation: \$1,415,389
% of General Fund: .93%
Decline From FY 05: (3,711)
% Change: (0.26%)

This appropriation of \$1,415,389 represents the City of Chattanooga's two-thirds share of the retirement of bonds sold for the construction of the Chattanooga Hamilton County Convention and Trade Center. FY06 is the final year.

Chattanooga-Hamilton County Bicentennial Library

FY 2006 Appropriation: \$2,487,660
% of General Fund: 1.63%
Growth From FY 05: -0-
% Change: 0.00%

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

Chattanooga Neighborhood Enterprises

FY 2006 Appropriation: \$1,500,000
% of General Fund: 0.99%
Decline From FY 05: (500,000)
% Change: -25.0%

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

Debt Service Fund

FY 2006 Appropriation: \$9,801,307
% of General Fund: 6.44%
Growth From FY 05: 1,029,014
% Change: 11.73%

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 Fund

FY 2006 Appropriation: \$1,500,000
% of General Fund: 0.99%
Growth From FY 05: -0-
% Change: 0.0%

Funds are provided here to be distributed to various departments for use in replacing equipment.

Department of Finance & Administration

FY 2006 Appropriation :	\$8,804,945
% of General Fund:	5.78%
Growth From FY 05:	140,152
% Change:	1.62%

This department oversees all aspects of the City's financial program, information services, radio and fleet maintenance. The major expenses for this department are personnel costs, Information Services hardware and software maintenance costs, and basic telecommunication support not charged directly to the departments. Increased FY06 expenditures are related to personnel expenses.

Department of Police

FY 2006 Appropriation :	\$38,883,221
% of General Fund:	25.55%
Growth From FY 05:	2,722,220
% Change:	7.53%

The majority of the increase in expenditures is attributed to Animal Services transfer back from Neighborhood Services.

Department of Fire

FY 2006 Appropriation:	\$25,722,775
% of General Fund:	16.90%
Growth From FY 05:	184,345
% Change:	0.72%

The 0.72% FY06 growth is attributed to increase in personnel costs offset by \$800,000 savings from the Tennessee General Assembly exempting certain Cities from Tennessee Water Company charges for fire hydrants.

Department of Public Works

FY 2006 Appropriation:	\$27,662,751
% of General Fund:	18.17%
Growth from FY 05:	989,804
% Change:	3.71%

The Department of Public Works General Fund operations underwent reorganization as a part of the FY06 budget. Several positions were transferred from General Government to Public Works. Three positions were transferred from Public Works to other departments. Public Works Engineering and the Land Development Office was included in the overall reorganization. Increased appropriations in this department represent personnel pay increases and increased motor vehicle maintenance.

Department of Parks & Recreation

FY 2006 Appropriation :	\$10,055,886
% of General Fund:	6.61%
Decline From FY 05:	(604,122)
% Change:	(5.67%)

In FY06, part of Parks & Recreation was reorganized into the new Department of Education, Arts & Culture. The overall decrease in the budget from FY05 reflects activities that were transferred to the new department. The areas included in the transfer are Civic Facilities and Arts & Culture.

Department of Personnel

FY 2006 Appropriation:	\$6,684,279
% of General Fund :	4.39%
Growth From FY 05:	334,660
% Change:	5.3%

The increase in expenditures in FY06 is attributed to increase in Retiree Health Insurance.

Department of Neighborhood Services

FY 2006 Appropriation :	\$1,827,966
% of General Fund:	1.20%
Decline From FY 05:	(783,075)
% Change:	(29.99%)

Since its establishment in FY98, many changes have occurred that significantly increased the functions and visibility of this department. During the previous administration, Better Housing functions were transferred from Public Works, leading to the creation of the Department of Neighborhood Services. In FY06, Animal Services was removed and more neighborhood related divisions moved from the Executive Branch like Grants Administration, Human Rights, and Community Development.

Executive Branch

FY 2006 Appropriation:	\$1,432,397
% of General Fund:	.94%
Growth From FY 05:	115,347
% Change:	8.73%

The Executive Branch consists of functions under direct control of the Mayor. This branch includes the Mayor's Office, a transfer in from Finance - Asset Management, and a new initiative of the Mayor Multicultural Affairs.

Education, Arts, & Culture

FY 2006 Appropriation:	\$1,520,941
% of General Fund:	1.00%
Growth From FY 05:	1,520,941
% Change:	100%

The Department of Education, Arts, & Culture is new for FY06. This is an initiative of the Mayor to enhance and focus on education and arts through dedicated programs and activities. Some of the functions included in the department are from Parks & Recreation (formally know as Parks, Recreation, Arts, & Culture).

Undesignated General Fund Revenues

Fiscal Years 2003-2006

Revenue Source	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY05/06	BUDGET '06 INC/(DEC)	% CHANGE FY 05/06	% OF TOTAL
Property Taxes:							
Current Property Taxes Real	77,804,266	77,199,656	80,153,888	80,650,402	496,514	0.6%	52.98%
Interest & Penalty - Current Year	88,973	111,770	67,000	67,000	0	0.0%	0.04%
Interest & Penalty - Prior Year	258,221	359,074	275,000	450,000	175,000	63.6%	0.30%
Prior Year Real & Personal Taxes	3,413,388	3,830,420	2,605,000	3,200,000	595,000	22.8%	2.10%
City Fee- Collection of Delinquent Taxes	158,484	163,202	188,000	188,000	0	0.0%	0.12%
Corporate Excise Tax-State	183,932	103,564	103,500	141,443	37,943	36.7%	0.09%
Collections - In Lieu of Taxes	5,340,096	5,428,757	5,366,286	5,421,342	55,056	1.0%	3.56%
Total Property Tax	\$87,247,360	\$87,196,443	\$88,758,674	\$90,118,187	1,359,513	1.5%	59.20%
Other Local Taxes:							
Franchise Taxes-Chatt Gas	250,780	254,805	254,000	254,000	0	0.0%	0.17%
Franchise Taxes - CCTV	1,397,342	1,399,783	1,400,000	1,426,000	26,000	1.9%	0.94%
Liquor Taxes	1,462,827	1,528,939	1,566,140	1,662,014	95,874	6.1%	1.09%
Beer Taxes	4,401,477	4,553,269	4,420,922	4,633,840	212,918	4.8%	3.04%
Local Litigation Taxes	4,962	5,799	5,400	5,400	0	0.0%	0.00%
Total Other Local Taxes	\$7,517,388	\$7,742,595	\$7,646,462	\$7,981,254	334,792	4.4%	5.24%
Licenses, Permits, Etc.:							
Motor Vehicle License	437,200	411,090	395,000	425,000	30,000	7.6%	0.28%
Parking Meters	430,365	446,796	508,077	450,000	(58,077)	-11.4%	0.30%
Business License excluding Liquor	122,298	130,285	120,000	120,000	0	0.0%	0.08%
Gross Receipts Tax	2,706,614	2,891,899	2,772,000	2,940,000	168,000	6.1%	1.93%
Building Permits	984,702	1,195,554	950,000	975,000	25,000	2.6%	0.64%
Other Licenses, Permits, Fees	1,532,779	1,683,692	1,437,490	1,439,990	2,500	0.2%	0.95%
Total Licenses & Permits	\$6,213,958	\$6,759,316	\$6,182,567	\$6,349,990	167,423	2.7%	4.17%
Fines, Forfeitures, & Penalties:							
City Court Fines	713,423	392,234	403,500	473,500	70,000	17.3%	0.31%
Criminal Court Fines	233,565	205,238	184,000	192,000	8,000	4.3%	0.13%
Parking Ticket Fines	429,895	504,165	504,259	507,000	2,741	0.5%	0.33%
Other Fines Forfeitures, & Penalties	50,658	10,522	0	0	0	N/A	0.00%
Total Fines, Forfeitures, & Penalties	\$1,427,541	\$1,112,159	\$1,091,759	\$1,172,500	80,741	7.4%	0.77%
Investment Income:							
Interest on Investments	804,707	620,978	543,946	800,000	256,054	47.1%	0.53%
Sale of Property	103,348	72,888	25,000	25,000	0	0.0%	0.02%
Total Investment Income	\$908,055	\$693,866	\$568,946	\$825,000	256,054	45.0%	0.54%

Undesignated General Fund Revenues

Fiscal Years 2003-2006

Revenue Source	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY05/06	BUDGET '06 INC/(DEC)	%	% OF TOTAL
						CHANGE FY 05/06	
Revenue From Other Agencies:							
County wide Sales Tax - General Fund	21,141,665	22,495,211	21,885,073	24,529,206	2,644,133	12.1%	16.11%
State Beer Tax	80,835	77,194	84,420	81,108	(3,312)	-3.9%	0.05%
Hall Income Tax	2,647,916	1,960,082	1,800,000	1,990,672	190,672	10.6%	1.31%
State Sales Tax	9,358,611	9,144,562	8,928,545	9,989,522	1,060,977	11.9%	6.56%
State Mixed Drink Tax	1,227,490	1,210,027	1,216,540	1,409,234	192,694	15.8%	0.93%
State Gas Inspection Fees	355,013	352,187	352,000	368,798	16,798	4.8%	0.24%
State Maintenance of Streets	113,501	78,912	90,000	100,000	10,000	11.1%	0.07%
State Alcohol Beverage Tax	71,224	73,261	75,000	78,579	3,579	4.8%	0.05%
State DOT - TVRM	18,204	0	0	0	0	N/A	0.00%
State - Special Training Funds	415,375	369,020	368,470	381,750	13,280	3.6%	0.25%
State - Telecom Sales Tax	28,663	26,248	29,611	27,271	(2,340)	-7.9%	0.02%
HUD-Harriet Tubman	0	0	0	0	0	N/A	0.00%
Ham. County-Ross Landing Plaza	523,671	397,496	489,787	730,663	240,876	49.2%	0.48%
Ham. County-Radio & Electronics	134,000	130,000	147,541	156,972	9,431	6.4%	0.10%
Ham. County DOE SRO's	0	0	751,283	0	(751,283)	-100.0%	0.00%
COPS - MORE Grant	0	0	0	0	0	N/A	0.00%
COPS Universal Hiring Grant	0	0	0	0	0	N/A	0.00%
Total Revenue from Other Agencies	\$36,116,168	\$36,314,200	\$36,218,270	\$39,843,775	3,625,505	10.0%	26.18%
Service Charges:							
City Court Cost	128,785	167,670	151,100	253,200	102,100	67.6%	0.17%
Clerk's Fee	673,026	625,273	579,119	870,000	290,881	50.2%	0.57%
State Court Cost	4,405	3,857	2,600	2,600	0	0.0%	0.00%
Public Works - Services Charge	252,287	206,637	182,330	205,500	23,170	12.7%	0.14%
PRAC - Services Charge	229,234	276,225	336,250	289,250	(47,000)	-14.0%	0.19%
Police - Service Charge	151,549	167,287	159,600	155,200	(4,400)	-2.8%	0.10%
Other Charges for Services	13,531	39,106	55,950	55,950	0	0.0%	0.04%
Total Service Charges	\$1,452,817	\$1,486,055	\$1,466,949	\$1,831,700	364,751	24.9%	1.20%
Miscellaneous Revenues:							
Indirect Cost	2,134,635	2,579,214	2,685,866	2,685,866	0	0.0%	1.76%
Land & Bldg. Rents	65,407	94,752	65,000	65,000	0	0.0%	0.04%
Dock Rental	23,589	19,443	20,000	20,000	0	0.0%	0.01%
Retiree Reimbursements (Regular)	994,070	0	0	0	0	N/A	0.00%
Mem. Aud.- Rents, Conc., OT, BO	316,792	349,920	342,000	303,000	(39,000)	-11.4%	0.20%
Tivoli - Rents, Conc., OT, BO	254,853	162,419	218,000	184,000	(34,000)	-15.6%	0.12%
Coolidge Park Revenue	132,308	128,002	109,500	114,300	4,800	4.4%	0.08%
Other General Government Misc.	801,649	1,597,403	666,007	719,666	53,659	8.1%	0.47%
Total Miscellaneous Revenues	\$4,723,303	\$4,931,153	\$4,106,373	\$4,091,832	(14,541)	-0.4%	2.69%
Revenue from Prior Year Surplus	0	0	3,927,000		(3,927,000)	-100.0%	0.00%
Grand Totals	\$145,606,590	\$146,235,787	\$149,967,000	\$152,214,238	\$2,247,238	1.5%	100.00%

Undesignated General Fund Expenditures

Fiscal Years 2003-2006

Expenditure	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY05/06	BUDGET '06 INC/(DEC)	% CHANGE FY 05/06	% OF TOTAL
General Government							
Agencies:							
Air Pollution	270,820	270,820	270,820	270,820	0	0.00%	0.18%
Allied Arts:							
Operations	250,000	250,000	250,000	250,000	0	0.00%	0.16%
African American Museum	70,000	70,000	70,000	70,000	0	0.00%	0.05%
Chattanooga Regional History	24,000	24,000	24,000	24,000	0	0.00%	0.02%
Assoc of Visual Artists	15,000	15,000	15,000	15,000	0	0.00%	0.01%
CARCOG & SETDD	30,493	30,493	31,111	31,111	0	0.00%	0.02%
CARTA	3,239,650	3,158,650	3,285,000	3,415,300	130,300	3.97%	2.24%
Carter Street Corporation	352,324	176,324	0	0	0	N/A	0.00%
Carter Street Lease	1,420,753	1,420,159	1,419,100	1,415,389	(3,711)	-0.26%	0.93%
Chattanooga Urban League	50,000	50,000	50,000	50,000	0	0.00%	0.03%
C-HC Bicentennial Public Library	2,405,725	2,405,725	2,487,660	2,487,660	0	0.00%	1.63%
Chattanooga Neighborhood Enterprises	2,000,000	2,000,000	2,000,000	1,500,000	(500,000)	-25.00%	0.99%
Children's Advocacy Center	30,000	30,000	30,000	30,000	0	0.00%	0.02%
Community Foundation Scholarships	160,000	160,000	160,000	160,000	0	0.00%	0.11%
Community Impact Fund	0	0	450,000	0	(450,000)	-100.00%	0.00%
Downtown Partnership	140,000	140,000	140,000	140,000	0	0.00%	0.09%
Finley Stadium	0	0	0	25,000	25,000	N/A	0.02%
Heritage Hall Board	35,000	35,000	42,123	55,825	13,702	32.53%	0.04%
Homeless Health Center	17,500	17,500	17,500	17,500	0	0.00%	0.01%
Inner-City Develop Corp	35,000	0	0	0	0	N/A	0.00%
Community Research Council	10,000	10,000	10,000	0	(10,000)	-100.00%	0.00%
Railroad Authority	0	0	0	20,000	20,000	N/A	0.01%
Regional Planning Agency	974,817	974,817	988,817	942,817	(46,000)	-4.65%	0.62%
Scenic Cities	30,294	30,294	30,294	22,888	(7,406)	-24.45%	0.02%
Storm Water Fund	65,291	67,540	70,000	70,000	0	0.00%	0.05%
Tennessee Riverpark	790,902	852,637	798,471	994,756	196,285	24.58%	0.65%
Tenn Valley Railroad Museum	18,204	0	0	0	0	N/A	0.00%
West Side Development Corp	75,000	75,000	75,000	0	(75,000)	-100.00%	0.00%
WTCI - TV 45	60,000	60,000	60,000	60,000	0	0.00%	0.04%
General Government:							
Audits, Dues & Surveys	130,926	159,985	206,757	206,757	0	0.00%	0.14%
Capital Improvements	4,500,000	0	3,500,000	0	(3,500,000)	-100.00%	0.00%
ChattanoogaInvests	0	0	250,000	0	(250,000)	-100.00%	0.00%
City Attorney/Operations	649,121	744,352	906,236	1,027,496	121,260	13.38%	0.68%
City Attorney Liability Insurance Fund	862,000	1,916,000	250,000	650,000	400,000	160.00%	0.43%
City Code Revision	0	0	185,000	0	0	0.00%	0.00%
City Council	615,525	618,079	676,599	693,723	17,124	2.53%	0.46%
City Court Judicial	654,987	571,969	600,273	610,682	10,409	1.73%	0.40%
Contingency Fund	35,241	7,000	0	615,742	615,742	N/A	0.40%
Debt Service Fund	6,193,086	7,636,840	8,772,293	9,801,307	1,029,014	11.73%	6.44%
Election Expense	24,724	0	180,000	0	(180,000)	-100.00%	0.00%
Human Services	1,481,641	1,333,477	1,333,477	1,333,477	0	0.00%	0.88%
Internal Audit	0	0	0	271,109	271,109	N/A	0.18%
Intergovernmental Relations	206,759	325,991	228,850	228,850	0	0.00%	0.15%
Pensions, FICA & UIC	51,055	48,072	25,000	50,000	25,000	100.00%	0.03%
T.A.P. (tuition & books)	27,234	15,301	20,000	20,000	0	0.00%	0.01%
Downtown Design Center	125,108	226,732	227,204	0	(227,204)	-100.00%	0.00%
Renewal & Replacement	1,258,349	2,712,109	1,500,000	1,500,000	0	0.00%	0.99%
Enterprise Center	0	0	0	100,000	100,000	N/A	0.07%
311 Call Center	263,924	334,837	355,526	441,868	86,342	24.29%	0.29%
total	\$29,650,453	\$28,974,703	\$31,992,111	\$29,619,077	(\$2,188,034)	-6.84%	19.46%
Department of Finance & Administration:							
Finance Office	1,583,404	1,686,290	1,870,024	1,982,210	112,186	6.00%	1.30%
Information Services	2,355,491	2,483,693	2,671,652	2,636,621	(35,031)	-1.31%	1.73%
City Treasurer	487,040	504,495	518,868	584,131	65,263	12.58%	0.38%
Telecommunications	554,317	357,687	339,851	329,344	(10,507)	-3.09%	0.22%
City Court Clerk's Office	1,063,152	1,025,646	1,045,744	1,032,611	(13,133)	-1.26%	0.68%
Purchasing	753,344	782,117	782,860	838,193	55,333	7.07%	0.55%
Building Maintenance	692,184	575,930	725,768	693,561	(32,207)	-4.44%	0.46%
Radio & Electronics	360,367	362,971	405,019	426,676	21,657	5.35%	0.28%
Property Maintenance	57,923	51,474	143,138	108,500	(34,638)	-24.20%	0.07%
Real Estate	106,644	117,634	161,869	173,098	11,229	6.94%	0.11%
total	\$8,013,866	\$7,947,937	\$8,664,793	\$8,804,945	\$140,152	1.62%	5.78%

Undesignated General Fund Expenditures

Fiscal Years 2003-2006

Expenditure	Actual	Actual	Budget	Budget	BUDGET '06 INC/(DEC)	%	% OF TOTAL
	FY 02/03	FY 03/04	FY 04/05	FY05/06		FY 05/06	
Department of Police:	\$34,826,607	\$36,361,569	\$36,161,001	\$38,883,221	\$2,722,220	7.53%	25.55%
Department of Fire:							
Fire Operations	21,851,685	23,157,592	24,768,230	25,465,475	697,245	2.82%	16.73%
Utilities	455,686	886,870	343,200	257,300	(85,900)	-25.03%	0.17%
Fire Hydrants	559	0	427,000	0	(427,000)	-100.00%	0.00%
Combat Challenge	0	0	0	0	0	N/A	0.00%
total	\$22,307,930	\$24,044,462	\$25,538,430	\$25,722,775	\$184,345	0.72%	16.90%
Department of Public Works:							
Administration	551,753	892,794	961,899	1,024,997	63,098	6.56%	0.67%
City Engineer	1,793,001	1,736,237	1,903,901	1,701,773	(202,128)	-10.62%	1.12%
Downtown Design Center	0	0	0	0	0	N/A	0.00%
City Wide Services	3,133,906	3,540,316	3,584,046	3,755,551	171,505	4.79%	2.47%
Sewer Construction & Maintenance	1,732,796	1,870,621	1,966,870	2,041,157	74,287	3.78%	1.34%
Land Development Office	1,610,569	1,700,516	1,921,812	2,495,411	573,599	29.85%	1.64%
Utilities	147,617	142,624	137,547	136,312	(1,235)	-0.90%	0.09%
Pump Stations	60,021	92,880	84,404	106,530	22,126	26.21%	0.07%
Traffic Management	2,213,802	2,360,747	2,329,889	2,441,465	111,576	4.79%	1.60%
Street Lighting	2,476,302	2,486,592	2,563,500	2,336,408	(227,092)	-8.86%	1.53%
Subsidies to Other Funds	5,788,339	5,515,968	5,565,707	5,530,367	(35,340)	-0.63%	3.63%
Municipal Forestry	490,764	461,515	512,487	521,115	8,628	1.68%	0.34%
Waste Pickup - Brush	2,456,786	2,704,319	2,596,809	2,475,591	(121,218)	-4.67%	1.63%
Waste Pickup - Garbage	2,828,291	2,988,970	2,544,076	3,096,074	551,998	21.70%	2.03%
total	\$25,283,947	\$26,494,099	\$26,672,947	\$27,662,751	\$989,804	3.71%	18.17%
Department of Parks & Recreation:							
Administration	824,668	999,770	932,115	1,106,655	174,540	18.73%	0.73%
Recreation	4,127,746	4,018,664	4,212,887	4,232,587	19,700	0.47%	2.78%
Parks	4,582,192	4,306,159	4,361,445	4,716,644	355,199	8.14%	3.10%
Civic Facilities	1,206,582	1,173,661	1,153,561	0	(1,153,561)	-100.00%	0.00%
total	\$10,741,188	\$10,498,254	\$10,660,008	\$10,055,886	(\$604,122)	-5.67%	6.61%
Department of Personnel:							
Administration	908,760	883,250	951,186	989,974	38,788	4.08%	0.65%
Physicals	114,272	98,614	116,000	116,200	200	0.17%	0.08%
Employee's Insurance Office	272,844	333,289	365,407	332,205	(33,202)	-9.09%	0.22%
Employee's Insurance Program	4,631,890	3,477,183	4,568,500	4,853,500	285,000	6.24%	3.19%
Wellness Initiative	0	285,468	269,926	313,800	43,874	16.25%	0.21%
Job Injury Administration	2,174,344	74,880	78,600	78,600	0	0.0%	0.05%
total	\$8,102,110	\$5,152,684	\$6,349,619	\$6,684,279	\$334,660	5.3%	4.39%
Department of Neighborhood Services:							
Administration	379,570	241,647	309,859	372,369	62,510	20.17%	0.24%
Animal Services	0	0	1,078,179	0	(1,078,179)	-100.00%	0.00%
Codes & Community Services	754,650	766,342	769,266	812,437	43,171	5.61%	0.53%
Grants Administration	0	0	0	140,804	140,804	N/A	0.09%
Human Rights	0	0	0	34,818	34,818	N/A	0.02%
Neighborhood Relations	329,878	387,205	353,737	367,538	13,801	3.90%	0.24%
Neighborhood Grants	112,527	115,000	100,000	100,000	0	0.00%	0.07%
total	\$1,576,625	\$1,510,194	\$2,611,041	\$1,827,966	(\$783,075)	-29.99%	1.20%
Executive Branch:							
Mayor's Office	824,468	770,988	872,964	897,290	24,326	2.79%	0.59%
Office of Performance Review	296,132	145,736	102,703	0	(102,703)	-100.00%	0.00%
Human Rights	48,394	38,281	34,818	0	(34,818)	-100.00%	0.00%
Community Development	245,573	165,917	167,374	0	(167,374)	-100.00%	0.00%
Grants Administration	59,991	113,573	139,191	0	(139,191)	-100.00%	0.00%
Multicultural Affairs	0	0	0	400,000	400,000	N/A	0.26%
Asset Management	0	0	0	135,107	135,107	N/A	0.09%
total	\$1,474,558	\$1,234,495	\$1,317,050	\$1,432,397	\$115,347	8.76%	0.94%
Department of Education, Arts, & Culture:							
Administration	0	0	0	203,352	203,352	N/A	0.13%
Civic Facilities	0	0	0	1,191,478	1,191,478	N/A	0.78%
Arts & Culture	0	0	0	126,111	126,111	N/A	0.08%
total	\$0	\$0	\$0	\$1,520,941	\$1,520,941	N/A	1.00%
Expenditure Total	\$141,977,284	\$142,218,397	\$146,467,000	\$152,214,238	\$5,747,238	3.92%	100.00%



Special Revenue Funds

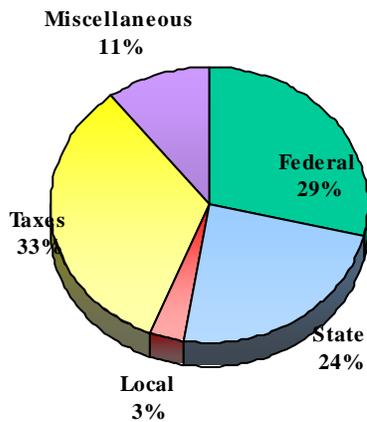
Fund Structure

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, Community Development, Hotel/Motel Occupancy Tax Fund, and Municipal Golf Course Fund. For fiscal year ended June 30, 2005 the budgeted revenue and expenses were as follows:

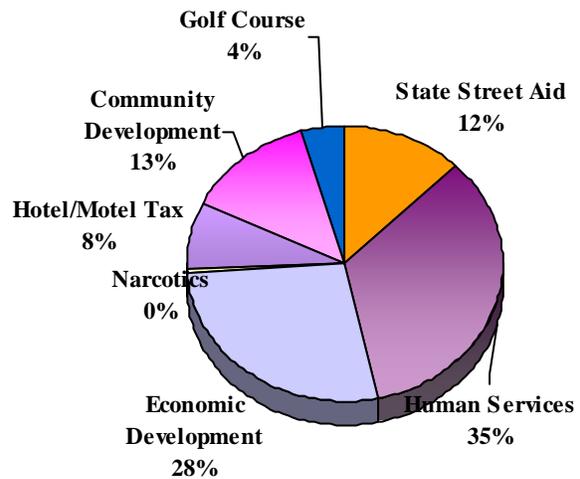
Fund	FY05 Budgeted Revenue & Expenses	FY05 Actual Revenues	FY05 Actual Expenses
State Street Aid Fund	\$4,689,350	\$4,448,377	\$4,688,518
Human Services Fund	\$13,574,677	\$12,860,934	\$13,373,949
Economic Development Fund	\$9,598,500	\$10,486,105	\$12,826,609
Community Development Fund	\$5,531,503	\$5,608,741	\$5,078,176
Hotel/Motel Tax	\$ 2,333,000	\$ 2,626,614	\$2,376,241
Municipal Golf Course Fund	\$ 1,687,794	\$ 1,543,440	\$ 1,754,152

Fiscal Year 2005/2006

Revenue by Source
\$38,419,906



Appropriation by Fund
\$38,419,906



Fund Revenue Summary

Fiscal Year Ending June 30, 2003-2006

(expressed in \$1,000)

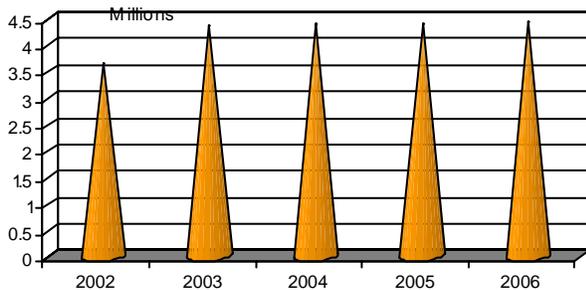
Fund Type:	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	Budget 06 Increase (Decrease)	% CHANGE FY 05/06
Special Revenue Fund						
State Street Aid	4,683	4,720	4,689	4,754	65	1.4%
Human Services	13,124	13,583	13,575	13,190	(385)	-2.8%
Economic Development Fund	18,004	19,691	9,598	10,488	890	9.3%
Narcotics	369	283	71	157	86	121.1%
Hotel/Motel Tax Fund	878	2,058	2,330	3,000	670	28.8%
Community Development Fund	5,211	6,030	5,532	5,173	(359)	-6.5%
Municipal Golf Course	1,629	1,609	1,688	1,657	(31)	-1.8%
Total Special Revenue Fund	43,898	47,974	37,483	38,419	936	2.5%

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. To qualify for a portion of this distribution, the City must meet State guidelines which require that a municipality appropriate an amount equal to at least the average appropriations for road work for the previous five years. Collections in this fund have slightly increased over the past few years due to the gradual increase in gasoline prices.

State Gas Tax Collections

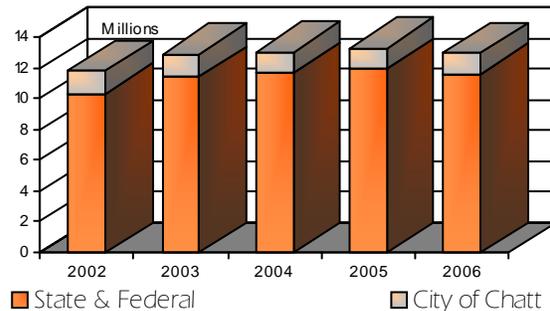


Human Services Fund

Human Services receives Federal, State, and City appropriations. This fund has increased by 9% overall during the past five-year period. The Federal and State portions account for 100% of this growth.

It is expected that resources will remain constant. The chart below shows how revenue for this fund has varied during a five year period.

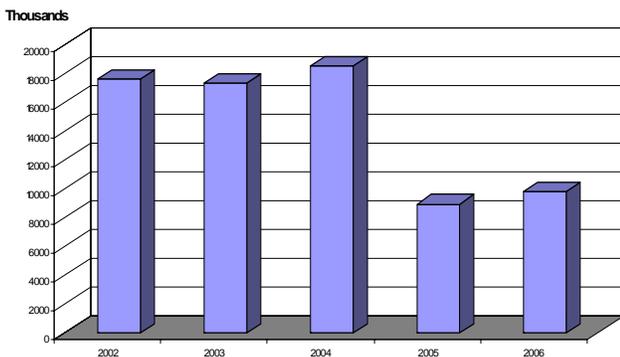
Human Services Collections



Economic Development Fund

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 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 City should continue to receive a comparable amount for economic development from the county-wide tax as it has in prior years. The education component is distributed directly to the Hamilton County Department of Education as demonstrated by the 50% reduction in the FY2005 budget below.

Economic Development

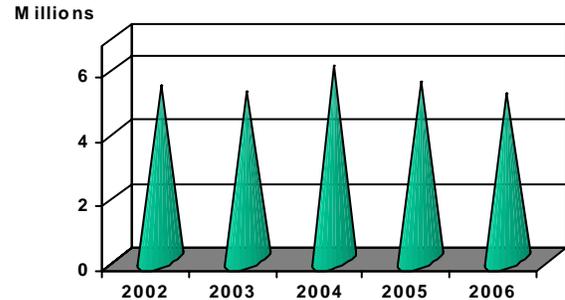


Community Development

Annual funding is allocated by the U.S. Department of Housing and Urban Development which accounts for the fluctuation in the revenues received each year.

The total FY06 decrease for this fund is \$358,656 compared to FY05. This decrease in the fund is due to the changes in grant funding during the City's fiscal year. 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.

Community Development Collections



Hotel-Motel Occupancy Privilege Tax Fund

Recently enacted legislation grants the City of Chattanooga 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 that will be phased in over a 30-month period and began on October 1, 2002 at the following rates:

October 1, 2002 thru September 30, 2003	2%
October 1, 2003 thru April 30, 2005	3%
May 1, 2005 and thereafter	4%

The FY05 collections totaled \$2,626,614. The FY06 estimate is \$3,000,000.

Municipal Golf Course Fund

Revenues comes mainly from green fees and golf cart rentals. Overall estimated revenues are expected to decrease by 1.8% from FY05 budget.

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.

Fund Expenditure Summary
 Fiscal Year Ending June 30, 2003-2006
 (expressed in \$1,000)

Fund Type:	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	Budget 06 Increase (Decrease)	% CHANGE FY 05/06
Special Revenue Fund						
State Street Aid	4,147	4,096	4,689	4,754	65	1.4%
Human Services	12,978	13,583	13,575	13,190	(385)	-2.8%
Economic Development Fund	17,549	17,402	9,599	10,488	889	9.3%
Narcotics	326	172	71	157	86	121.1%
Hotel/Motel Tax Fund	879	2,058	2,330	3,000	670	28.8%
Community Development Fund	5,041	9,109	5,531	5,173	(358)	-6.5%
Municipal Golf Course	1,628	1,701	1,688	1,657	(31)	-1.8%
Total Special Revenue Fund	42,548	48,121	37,483	38,419	936	2.5%

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.

at any time, and are also included in the City's annual audit.

Human Services

Human Services' expenditures have grown over the past four years. The primary reason for this growth is the expansion of the early childhood development component of the Head Start program. The FY2006 decrease is due to anticipated reductions in federal funds.

Hotel-Motel Occupancy Privilege Tax Fund

This tax will be used to fund improvements in the downtown and riverfront area to encourage tourism and enhance community quality of life. This tax is dedicated to the 21st Century Waterfront Plan which involves redevelopment of the city waterfront. The Waterfront Plan, with an estimated cost of \$120 million, is funded jointly by the public and the private sectors.

Economic Development Fund

During FY2006, \$7,199,000 will be spent on debt service for the Southside Development. Since Hamilton County residents voted for the half-a-cent sales tax, no City portion is collected and remitted to the County School System. The remaining funds are dedicated to economic development.

Municipal Golf Course Fund

Funds are used to cover the operational cost of the City's two golf courses. The primary cost are personnel and purchase services. In keeping in line with estimated revenues, expenses have also been reduced from FY05.

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.

Narcotics Fund

Funds are primarily used for drug enforcement activity which includes purchase of surveillance equipment, drug identifications kits, maintenance on narcotics officer's vehicles and pay to informants. Funds can also be used for local drug treatment and education programs.

Federal guidelines are followed by the City in expending Community Development and Home Investment Funds. These are subject to federal audit

Special Fund Revenues

Fiscal Years 2003 - 2006

Revenue Source	Actual	Actual	Budget	Budget	BUDGET '06	%	%
	FY 02/03	FY 03/04	FY 04/05	FY 05/06	INC/(DEC)	FY 05/06	OF TOTAL
State Street Aid (Fund 2104)							
State of Tennessee	4,343,885	4,381,334	4,369,350	4,419,289	49,939	1.1%	11.5%
Trfrs (1100) & Sale of Equipmer	320,000	0	0	0	0	N/A	0.0%
Miscellaneous	0	0	0	0	0	N/A	0.0%
Fund Balance	0	320,000	300,000	300,000	0	0.0%	0.8%
Interest Earnings	18,782	18,397	20,000	35,000	15,000	75.0%	0.1%
Total State Street Aid	\$4,682,667	\$4,719,731	\$4,689,350	\$4,754,289	\$64,939	1.4%	12.4%
Human Services (Fund 2102)							
Federal - State Grants	11,435,230	11,738,793	11,964,511	11,620,367	(344,144)	-2.9%	30.2%
City of Chattanooga	1,481,641	1,333,477	1,333,477	1,333,477	0	0.0%	3.5%
Day Care Fees	73,112	123,317	73,110	53,000	(20,110)	-27.5%	0.1%
Miscellaneous	97,760	32,258	26,500	28,000	1,500	5.7%	0.1%
Interest Income	29,542	11,676	13,000	10,000	(3,000)	-23.1%	0.0%
Fund Balance	0	343,799	164,079	145,309	(18,770)	-11.4%	0.4%
Trfrs Community Development	6,977	0	0	0	0	N/A	0.0%
Total Human Services	\$13,124,262	\$13,583,320	\$13,574,677	\$13,190,153	(\$384,524)	-2.8%	34.3%
Economic Development (Fund 1119)							
Local Option Sales Tax	17,264,712	18,444,846	8,909,500	9,799,000	889,500	10.0%	25.5%
Intergovernmental	676,056	1,198,182	689,000	689,000	0	0.0%	1.8%
Interest Income	63,252	48,297	0	0	0	N/A	0.0%
Total Economic Development	\$18,004,020	\$19,691,325	\$9,598,500	\$10,488,000	\$889,500	9.3%	27.3%
Narcotics (Fund 2103)							
Federal	12,602	32,121	40,582	0	(40,582)	-100.0%	0.0%
State	0	44,714	0	0	0	N/A	0.0%
Confiscated Narcotics Funds	191,892	119,406	26,645	77,134	50,489	189.5%	0.2%
Other	164,981	86,887	4,184	80,000	75,816	1812.0%	0.2%
Total Narcotics	\$ 369,475	\$ 283,128	\$ 71,411	\$ 157,134	\$ 85,723	120.0%	0.4%
Hotel/Motel Tax (Fund 2106)							
21st Century Waterfront	876,506	2,040,244	2,330,000	3,000,000	670,000	28.8%	7.8%
Interest Income	2,150	17,916	0	0	0	N/A	0.0%
Hamilton County	0	0	0	0	0	N/A	0.0%
Total Hotel/Motel Tax	\$878,656	\$2,058,160	\$2,330,000	\$3,000,000	\$670,000	28.8%	7.8%
Community Development (Fund 2105) (includes HOME program)							
Intergovernmental	3,404,782	4,937,515	3,731,503	3,472,847	(258,656)	-6.9%	9.0%
Investment Income	225,672	127,522	0	0	0	N/A	0.0%
Miscellaneous/Program	1,580,497	964,570	1,800,000	1,700,000	(100,000)	-5.6%	4.4%
Total Community Development	\$5,210,951	\$6,029,607	\$5,531,503	\$5,172,847	(\$358,656)	-6.5%	13.5%
Total Municipal Golf Course (1108)	\$1,628,777	\$1,609,092	\$1,687,794	\$1,657,483	(\$30,311)	-1.8%	4.3%
Grand Total	\$43,898,808	\$47,974,363	\$37,483,235	\$38,419,906	\$936,671	2.5%	100.0%

Special Fund Expenditures

Fiscal Years 2003 - 2006

Expenditures	Actual	Actual	Budget	Budget	BUDGET '06	CHANGE	%
	FY 02/03	FY 03/04	FY 04/05	FY 05/06	INC/(DEC)	FY 05/06	OF TOTAL
State Street Aid (Fund 2104)							
Street Maintenance	3,963,093	4,095,691	4,689,350	4,754,289	64,939	1.4%	12.37%
Capital Outlay & Fixed Assets	184,273	0	0	0	0	N/A	0.00%
Total State Street Aid	\$4,147,366	\$4,095,691	\$4,689,350	\$4,754,289	64,939	1.4%	12.37%
Human Services (Fund 2102)							
Administration	1,220,453	878,545	833,331	826,124	(7,207)	-0.9%	2.15%
Headstart	6,938,777	7,787,841	7,900,373	7,716,499	(183,874)	-2.3%	20.08%
Daycare	614,973	826,346	930,935	892,900	(38,035)	-4.1%	2.32%
Weatherization	373,014	435,285	443,728	349,550	(94,178)	-21.2%	0.91%
Foster Grandparents	440,796	477,163	485,562	494,379	8,817	1.8%	1.29%
LIHEAP	885,635	1,097,071	1,073,403	1,057,716	(15,687)	-1.5%	2.75%
Community Service Block Grant	629,278	709,198	790,884	730,795	(60,089)	-7.6%	1.90%
Neighborhood Family Services	0	91,309	97,820	99,000	1,180	1.2%	0.26%
Occupancy	222,932	122,373	0	0	0	N/A	0.00%
Title II Commodities	108,367	103,985	35,435	35,435	0	0.0%	0.09%
Emergency Food & Shelter	37,923	32,949	29,107	32,120	3,013	10.4%	0.08%
Human Services Programs	674,388	237,745	26,500	28,000	1,500	5.7%	0.07%
Food Programs	831,037	690,553	834,731	834,767	36	0.0%	2.17%
Chambliss Home	0	20,000	20,000	20,000	0	0.0%	0.05%
City General Relief -	0	72,957	72,868	72,868	0	0.0%	0.19%
Total Human Services	\$12,977,573	\$13,583,320	\$13,574,677	\$13,190,153	(384,524)	-2.8%	34.33%
Economic Development (Fund 1119 & P419)							
Hamilton County Schools	9,135,115	8,459,059	0	0	0	N/A	0.00%
Other	900,098	815,941	625,000	625,000	0	0.0%	1.63%
Debt Service	5,495,266	5,646,181	6,973,500	7,199,000	225,500	3.2%	18.74%
Capital Outlay/Projects	2,018,122	2,480,903	2,000,000	2,664,000	664,000	33.2%	6.93%
Total Economic Development	\$17,548,601	\$17,402,084	\$9,598,500	\$10,488,000	889,500	9.3%	27.30%
Narcotics (Fund 2103)							
Operations	326,311	172,212	71,411	157,134	85,723	120.0%	0.41%
Total Narcotics	\$326,311	\$172,212	\$71,411	\$157,134	\$85,723	120.0%	0.41%
Hotel/Motel Tax (Fund 2106)							
21st Century Waterfront	848,656	1,988,139	2,260,000	2,910,000	650,000	28.8%	7.57%
Hamilton County	30,000	30,000	30,000	30,000	0	0.0%	0.08%
Hotel/Motel Collection Fee	0	40,021	40,000	60,000	20,000	50.0%	0.16%
Total Hotel/Motel Tax	\$878,656	\$2,058,160	\$2,330,000	\$3,000,000	670,000	28.8%	7.81%
Community Development (Fund 2105) <i>(includes HOME program)</i>							
Community Development Project	4,295,438	8,679,158	4,992,003	4,533,847	(458,156)	-9.2%	11.80%
Administration	745,928	430,147	539,500	639,000	99,500	18.4%	1.66%
Total Community Development	\$5,041,366	\$9,109,305	\$5,531,503	\$5,172,847	(358,656)	-6.5%	13.46%
Total Municipal Golf Course (110€)	\$1,628,031	\$1,701,183	\$1,687,794	\$1,657,483	(30,311)	-1.8%	4.31%
Grand Totals	\$42,547,904	\$48,121,955	\$37,483,235	\$38,419,906	936,671	2.5%	100.00%

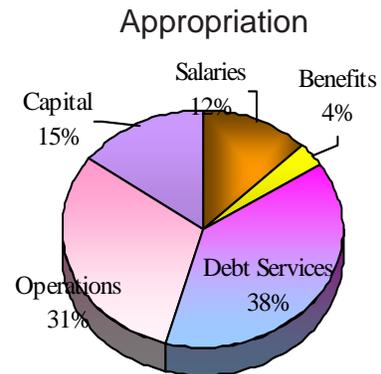
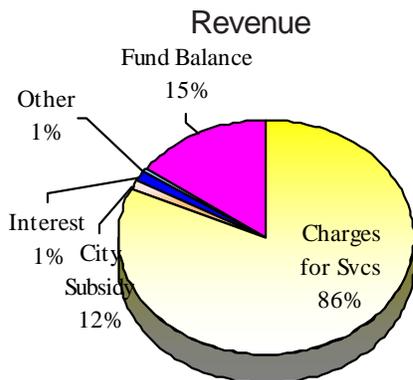
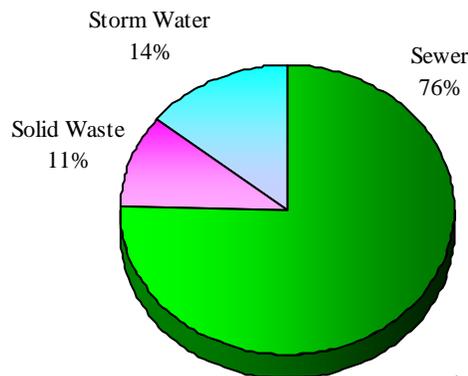
Fund Structure

Enterprise Funds are established for operations that the City chooses to account 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 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, Storm Water Management Fund and Solid Waste and Sanitation Fund. As of June 30, 2005 the budgeted revenue and expenses were as follows:

FUND	FY 05 Budgeted Revenue & Expenditures	FY 05 Actual Revenues	FY 05 Actual Expenses
Interceptor Sewer Fund	34,827,714	36,486,052	34,025,065
Solid Waste & Sanitation Fund	5,623,545	6,130,694	5,837,569
Storm Water Management Fund	5,575,120	5,744,986	5,952,029

Fiscal Year 2005/2006

Appropriation by Fund \$54,600,437



Fund Revenue Summary
 Fiscal Year Ending June 30, 2006
 (expressed in \$1,000)

Fund Type:	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	BUDGET '06 Increase (Decrease)	% CHANGE FY 05/06
Enterprise Funds						
Interceptor Sewer System	33,301	35,407	34,828	41,168	6,340	18.2%
Solid Waste & Sanitation	5,649	5,853	5,624	5,758	134	2.4%
Storm Water Fund	6,302	6,765	5,575	7,675	2,100	37.7%
Total Enterprise Funds	45,252	48,025	46,026	54,600	8,574	18.6%

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 collected either through the Tennessee-American Water Company or the Hixson 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, and 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, some inflow and infiltration is paid for. The City of Chattanooga has installed flow metering stations on the discharge line connecting regional users so that they may be billed on the basis of total measured wastewater flows, 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 -- Rossville, Catoosa County, Northwest Georgia, Ringgold, Windstone, Fort Oglethorpe, Collegedale, Lookout Mountain, 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 negotiations 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, 2005 proposed 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	Operations and Maintenance Charges (\$/1,000 gal)	Debt Charges (\$/1,000 gal)	Total Charges (\$/1,000 gal)
First 100,000	\$ 1.16	\$2.78	\$ 3.94
Next 650,000	1.16	1.75	2.91
Next 1,250,000	1.16	1.20	2.36
Next 30,000,000	1.16	0.58	1.74
Over 32,000,000	1.16	0.36	1.52

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 Collegedale, Tennessee; Lookout Mountain, Tennessee; Hamilton County, Tennessee; East Ridge, Tennessee; Red Bank, Tennessee; Windstone and Walker County, Georgia 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	\$ 1.0578	\$ 0.5782	\$ 1.6360

If regional customers are billed directly through the water company, the rate shall be one dollar and forty-nine cents (\$1.49) 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	\$ 0.6129	\$ 0.3350	\$ 0.9479

Monthly Minimum Sewer Service Charges

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

Meter Size	Monthly Minimum
5/8 inch meter	\$ 8.36
3/4 inch meter	29.83
1 inch meter	52.12
1 1/2 inch meter	116.65
2 inch meter	206.54
3 inch meter	484.15
4 inch meter	894.72
6 inch meter	2,131.08
8 inch meter	3,769.50

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:

- \$0.092 per pound of 5-day biochemical oxygen demand (BOD₅) for concentrations in excess of 300 milligrams per liter, and,
- \$0.070 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 \$40 per truck per year;
- A Septic Tank Discharge Fee of \$35.00 per 1,000 gallons of waste;
- Holding Tank Waste Fee of \$3.94 per 1,000 gallons of waste; and
- Garbage Grinders Fee of \$121.16 per month per unit.

In 1985, the City, in conjunction with the consulting engineers and the 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

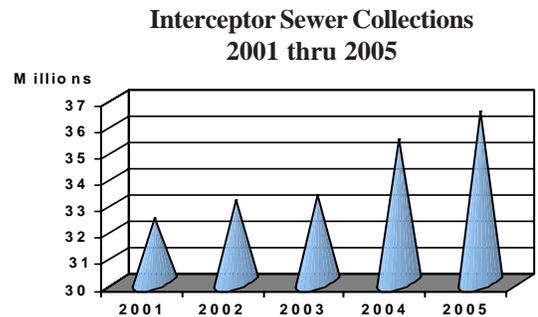
funding program. The 6.14% rate increase schedule through fiscal year ending June 30, 1990 was formulated by the consulting engineers pursuant to the five year financial analysis. Enactment of the rate increases requires adoption of the city ordinance by the City Council each year. The five year program and the related future rate increases were announced publicly in the City proceedings in 1985 and they received widespread community support.

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%. The first 6.14% rate increase took place July 1985, followed by four more 6.14% rate increases in July 1986, July 1987, July 1988, and July 1989, respectively. Annually, the consulting engineers review the financial operations of the System and its revenue requirements for the upcoming fiscal year to determine the size of the rate increase needed for the next fiscal year.

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%. The City has increased sewer rates for nine consecutive years in support of its program. However, in fiscal year 94/95 through 98/99 the rate increase was 0% due to improved efficiency of the system and implementation of management policies. In FY00, after close analysis of the financial state and operations of the system, the City enacted a 10% rate decrease. There was no rate increase for FY01 and FY02. In FY03, the City Council approved rate increases for the next three years of 7.29%, 7.07%, and 2.54% respectively. 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 93/94 3.00%	FY 99/00 (0.10%)
FY 88/89 6.14%	FY 94/95 0.00%	FY 00/01 0.00%
FY 89/90 6.14%	FY 95/96 0.00%	FY 01/02 0.00%
FY 90/91 5.24%	FY 96/97 0.00%	FY 02/03 7.29%
FY 91/92 3.32%	FY 97/98 0.00%	FY 03/04 7.07%
FY 92/93 5.79%	FY 98/99 0.00%	FY 04/05 2.54%
		FY 05/06 0.00%

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 an increase of \$365,000 in Industrial surcharges.



Solid Waste and Sanitation Fund

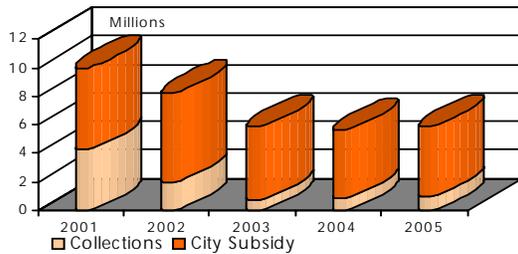
This fund accounts for the costs associated with the disposal of solid waste and recyclable materials. Prior to FY2002, the fund accounted for both collection and disposal of these materials. Due to reorganization, the collection portion of garbage and brush and trash were transferred to Public Works 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, 1992, each municipality which collected solid waste and/or operated a landfill was required to account for them separately in individual funds. 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 used up. 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.

Solid Waste Subsidy. 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 FY06 fee of \$4,846,415 accounts for 84.2% of the total budget. The FY06 fee decrease of \$35,340 or 0.7% is due to an increase in projected revenue for the fund.

The chart below shows the historical trend of collections and subsidy. The primary sources of revenues for this fund are landfill tipping fees and a City of Chattanooga waste disposal fee. Revenues have declined because a major customer developed its own landfill in 2000 and the City's subsidy was reduced due to transfer of garbage collection cost to General Fund.

Solid Waste Revenue



Storm Water Management Fund

The Storm Water 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.

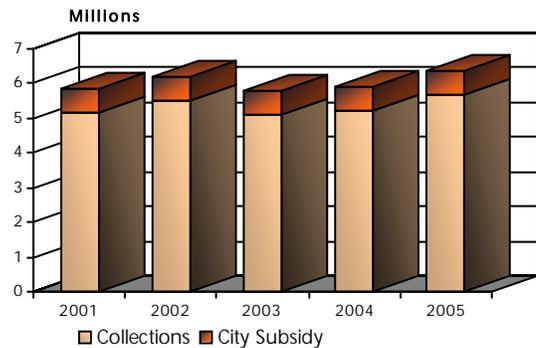
For the purpose of operating the storm water program of the City and the payment of the cost and expenses appurtenant, incident or necessary thereto for the construction, extension, enlargement or acquisition of necessary storm water facilities or flood control improvement, including replacement thereof, and for

the operation and maintenance thereof, there is imposed a storm water user's fee upon the owner of property served directly or indirectly by the City's storm water system.

The revenue for this fund is derived from Stormwater fees, \$4,850,828 (87.6%), and a City of Chattanooga General Fund subsidy of \$683,952 (12.4%).

Below is a chart showing the historical trend of fees collected.

Storm Collections



Fund Expenditure Summary
Fiscal Year Ending June 30, 2006
(expressed in \$1,000)

Fund Type:	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	BUDGET '06 Increase (Decrease)	% CHANGE FY 05/06
Enterprise Funds						
Interceptor Sewer System	32,111	41,650	34,828	41,168	6,340	18.2%
Solid Waste & Sanitation	4,241	5,396	5,624	5,758	134	2.4%
Storm Water Fund	5,960	5,086	5,575	7,675	2,100	37.7%
Total Enterprise Funds	42,312	53,783	46,026	54,600	8,574	18.6%

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 and depreciation. Major capital expenses needed for the Moccasin Bend Wastewater Treatment Plant, such as vehicle replacement, pump replacement and major system repairs occur here. In FY 05/06, the operations and maintenance increased \$6,339,938, or 18.2%. The largest single change in the ISS budget for FY05/06 is the appropriation of \$6,153,000 for various capital projects.

The capital improvement portion of the FY05/06 ISS budget is for \$6,153,000. This appropriation provides for the renewal and replacement of plant facilities, vehicles and equipment as necessary.

The debt service portion of the proposed budget for FY 05/06 decreased \$1,054,923 from FY 04/05. 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 expenditures of this fund are personnel costs and vehicle related costs. The Solid waste Fund budget for FY 05/06 increased \$134,460. This is due to increase in salaries and benefits along with increased vehicle expenses.

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.

Storm Water Management Fund

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

- Personnel
- Operations
- Capital Projects

In FY 05/06, Storm Water budgeted expenses increased \$2,099,660. This increase is mainly due to a \$2,000,000 appropriation from fund balance to fund storm water capital projects. The City has maintained the same level of General Fund support for storm water maintenance and repairs as prior to the implementation of the storm water fee.

Enterprise Fund Revenues

Fiscal Years 2003 - 2006

Revenue Source	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	BUDGET '06 INC/(DEC)	% CHANGE FY 05/06	% OF TOTAL
Interceptor Sewer System (Fund 5100):							
Sewer Service Charges	26,041,317	28,249,983	27,619,088	27,331,023	(288,065)	-1.0%	50.06%
Industrial Surcharges	2,910,233	2,723,501	2,600,000	2,600,000	0	0.0%	4.76%
Septic Tank Charges	137,632	151,558	64,923	65,723	800	1.2%	0.12%
Wheelage & Treatment							
Lookout Mountain, TN	175,147	210,334	217,062	226,090	9,028	4.2%	0.41%
Dade County, GA	0	0	0	2,125	2,125	N/A	0.00%
Walker County, GA	289,239	233,546	280,636	309,276	28,640	10.2%	0.57%
Collegedale, TN	216,258	237,187	242,211	232,825	(9,386)	-3.9%	0.43%
Soddy-Daisy, TN	87,516	104,948	112,559	123,589	11,030	9.8%	0.23%
East Ridge, TN	1,062,705	1,167,428	1,212,172	1,294,065	81,893	6.8%	2.37%
Windstone	19,056	21,398	18,757	23,947	5,190	27.7%	0.04%
Hamilton County, TN	322,054	289,012	323,441	392,339	68,898	21.3%	0.72%
Northwest Georgia	334,324	435,413	433,392	565,954	132,562	30.6%	1.04%
Lookout Mountain, GA	41,499	43,513	49,064	55,936	6,872	14.0%	0.10%
Catoosa County, GA	16,121	20,060	32,614	53,187	20,573	63.1%	0.10%
Rossville, GA	320,173	326,092	333,491	362,038	28,547	8.6%	0.66%
Red Bank, TN	269,458	308,840	329,051	411,467	82,416	25.0%	0.75%
Refund to Regional Users	0	0	0	0	0	N/A	0.00%
Debt Service Northwest Georgia	258,037	441,838	441,838	447,353	5,515	1.2%	0.82%
Industrial User Permits	46,000	41,500	43,000	43,000	0	0.0%	0.08%
Industrial Violation Fines	9,700	3,900	0	0	0	N/A	0.00%
Garbage Grinder Fees	24,782	28,433	24,415	24,715	300	1.2%	0.05%
Fund Balance for Capital (P540)	0	0	0	6,153,000	6,153,000	N/A	11.27%
Miscellaneous Revenue	147,278	11,929	0	0	0	N/A	0.00%
Sale of Property	0	0	0	0	0	N/A	0.00%
Interest Earnings	572,464	356,615	450,000	450,000	0	0.0%	0.82%
Total Interceptor Sewer	\$33,300,993	\$35,407,028	\$34,827,714	\$41,167,652	\$6,339,938	18.2%	75.40%
Solid Waste & Sanitation(Fund 5200):							
Landfill Tipping Fees	664,310	612,447	245,000	350,000	105,000	42.9%	0.64%
Landfill Permit Fees	2,943	3,194	1,000	2,500	1,500	150.0%	0.00%
City of Chattanooga Tipping Fees	4,784,387	4,832,016	4,881,755	4,846,415	(35,340)	-0.7%	8.88%
State Sub Recyclable Material	66,196	30,649	60,000	60,000	0	0.0%	0.11%
S/W Surcharge - State	0	168,399	85,000	85,000	0	0.0%	0.16%
Interest	128,270	97,018	310,790	353,750	42,960	13.8%	0.65%
Public Works Capital	0	102,378	0	0	0	N/A	0.00%
Misc Revenues	2,802	6,751	40,000	60,340	20,340	50.9%	0.11%
Total Solid Waste & Sanitation	\$5,648,908	\$5,852,852	\$5,623,545	\$5,758,005	\$134,460	2.4%	10.55%
Storm Water (Fund 5300):							
Stormwater Fee	4,966,213	5,337,262	4,851,168	4,935,828	84,660	1.7%	9.04%
Public Works Capital	602,490	692,374	0	0	0	N/A	0.00%
Fund Balance for Capital	0	0	0	2,000,000	2,000,000	N/A	3.66%
Misc Revenue	49,426	51,315	40,000	55,000	15,000	37.5%	0.10%
General Fund Subsidy	683,952	683,952	683,952	683,952	0	0.0%	1.25%
Total Stormwater	\$6,302,081	\$6,764,903	\$5,575,120	\$7,674,780	\$2,099,660	37.7%	14.06%
Grand Totals:	\$69,720,498	\$69,472,165	\$46,026,379	\$54,600,437	\$8,574,058	18.6%	100.00%

Enterprise Fund Expenditures

Fiscal Years 2003 - 2006

Expenditures	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	Budget '06 INC/(DEC)	% CHANGE FY 05/06	% OF TOTAL
Interceptor Sewer System (Fund 5100):							
Operations & Maintenance:							
Administration	2,065,862	2,196,595	1,912,354	1,960,359	48,005	2.5%	3.59%
Safety & Training	99,903	95,798	107,090	109,504	2,414	2.3%	0.20%
Laboratory	420,854	427,710	474,808	526,377	51,569	10.9%	0.96%
Pretreatment/Monitoring	236,887	268,418	292,720	316,094	23,374	8.0%	0.58%
Engineering	132,750	170,701	218,460	231,754	13,294	6.1%	0.42%
Plant Maintenance	1,253,633	1,235,531	1,423,866	1,487,805	63,939	4.5%	2.72%
Sewer Maintenance	1,015,061	1,126,591	1,130,318	1,267,095	136,777	12.1%	2.32%
Moccasin Bend - Liquid Handling	4,598,119	5,415,790	5,138,886	5,592,128	453,242	8.8%	10.24%
Moccasin Bend - Solid Handling	3,176,358	1,875,057	2,578,292	3,377,614	799,322	31.0%	6.19%
Inflow & Infiltration	537,050	639,924	752,050	771,601	19,551	2.6%	1.41%
Combined Sewer Overflow	219,730	290,247	457,530	398,180	(59,350)	-13.0%	0.73%
Landfill Handling	2,577,019	2,134,045	1,854,250	1,490,000	(364,250)	-19.6%	2.73%
	<u>16,333,226</u>	<u>15,876,407</u>	<u>16,340,624</u>	<u>17,528,511</u>	<u>1,187,887</u>	<u>7.3%</u>	
Pumping Stations							
Mountain Creek	13,173	11,545	16,865	16,865	0	0.0%	0.03%
Citico	181,803	230,128	204,756	273,981	69,225	33.8%	0.50%
Friar Branch	107,800	111,296	126,826	146,631	19,805	15.6%	0.27%
Hixson 1,2,3,&4	61,998	68,420	75,862	80,212	4,350	5.7%	0.15%
19th Street	41,428	40,163	53,593	48,543	(5,050)	-9.4%	0.09%
Orchard Knob	29,827	85,684	71,239	72,239	1,000	1.4%	0.13%
South Chickamauga Creek	375,210	302,135	277,822	303,047	25,225	9.1%	0.56%
Tiftonia 1,2,3	46,902	39,473	43,843	44,218	375	0.9%	0.08%
23rd Street	94,520	110,018	116,428	110,303	(6,125)	-5.3%	0.20%
Latta Street	15,240	19,484	16,871	18,136	1,265	7.5%	0.03%
Residential Pump Stations	10,330	12,187	13,850	14,300	450	3.2%	0.03%
Murray Hills	7,960	8,284	15,430	15,355	(75)	-0.5%	0.03%
Big Ridge 1 - 5	55,546	56,001	83,274	75,354	(7,920)	-9.5%	0.14%
Highland Park	13,797	13,025	14,646	12,346	(2,300)	-15.7%	0.02%
Dupont Parkway	15,492	29,778	22,220	26,120	3,900	17.6%	0.05%
VAAP	2,119	10,356	4,402	5,452	1,050	23.9%	0.01%
Northwest Georgia	134,644	30,798	28,400	39,600	11,200	39.4%	0.07%
Brainerd	123,400	10,863	12,456	12,456	0	0.0%	0.02%
East Brainerd	148,741	33,440	35,705	34,830	(875)	-2.5%	0.06%
North Chattanooga	16,711	29,239	16,764	19,789	3,025	18.0%	0.04%
South Chattanooga	3,180	32,901	4,538	6,088	1,550	34.2%	0.01%
Ooltewah-Collegedale	162,235	48,771	55,750	61,725	5,975	10.7%	0.11%
Enterprise South	0	202	9,700	5,820	(3,880)	-40.0%	0.01%
River Park	0	0	4,250	4,250	0	0.0%	0.01%
Odor Control Pump Stations	0	462,030	425,000	250,000	(175,000)	-41.2%	0.46%
	<u>1,662,056</u>	<u>1,796,221</u>	<u>1,750,490</u>	<u>1,697,660</u>	<u>(52,830)</u>	<u>-3.0%</u>	
Depreciation	9,756,487	9,608,433	0	0	0	N/A	0.00%
Capital Improvements Program	144,368	327,689	310,235	417,039	106,804	34.4%	0.76%
Debt Service & Reserve							
Principal	0	9,046,514	10,664,661	10,445,134	(219,527)	-2.1%	19.13%
Interest	4,214,825	4,994,518	5,761,704	4,926,308	(835,396)	-14.5%	9.02%
Service Charges	0	0	0	0	0	N/A	0.00%
Reserve Coverage	0	0	0	0	0	N/A	0.00%
	<u>4,214,825</u>	<u>14,041,032</u>	<u>16,426,365</u>	<u>15,371,442</u>	<u>(1,054,923)</u>	<u>-6.4%</u>	
Reserve for Contingencies	0	0	0	6,153,000	6,153,000	N/A	11.27%
Total Interceptor Sewer	\$32,110,962	\$41,649,782	\$34,827,714	\$41,167,652	\$6,339,938	18.2%	75.40%
Solid Waste & Sanitation(Fund 5200):							
Garbage Collection	0	0	0	0	0	N/A	0.00%
Recycle	1,019,808	615,649	486,422	481,570	(4,852)	-1.0%	0.88%
Capital Improvements	0	2,605	0	0	0	N/A	0.00%
Brush & Trash Collection	0	0	0	0	0	N/A	0.00%
Sanitary Landfill (Summitt)	212,632	200,479	851,763	945,614	93,851	11.0%	1.73%
Waste Disposal - City Landfill	1,047,823	887,530	310,790	353,750	42,960	13.8%	0.65%
Compost Waste Recycle	380,324	427,574	401,098	413,942	12,844	3.2%	0.76%
Household Hazardous Waste	116,100	114,748	145,000	125,060	(19,940)	-13.8%	0.23%
Solid Waste Reserve	0	0	246,344	244,644	(1,700)	-0.7%	0.45%
Renewal & Replacement	1,347	0	0	0	0	N/A	0.00%
Depreciation and Bad Debt	0	611,108	0	0	0	N/A	0.00%
Debt Service	1,462,986	3,176,185	3,182,128	3,193,425	11,297	0.4%	5.85%
	<u>\$4,241,020</u>	<u>\$6,035,878</u>	<u>\$5,623,545</u>	<u>\$5,758,005</u>	<u>\$134,460</u>	<u>2.4%</u>	<u>10.55%</u>
Storm Water (Fund 5300):							
Stormwater Management	1,386,095	1,518,803	1,985,824	1,972,993	(12,831)	-0.6%	3.61%
Stormwater Operations	1,077,714	1,021,660	1,180,841	1,285,265	104,424	8.8%	2.35%
Renewal & Replacement	16,308	39,994	127,400	127,400	0	0.0%	0.23%
Capital Improvement	1,750,000	350,000	0	2,000,000	2,000,000	N/A	3.66%
Depreciation and Bad Debt	0	889,434	0	0	0	N/A	0.00%
Debt Service	1,729,800	2,277,148	2,281,055	2,289,122	8,067	0.4%	4.19%
	<u>\$5,959,917</u>	<u>\$6,097,039</u>	<u>\$5,575,120</u>	<u>\$7,674,780</u>	<u>\$2,099,660</u>	<u>37.7%</u>	<u>14.06%</u>
Total Stormwater	\$5,959,917	\$6,097,039	\$5,575,120	\$7,674,780	\$2,099,660	37.7%	14.06%
Grand Totals:	\$42,311,899	\$53,782,699	\$46,026,379	\$54,600,437	\$8,574,058	18.6%	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 are usually recovered from those governmental units that receive benefits. The budgetary basis of accounting for these funds is the 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 GAAP basis.

Municipal Fleet Services Fund accounts for revenues and expenditures associated with the

operation of the City's garage and gasoline services. The cost for these services are paid by the departments and agencies of City government.

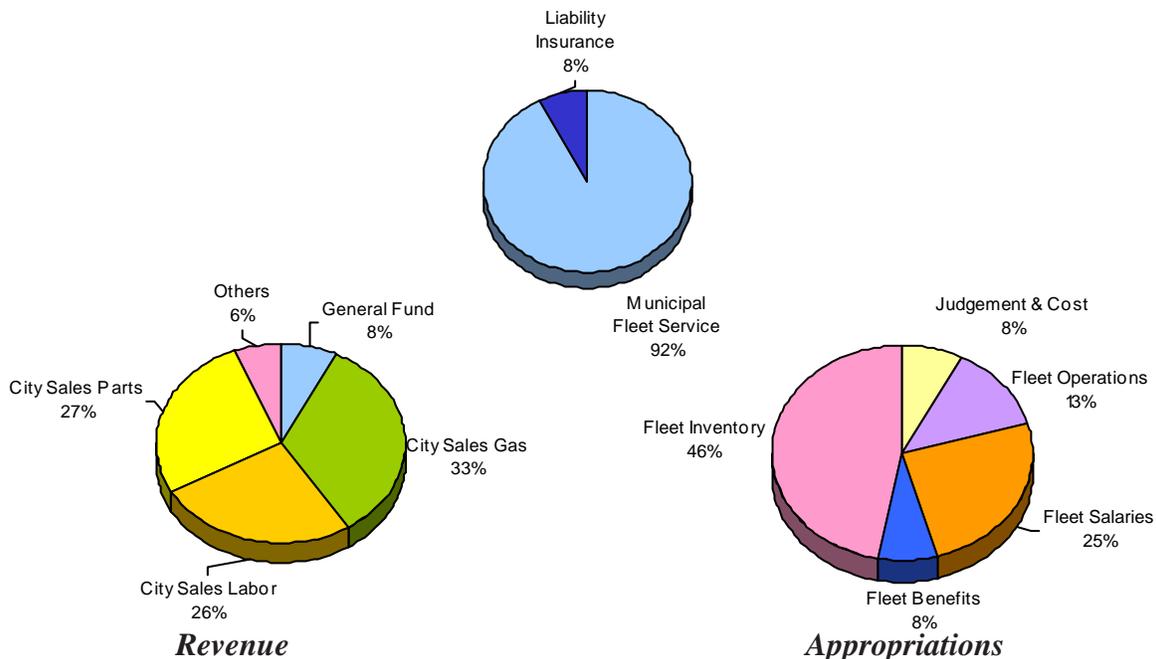
Liability Insurance fund accounts for the City self-insurance programs for claims and losses due to liabilities arising under the laws of State and Federal governments. The costs for these programs are funded through premiums paid by the departments and agencies of City government.

Fund	FY05 Budgeted Revenue & Expenses	FY05 Actual Revenues	FY05 Actual Expenses
Municipal Fleet Service Fund	\$6,703,110	\$8,711,493	\$8,552,196
Liability Insurance Fund	\$250,000	\$950,000	\$681,309

Fiscal Year 2005/2006

Budgeted Amount by Fund

\$8,547,474



Fund Revenue Summary
Fiscal Year Ending June 30, 2006
(expressed in \$1,000)

Fund Type:	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	BUDGET '06 Increase (Decrease)	% CHANGE FY 05/06
Internal Service Fund						
Municipal Services	7,643	8,155	6,703	7,897	1,194	17.8%
Liability Insurance Fund	862	1,916	250	650	400	160.0%
Total Internal Service Fund	8,505	10,071	6,953	8,547	1,594	22.9%

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 and labor to City Departments and other municipalities and agencies.

The garages collections and rates have remained constant over the past years. Users pay a \$55.00 per hour charge for garage services. For budgeting or planning purposes during FY06, a 25% premium is applied to parts billed to departments. Gasoline and diesel fuel will be billed to departments at \$0.30/gallon over the average monthly cost.

Liability Insurance Fund

Revenues to operate this fund are primarily transfers from the General Fund. Revenue and expenditures 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.

Fund Expenditure Summary
 Fiscal Year Ending June 30, 2006
 (expressed in \$1,000)

Fund Type:	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	BUDGET '06 Increase (Decrease)	% CHANGE FY 05/06
Internal Service Fund						
Municipal Services	8,118	7,721	6,703	7,897	1,194	17.8%
Liability Insurance Fund	1,064	1,555	250	650	400	160.0%
Total Internal Service Fund	9,182	9,276	6,953	8,547	1,594	22.9%

Expenses

Municipal Fleet Services Fund

Expenditures for these funds are primarily for personnel, and inventory supplies.

The number of positions within the Division of Fleet Services decreased from 77 to 62 from FY 02 to FY 06. As equipment replacements are 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. Also, numerous positions have been upgraded to accommodate additional demands.

Liability Insurance Fund

Expenditures fluctuate over the years depending on advice of Counsel as a result of claims made against the City.

Internal Service Fund Revenues

Fiscal Years 2003 - 2006

Revenue Source	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	BUDGET '06 INC/(DEC)	% CHANGE FY 05/06	% OF TOTAL
Municipal Service Station (Fund 6100):							
Amnicola Service Station:							
Fleet Fuel- City Sales	1,136,117	626,348	555,705	905,368	349,663	62.9%	10.59%
Fleet Fuel- Outside Sales	3,216	2,841	2,996	7,500	4,504	150.3%	0.09%
Total Amnicola Station	1,139,333	629,189	558,701	912,868	354,167	63.4%	10.68%
12th & Park Service Station:							
Fleet Fuel- City Sales	636,581	1,200,850	1,079,843	1,923,907	844,064	78.2%	22.51%
Fleet Fuel- Outside Sales	87,630	83,404	80,641	107,000	26,359	32.7%	1.25%
Total 12th & Park Station	724,211	1,284,254	1,160,484	2,030,907	870,423	75.0%	23.76%
Total Municipal Service Station	\$1,863,544	\$1,913,443	\$1,719,185	\$2,943,775	1,224,590	71.2%	34.44%
Municipal Garage (Fund 6101)							
Amnicola Garage:							
Sale of Surplus Equip/Scrap	1,013	867	0	300	300	N/A	0.00%
Misc Revenue	15,351	9,899	5,149	1,000	(4,149)	-80.6%	0.01%
Fleet - Sale of Parts	1,245,588	998,171	994,354	1,000,000	5,646	0.6%	11.70%
Outside Sale of Parts	305,364	275,010	281,125	200,000	(81,125)	-28.9%	2.34%
Sales - Labor	1,063,578	897,710	778,402	1,159,216	380,814	48.9%	13.56%
Outside Sales - Labor	246,196	235,183	217,673	200,000	(17,673)	-8.1%	2.34%
Fleet adjusted City sales	0	878,040	0	0	0	N/A	0.00%
Total Amnicola Garage	2,877,090	3,294,880	2,276,703	2,560,516	283,813	12.5%	29.96%
12th & Park Garage:							
Sale of Surplus Equip/Scrap	0	109	0	100	100	N/A	0.00%
Misc Revenue	0	0	500	200	(300)	-60.0%	0.00%
Fleet - Sale of Parts	1,767,096	1,808,373	1,653,721	1,287,469	(366,252)	-22.1%	15.06%
Outside Sale of Parts	103	(49)	500	9,459	8,959	1791.8%	0.11%
Sales - Labor	1,134,727	1,138,531	1,052,156	1,089,431	37,275	3.5%	12.75%
Outside Sales - Labor	81	95	345	6,524	6,179	1791.0%	0.08%
Total 12th & Park Garage	2,902,007	2,947,059	2,707,222	2,393,183	(314,039)	-11.6%	28.00%
Total Municipal Garage	\$5,779,097	\$6,241,939	\$4,983,925	\$4,953,699	(30,226)	-0.6%	57.96%
Total Fleet Services	\$7,642,641	\$8,155,382	\$6,703,110	\$7,897,474	\$1,194,364	17.8%	92.40%
Liability Insurance Fund (6200)							
General Fund Transfer -1100	862,000	1,916,000	250,000	650,000	400,000	160.0%	7.60%
	862,000	1,916,000	250,000	650,000	400,000	160.0%	7.60%
Grand Total:	\$8,504,641	\$10,071,382	\$6,953,110	\$8,547,474	\$1,594,364	22.9%	100.00%

Internal Service Fund Expenditures

Fiscal Years 2003 - 2006

Expenditures	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	BUDGET '06 INC/(DEC)	% CHANGE FY 05/06	% OF TOTAL
Municipal Service Station (Fund 6100):							
<i>Amnicola Service Station</i>							
Purchase Services	17,486	6,201	5,613	11,218	5,605	99.9%	0.13%
Vehicle Operation Expenses	12,024	3,969	5,500	1,423	(4,077)	-74.1%	0.02%
Inventory Supplies	397,129	473,751	450,000	622,026	172,026	38.2%	7.28%
Gov'tl Charges, Taxes, Fees, Misc.	26,719	21,312	0	0	0	N/A	0.00%
Total Amnicola Station	453,358	505,233	461,113	634,667	173,554	37.6%	7.43%
<i>12th & Park Service Station</i>							
Salaries & Wages	36,175	34,541	67,457	44,731	(22,726)	-33.7%	0.52%
Fringes	8,820	7,217	12,161	15,266	3,105	25.5%	0.18%
Purchase Services	6,206	3,708	5,700	8,935	3,235	56.8%	0.10%
Materials & Supplies	490	0	2,000	239	(1,761)	-88.1%	0.00%
Travel	0	0	500	0	(500)	-100.0%	0.00%
Vehicle Operation Expenses	5,886	2,089	5,600	7,127	1,527	27.3%	0.08%
Insurance, Claims, Damages	54	54	0	0	0	N/A	0.00%
Inventory Supplies	960,255	1,058,149	961,100	1,448,932	487,832	50.8%	16.95%
Capital Outlay	0	0	10,000	0	(10,000)	-100.0%	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	750	500	1,000	8,589	7,589	758.9%	0.10%
Total 12th & Park Station	1,018,636	1,106,258	1,065,518	1,533,819	468,301	44.0%	17.94%
Total Municipal Service Station	\$1,471,994	\$1,611,491	\$1,526,631	\$2,168,486	641,855	42.0%	25.37%
Municipal Garage (Fund 6101)							
<i>Amnicola Garage - Repair & Maint.</i>							
Salaries & Wages	1,042,841	1,025,324	1,010,655	1,085,054	74,399	7.4%	12.69%
Fringes	249,773	263,067	231,254	309,146	77,892	33.7%	3.62%
Purchase Services	130,512	89,406	89,583	103,879	14,296	16.0%	1.22%
Materials & Supplies	29,990	34,046	31,630	24,428	(7,202)	-22.8%	0.29%
Travel	0	0	2,000	3,947	1,947	97.4%	0.05%
Vehicle Operation Expenses	88,604	92,669	102,660	70,917	(31,743)	-30.9%	0.83%
Insurance, Claims, Damages	2,318	79,845	76,000	88,344	12,344	16.2%	1.03%
Inventory Supplies	1,273,942	987,305	879,000	879,000	0	0.0%	10.28%
Capital Outlay	47,043	10,514	14,500	15,957	1,457	10.0%	0.19%
Gov'tl Charges, Taxes, Fees, Misc.	377,401	369,067	34,500	289,658	255,158	739.6%	3.39%
	3,242,424	2,951,243	2,471,782	2,870,330	398,548	16.1%	33.58%
<i>12th & Park Garage - Repair & Maint.</i>							
Salaries & Wages	1,158,854	1,106,047	1,095,713	1,008,262	(87,451)	-8.0%	11.80%
Fringes	292,557	292,614	284,984	321,758	36,774	12.9%	3.76%
Purchase Services	72,852	65,796	54,460	57,245	2,785	5.1%	0.67%
Materials & Supplies	53,221	45,108	33,050	33,305	255	0.8%	0.39%
Travel	325	125	5,000	0	(5,000)	-100.0%	0.00%
Vehicle Operation Expenses	121,844	88,599	89,150	73,800	(15,350)	-17.2%	0.86%
Insurance, Claims, Damages	851	1,008	0	0	0	N/A	0.00%
Inventory Supplies	1,414,007	1,272,399	1,091,840	1,057,608	(34,232)	-3.1%	12.37%
Capital Outlay	2,009	0	50,000	20,452	(29,548)	-59.1%	0.24%
Gov'tl Charges, Taxes, Fees, Misc.	286,589	286,378	500	286,228	285,728	57145.6%	3.35%
	3,403,109	3,158,074	2,704,697	2,858,658	153,961	5.7%	33.44%
Total Municipal Garage	\$6,645,533	\$6,109,317	\$5,176,479	\$5,728,988	552,509	10.7%	67.03%
Total Fleet Services	\$8,117,527	\$7,720,808	\$6,703,110	\$7,897,474	\$1,194,364	17.8%	92.40%
Liability Insurance Fund (6200)							
Special Council & Claims	1,063,961	1,554,978	250,000	650,000	400,000	160.0%	7.60%
Total Liability Insurance	1,063,961	1,554,978	250,000	650,000	400,000	160.0%	7.60%
Grand Totals	\$9,181,488	\$9,275,786	\$6,953,110	\$8,547,474	\$1,594,364	22.9%	100.00%





General Government

www.chattanooga.gov

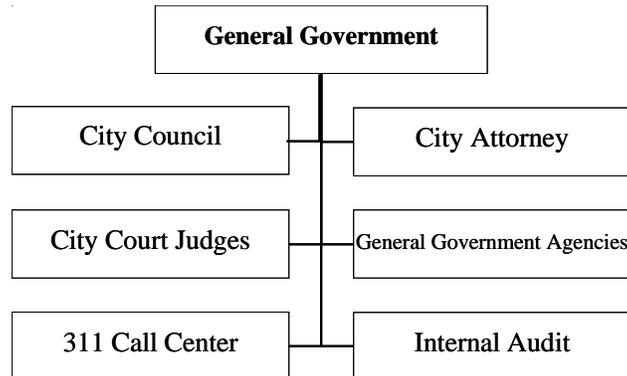
Mission:

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 Judge 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. The audit department enhances government efficiency and accountability by conducting performance and financial reviews of City departments and City-funded agencies. 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.

Other functions in the 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.

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	Goal	Actual	Goal
	FY04	FY05	FY05	FY06
Audits/reviews conducted	10	18	N/P	N/P
311 calls/emails answered	137,865	151,652	N/A	200,000
311 service requests created	68,265	75,092	77,400	80,000
Customer satisfaction rating	85%	90%	90%	90%

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

Department Summary

	Actual FY 02/03	Actual FY03/04	Budget FY 04/05	Budget FY 05/06
City Council Office	615,525	618,079	676,599	693,723
Office of City Court Judges	654,987	571,969	600,273	610,682
Office of City Attorney	649,121	744,352	1,006,236	1,027,496
Supported Agencies	13,987,123	13,589,895	13,682,847	13,501,543
Debt Service	6,193,086	7,636,840	8,772,293	9,801,307
311 Call Center	263,924	334,837	355,526	441,868
Internal Audit	-	-	-	271,109
Other General Government Activities	7,286,687	5,478,730	6,898,337	3,271,349
Total Expenditures	29,650,453	28,974,702	31,992,111	29,619,077
Per Capita	\$ 190.58	\$ 186.59	\$ 206.60	\$ 191.27
Positions Authorized	30	32	34	37

Resources

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Personnel	1,313,903	1,670,693	1,457,281	2,012,518
Overtime	-	-	-	-
Operating	28,336,552	27,304,009	30,534,830	27,606,559
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, 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 2005/2006.

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 dirtiest 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

Allied Arts of Greater Chattanooga

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 eight cultural institutions:

- The Hunter Museum of Art*
- Chattanooga Symphony & Opera Assoc.*
- Chattanooga Boys Choir*
- Houston Museum of Decorative Arts*
- Arts & Education Council*
- Chattanooga Regional History Museum*
- Association for Visual Artists*
- Choral Arts Society*
- Chattanooga Girls Choir*

City's Contribution.....\$250,000

Association of Visual Artists

The Association for Visual Artists is a charitable nonprofit organization dedicated to the promotion and support of original visual art and the artists who create it. An advocacy association and a liaison between artists and the entire community, AVA fosters Chattanooga's artists, its original visual art and provides quality programming for the community.

City's Contribution.....\$15,000

Bessie Smith Hall, Inc.

The mission of the Bessie Smith Hall (BSH) is to celebrate the performance of blues, jazz, its antecedents and derivatives, by embracing the style and charisma of Bessie Smith in a setting reminiscent of her career surroundings, with emphasis on the multicultural and educational aspects of her contributions. Over the past three years, the BSH organization has focused its efforts on developing and implementing a successful assembly of programs and services designed to provide instruction, interpretation, exposure to and advocacy of African-American music traditions and practices. The activities sponsored by the organization have attracted some of the largest culturally diverse audiences and participants of any other organization or venture. The annual Bessie Smith Strut is part of a community-wide festival which takes place each year and includes participants from all walks of life.

City's Contribution.....\$70,000

Chattanooga Area Regional Transportation Authority (CARTA)

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. CARTA is the sole provider in the Chattanooga-Hamilton County area of public transportation.

City's Contribution.....\$3,415,300

Carter Street Lease Agreement

This represents the City's share of debt service on the jointly funded Chattanooga-Hamilton County Convention and Trade Center. Bonds were sold in several issues, with the City being responsible for two-thirds of the primary debt, and the County government being responsible for the remaining one-third. A small portion of the debt is shared equally between the City and County governments. FY 2006 is the final year of the commitment.

City's Contribution.....\$1,415,389

Chattanooga African-American Museum/ Building Maintenance

The museum's mission is to develop, coordinate, and provide a facility to house research materials and artifacts of the African-American culture, as well as documenting the contributions of African-Americans to the development of Chattanooga and this nation.

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. In addition, the museum is 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.....\$55,825

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.....\$50,000

Chattanooga Downtown Partnership

The mission of the organization is development in the downtown area of Chattanooga. The Partnership directory of available office and retail space provides a comprehensive inventory for investors and new growth. Representatives attend regional and national leasing and retail recruiting expositions. Seasonal promotions are conducted throughout the year. The Partnership Windows Program fills vacant storefronts with banners and exhibits installed by businesses and civic organizations. Through efforts of the organization, Chattanooga is one of thirty U.S. cities selected to establish a benchmark of leading indicators to be used to measure downtown progress for the International Downtown Association.

City's Contribution.....\$140,000

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.....\$2,487,660

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.....\$1,500,000

Chattanooga Regional History Museum

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.....\$24,000

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 CARTA, the regional sewage treatment facility, industrial parks, water and sewer projects and a number of social service agencies for the elderly.

City's Contribution.....\$31,111

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.....\$30,000

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.....\$160,000

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.....\$17,500

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.....\$942,817

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, neighborhood organizations.

City's Contribution.....\$22,888

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 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.....\$994,756

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 Chattanooga and Hamilton County governments, getting the public involved by way of television.

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

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.....\$650,000

The Enterprise Center (New)

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\$100,000

Railroad Authority (New)

The Shortline Railroad Authority is governed by a board which includes 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.....\$20,000

Finley Stadium (New)

Finley Stadium/Davenport Field is a 20,000-seat facility encompassing 35 acres of property in the South Central Business District of Chattanooga. The Stadium helps to revitalize a desolate section of abandoned industrial buildings by creating a clean new gateway into the city. This is the second year of a three year commitment to install quality turf.

City Contribution.....\$25,000

Resources				
	Actual FY02/03	Actual FY03/04	Budget FY04/05	Budget FY05/06
Air Pollution Control Bureau	270,820	270,820	270,820	270,820
Allied Arts of Greater Chattanooga	250,000	250,000	250,000	250,000
Association of Visual Arts	15,000	15,000	15,000	15,000
Bessie Smith Hall, Inc.	35,000	35,000	70,000	70,000
CARTA	3,239,650	3,158,650	3,285,000	3,415,300
Carter Street Lease	1,420,753	1,420,529	1,419,100	1,415,389
Chattanooga African-Museum				
Building Maintenance	70,000	70,000	42,213	55,825
Chattanooga Area Urban League	50,000	50,000	50,000	50,000
Chattanooga Downtown Partnership	140,000	140,000	140,000	140,000
Chattanooga - Hamilton County				
Bicentennial Library	2,405,725	2,045,725	2,487,660	2,487,660
Chattanooga Neighborhood Enterprises	2,000,000	2,000,000	2,000,000	1,500,000
Chattanooga Regional History Museum	24,000	24,000	24,000	24,000
Chatt. Area Regional Council of Gov.				
Southeast Tennessee Dev. District	30,493	30,493	31,111	31,111
Children's Advocacy Center	30,000	30,000	30,000	30,000
Community Foundation Scholarships	160,000	160,000	160,000	160,000
Homeless Healthcare Center	17,500	17,500	17,500	17,500
Chattanooga/ Hamilton County				
Regional Planning Agency	974,817	974,817	988,817	942,817
Scenic Cities Beautiful	30,294	30,294	30,294	22,888
Tennessee Riverpark	790,902	798,471	798,471	994,756
WTCI TV 45	60,000	60,000	60,000	60,000
Liability Insurance Fund	862,000	1,100,000	250,000	650,000
Finley Stadium	N/A	N/A	25,000	25,000
Railroad Authority	N/A	N/A	N/A	20,000
Enterprise Center	N/A	N/A	N/A	100,000
Community Impact of Chattanooga	N/A	N/A	450,000	N/A
TOTAL	12,876,954	12,681,299	12,894,986	12,748,066





Economic Development

Ron Littlefield, Mayor

www.chattanooga.gov

Description:

In August 1997, the citizens of Chattanooga approved a half-cent tax of 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 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 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Education - Hamilton county	\$ 9,135,115	\$ 8,459,059	\$ -	\$ -
Capital fund	2,018,122	2,480,903	2,000,000	2,664,000
African American Chamber	150,000	150,000	150,000	150,000
Chamber for Economic Devel	400,000	400,000	400,000	400,000
Community Education Alliance	350,098	190,941	0	0
Business Development Initiative	0	75,000	75,000	75,000
Tourist Development Debt Service	0	1,198,182	689,000	689,000
Net Debt Service	5,495,266	4,447,999	6,284,500	6,510,000
Total Expenditures	\$ 17,548,601	\$ 17,402,084	\$ 9,598,500	\$ 10,488,000
City Only Sales Tax	\$ 17,264,712	\$ 18,444,846	\$ 8,909,500	\$ 9,799,000
TDZ State Sales Tax	345,408	1,009,059	500,000	500,000
TDZ County Sales tax	330,648	189,123	189,000	189,000
Interest Income	63,252	48,297	0	0
Total Revenues	\$ 18,004,020	\$ 19,691,325	\$ 9,598,500	\$ 10,488,000





Community Development

Beverly Johnson, Administrator

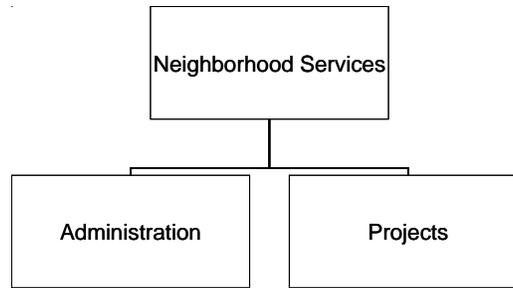
www.chattanooga.gov/communitydev

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.

- ❶ Increase neighborhood understanding of fair housing regulations to make sure good quality housing is accessible for lower income residents.
- ❷ 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.
- ❸ Help homeowners preserve existing housing and restore structures that have become uninhabitable.
- ❹ Encourage home ownership as a means of further stabilizing the community.

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

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

To increase employment in lower income areas.

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

Performance Measures

	Actual FY04	Goal FY05	Actual FY05	Goal FY06
Increase the stock of safe, affordable rental units	43	100	5	90
Rehabilitate substandard housing # of units	272	160	192	100
Assist first time LMI(low/moderate income) purchase with mortgages	220	220	49	120
# of Participants in Homebuyer Education Programs	256	700	174	200
Improved multipurpose centers	2	2	2	N/A

*N/A=Not Available

Community Development

Beverly Johnson, Administrator

www.chattanooga.gov/communitydev

Department Summary

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Administration - Gen Fund	\$ 245,573	\$ 165,917	\$ 167,374	\$ -
Administration	745,928	430,147	539,500	639,000
Community Dev Projects	4,295,438	8,679,158	4,992,003	4,533,847
Total Expenditures	\$ 5,286,939	\$ 9,275,222	\$ 5,698,877	\$ 5,172,847
Per Capita	\$ 33.99	\$ 59.62	\$ 36.18	\$ 32.84
Positions Authorized	8	9	10	7

Resources

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Personnel	\$ 584,482	\$ 506,143	\$ 552,174	\$ 552,174
Overtime	0	0	0	0
Operating	4,702,457	8,769,079	5,146,703	4,620,673
Revenue	5,210,951	6,029,607	5,531,503	5,172,847



Department of Finance & Administration

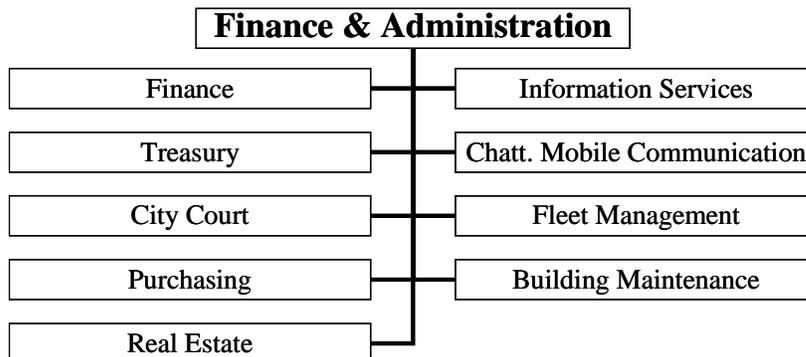
Daisy W. Madison, Administrator
 Vacant Position, Deputy Administrator
www.chattanooga.gov/finance

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 purchasing, accounting, and treasury operations. The department also provides support to other departments and agencies in the areas of radio and electronics, building maintenance, real property management, fleet services, information services and City Court operations.



Goals & Objectives:

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

- ① Propose and maintain a balanced budget that accounts for recurring revenue and cost.
- ② Develop an accurate and prudent economic revenue forecast.
- ③ 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.

- ① Maximize revenue collection.
- ② Increase collection efficiency.
- ③ Maintain best use and investment of assets.
- ④ Ensure 100% GAAP compliance.
- ⑤ Compliance with law.

To provide timely, efficient and quality telecommunications and information services, as well as fleet, real estate and facilities management and support services for all City departments and agencies.

- ① Increase efficiency of service delivery.
- ② Achieve 100% on-time job performance.
- ③ Strive for an excellent quality response to every support service request.

Improve satisfactory interaction and engagement with citizens.

- ① Create an appealing, useful and easily navigated website that is valuable to citizens.

Performance Measures	Actual FY04	Goal FY05	Actual FY05	Goal FY06
Cash Management Yield on investment portfolio	1.1%	2.0%	2.1%	3.8%
% of Current Levy Collected	95.2%	96.0%	99.4%	96.0%
O/S Delinquent Tax as % of Current Levy	10.0%	10.0%	9.8%	10.0%
Credit Card Collections	\$430,323	\$600,000	\$685,345	\$600,000
Total City Fleet	1,618	1,600	1,657	1,600
Total City Fleet Repairs and Maintenance	\$7,987,332	\$7,765,217	\$8,676,088	\$8,137,830
Debt Outstanding as % of Gen. Fund Budget	300.4%	295.0%	281.7%	295.0%
Undesig GF Bal as % of Undesig GF Rev & Trans	21.8%	20.0%	25.8%	20.0%
Bond Rating by Standard & Poor's	AA	AA	AA	AA
Bond Rating by Fitch Ratings Ltd.	AA	AA	AA	AA
Properties Returned to Tax Roll	24	61	23	29

Department of Finance & Administration

Daisy W. Madison, Administrator

Vacant Position, Deputy Administrator

www.chattanooga.gov/finance

Department Summary

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Finance	\$ 1,583,404	\$ 1,686,290	\$ 1,870,024	\$ 1,982,210
Treasurer	487,040	504,495	518,868	584,131
City Court Clerk	1,063,152	1,025,646	1,045,744	1,032,611
Information Services	2,909,808	2,841,380	3,011,503	2,965,965
Purchasing	753,344	782,117	782,860	838,193
Building Maintenance	692,184	575,930	725,768	693,561
Radio & Electronics	360,367	362,971	405,019	426,676
Real Estate	164,567	169,109	305,007	281,598
Fleet Services	8,094,671	7,791,202	6,703,110	7,897,474
Total Expenditures	\$ 16,108,537	\$ 15,739,140	\$ 15,367,903	\$ 16,702,419
Per Capita	\$ 103.54	\$ 101.35	\$ 99.24	\$ 107.86
Positions Authorized	217	212	200	199

Resources

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Personnel	\$ 8,627,488	\$ 8,737,490	\$ 9,165,180	\$ 9,474,371
Overtime	78,435	47,608	58,450	55,132
Operating	7,402,614	6,954,042	6,144,273	7,172,916
Revenue	7,642,641	8,155,382	6,703,110	7,897,474



Department of Police

Steve Parks, Chief of Police

Freeman Cooper, Executive Police Chief

www.chattanooga.gov/police/

Mission:

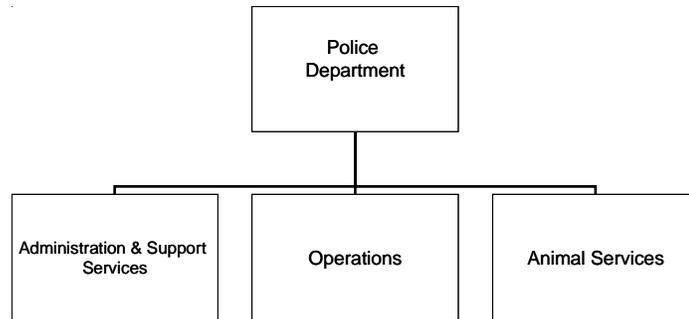
To work cooperatively with the public and within the framework of the constitutions of the United States and the State of Tennessee to enforce the laws, preserve the peace, maintain order, and provide for a safe community.

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.

The Animal Services division provides essential services to residents of Chattanooga through the enforcement of animal-related codes as stated in the Tennessee Code and City Code. They also license animals; provide animal safety and educational programs; and emergency and rescue services for animals.



Goals & Objectives:

Reduce Index Offenses Crime

- ❶ Reduce all Crime 3% in 2005 (Calendar Year)
- ❷ Reduce all Property Crime 5% in 2005 (Calendar Year)
- ❸ Meet or surpass national Uniform Crime Report crime reduction trends each year.

Prevent Crime and Make Citizens Safe

- ❶ Increase traffic safety
- ❷ Reduce "broken window" crimes & violations
- ❸ Maximize the visibility and effectiveness of police officers.

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

- ❶ Create a safe, orderly and appealing destination for visitors
- ❷ 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

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

Performance Measures	Actual CY 2003	Goal CY 2004	Actual CY 2004	Goal CY 2005
Sworn Staffing (FY)	447	472	441	472
Crimes Committed	15,485	15,020	14,315	13,886
Citywide Calls for Service	254,487	241,763	N/A	N/A
Parking Violations	39,237	37,275	37,197	35,337
Moving Violations	25,549	24,272	21,638	20,556
Weapons Seized	N/A	400	594	600
Citizen Complaints	79	75	107	102

N/A = Not Available

Department of Police

Steven Parks, Chief of Police

Freeman Cooper, Executive Police Chief

www.chattanooga.gov/police/

Department Summary				
	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Police Administration	\$ 2,018,025	\$ 3,291,194	\$ 1,606,110	\$ 2,102,199
Operations	21,294,630	21,456,383	21,244,287	23,283,908
Animal Services	1,150,060	1,057,431	0	1,030,409
Support Services	10,363,892	10,556,561	13,310,604	12,466,705
Total Expenditures	\$ 34,826,607	\$ 36,361,569	\$ 36,161,001	\$ 38,883,221
Per Capita	\$ 223.85	\$ 234.15	\$ 233.52	\$ 251.10
Positions Authorized	684	684	668	678

Resources				
	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Personnel	\$ 29,322,985	\$ 29,303,273	\$ 30,345,600	\$ 32,206,639
Overtime	1,074,815	1,294,799	991,561	994,561
Operating	4,428,807	5,763,497	4,823,840	5,682,021
Revenue	635,606	537,045	1,137,783	370,100



Department of Fire

Jim Coppinger, Fire Chief
Kelvin Flint, Deputy Fire Chief

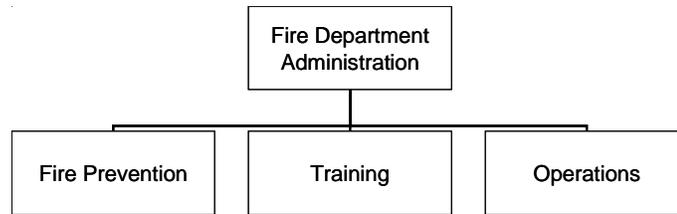
www.chattanooga.gov/fire/fire

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 17 fire stations and more than 350 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 FY04	Goal FY05	Actual FY05	Goal FY06
Average response time (Department)	5:32	5:00	5:55	5:00
Inspections	2,968	3,116	2,586	3,190
Civillian Deaths	4	0	10	0
Civillian injuries	8	0	10	0
Firefighter Deaths	0	0	0	0
Firefighter Injuries	53	0	37	0
Property Damage (Smillion)	\$5.9	\$ 6.55	\$7.9	\$ 5.45
Fire Calls	1,006	1,004	991	930
First Responder Calls	4,765	5,529	4,431	4,408
Emergency Calls	9,742	9,694	9,899	9,011

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

Department of Fire

Jim Coppinger, Fire Chief

Kelvin Flint, Deputy Fire Chief

www.chattanooga.gov/fire/fire

Department Summary				
	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Fire Operations	\$ 21,851,685	\$ 23,157,592	\$ 24,768,230	\$ 25,465,475
Fire Utilities	455,686	886,870	770,200	257,300
Combat Challenge	559	0	0	0
Total Expenditures	\$ 22,307,930	\$ 24,044,462	\$ 25,538,430	\$ 25,722,775
Per Capita	\$ 143.38	\$ 154.84	\$ 164.92	\$ 166.11
Positions Authorized	418	417	418	418

Resources				
	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Personnel	\$ 20,259,365	\$ 20,903,771	\$ 22,389,443	\$ 22,902,614
Overtime	26,509	20,230	31,000	23,500
Operating	2,022,055	3,120,461	3,117,987	2,796,661
Revenue	1,054	735	750	750



Department of Public Works

Steve Leach, Administrator

Lee Norris, Deputy Administrator

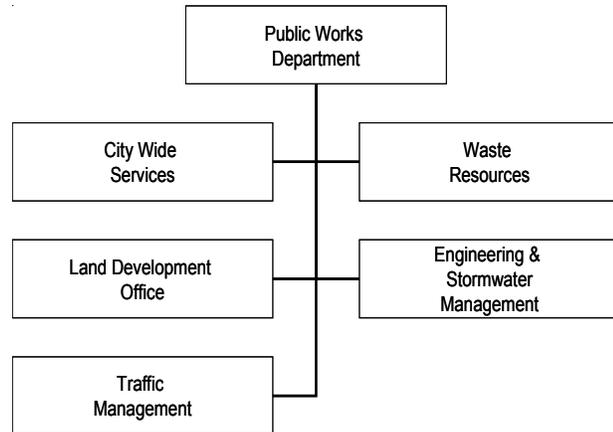
www.chattanooga.gov/pubworks/

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's 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 FY04	Goal FY05	Actual FY05	Goal FY06
Total *CSRs addressed	46,054	50,000	59,835	50,000
City Wide Service CSRs closed on time	83.9%	90.0%	94.5%	95.0%
City Wide Service CSRs unresolved	1.4%	10.0%	1.1%	10.0%
Codes & Inspection CSRs closed on time	92.9%	90.0%	97.3%	95.0%
Codes & Inspection CSRs unresolved	1.3%	10.0%	3.5%	10.0%
Engineering CSRs closed on time	87.7%	90.0%	93.0%	95.0%
Engineering CSRs unresolved	25.4%	10.0%	9.7%	10.0%
Storm Water CSRs closed on time	51.6%	90.0%	61.1%	95.0%
Storm Water CSRs unresolved	12.9%	10.0%	6.1%	10.0%
Traffic Engineering CSRs closed on time	84.7%	90.0%	90.7%	95.0%
Traffic Engineering CSRs unresolved	2.6%	10.0%	1.3%	10.0%
Waste Resources CSRs closed on time	92.4%	90.0%	96.7%	95.0%
Waste Resources CSRs unresolved	0.8%	10.0%	1.0%	10.0%

*CSR Customer Service Request

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
General Fund	\$ 25,283,947	\$ 26,494,100	\$ 26,672,947	\$ 27,662,751
Interceptor Sewer Fund	32,137,962	32,042,349	34,827,714	41,167,652
Solid Waste Fund	4,241,020	5,395,592	5,623,545	5,758,005
Storm Water Fund	5,928,384	3,889,993	5,575,120	5,637,359
State Street Aid Fund	3,963,093	4,095,691	4,689,350	4,754,289
Total Expenditures	\$ 71,554,406	\$ 71,917,725	\$ 77,388,676	\$ 84,980,056
Per Capita	\$ 459.91	\$ 463.12	\$ 499.76	\$ 548.78
Positions Authorized	649	632	626	624

Resources	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Personnel	\$ 22,250,000	\$ 22,878,397	\$ 24,991,311	\$ 26,423,702
Overtime	921,905	828,993	835,299	790,800
Operating	63,548,095	70,143,443	51,562,066	57,765,554
Revenue	50,824,241	55,139,978	44,850,022	53,167,564



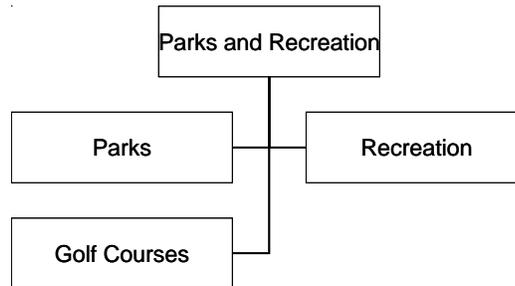
Parks & Recreation

Rob Healy, Administrator

www.chattanooga.gov/cpr

Mission:

To provide public space and/or outdoor recreation that invites a healthy, active lifestyle that will impact our community's economy and tourism. To have programs, parks and facilities be offered equitably to maximize use by the broadest spectrum of Chattanooga residents and visitors, which will, in turn, help develop and educate our community physically, socially and morally.



Goals & Objectives:

To operate the City's parks, facilities and recreational programs in order to maximize usage.

- ❶ Increase the use/attendance of parks.
- ❷ Increase the use/attendance of recreation centers.
- ❸ Increase the use/attendance of the golf courses.
- ❹ 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.

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

To work in concert with existing preservation groups.

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

Description:

Parks & Recreation/Outdoor Chattanooga provides a wide variety of educational and recreational activities throughout a network of programs, parks and public facilities. The department is divided into two major divisions: Program Services and Parks & Facilities. Sports, fitness center, and OutVenture activities operate through Program Services, while the Parks and Facilities division oversees park activities and maintenance. The department also operates golf courses.

Performance Measures	Actual	Goal	Actual	Goal
	FY04	FY05	FY05	FY06
Golf Courses - # of Rounds	51,009	55,000	48,040	57,000
Chattanooga Zoo - Attendance	120,170	132,187	127,974	135,000
Carousel - Attendance	135,737	150,000	131,322	150,000
Champion's Club - Attendance	26,306	27,000	34,643	36,000
Fitness Center - Attendance	110,402	118,000	94,556	110,000
Aquatics - Attendance	20,621	20,905	16,176	18,000
OutVenture - Attendance	2,060	2,500	2,340	2,800
Therapeutic - Attendance	2,267	3,000	4,129	4,500
Recreation Centers - Attendance	176,369	180,000	400,959	425,000

Parks & Recreation

Rob Healy, Administrator

www.chattanooga.gov/cpr

Department Summary

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Administration	\$ 824,668	\$ 999,770	\$ 1,082,115	\$ 1,106,655
Program Services	4,127,747	4,018,664	4,312,387	4,232,587
Parks & Facilities	4,181,214	3,916,959	3,917,962	4,246,594
Civic Facilities	1,206,582	1,173,661	1,168,061	0
Chattanooga Zoo	400,977	389,200	443,483	470,050
Municipal Golf	1,628,031	1,701,183	1,687,794	1,657,483
Total Expenditures	\$ 12,369,219	\$ 12,199,437	\$ 12,611,802	\$ 11,713,369
Per Capita	\$ 79.50	\$ 77.44	\$ 81.44	\$ 75.64
Positions Authorized	341	246	238	217

Resources

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Personnel	\$ 8,211,754	\$ 7,863,005	\$ 8,290,614	\$ 8,097,223
Overtime	183,835	74,767	94,936	61,923
Operating	3,973,630	4,261,665	4,226,252	3,554,223
Revenue	3,356,603	3,179,229	3,358,931	2,832,045

Note: In FY06 the department was reorganized. Civic facilities was moved to the Department of Education, Arts, and Culture which caused a decrease in Parks & Recreation's budget.



Department of Human Services

Bernadine Turner, Administrator
Tommie L. Pruitt, Deputy Administrator

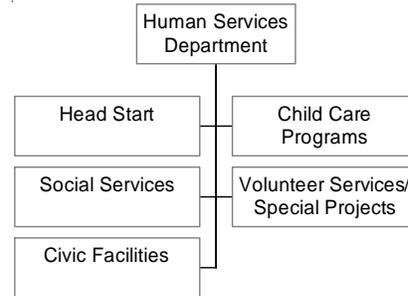
www.chattanooga.gov

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), Weatherization, Mortgage Assistance, Rental Assistance and Reverse Mortgage counseling.*
- ❺ *Maintain or increase the number of housing units for low income residents that have working heat and air conditioning.*
- ❻ *Reduce foreclosures, evictions and utility cutoffs within the very low income population.*
- ❼ *Use a multi-prong approach to maximize access to basic healthcare for the low income population.*
- ❽ *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 03/04	Goal FY 04/05	Actual FY 04/05	Goal FY 05/06
Children received Up-to-Date immunizations	868	865	875	880
Parents received Adult Education/GED training	291	297	312	326
Number of meals served	346,663	357,050	230,823	150,000
Units of weatherized dwellings	139	106	68	135
Total number of households assisted	5,115	3,615	6,566	6,500
Heating assistance-emergency & regular	2,952	1,973	2,896	1,610
Summer Cooling	635	620	689	-
Homeless Prevention-total units served	925	723	1,225	1,000

Department of Human Services

Bernadine Turner, Administrator
Tommie L. Pruitt, Deputy Administrator

www.chattanooga.gov

Department Summary				
	Actual	Actual	Budget	Budget
	FY 02/03	FY 03/04	FY 04/05	FY 05/06
Head Start	8,159,230	8,706,472	8,753,704	8,562,623
Day Care	614,973	826,346	930,935	892,900
Weatherization	373,014	435,285	443,728	349,550
Foster Grandparents	440,796	477,163	485,562	494,379
LIEAP	885,635	1,097,071	1,073,403	1,057,716
CSBG	629,278	709,198	790,884	730,795
Occupancy Grant	234,101	185,396	226,221	226,221
Human Services Programs	1,560,336	1,073,432	797,372	803,101
City General Relief	80,210	72,957	72,868	72,868
Total Expenditures	12,977,573	13,583,320	13,574,677	13,190,153
Per Capita	\$ 83.41	\$ 87.47	\$ 87.66	\$ 85.18
Authorized Positions	291	295	303	303

Resources				
	Actual	Actual	Budget	Budget
	FY 02/03	FY 03/04	FY 04/05	FY 05/06
Personnel	7,137,665	7,470,826	7,521,777	7,254,584
Overtime	41,528	43,467	43,689	42,208
Operating	5,798,380	6,069,027	6,009,211	5,893,361
Revenue	11,635,644	11,906,044	13,574,677	13,190,153

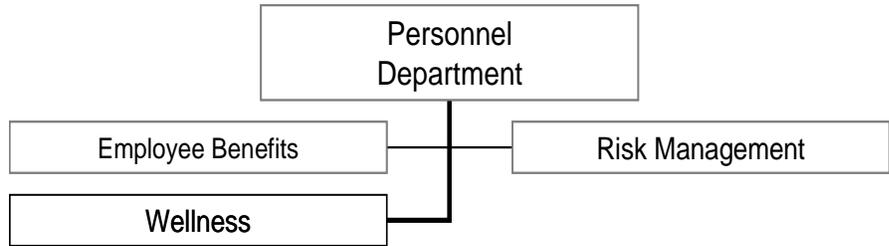


Department of Personnel

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. They also offer 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 diversified workforce that reflects a representation of local workforce.

- ❶ Recruit employees that are representative of local worker demographics.
- ❷ Seek diversity across all strata of pay and position, reflecting the local workforce.
- ❸ Make a concerted effort to retain a broad spectrum of employees, keeping the City's workforce reflective of local demographics.
- ❹ Retain a workforce that reflects the local population across all levels of compensation and department positions.

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 FY 03/04	Goal FY 04/05	Actual FY 04/05	Goal FY 05/06
% Applicants qualified/well qualified	47%	50%	39%	50%
Posted positions where qualified candidate found	100%	100%	100%	100%
Declined job offers	8	<10	51	<20
Turnover rate analysis	5.9%	<10%	8.0%	<10%
Promotion rate analysis	23%	>20%	8.62%	<10%
Compliance with law	100%	100%	100%	100%
Applicant Diversity (+/-3%)*	N/A	80%	87.50%	85%

*For each occupational group

Department of Personnel

Donna Kelley, Administrator

Susan Dubose, Deputy Administrator

www.chattanooga.gov

Departmental Summary

	Actual FY 02/03	Actual FY03/04	Budget FY 04/05	Budget FY05/06
Administration	908,760 \$	883,250	951,186	\$ 989,974
Physical Exams	114,272	98,614	116,000	116,200
Wellness	-	285,468	312,986	313,800
Employee Benefits Office	272,844	333,289	365,407	332,205
Employee Insurance	4,631,890	3,477,183	4,586,500	4,853,500
Job Injury	67,742	74,880	78,600	78,600
Total Expenditures	5,995,508	5,152,684	6,392,679	6,684,279
Per Capita	\$ 38.54	\$ 33.18	\$ 41.28	\$ 43.17
Positions Authorized	19	19	19	19

Resources

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Personnel	880,499	1,003,152	975,723	1,080,634
Overtime	-	-	-	-
Operating	5,115,009	4,149,532	5,416,956	5,603,645
Revenue	-	-	-	-



Department of Neighborhood Services

Beverly Johnson, Administrator
Steve Hargis, Deputy Administrator

www.chattanooga.gov/neighserv/

Mission:

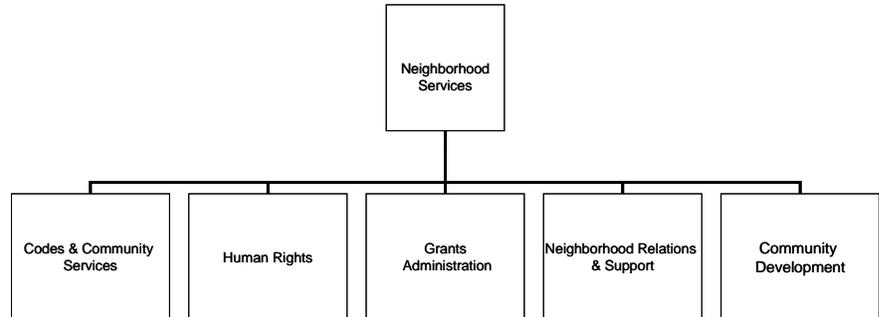
Make all Chattanooga neighborhoods a choice for people to live and invest in through the elimination of blight, code enforcement and individual participation and expended civic engagement.

Description:

The department of Neighborhood Services is comprised of six divisions: Administration; Codes and Community Services; Neighborhood Relations, Human Rights, 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 & 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 FY04	Goal FY05	Actual FY05	Goal FY06
All Complaints	9,672	8,705	9,442	8,700
Complaint Inspections	9,239	9,211	9,333	9,672
Cases Started	5,554	4,999	6,021	5,249
Cases Inspections	6,985	6,287	7,890	6,601
Total Inspection	16,224	14,602	17,223	15,332
SNI/CIF	8,265	7,439	9,567	7,810
Non-SNI/CIF and Other	7,959	7,163	7,656	7,521

Department of Neighborhood Services

Beverly Johnson, Administrator

Steve Hargis, Deputy Administrator

www.chattanooga.gov/neighserv/

Department Summary

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Administration	\$ 336,715	\$ 241,647	\$ 309,859	\$ 372,369
Grants Administration	-	-	-	140,804
Codes & Community Svc	754,650	766,342	769,266	812,437
Human Rights	0	0	0	34,818
Neighbor Relations & Grants	442,406	502,205	453,737	467,538
Animal Services	0	0	1,078,179	0
Community Development	0	0	0	5,172,847
Total Expenditures	\$ 1,533,771	\$ 1,510,194	\$ 2,611,041	\$ 7,000,813
Per Capita	\$ 9.86	\$ 9.73	\$ 16.86	\$ 45.21
Positions Authorized	30	27	37	36

Resources

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Personnel	\$ 1,014,766	\$ 1,107,066	\$ 1,485,262	\$ 1,878,147
Overtime	14,913	5,781	28,672	9,000
Operating	504,092	397,347	1,097,107	5,113,666
Revenue	-	-	-	5,172,847



Department of Executive Branch

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

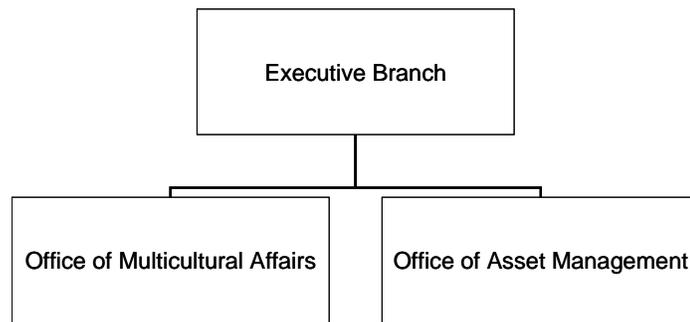
Mission:

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 Asset Management. 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 Asset Management (OAM) provides general management for assigned divisions of the Department of Finance. OAM is responsible for overseeing daily operations of assigned divisions having comprehensive city-wide responsibilities; writing and enforcing policies/procedures; and setting goals and developing long-term plans. OMA and OAM are new additions to the Executive Branch this year.



Goals & Objectives:

OMA and OAM are new additions to the Executive Branch, therefore, goals & objectives and performance measures are not available this year.

Department of Executive Branch

Ron Littlefield, Mayor

Dan Johnson, Chief of Staff

www.chattanooga.gov

Departmental Summary				
	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Mayor's Office	824,468	770,988	829,904	897,290
Office of Performance Review	601,695	425,226	409,268	-
Human Rights & Relations	48,394	38,281	34,818	-
Office of Multicultural Affairs	-	-	-	400,000
Office of Asset Management	-	-	-	135,107
Total Expenditures	1,474,557	1,234,495	1,273,990	1,432,397
Per Capita	\$ 9.48	\$ 7.95	\$ 8.23	\$ 9.25
Positions Authorized	19	16	16	11

Resources				
	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Personnel	1,281,422	1,131,070	1,095,399	944,324
Overtime	-	-	-	-
Operating	193,135	103,425	178,591	488,073
Revenue	-	-	-	-



Education, Arts & Culture

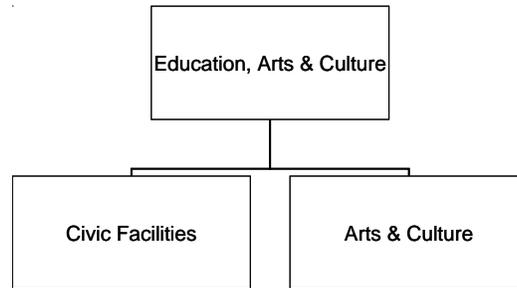
Missy Crutchfield, Administrator
William C. Bond, Jr., Deputy Administrator

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 performing arts, and support educational enrichment for all citizens.

Description:

Education, Arts and Culture provides a wide variety of activities throughout the city through its civic facilities. The department is divided into two major divisions: Civic Facilities and Arts & Culture. 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. Arts & Culture promotes the arts throughout the city with programs that include art, craft, and music classes. In addition to programs, information and publications are released to further enhance the awareness of the arts. Arts & Culture also manages the North River Civic Center. This facility offers various programs and activities related to arts and education.



Goals & Objectives:

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

- ❶ Increase usage days and attendance by 10-25% in the coming year.
- ❷ Identify opportunities for new education, arts and cultural programs by actively seeking sponsorships, partnerships and grants.
- ❸ Create a film commission.
- ❹ Identify opportunities to partner with the Hamilton County public schools, UTC and Chattanooga State.

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

- ❶ Encourage networking between education, arts and cultural groups and area churches.
- ❷ Attract programming that addresses diversity issues, social issues and community concerns.
- ❸ Renovate the Community Theatre at Memorial Auditorium and establish it as an arts incubator for youth at risk, offering education, arts and cultural programs, workshops, performances and mentoring.
- ❹ Work with area social service agencies to expand access to education, arts and cultural programs for their clients.

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 festivals at City of Chattanooga public sites.
- ❸ Use City of Chattanooga civic facilities and outdoor sites for public art.
- ❹ Identify opportunities for media partnerships to create new outlets for education, arts and cultural information such as quarterly magazine and television programs.

Performance Measures

	Actual FY04	Goal FY05	Actual FY05	Goal FY06
Civic Facilities - Attendance	269,011	280,000	285,451	314,000
Civic Facilities - # of Events	359	380	450	495
North River Civic Center - Attendance	N/A	12,000	12,774	15,000

*N/A= Not Available

Education, Arts & Culture

Missy Crutchfield, Administrator

William C. Bond, Jr., Deputy Administrator

Department Summary

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Administration	\$ -	\$ -	\$ -	\$ 203,352
Civic Facilities	0	0	0	1,191,478
Arts & Culture	0	0	0	126,111
Total Expenditures	\$ -	\$ -	\$ -	\$ 1,520,941
Per Capita	\$ -	\$ -	\$ -	\$ 9.82
Positions Authorized	0	0	0	24

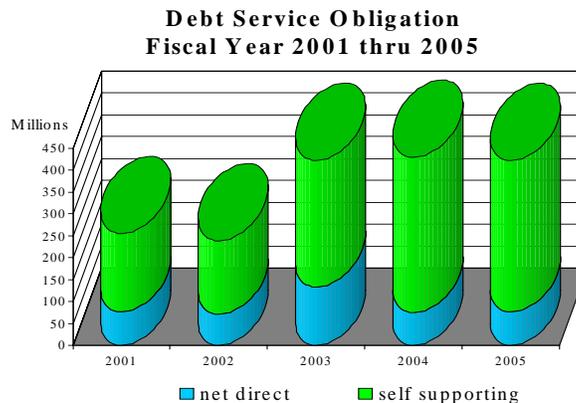
Resources

	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06
Personnel	\$ -	\$ -	\$ -	\$ 965,929
Overtime	0	0	0	32,427
Operating	0	0	0	522,585
Revenue	0	0	0	625,250

Note: Due to reorganization in FY06, this department was created. The majority of the budget is the transfer of civic facilities from the department of Parks & Recreation.

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 five years and the relationship between Direct and Indirect Indebtedness.

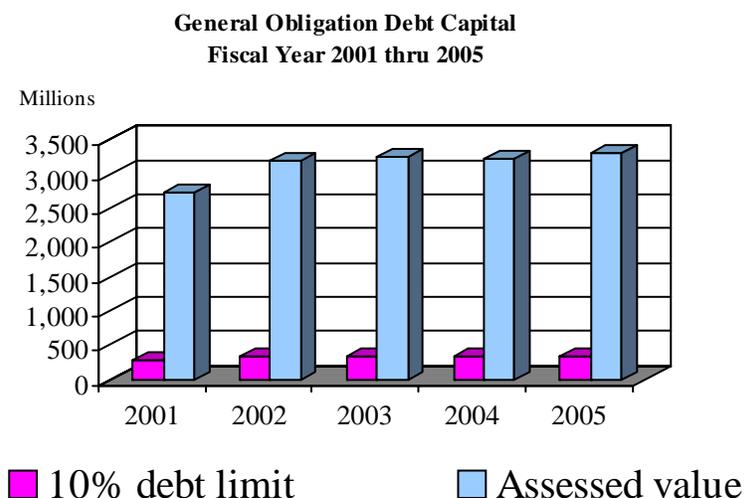


Gross outstanding indebtedness as of June 30, 2005 is \$ 428,814,582. This amount includes a 30-year capital lease of \$115,925,472 with final payment due on October 1, 2030 and 5-year capital lease of \$3,800,000 (balance on June 30, 2005 is \$2,917,191) with final payment due on July 1, 2009. Total authorized unissued debt at June 30, 2005 consist of 2003 TMBF Loan of \$3,457,229 and 2004 TMBF Loan of \$19,494,622.

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.

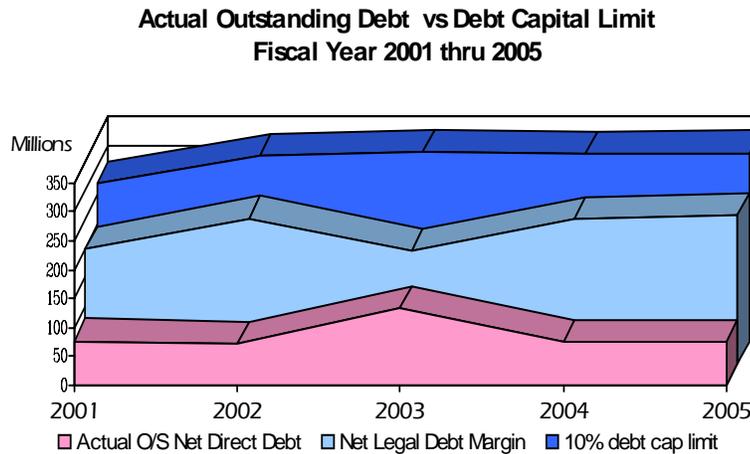
Sec.6.107. General Debt Limit. Hereafter no bonds shall be issued by the City of Chattanooga in such an aggregate amount as will create or increase the total bonded indebtedness of said City more than ten percent (10%) of the assessed valuation for the preceding year of all taxable property in said City.

The following chart shows the debt limit for the past five 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 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 will be funded by the city's share from the 1/2% increase in the county-wide sales tax passed by the county-wide referendum (see page 151 for more details), 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 \$115,925,472 at June 30, 2005. The debt service reserve fund held by the fiscal agent at June 30, 2005 amounts to \$9,786,058. 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 2001, the City issued \$48,310,000 General Obligation Bonds for the purpose of providing funds to construct, improve, replace, and equip various projects of the City and to pay the legal, fiscal, and administrative costs incident to the issuance and sale of the bonds.

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 will have 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 \$6M. 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, 2005 the City had drawn down \$1,534,829. 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.

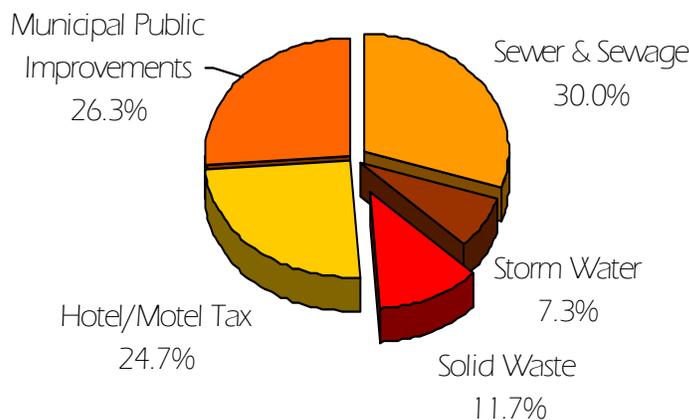
In FY05, the City issued \$51,375,000 General Obligation Refunding Bonds Series 2005A. These bonds refunded portions of outstanding issues of 2001 General Obligation, 2002 Hotel-Motel Tax, 1998 Sewer, Storm Water and Solid Waste General Obligation and 2001 Storm Water and Solid Waste General Obligation 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 which will be used to fund the Fiscal Year 2004 and 2005 Capital Projects. As of June 30, 2005, \$5,525,378 had been issued out of the total \$23,117,171 estimated projects cost.

The \$428,814,582 Gross Outstanding Indebtedness of the City of Chattanooga as of June 30, 2005 reflects the financing decisions being made by the City to meet its long-term goals.

As these charts point out, the City is concentrating on Sewers and Municipal Public Improvements Bonds to satisfy the needs generated by these goals. All of the Sewer portion of the debt and 56.3% of the debt for Municipal Public Improvements is self supported debt.

General Obligation Bonds by Purpose

Fiscal Year 2005



The City is in an excellent position to issue additional debt if required to 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 five years, as reflected in the following chart. This chart of City appropriations to the Debt Service Fund shows a decrease of \$2,771,256 from FY02 to FY03 which effects the additional funds that were appropriated in FY02 to accommodate the potential \$15 million new issue.

In FY 2002, the General Fund appropriated \$8,964,342. This included additional funds required to pay Debt Service on a potential \$15,000,000 new issue planned in FY02.

In FY 2003, the General Fund appropriated \$6,193,086. The decrease from prior year was due to increased refunding and debt retirements.

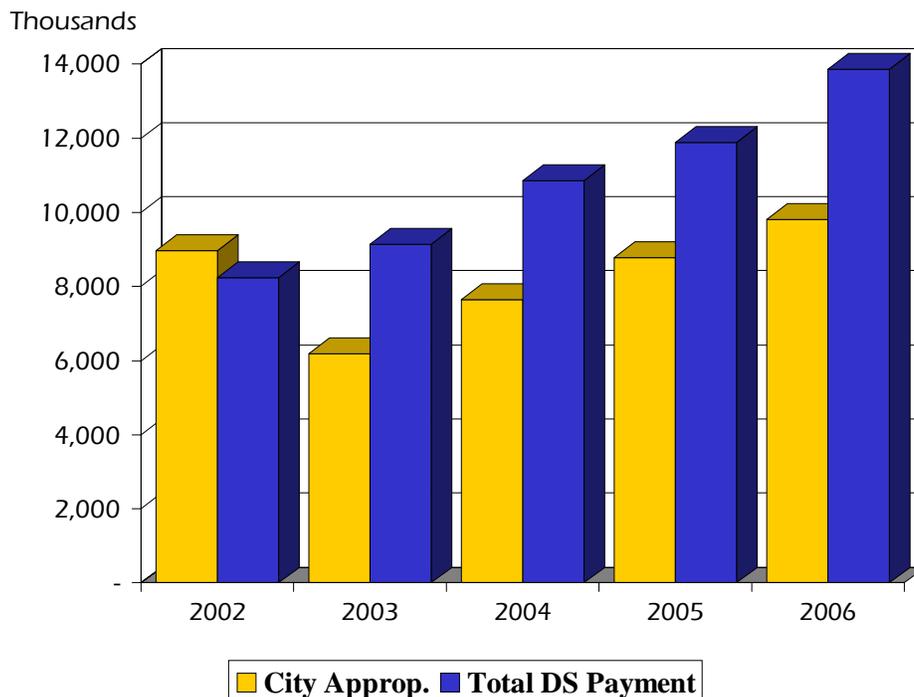
In FY 2004, the General Fund appropriated \$7,636,840. This increase from FY03 reflected the new \$12.2 million G.O. Bonds issued that same year.

In FY 2005, the General Fund will appropriate \$8,772,293. This increase from FY04 covered additional debt from FY04 that will be paid in FY05.

In FY 2006, the General Fund will appropriate \$9,812,998. This increase from FY05 will cover additional funds withdrawn from authorized bonds and loans in FY05 and will be paid in FY06.

General Fund Debt Service Appropriation

Fiscal Years 2002 thru 2006



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, 2005, the County had gross outstanding general obligation bonded debt of \$143,380,000 and net indebtedness of \$142,169,734. The percentage of County net indebtedness applicable to the City is 60.27% or \$97,486,316. Also included in this section on Debt Service are schedules on Debt Ratios as of June 30, 2005, Historical Debt Ratios, and an analysis of General Obligation Debt as of June 30, 2005.

Outstanding General Obligation Debt

The following table sets forth all outstanding general obligation bond and note indebtedness of the City less applicable exclusions as of June 30, 2005; amounts are not adjusted for the City's share of County debt.

General Obligation Bonds by Purpose		
Municipal Public Improvement(1)	167,682,984	
Sewer and Sewage Facilities	<u>83,022,016</u>	
Total Bonded Indebtedness		250,705,000
Other Long-Term Indebtedness		
Chatt. Downtown Redev. Capital Lease	115,925,472	
Fannie Mae American Communities Fund (Hope VI)	1,534,829	
800 MHz Equipment Capital Lease	2,917,191	
General Obligation Capital Outlay Notes	<u>57,732,090</u>	
Total Long-Term Indebtedness		<u>178,109,582</u>
Gross Direct Indebtedness(8)		428,814,582
Less: Self-Supporting Indebtedness		
Sewer and Sewage Facilities Bonds(2)	83,022,016	
State Revolving Loan-CSO (ISS portion)(3)	38,510,779	
State of GA Revolving Loan (ISS portion)(4)	5,629,576	
Cap Lease City of Collegedale (ISS)	234,453	
Chatt. Downtown Redev. Capital Lease(5)	115,925,472	
State Revolving Loan-CSO (StormWater portion)(3)	1,297,921	
Municipal Public Improvement Bonds(StWa&SoWa)(6)	42,365,521	
800 MHz Equipment Capital Lease	2,917,191	
Hotel/Motel Tax Revenue Pledge	55,174,987	
Fannie Mae Loan (CDBG)	<u>1,534,829</u>	
Total Self Supporting Indebtedness		346,612,744
Debt Service Fund(7)		<u>6,471,929</u>
Net Direct Indebtedness		75,729,909
Plus: Estimated Net Overlapping Indebtedness		<u>97,486,316</u>
Net Direct and Net Overlapping Indebtedness		<u>173,216,225</u>

- Note:*
- (1) \$510,000 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 Storm Water 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 recently passed by county-wide referendum held in February 2004. This increase replaced the 1/2% city-only sales tax effective July 1, 2004.
 - (6) \$42,365,521 represents the outstanding balance of 1998 through 2005 Municipal Public Improvement Bonds of which \$16,324,417 is related to Storm Water and \$26,041,106 is related to Solid Waste, which will be paid by the city from the revenue derived from the operations of these funds.
 - (7) This represents unaudited Fund Balance at June 30, 2005.
 - (8) Not included in this amount are authorized debt service as of June 30, 2005 but are not yet issued for 2003 TMBF loan of \$3,457,229 and 2004 TMBF loan of \$19,474,622.

Debt Ratios

The following table sets forth certain ratios relating to the City's general obligation indebtedness as of June 30, 2005.

	<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	\$ 428,814,582	\$ 2,769	12.92%	4.15%
Net Direct Indebtedness ⁴	75,729,909	489	2.28%	0.73%
Gross Direct and Net Overlapping Indebtedness ⁵	526,300,898	3,383	16.26%	5.23%
Net Direct and Net Overlapping Indebtedness ⁵	173,216,225	1,119	5.22%	1.68%
Per Capita Assessed Valuation ¹	\$20,905 *			
Per Capita Full Valuation ¹	\$64,949 *			

*Based on 2005 population estimate.

- Notes:
- (1) The City's population in 2005 was estimated at 154,853.
 - (2) The City's preliminary assessed valuation of taxable property as of June 30, 2005 was \$3,319,249,168.
 - (3) The City's estimated full valuation of taxable property as of June 30, 2005 was \$10,323,946,674.
 - (4) See "Historical Debt Ratios" under this section.
 - (5) The County's net overlapping indebtedness is \$161,739,881. The City's share is \$97,486,316. (60.2735%).

Other Long-Term Indebtedness

As of June 30, 2005, the City had the following other outstanding long-term indebtedness.

	Outstanding Amount	Issue Dated Date	Maturity
State of Tennessee Revolving Loan	2,595,842	03/01/1993	02/28/2013
Capital Outlay Notes ⁽¹⁾	121,562	09/01/1992	09/01/2006
State of Tennessee Revolving Loan 2003	37,212,858	02/03/2003	10/20/2024
Tennessee Municipal League Bond Pool (1997)	4,477,023	02/01/1997	05/25/2012
State of Georgia Revolving Loan ⁽²⁾	5,629,576	07/01/2000	10/01/2019
Fire Hall Land Note ⁽³⁾	33,627	04/01/1999	04/01/2014
Capital Lease City of Collegedale ⁽⁴⁾	234,454	10/01/2000	08/01/2014
Chatt. Downtown Redev. Corp. Capital Lease ⁽⁵⁾	115,925,472	07/01/2002	10/01/2030
800 MHz Equipment Capital Lease	2,917,191	10/01/2003	07/01/2009
Fannie Mae Notes	1,534,829	03/15/2004	01/01/2015
Tennessee Municipal League Bond Pool (2003)	1,901,771	09/07/2003	05/25/2018
Tennessee Municipal League Bond Pool (2004)	5,525,378	05/20/2005	04/20/2025
Total	<u>\$178,109,583</u>		

Notes:

- (1) *City's share of Parking Garage at the Joint Courts Building.*
- (2) *Loan agreement with the State of Georgia.*
- (3) *Land purchased for \$45,000 to build a Fire Super Station. Term of Loan - 15 years at 9.5%.*
- (4) *To lease and purchase an interceptor gravity sewer line, force main, pump station, easements and fee for property associated with purchase.*
- (5) *Construction and purchase of the Conference Center (Chattanooga), Trade Center expansion, Development Resource Center, Parking Garage and associated infrastructure improvements.*

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.

City of Chattanooga, Tennessee
 General Obligation Self Supporting Bonded Debt Service Requirements
 As of June 30, 2005

**Sewer & Sewage Facilities Bonds
 Municipal Public Improvement Bonds
 (Storm Water and Solidwaste)
 and State Revolving Loan (CSO)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total P & I Requirements</u>
2006	13,983,241.20	6,743,418.92	20,726,660.12
2007	14,289,220.73	6,356,516.73	20,645,737.46
2008	12,688,434.28	5,837,334.04	18,525,768.32
2009	14,679,860.91	5,341,447.08	20,021,307.99
2010	12,826,627.98	4,726,357.48	17,552,985.46
2011	12,121,707.13	4,163,494.60	16,285,201.73
2012	10,261,094.36	3,648,054.53	13,909,148.89
2013	10,495,282.13	3,172,857.58	13,668,139.71
2014	9,530,544.91	2,729,867.98	12,260,412.89
2015	9,772,122.66	2,301,499.61	12,073,622.27
2016	8,113,554.71	1,899,742.50	10,013,297.21
2017	8,494,902.72	1,524,297.11	10,019,199.83
2018	8,891,125.97	1,130,555.86	10,021,681.83
2019	7,724,387.56	759,245.02	8,483,632.58
2020	2,795,910.41	540,305.90	3,336,216.31
2021	2,648,715.00	463,743.62	3,112,458.62
2022	2,739,685.00	374,546.82	3,114,231.82
2023	2,832,649.00	282,035.20	3,114,684.20
2024	2,932,667.00	186,160.80	3,118,827.80
2025	2,619,731.00	87,305.22	2,707,036.22
2026	618,800.00	30,419.62	649,219.62
Total	\$ 171,060,264.66	\$ 52,299,206.22	\$ 223,359,470.88

Does not include CDRC (Southside) Capital Lease of \$115,925,472 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2005 consist of 2003 TMBF Loan of \$3,457,229 and 2004 TMBF Loan of \$19,494,622.

City of Chattanooga, Tennessee
 General Obligation Debt Service Requirements
 As of June 30, 2005

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	7,675,357.34	13,060,827.62	20,736,184.96
2007	10,629,677.82	13,251,015.02	23,880,692.84
2008	9,678,802.08	12,840,966.77	22,519,768.85
2009	10,794,362.33	12,417,456.27	23,211,818.60
2010	11,196,272.29	11,924,827.70	23,121,099.99
2011	9,532,861.05	11,444,400.91	20,977,261.96
2012	8,441,777.95	11,011,096.34	19,452,874.29
2013	8,084,994.90	10,586,512.88	18,671,507.78
2014	8,296,426.35	10,177,886.15	18,474,312.50
2015	8,829,529.20	9,744,313.48	18,573,842.68
2016	9,170,852.00	9,275,660.60	18,446,512.60
2017	8,816,457.00	8,803,666.41	17,620,123.41
2018	9,430,341.00	8,321,842.86	17,752,183.86
2019	8,479,406.00	7,807,303.91	16,286,709.91
2020	8,875,776.00	7,330,779.12	16,206,555.12
2021	9,541,894.00	6,876,143.40	16,418,037.40
2022	10,163,007.00	6,317,751.20	16,480,758.20
2023	10,820,423.00	5,723,609.80	16,544,032.80
2024	11,505,542.00	5,098,498.20	16,604,040.20
2025	12,233,483.00	4,441,222.30	16,674,705.30
2026	12,995,986.00	3,742,506.90	16,738,492.90
2027	10,907,627.00	2,999,804.00	13,907,431.00
2028	11,606,391.00	2,356,134.00	13,962,525.00
2029	12,360,579.00	1,661,389.00	14,021,968.00
2030	13,171,492.00	911,572.00	14,083,064.00
2031	4,515,000.00	112,875.00	4,627,875.00
Total	\$ 257,754,317.31	\$ 198,240,061.84	\$ 455,994,379.15

Does not include CDRC (Southside) Capital Lease of \$115,925,472 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2005 consist of 2003 TMBF Loan of \$3,457,229 and 2004 TMBF Loan of \$19,494,622.

GOVERNMENTAL ACTIVITIES

Serial Bonds:	Outstanding July 1, 2004	Interest Pd FY 2005	Issued FY 2005	Retired FY 2005	Refunded FY 2005	Outstanding 06/30/05	Maturing FY 2006	Interest Payable FY 2006
1998 Public Improvement Refunding	7,235,600	389,531	0	13,200	0	7,222,400	13,200	388,967
2001 Municipal Public Improvement	36,995,200	1,839,930	0	962,600	17,211,400	18,821,200	1,005,000	936,038
2002 Municipal Public Refunding	12,588,100	548,787	0	1,876,100	0	10,712,000	1,963,100	465,291
2002 Series A Refunding	5,303,903	198,561	0	713,547	0	4,590,356	652,048	171,557
2002 Hotel-Motel Tax Pledge	54,990,000	2,477,538	0	0	5,285,000	49,705,000	0	2,213,288
2003 Series A General Obligation	11,785,000	417,126	0	425,000	0	11,360,000	790,000	404,376
2005A Municipal Public Improvement Refunding	0	0	17,436,521	0	0	17,436,521	213,720	646,745
2005A Hotel-Motel Tax Pledge Refunding	0	0	5,469,987	0	0	5,469,987	0	203,642
Total Serial Bonds	128,897,803	5,871,473	22,906,508	3,990,447	22,496,400	125,317,464	4,637,068	5,429,904

Notes Payable:

Hamilton Count Parking Garage	182,343	9,816	0	60,781	0	121,562	60,781	5,911
1997 TML Bond Fund	4,990,023	102,750	0	513,000	0	4,477,023	542,000	179,081
1999 Fire Hall/Land Note	35,949	3,316	0	2,323	0	33,626	2,554	3,085
2003 Fannie Mae	321,289	38,782	1,213,540	0	0	1,534,829	500,000	40,155
2003 TML Bond Fund	1,629,320	9,850	600,451	328,000	0	1,901,771	339,000	41,459
2004 TML Bond Fund	0	41,373	5,525,378	0	0	5,525,378	1,027,000	120,453
Total Notes Payable	7,158,924	205,887	7,339,369	904,104	0	13,594,189	2,471,335	390,144

Capital leases payable:

Southside Capital Lease	115,925,472	7,198,975	0	0	0	115,925,472	0	7,198,975
800 MHz Equipment Capital Lease	3,800,000	40,879	0	882,809	0	2,917,191	566,954	41,805
Total Capital Leases Payable	119,725,472	7,239,854	0	882,809	0	118,842,663	566,954	7,240,780
Total governmental activities	255,782,199	13,317,214	30,245,877	5,777,360	22,496,400	257,754,316	7,675,357	13,060,828

BUSINESS TYPE ACTIVITIES:

Interceptor Sewer System	16,787,209	806,424	(437)	1,248,404	12,848,368	2,690,000	1,315,000	100,022
1998 Sewer & Sewage Facilities	13,389,700	703,487	0	51,800	0	13,337,900	51,800	701,272
1998 Sewer & Sewage Facilities Refunding	22,381,986	966,598	0	1,502,643	0	20,879,343	1,550,191	918,721
2002 Municipal Public Refunding	28,331,097	1,060,626	0	3,811,453	0	24,519,644	3,482,952	916,381
2002 Series A Refunding	11,140,000	339,625	0	2,090,000	0	9,050,000	2,185,000	276,925
2003 B Sewer & Sewage Facilities Refunding	0	0	12,545,129	0	0	12,545,129	75,971	502,335
2005A Municipal Public Improvement Refunding	92,029,992	3,876,760	12,544,692	8,704,300	12,848,368	83,022,016	8,660,914	3,415,656
Total serial bonds								

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 1999/00 through 2004/05, less applicable exclusions, adjusted to reflect the City's applicable share of County debt.

General Obligation Bonds by Purpose	2000	2001	2002	2003	2004	2005
Public Buildings Improvement	\$ 530,000	\$ 265,000	\$ -	\$ -	\$ -	\$ -
Sewer and Sewage Facilities	124,002,403	115,758,219	107,942,691	100,678,646	92,029,992	83,022,016
Municipal Public Improvement	81,887,597	125,716,782	120,057,309	181,276,354	174,535,008	167,682,984
Total Bonded Indebtedness	<u>\$ 206,420,000</u>	<u>\$ 241,740,001</u>	<u>\$ 228,000,000</u>	<u>\$ 281,955,000</u>	<u>\$ 266,565,000</u>	<u>\$ 250,705,000</u>
Other Long-Term Indebtedness						
General Obligation Capital Outlay Notes	8,804,735	8,434,926	9,866,532	24,399,322	41,145,146	52,653,672 ⁽¹⁾
Tennessee Municipal Bond Fund	8,296,833	7,819,523	6,550,098	5,339,097	6,619,343	6,378,794
Capital Leases	-	448,399	288,204	116,196,668	119,978,775	119,077,117 ⁽²⁾
Gross Direct Indebtedness	\$ 223,521,568	\$ 258,442,849	\$ 244,704,834	\$ 427,890,087	\$ 434,308,264	\$ 428,814,583
Less: Self-Supporting Indebtedness	179,866,955	179,059,226	169,016,890	289,509,352	353,562,825	346,612,744
Debt Service Fund	<u>2,671,606</u>	<u>3,971,606</u>	<u>5,497,083</u>	<u>4,988,142</u>	<u>5,222,704</u>	<u>6,471,929</u>
Net Direct Indebtedness	\$ 40,983,007	\$ 75,412,017	\$ 70,190,861	\$ 133,392,593	\$ 75,522,735	\$ 75,729,910
Plus: Estimated Net Overlapping Indebtedness	<u>88,150,799</u>	<u>103,117,962</u>	<u>109,591,857</u>	<u>96,147,876</u>	<u>107,821,749</u>	<u>97,486,316</u>
Net Direct and Overlapping Indebtedness	<u>\$ 129,133,806</u>	<u>\$ 178,529,979</u>	<u>\$ 179,782,718</u>	<u>\$ 229,540,469</u>	<u>\$ 183,344,484</u>	<u>\$ 173,216,226</u>

Notes:

(1) As of June 30, 2005 Capital Outlay Notes consist of \$121,562 payable to Hamilton County for City's share of City/County Parking Garage; \$39,808,700 State of Tennessee Revolving Loan for combined sewer overflow facilities; \$5,629,576 State of Georgia Revolving Loan for the Northwest Georgia Sewer Expansion; \$1,534,829 Fannie Mae American Communities Fund for Alton Park Hope VI and \$33,626 Fire Hall Loan.

(2) Capital leases as of June 30, 2005 includes the \$234,454 City of Collegedale for Sewer Easement, \$115,925,472 CDRC (Southside) Capital Lease and \$2,917,191 for the 800MHz Communication Equipment.

CITY OF CHATTANOOGA
HISTORICAL DEBT RATIOS
June 30, 2005 (unaudited)

Year ended June 30	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Estimated population(1)	151,600	149,513	148,820	146,615	155,554	155,554	155,554	155,562	157,532	154,853
Appraised property valuation	\$ 6,724,514,167	\$ 6,952,125,326	\$ 7,710,994,825	\$ 7,944,005,472	\$ 7,984,908,874	\$ 8,281,644,305	\$ 9,789,654,070	\$ 9,944,568,067	\$ 10,057,472,717	\$ 10,323,946,674
Assessed property valuation	2,224,070,683	2,295,859,675	2,529,989,692	2,604,110,025	2,617,535,875	2,729,189,057	3,201,743,737	3,260,023,356	3,237,183,936	3,319,249,168
Gross indebtedness (2)	204,479,351	191,283,521	245,731,165	237,505,962	223,521,569	258,442,849	244,704,834	427,890,087	434,308,264	428,814,582
Less: Self-supporting indebtedness(3)	147,739,894	138,922,708	194,393,764	190,087,672	179,866,956	178,059,226	169,036,886	344,499,352	353,562,825	346,612,744
Debt Service Fund	9,127,569	8,802,830	7,126,274	2,586,687	2,671,606	4,163,307	5,497,083	4,988,142	5,222,704	6,471,929
Net direct indebtedness	47,611,888	43,557,983	44,211,127	44,851,603	40,983,007	76,220,316	70,170,865	78,402,593	75,522,735	75,729,909
Plus: Estimated net overlapping indebtedness	79,884,361	100,669,117	99,208,181	98,505,368	88,150,782	103,117,962	109,591,857	96,147,876	107,821,749	97,486,316
Net direct and overlapping indebtedness	\$ 127,496,249	\$ 144,227,100	\$ 143,419,308	\$ 143,356,971	\$ 129,133,789	\$ 179,338,278	\$ 179,762,722	\$ 174,550,469	\$ 183,344,485	\$ 173,216,225
Gross debt per capita	\$ 1,348.81	\$ 1,279.38	\$ 1,651.20	\$ 1,619.93	\$ 1,436.94	\$ 1,661.43	\$ 1,573.12	\$ 2,750.25	\$ 2,756.95	\$ 2,769.17
Net direct debt per capita	314.06	291.33	297.08	305.91	263.46	489.99	451.10	503.93	479.41	489.04
Net direct and overlapping debt per capita	841.00	964.65	963.71	977.78	830.15	1,152.90	1,155.63	1,121.92	1,163.86	1,118.58
Gross debt to appraised valuation	3.04%	2.75%	3.19%	2.99%	2.80%	3.12%	2.50%	4.30%	4.32%	4.15%
Net direct debt to appraised valuation	0.71%	0.63%	0.57%	0.56%	0.51%	0.92%	0.72%	0.79%	0.75%	0.73%
Net direct and overlapping debt to appraised valuation	1.90%	2.07%	1.86%	1.80%	1.62%	2.17%	1.84%	1.76%	1.82%	1.68%
Gross debt to assessed valuation	9.19%	8.33%	9.71%	9.12%	8.54%	9.47%	7.64%	13.13%	13.42%	12.92%
Net direct debt to assessed valuation	2.14%	1.90%	1.75%	1.72%	1.57%	2.79%	2.19%	2.40%	2.33%	2.28%
Net direct and overlapping debt to assessed valuation	5.73%	6.28%	5.67%	5.51%	4.93%	6.57%	5.61%	5.35%	5.66%	5.22%

(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, Fannie Mae American Communities fund and 800 MHz Equipment Capital Lease.

Debt Service Fund Revenues

Fiscal Years 2003-2006

Revenue Source	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	BUDGET '06 INC/(DEC)	% CHANGE FY 05/06	% OF TOTAL
Debt Service (Fund 3100):							
General Fund	6,193,086	7,636,840	8,772,293	9,801,307	1,029,014	11.73	70.47
Trfrs-Cap Imp Bond Fd	6,421,982	0	0	0	0	0.00	0.00
Trfrs-Safety Cap Project Fd	3,716	3,525	3,316	5,638	2,322	70.02	0.04
Hamilton County	805,984	794,983	782,163	762,683	(19,480)	(2.49)	5.48
Miscellaneous Revenue	406,803	0	0	0	0	0.00	0.00
911 Communication	0	200,000	200,000	200,000	0	0.00	1.44
City Hotel/Motel Tax	0	2,477,538	2,477,538	0	(2,477,538)	(100.00)	0.00
CDBG (Fannie Mae Loan)	0	1,821	50,000	112,589	62,589	125.18	0.81
Homeland Security Grant	0	0	923,688	608,759	(314,929)	(34.09)	4.38
Trfrs-21st Century Waterfront	1,080,482	0	0	2,416,930	2,416,930	0.00	17.38
Fund Balance	0	0	0	0	0	0.00	0.00
Total Debt Service Fund	\$14,912,053	\$11,114,707	\$13,208,998	\$13,907,906	698,908	5.29	100.00
Grand Total	\$14,912,053	\$11,114,707	\$13,208,998	\$13,907,906	698,908	5.29	100.00

Debt Service Fund Expenditures

Fiscal Years 2003-2006

Expenditures	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	BUDGET '06 INC/(DEC)	% CHANGE FY 05/06
Debt Service (Fund 3100):						
Principal	4,394,875	4,725,541	6,132,526	7,163,965	1,031,439	16.8
Interest	4,753,112	6,141,098	7,066,472	6,693,941	(372,531)	(5.3)
Service Charges	9,551	26,434	10,000	50,000	40,000	400.0
Bond Sale Expenses	49,269	750	0	0	0	0.0
Payment to Refunding Bond Agent	6,185,569	0	0	0	0	0.0
Future Debt Payments	0	0	0	0	0	0.0
Trfrs-Cap Imp Bond Fd	28,618	0	0	0	0	0.0
Trfrs-Enterprise Fd	0	0	0	0	0	0.0
Total Debt Service Fund	\$15,420,994	\$10,893,823	\$13,208,998	\$13,907,906	698,908	5.3
Grand Total	\$15,420,994	\$10,893,823	\$13,208,998	\$13,907,906	698,908	5.3
Per Capita	99.12	70.15	85.30	89.81		



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 2005 Capital Budget figures were as follows:

Finance & Administration	\$	110,000
General Government		6,957,194
Parks, Recreation, Arts & Culture		2,999,303
Public Works		12,171,962
Police		2,022,100
Fire		2,589,485
Public Works Storm Water		<u>1,500,000</u>
	\$	<u>28,350,044</u>

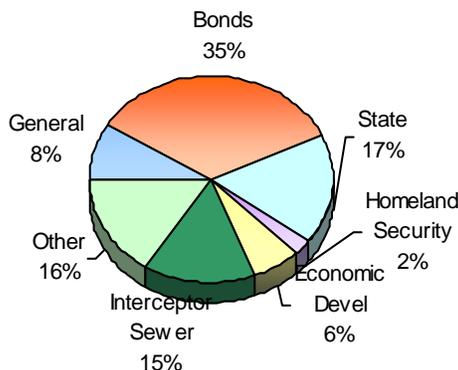
The FY06 Proposed Capital budget is as follows:

	<u>Budget FY2006</u>	
Revenue FY06		
Bonds	\$	14,245,181
General Fund		3,500,000
Economic Development		2,664,000
State of Tennessee		7,056,000
Homeland Security Grant		1,000,000
Interceptor Sewer Fund Balance		6,153,000
Storm Water Fund Balance		2,000,000
Other		<u>4,489,424</u>
	\$	<u>41,107,605</u>

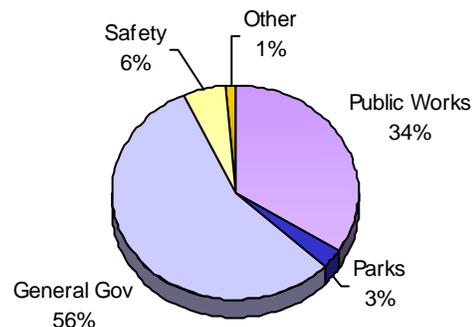
Appropriation FY06		
Finance & Administration	\$	20,000
General Government		23,003,313
Parks & Recreation		1,165,000
Public Works		14,027,287
Police (Safety)		1,025,000
Fire (Safety)		1,417,005
Education, Arts & Culture (Other)		300,000
Neighborhood Services (Other)		<u>150,000</u>
	\$	<u>41,107,605</u>

Fiscal Year 2005/2006

\$41,107,607



Revenues



Appropriations

Capital Fund Revenues

Fiscal Years 2003 - 2006

Revenue Source	Actual	Actual	Budget	Budget	BUDGET '04 INC/(DEC)	%	% OF TOTAL
	FY 02/03	FY 03/04	FY 04/05	FY 05/06		CHANGE FY 03/04	
General Fund	4,027,264	0	3,500,000	3,500,000	0	0.0%	8.51%
Fund Balance	0	0	0	8,153,000	8,153,000	N/A	10.92%
State/Federal Grants	0	2,189,669	5,264,700	8,056,000	2,791,300	53.0%	100.00%
Economic Development Fund	0	2,385,146	2,000,000	2,664,000	664,000	33.2%	0.00%
General Obligation Bonds	0	5,055,107	11,274,010	14,245,181	2,971,171	26.4%	0.00%
GO Bonds for 21st Waterfront	0	0	1,500,000	0	(1,500,000)	-100.0%	100.00%
Hotel/Motel Tax Collections	0	0	3,043,796	0	(3,043,796)	-100.0%	0.00%
Interest Income	1,015,592	994	0	0	0	N/A	0.00%
Other	674,987	1,547,841	1,767,538	4,489,424	2,721,886	154.0%	100.00%
	\$5,717,843	\$11,178,757	\$28,350,044	\$41,107,605	12,757,561	45.0%	100.00%
 Grand Total	 \$5,717,843	 \$11,178,757	 \$28,350,044	 \$41,107,605	 12,757,561	 45.0%	 100.00%
 Annual Budget	 \$29,485,903	 \$25,026,116	 \$28,350,044	 \$41,107,605			

Revenues

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

The FY 2003 Capital Budget totalled \$29,485,903. Funding was provided by the General Fund appropriation for Capital Improvements in the amount of \$7,296,317, General Obligation Bonds \$12,070,087, Economic Development Fund \$3,891,683, State & Federal Grants \$4,732,816 and other \$1,495,000. Two other major capital projects fundings for FY03 were GO Bonds for 21st Century Waterfront \$48,137,341, Hotel/Motel Tax Collections \$7,000,000, Interest Income \$862,659.

The FY2004 Capital Budget totalled \$25,026,116. Funding for the FY 2004 Capital Budget was provided by funds from Foundations and other sources in the amount of \$2,203,760, State of Tennessee and Federal grants of \$4,309,049, Fannie Mae Loan \$5,000,000, Economic Development Fund \$2,385,146 and bond issuance of \$11,128,161.

The FY 2005 Capital Budget totalled \$28,350,044. Funding for the FY 2005 Capital Budget was provided by the General Fund appropriation for Capital Improvements in the amount of \$3,500,000, Economic Development Fund \$2,000,000, Tennessee Municipal Bond Fund Loan \$11,274,010, State of Tennessee and Federal grants of \$5,264,700, The 911 Board \$3,043,796, Storm Water Fund Balance of \$1,500,000 and funds from Foundations and other sources in the amount of \$1,767,538.

Proposed Funding for the FY 2006 Capital Budget is provided by the General Fund appropriation for Capital Improvements in the amount of \$3,500,000, Economic Development Fund \$2,664,000, General Obligation Bond Fund Loan \$14,245,181, State of Tennessee and Federal grants of \$8,056,000, Interceptor Sewer Fund Balance of \$6,153,000, Storm Water Fund Balance of \$2,000,000 and funds from Foundations and other sources in the amount of \$4,489,424.

Capital Fund Expenditures

Fiscal Years 2003 - 2006

Expenditures	Actual FY 02/03	Actual FY 03/04	Budget FY 04/05	Budget FY 05/06	BUDGET '04 INC/(DEC)	% CHANGE FY 04/05	% OF TOTAL
Capital Projects:							
Police (Fund P411)	5,763,440	3,001,604	2,022,100	1,025,000	(997,100)	-49.3%	2.49%
Fire (Fund P411)	0	1,579,967	2,589,485	1,417,005	(1,172,480)	-45.3%	3.45%
Public Works (Fund P416)	14,445,488	19,395,689	13,671,962	14,027,287	355,325	2.6%	34.12%
Parks & Recreation (Fund P415)	1,466,547	5,637,829	2,999,303	1,165,000	(1,834,303)	-61.2%	2.83%
General Government (Fund P413)	6,546,309	5,146,662	6,957,194	23,003,313	16,046,119	230.6%	55.96%
Finance & Admin (Fund P413)	0	0	110,000	20,000	(90,000)	-81.8%	0.05%
General Services (Fund P414)	52,635	0	0	0	0	N/A	0.00%
Other (Arts & Culture/Neighborhood Svs)	0	0	0	450,000	450,000	N/A	1.09%
Total Capital Projects	\$28,274,419	\$34,761,751	\$28,350,044	\$41,107,605	\$12,757,561	45.0%	100.00%
 Grand Total	 \$28,274,419	 \$34,761,751	 \$28,350,044	 \$41,107,605	 12,757,561	 45.0%	 100.00%
Annual Budget	\$29,485,903	\$25,026,116	\$28,350,044	\$41,107,605			

Expenses

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 2006 Budget	\$ 1,025,000
% of Total Capital Budget	2.49%
Decrease From FY 2005	\$ 997,100
% Decrease	49.31%

The Police Department capital appropriation will be used for the police vehicle replacement and renovation of the Downtown Precinct.

FIRE

FY 2006 Budget	\$1,417,005
% of Total Capital Budget	3.44%
Decrease From FY 2005	\$1,172,480
% Increase	45.27%

The FY 2006 appropriation for the Fire Department includes the purchase of new Self Contained Breathing Apparatus and radios.

PUBLIC WORKS

FY 2006 Budget	\$14,027,287
% of Total Capital Budget	34.12%
Increase From FY 2005	355,325
% Increase	2.59%

The FY 2005 Public Works capital appropriation reflects the City's continuous street paving/street rehab program, streetscape work, various traffic signal projects and replacement of city-wide services equipment accounts, city-wide bridge rehabilitation, storm water projects and Interceptor Sewer projects.

PARKS & RECREATION

FY 2006 Budget	\$1,165,000
% of Total Capital Budget	2.83%
Decrease From FY 2005	1,834,303
% Decrease	61.16%

The FY 2006 Parks & Recreation Department appropriation includes City wide parks rehabilitation, vehicle replacement, Recreation Center upgrades and Zoo improvements.

GENERAL GOVERNMENT

FY 2006 Budget	\$ 23,003,313
% of Total Capital Budget	55.95%
Increase From FY 05	16,046,121
% Increase	241.03%

The FY 2006 General Government budget includes funding for City Hall Renovation, Chattanooga Area Regional Transit Authority, a new Animal Shelter and additional improvements for the Enterprise Industrial Park.

FINANCE & ADMINISTRATION

FY 2006 Budget	\$20,000
% of Total Capital Budget	>1%
Decrease From FY 05	90,000
% Decrease	81.81%

FY 2006 Capital budget is for a core infrastructure network upgrade.

EDUCATION, ARTS & CULTURE

FY 2006 Budget	\$300,000
% of Total Capital Budget	>1%
Increase From FY 05	300,000
% Increase	100.00%

FY 2006 Capital budget is for civic facilities improvements.

NEIGHBORHOOD SERVICES

FY 2006 Budget	\$150,000
% of Total Capital Budget	>1%
Increase From FY 05	150,000
% Increase	100.0%

FY 2006 Capital budget is for area beautification.

Capital Project Detail

General Government

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2004/ 05	FY 2005/ 06	FY 2006/ 07	FY 2007/ 08	FY 2008/ 09	FY 2009/ 10
CARTA	300,000	500,000	500,000	500,000	500,000	500,000
City Hall Renovation	2,000,000	8,900,000	-	-	-	-
800 MHz Trunking Migration	3,967,484					
East Brainerd Radio System Expansion	322,142					
Rapid Response Interoperability	162,750					
WTCI	145,000					
Bessie Smith Heritage Center Chiller	-	50,313				
City Hall Computer Room UPS System	59,818					
Fleet Services		97,000	145,500	98,000		
Animal Shelter		4,600,000				
Enterprise South Passive Park		100,000				
Enterprise Industrial Park		8,656,000	1,000,000			
Total General Government	6,957,194	23,003,313	1,645,500	598,000	500,000	500,000

	Prior Years Appropriations	2005/2006 Budget	Total Project
1. CARTA			
Funding source: Economic Development Fund		\$ 500,000	
Prior Years	\$ 3,610,850		\$ 4,110,850
This appropriation is to help fund the Chattanooga Area Regional Transportation Authority's capital need for new buses, bus shelters, office, radio and fare collection equipment, support vehicles and Incline repair			
Impact on operating budget: None because these are one time funded projects for supported agencies.			
2. City Hall Renovation			
Funding Source: General Obligation Bonds		\$ 8,900,000	
Prior Years	\$ 2,250,000		\$11,150,000
This appropriation funds the total renovation of City Hall which was built in 1908.			
Impact on operating budget: The renovation should result in savings in electrical usage, heating/cooling cost, building insurance and potential health cost for employees insurance.			
3. 800 MHz Trunking Migration			
Funding Source: Prior Years	\$ 3,967,484	\$ 0	\$ 3,967,484
This appropriation funds the upgrade of the City's 800 MHz radio system			
Impact on operating budget: None			
4. East Brainerd Radio System Expansion			
Funding Source: Prior Years	\$ 322,142	\$ 0	\$ 322,142
This appropriation funds installation of a repeater site connected into the current 800 MHz system to give Public Safety Responders in the East Brainerd area communications ability.			
Impact on operating budget: None.			

Capital Project Detail

	Prior Years Appropriations	2005/2006 Budget	Total Project
5. Rapid Response Interoperability Funding Source: Prior Years This appropriation funds the installation of a Rapid Response Interoperability Unit which will have the ability to provide seamless communications among Responders using radios that, otherwise, would be incompatible Impact on operating budget: None.	\$ 162,750	\$ 0	\$ 162,750
6. WTCI Television Station Funding Source: Prior Years To support capital upgrade for the public television station that televises the weekly City Council meetings. Impact on operating budget: None.	\$ 145,000	\$ 0	\$ 145,000
7. Bessie Smith Heritage Center Chiller Funding Source: Hamilton County This appropriation funds installation of a single air cooled chiller as opposed to the outdoor condensing units associated with the seven air handlers currently serving the area as well as the other proposed retrofitting work will replace existing residential hardware with commercial grade equipment Impact on operating budget: The new design will provide a more energy efficient, controllable system and reduce maintenance cost.	\$ 0	\$ 50,313	\$ 50,313
8. City Hall Computer Room UPS System Funding Source: Prior Years This appropriation funds installation of a UPS system for the City Hall computer room. This system is rated to cover the generator capacity currently installed at City Hall Impact on operating budget: None.	\$ 59,818	\$ 0	\$ 59,818
9. Fleet Services Funding Source: General Fund This appropriation funds the replacement of the Fleet Services Lube and PM vehicle that performs field service on the City off road equipment such as loaders, dozers, backhoes and the upgrading of fuel dispensing stations to increase security, obtain accurate fleet information without possibility of operator input errors, and increase accuracy of fleet numbers and departmental accountability. Impact on operating budget: The new vehicle will lessen the Garage vehicle maintenance cost due to the age, mileage and condition of this vehicle.	\$ 0	\$ 97,000	\$ 97,000

Capital Project Detail

	Prior Years Appropriations	2005/2006 Budget	Total Project
10. Animal Shelter			
Funding Source: General Obligation Bonds		\$ 2,000,000	
Animal Care Trust		2,600,000	
Prior Years	\$ 0		\$ 4,600,000

This appropriation funds the building of a new animal shelter for the City of Chattanooga.

Impact on operating budget: Personnel and operation cost to operate the facility

11. Enterprise South Passive Park			
Funding Source: General Fund		\$ 50,000	
Hamilton County		50,000	
Prior Years	\$ 0		\$ 100,000

This appropriation funds phase I of a buffer park between the Enterprise Industrial Park and existing neighborhoods.

Impact on operating budget: None.

12. Enterprise South Industrial Park			
Funding Source: Tennessee Department of Transportation		\$ 7,056,000	
Hamilton County		800,000	
Prior Years	\$ 13,775,000		\$ 21,631,000

This appropriation funds additional infrastructure improvements for the new Enterprise South Industrial Park formerly the Volunteer Army Ammunition Plant.

Impact on operating budget: None.

Capital Project Detail

Finance & Administration

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2004/ 05	FY 2005/ 06	FY 2006/ 07	FY 2007/ 08	FY 2008/ 09	FY 2009/ 10
Website Redesign	25,000					
Core Network Upgrade	20,000	20,000	20,000	20,000	20,000	
Backup Devices/ Storage Equipment	15,000		20,000		20,000	
System Management Software	50,000		35,000			
Infrastructure Growth Processor			25,000	25,000		
Total Finance & Administration	\$110,000	\$20,000	\$100,000	\$45,000	\$40,000	\$0

	Prior Years Appropriations	2005/2006 Budget	Total Project
1. Web Site Redesign Funding Source: Prior Years This appropriation is to fund redesign/redevelopment of The City of Chattanooga official web site (www.chattanooga.gov) Impact on operating budget: None	\$ 200,000	\$ 0	\$ 200,000
2. Core Network Upgrade Funding Source: General Fund Prior Years This appropriation is to purchase Routers, switches, etc for 100Mb/1Gb upgrade to core network infrastructure. Impact on operating budget: None	\$ 77,000	\$ 20,000	\$ 97,000
3. Backup Devices/Storage Equipment Funding Source: Prior Years This appropriation is to fund purchase of backup devices and storage equipment Impact on operating budget: None	\$ 45,500	\$ 0	\$ 45,500
4. System Management Software Funding Source: Prior Years This appropriation is to fund purchase of system/server management software Impact on operating budget: Annual maintenance cost \$3,750.00	\$ 75,000	\$ 0	\$ 75,000

Capital Project Detail

Police

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2004/ 05	FY 2005/ 06	FY 2006/ 07	FY 2007/ 08	FY 2008/ 09	FY 2009/ 10
Police Fleet Replacement	750,000	650,000	1,250,000	1,250,000	1,250,000	1,250,000
Vehicle Digital Cameras	500,000	150,000	500,000	500,000	250,000	500,000
Walnut Street Precinct Renovation		30,000				
CPD Room Files	62,100		62,100	62,100	62,100	62,100
HVAC replacement	65,000		10,000			
Motorola Portable Radios	190,000	120,000	210,000	220,000	230,000	240,000
Renovation & Expansion Police Annex	455,000		120,000	70,000		
Renovation of Old Fire Hall		75,000	30,000	28,000		
Portable Training Classroom			87,000			
Target Range Control System			125,000			
Police Service Center Building Maintenance				125,000	125,000	
Total Police	2,022,100	1,025,000	2,394,100	2,255,100	1,917,100	2,052,100

	Prior Years Appropriations	2005/2006 Budget	Total Project
1. Police vehicle fleet replacement			
Funding source: General Fund		\$ 650,000	
Prior Years	\$ 9,125,980		\$ 9,775,980
This appropriation provides for an annual fleet replacement program to insure the safety margin for police vehicles by planned replacement.			
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 \$10,000 annually.			
2. Vehicle Digital Cameras			
Funding Source: General Fund		\$ 150,000	
Prior Years	\$ 500,000		\$ 650,000
This appropriation will fund the purchase and installation of approximately 300 digital camera's in all patrol officers and field supervisor vehicles.			
Impact on operating budget: None			
3. Walnut Street Precinct Renovation			
Funding Source: General Fund	\$ 0	\$ 30,000	\$ 30,000
This appropriation funds the renovation of the Walnut Street Precinct to expand the facility, improve operating efficiency and create a safe environment for citizens.			
Impact on operating budget: None			

Capital Project Detail

	Prior Years Appropriations	2005/2006 Budget	Total Project
4. CPD Room Files			
Funding source: Prior Year	\$ 62,100	\$ 0	\$ 62,100
This appropriation funds Installation of a movable File System in the Police Department Criminal History Room.			
Impact on operating budget: None			
5. HVAC Replacement for Police Facilities			
Funding Source: Prior Year	\$ 65,000	\$ 0	\$ 65,000
This appropriation will fund HVAC replacements for aging units at various Police Facilities.			
Impact on operating budget: None			
6. Motorola Portable Radios			
Funding Source: General Fund		\$ 120,000	
Prior Year	\$ 190,000		\$ 310,000
This appropriation funds purchase of new radios for Police Officers			
Impact on operating budget: None			
7. Police Annex Renovation and Expansion			
Funding Source: Prior Year	\$ 455,000	\$ 0	\$ 455,000
This appropriation funds renovation of the Police Annex to add additional office and storage space for the Narcotics Unit, Highway Intervention Unit, Computer Forensic and Property Divisions.			
Impact on operating budget: None			
8. Renovation of Fire Hall #7			
Funding Source: General Fund/Economic Development	\$ 0	\$ 75,000	\$ 75,000
This appropriation funds renovation of the Old Fire Hall #7			
Impact on operating budget: None			

Capital Project Detail

Fire

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2004/05	FY2005/06	FY2006/07	FY2007/08	FY2008/09	FY2009/10
Fire Apparatus	1,080,000		1,000,000	1,000,000	1,000,000	1,000,000
Building Maintenance	144,485		70,000	40,000	74,263	42,436
Firehall Roof and Driveway repair	60,000					
Technical Rescue equipment	1,200,000					
Radios	105,000	52,500	105,000	105,000	105,000	105,000
Self Contained Breathing Apparatus		1,364,505				
Burn Building					530,000	
Mobile Data Project						494,199
Total Fire	2,589,485	1,417,005	1,175,000	1,145,000	1,709,263	1,641,635

	Prior Years Appropriations	2005/2006 Budget	Total Project
1. Fire Apparatus Funding Source: Prior Years This appropriation will fund the purchase of new fire apparatus to upgrade the front line fire service fleet to maintain current level of service. These vehicles include Line Fire Apparatus, Elevating Platform, Hazardous Materials Vehicle, Technical Rescue Vehicle, Tankers and Brush Trucks. Impact on operating budget: The equipment replacement program results in lower operating and maintenance costs and safer fleet operations.	\$ 6,135,000	\$ 0	\$ 6,135,000
2. Building Maintenance Funding Source: Prior Years This appropriation will fund update of Fire Department Training Facility for handicap accessibility and female locker room and adequate bathrooms and replacement of heat and air system. Impact on operating budget: None	\$379,485	\$ 0	\$ 379,485
3. Fire Station Expansion Funding Source: Prior Years This appropriation allows for the ongoing replacement of outdated, high maintenance Fire Stations which are unable to accommodate modern fire apparatus. Impact on operating budget: Lower utility and maintenance cost	\$ 750,000	\$ 0	\$ 750,000
4. Fire Station Roof and Driveway Repair Funding Source: Prior Years This appropriation allows for the replacement of one roof or repair/replace concrete areas at a Fire Department Building each year. Impact on operating budget: None	\$ 300,500	\$ 0	\$ 300,500

Capital Project Detail

	Prior Years Appropriations	2005/2006 Budget	Total Project
5. Technical Rescue Equipment Funding Source: Prior Years Tennessee Homeland Security is affording the department the opportunity to equip and train in technical areas. The funding will provide for water rescue, structural and trench collapse and confined space training training and equipment. Impact on operating budget: None	\$ 1,200,000	\$ 0	\$1,200,000
6. Radio Replacement Funding Source: General Fund Prior Years The purpose of this project is to provide radios for personnel at the expansion stations and to provide mobile units for the apparatus at the station. Also, it will fund upgrade of existing analog radios to a digital capacity radio for maximum efficiency. Impact on operating budget: None	\$ 577,000	\$ 52,000	\$ 629,000
7. Self Contained Breathing Apparatus Funding Source: General Fund Homeland Security Grant Prior Years The Fire Department applied for a grant to replace present Self-Contained Breathing Apparatus (SCBA) with new units that meets the current NFPA (National Fire Protection Association) standard. Impact on operating budget: None	\$ 0	\$ 364,505 1,000,000	\$1,364,505

Capital Project Detail

Public Works

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2004/05	FY2005/06	FY2006/07	FY2007/08	FY2008/09	FY2009/10
Paving of Streets	2,000,000	1,000,000	2,000,000	2,500,000	2,500,000	2,500,000
City Wide Services Equipment	1,212,248	75,000	1,174,000	1,507,763	1,307,763	1,299,000
Bridge Rehab	250,000	250,000	650,000	250,000	50,000	250,000
Downtown Streetscape Program	1,500,000		800,000	1,250,000	750,000	500,000
Traffic Engineering Projects	1,017,000	425,000	1,064,000	1,042,000	535,000	530,000
Curbs, Gutters, and Sidewalks	650,000	300,000	500,000	1,000,000	1,000,000	1,000,000
Street Rehabilitation	1,540,700	2,050,000	1,550,000	1,750,000	3,575,000	3,350,000
MPO - Major Construction	1,763,230		500,000	600,000	500,000	1,000,000
HOPE VI Road Improvements		1,584,287				
Neighborhood Improvement Projects	450,000					
Tunnel Repair		50,000				
Intersection Improvements	400,000	40,000				
Pedestrian Lighting	243,904		50,000	50,000	50,000	50,000
Hazardous Mitigation	1,144,820					
Storm Water Capital Projects	1,500,000	2,100,000	4,750,000	1,000,000	500,000	1,000,000
Interceptor Sewer Capital Projects		6,153,000				
Software/Equipment				50,000		
Total Public Works	\$13,671,962	\$14,027,287	\$13,038,000	\$10,949,763	\$10,767,763	\$11,479,000

	Prior Years Appropriations	2005/2006 Budget	Total Project
1. Paving of streets			
Funding sources: General Fund		\$ 350,000	
Economic Development Fund		650,000	
Prior Years	\$15,214,450		\$16,214,450
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. City Wide Services Equipment Replacement			
Funding sources: General Fund		\$ 75,000	
Prior Years	\$ 7,339,777		\$ 7,414,777
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	2005/2006 Budget	Total Project
3. Bridge Rehabilitation			
Funding sources: General Fund			
Prior Years	\$ 2,042,167	\$ 250,000	\$ 2,292,167
This appropriation funds the City's portion of state and federal funding for rehabilitating bridges with structural and utilization deficiencies.			
<i>Impact on operating budget: None</i>			
4. Streetscape			
Funding sources: Prior Years	\$ 7,815,021	\$ 0	\$ 7,815,021
This appropriation provides for upgrading of sidewalks, street and pedestrian lighting, landscaping and installation of crosswalk pavers.			
<i>Impact on operating budget: None</i>			
5. Traffic Engineering Projects			
Funding sources: General Fund			
Prior Years	\$ 6,043,749	\$ 425,000	\$ 6,468,749
This appropriation provides for modernization of existing and installation of future traffic signals and parking meters.			
<i>Impact on operating budget: The replacement program results in lower maintenance costs.</i>			
6. Curbs, Gutters and Sidewalks			
Funding sources: General Fund			
Prior Years	\$ 3,457,347	\$ 300,000	\$ 3,757,347
This appropriation provides for the continuing program of construction and repair of curbs, gutters, and sidewalks within the City.			
<i>Impact on operating budget: None</i>			
7. Street Improvements			
Funding sources: General Obligation Bonds		\$ 1,250,889	
Public Works Capital Fund (P416)		749,111	
Prior Years	\$26,227,539		\$28,277,539
This appropriation will fund a program of major street rehabilitation within the City.			
<i>Impact on operating budget: This program of major street Improvements results in lower street maintenance costs.</i>			
8. MPO Match Major Street Construction			
Funding sources: Prior Years	\$ 5,753,593	\$ 0	\$ 5,753,593
This appropriation funds the City's portion of State of Tennessee projects within the City limits.			
<i>Impact on operating budget: None</i>			

Capital Project Detail

	Prior Years Appropriations	2005/2006 Budget	Total Project
9. Software/Equipment			
Funding sources: General Obligation Bond	\$ 528,000	\$ 0	\$ 528,000
This appropriation funds the purchase of new Electronic Document Management and plans review software and equipment.			
Impact on operating budget: None			
10. HOPE VI Road Improvements			
Funding sources: General Obligation Bond		\$1,194,292	
Economic Development Fund		389,995	
Prior Years	\$ 5,950,000		\$ 7,534,287
This appropriation is for street improvements and streetscape in the Saint Elmo area.			
Impact on operating budget: None			
11. Neighborhood Improvements Projects			
Funding sources: Prior Years	\$1,420,000	\$ 0	\$1,420,000
This appropriation is for matching funds for Community Development Block Grants.			
Impact on operating budget: None			
12. Tunnel Repair			
Funding sources: General Fund		\$ 50,000	
Prior Years	\$ 150,000		\$ 200,000
This appropriation funds the study and repair of Wilcox tunnel.			
Impact on operating budget: None			
13. Intersection Improvements			
Funding sources: General Fund		\$ 40,000	
Prior Years	\$ 850,000		\$ 890,000
This appropriation funds an ongoing program to repair deteriorated intersections and rework intersections to create a better, more efficient traffic flow.			
Impact on operating budget: None			
14. Pedestrian Lighting			
Funding sources: Prior Years	\$ 243,904	\$ 0	\$ 243,904
This appropriation funds the replacement and repair of Pedestrian Light Fixtures.			
Impact on operating budget: None			
15. Hazardous Waste Mitigation			
Funding sources: Prior Years	\$ 1,144,820	\$ 0	\$1,144,820
This appropriation funds the purchase and demolition of homes in a flood plain.			
Impact on operating budget: None			

Capital Project Detail

	Prior Years Appropriations	2005/2006 Budget	Total Project
16. Storm Water Projects City Wide			
Funding sources: Storm Water Fund		\$ 2,000,000	
General Obligation Bonds		100,000	
Prior Years	\$ 1,850,000		\$ 3,950,000
This appropriation funds a drainage system inventory and City wide storm water projects.			
Impact on operating budget: None			
17. Interceptor Sewer Capital Projects			
Funding sources: Interceptor Sewer Fund Balance	\$ 0	\$ 6,153,000	\$ 6,153,000
This appropriation funds the purchase of equipment, expansion and rehabilitation of the Interceptor Sewer System.			
Impact on operating budget: None			

Capital Project Detail

Parks & Recreation

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2004/ 05	FY 2005/ 06	FY 2006/ 07	FY 2007/ 08	FY 2008/ 09	FY 2009/ 10
Parks Rehab	517,553	275,000	545,000	1,110,000		
Greenways	100,000	300,000	700,000	700,000	500,000	500,000
Civic Facilities	250,000					
Zoo Improvements	250,000	250,000	250,000	125,000	125,000	125,000
ADA Repairs	5,000					
Recreation Center Rehab	275,000	280,000	145,000	145,000	45,000	
Hope VI	700,000					
Parks Equipment Replacement	1,750	60,000	180,000	180,000	180,000	180,000
Public Arts Initiative	100,000					
Attendance tracking software	100,000					
Hixson Civic Center	700,000					
Total Parks & Recreation	\$2,199,303	\$1,165,000	\$1,820,000	\$2,260,000	\$850,000	\$805,000

	Prior Years Appropriations	2005/2006 Budget	Total Project
1. City Parks Rehabilitation			
Funding Source: General Obligation Bonds		\$ 275,000	
Prior Years	\$ 6,359,828		\$ 6,634,828
This appropriation will fund rehabilitation and upgrading of City Parks: equipment replacement; fencing; park planning and expansion.			
Impact on operating budget: None			
2. Greenways			
Funding Source: General Obligation Bonds		\$ 300,000	
Prior Years	\$ 487,367		\$ 787,367
The purpose of this project is to upgrade and expand the Greenway system in Chattanooga.			
Impact on operating budget: None			
3. Civic Facilities			
Funding Source: Prior Years	\$ 650,000	\$ 0	\$ 650,000
This appropriation funded upgrade and renovation of City of Chattanooga Civic Facilities. This project was Transferred to the new Department of Education, Arts and Culture in FY06.			
Impact on operating budget: None			

Capital Project Detail

	Prior Years Appropriations	2005/2006 Budget	Total Project
4. Zoo Improvements			
Funding Source: General Obligation Bonds		\$ 250,000	
Prior Years	\$ 625,000		\$ 875,000
<p>This appropriation will fund upgrade and renovation of the City Zoo.</p> <p>Impact on operating budget: None</p>			
5. ADA Repairs			
Funding Source: Prior Years	\$ 205,000	\$ 0	\$ 205,000
<p>This appropriation will fund upgrade and renovation of City of Chattanooga parks and recreation centers to comply with the Americans With Disabilities requirements.</p> <p>Impact on operating budget: None</p>			
6. Recreation Centers Rehabilitation			
Funding Source: General Fund		\$ 280,000	
Prior Years	\$1,245,000		\$1,525,000
<p>This appropriation will fund upgrade and renovation of City of Chattanooga parks and recreation centers</p> <p>Impact on operating budget: None</p>			
7. HOPE VI Road Improvements			
Funding sources: Prior Years	\$2,243,750	\$ 0	\$2,243,750
<p>This appropriation is for street improvements and streetscape in the Saint Elmo area.</p> <p>Impact on operating budget: None</p>			
8. Parks Equipment Replacement			
Funding Source: Hamilton County		\$ 30,000	
General Government Capital Fund Balance		30,000	
Prior Years	\$ 1,750		\$ 61,750
<p>This appropriation allows for the ongoing replacement of older Parks Department equipment.</p> <p>Impact on operating budget: None</p>			
9. Parks Art Initiative			
Funding Source: Prior Years	\$ 100,000	\$ 0	\$ 100,000
<p>This appropriation funds an art in public parks initiative program. The project was moved to General Government for the FY06 Budget.</p> <p>Impact on operating budget: None</p>			

Capital Project Detail

	Prior Years Appropriations	2005/2006 Budget	Total Project
10. Attendance tracking software			
Funding Source: Prior Years	\$ 100,000	\$ 0	\$ 100,000
This appropriation will fund purchase and implementation of a participant identification tracking system for Recreation Center & program participation tracking (for performance measurement reporting).			
Impact on operating budget: None			
11. Hixson Civic Center			
Funding sources: Prior Years	\$ 700,000	\$ 0	\$ 700,000
This appropriation funds the purchase of the existing Hixson Civic building which is currently being rented.			
Impact on operating budget: None			

Capital Project Detail

Education, Arts & Culture

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2004/ 05	FY 2005/ 06	FY 2006/ 07	FY 2007/ 08	FY 2008/ 09	FY 2009/ 10
Memorial Auditorium & TIVOLI		300,000	200,000	200,000	200,000	200,000
Total Neighborhood Services	\$0	\$300,000	\$200,000	\$200,000	\$200,000	\$200,000

	Prior Years Appropriations	2005/2006 Budget	Total Project
1. Memorial Auditorium & TIVOLI Funding Source: Economic Development Fund This appropriation will fund the renovation of the City's Civic facilities.	\$ 0	\$ 300,000	\$ 300,000
Impact on operating budget: None.			

Capital Project Detail

Neighborhood Services

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2004/ 05	FY 2005/ 06	FY2006/ 07	FY2007/ 08	FY2008/ 09	FY 2009/ 10
Blighted Area Rehab		150,000				
Total Neighborhood Services	\$0	\$150,000	\$0	\$0	\$0	\$0

	Prior Years Appropriations	2005/2006 Budget	Total Project
1. Blighted Area Rehabilitation			
Funding Source: P413 Fund Balance		\$ 150,000	
Prior Years	\$ 0		\$ 150,000
This appropriation will fund a revolving loan for rehabilitation of blighted areas of the City			
Impact on operating budget: None			

Proposed Capital Budget Ordinance

ORDINANCE NO. _____

AN ORDINANCE APPROPRIATING, AUTHORIZING OR ALLOCATING FUNDS TO THE CAPITAL IMPROVEMENTS BUDGET FOR THE FISCAL YEAR 2005/2006 AND TO AMEND THE FISCAL YEAR 2005-2006 BUDGET ORDINANCE NO. 11728.

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 2005/2006:

FROM	General Obligation Bonds	\$	14,245,181	
	General Fund		3,500,000	
	Economic Development Fund		2,664,000	
	Appropriation of General Gov Fund Balance (P413)		180,000	
	Appropriation of Public Works Fund Bal (P416)		749,111	
	Appropriation of Interceptor Sewer Fund Bal (5100)		6,153,000	
	Donation (Animal Care Trust)		2,600,000	
	Donation (Bushtown Neighborhood Assn)		30,000	
	Homeland Security Grant (Technical Rescue)		1,000,000	
	Hamilton County		930,313	
	Tennessee Department of Transportation		7,056,000	
	Appropriation of Storm Water Fund Balance (5300)		2,000,000	
TO:	General Government & Supported Agencies	\$	22,953,313	
	Department of Finance & Administration		20,000	
	Department of Police		1,025,000	
	Department of Fire		1,417,005	
	Department of Public Works		5,774,287	
	Department of Parks & Recreation		1,265,000	
	Department of Education, Arts & Culture		400,000	
	Storm Water Fund (P560)		2,100,000	
	Interceptor Sewer Fund (P540)		6,153,000	
	TOTALS		<u>\$41,107,605</u>	<u>\$41,107,605</u>

Proposed Capital Budget Ordinance

SECTION 2. That Ordinance No. 11728, the BUDGET ORDINANCE, be and is hereby amended as provided hereinafter.

SECTION 3. That the General Fund Estimated Revenue of said Ordinance be and is hereby amended as hereinafter set out:

	<u>Delete</u>	<u>Substitute in Lieu Thereof</u>
<u>REVENUE FROM OTHER AGENCIES:</u>		
Revenue From Fund Balance	\$ _____ 0	\$ 3,500,000
AMENDED SUBTOTAL	\$ 39,843,775	\$ 43,343,775
AMENDED GENERAL FUND ESTIMATED REVENUE	<u>\$ 152,214,238</u>	<u>\$ 155,714,238</u>

SECTION 4. That Section 5 of said Ordinance be and is hereby amended as hereinafter set out:

	<u>Delete</u>	<u>Substitute in Lieu Thereof</u>
<u>GENERAL FUND APPROPRIATIONS:</u>		
Appropriation From Fund Balance	\$ _____ 0	\$ 3,500,000
AMENDED TOTAL APPROPRIATION	\$ 152,214,238	\$ 155,714,238
	=====	=====
<u>APPROPRIATION FROM FUND BALANCE:</u>		
Capital Improvements	\$ _____ 0	\$ 3,500,000
AMENDED SUBTOTAL	\$ _____ 0	\$ 3,500,000
AMENDED TOTAL APPROPRIATION	\$ 152,214,238	\$ 155,714,238
	=====	=====

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

PASSED on Third and Final Reading
_____, 2005

CHAIRPERSON
APPROVED _____ DISAPPROVED _____
DATE: _____, 2005

MAYOR

DM/RR:

Capital Project Detail

