

PUBLIC HEARING  
JUNE 28, 2011

A public hearing was held at the Municipal Building on June 28, 2011, pursuant to notice in the Elk Valley Times. Mayor John Ed Underwood, Jr., was present and presiding, and the following Aldermen were present:

Danny Bryant, Tom Young, Sr., Dorothy Small, Pat Fraley, Michael Stewart, and Marty Pepper

One (1) Public Hearing was held and listed below:

1. Ordinance 2011-15 – an ordinance adopting the annual budget and capital program and tax rate of the City of Fayetteville, Tennessee for Fiscal Year 2012.

No one appeared for or in opposition to the above hearings.

For a complete record of all comments, reference to the tape of the June 28, 2011 Meeting.

The public hearing was closed.

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Mayor

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City Clerk

SPECIAL CALLED MEETING  
BOARD OF MAYOR AND ALDERMEN  
JUNE 28, 2011

REFERENCE VIDEO DATED JUNE 28, 2011

The Board of Mayor and Aldermen of the City of Fayetteville, Lincoln County, Tennessee, met in open, public, special called session at the regular meeting place of said Board in the Municipal Building of said City at 12:00 p.m. on June 28, 2011. Mayor John Ed Underwood, Jr., was present and presiding. The following named Aldermen were present:

Danny Bryant, Pat Fraley, Marty Pepper, Dorothy Small, Michael Stewart, and Thomas Young, Sr.

Also present were James S. Hereford, Jr., City Attorney, and James H. Lee, City Administrator.

**Ordinance 2011-15 – Annual Budget and Capital Program, and Tax Rate**

Ordinance 2011-14, an ordinance entitled “An Ordinance Adopting The Annual Budget and Capital Program And Tax Rate Of The City Of Fayetteville, Tennessee, For Fiscal Year 2012”, was considered. Said Ordinance is as follows:

ORDINANCE NO. 2011-15  
AN ORDINANCE ADOPTING THE ANNUAL BUDGET AND CAPITAL  
PROGRAM AND TAX RATE OF THE CITY OF FAYETTEVILLE,  
TENNESSEE FOR FISCAL YEAR 2012,

Whereas, the budget process is one of the most important activities undertaken by governments for the public welfare, the budget process being used to make program, service and capital decisions and allocate scarce resources to programs, services and capital;

Whereas, the financial plan developed in this process being the document to communicate the plan the Board of Mayor and Aldermen has decided to implement for the coming fiscal year;

Whereas *Tennessee Code Annotated* Title 9 Chapter 1 Section 116 requires that all funds of the State of Tennessee and all its political subdivisions shall first be appropriated before being expended and that only funds that are available shall be appropriated;

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

Whereas as the Board of Mayor and Aldermen held a hearing where the City Administrator submitted the proposed budget and capital program on June 28, 2011 at 12 noon in a special called meeting of the Board of Mayor and Aldermen and following the hearing, the Board considered final passage of the proposed budget;

Whereas, *Tennessee Code Annotated* Title 6 Chapter 56 Section 206 requires that the Board of Mayor and Aldermen publish the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget, and said budget was published on June 15, 2011 in *The Elk Valley Times*;

Now, therefore be it ordained by the Board of Mayor and Aldermen of the City of Fayetteville, Tennessee, that:

Section 1: **REVENUES.** The following is a list of funds available for appropriation. Any portion of the fiscal year 2011 appropriations remaining unexpended and unencumbered shall be credited to the general fund, except that any balance remaining in any other fund at the end of the fiscal year may remain to the credit of that fund and be subject to further appropriation in accordance with *Tennessee Code Annotated* Section 6-56-211.

FUND NAME	FISCAL YEAR 2010	FISCAL YEAR 2011	FISCAL YEAR 2012	EST. FUND BALANCE 07/01/11	AVAILABLE FUNDS
General Fund					
Current Taxes	\$ 6,126,136	\$ 6,187,316	\$ 6,285,459		
Delinquent Taxes	96,318	75,000	55,000		
Nontax Revenues	1,104,848	1,111,700	1,215,790		
State Street Aid:					
Street Repair	69,511	55,100	65,000		
Street Lighting	132,949	150,000	140,000		
<b>TOTAL GENERAL FUND</b>	<b>\$ 7,529,762</b>	<b>\$ 7,579,116</b>	<b>\$ 7,761,249</b>	<b>\$4,990,518</b>	<b>\$ 12,751,767</b>
Drug Fund	24,438	15,440	12,000	98,273	\$ 110,273
Kids Park	1	1	1	929	\$ 930
Refuse Collection Fund	489,748	465,000	475,000	\$496,917	\$ 971,917
CDBG Loan Fund	757	550	250	49,815	\$ 50,065
UDAG Loan Fund	10,444	4,500	2,000	407,002	\$ 409,002
Debt Service Fund	140,713	132,779	192,547	\$313,157	\$ 505,704
Industrial Park	3,045	3,670	-	219,093	\$ 219,093
Capital Projects	308,989	53,500	256,500	2,957,838	\$ 3,214,338
Landfill Fund	22,216	30,181	30,200	450,179	\$ 480,379
General Purpose School Fund	\$7,670,866	\$8,582,138	\$9,135,846	\$5,180,676	\$ 14,316,522
<b>TOTAL ALL FUNDS</b>	<b>\$ 16,200,979</b>	<b>\$ 16,866,875</b>	<b>\$ 17,865,593</b>	<b>\$ 15,164,397</b>	<b>\$ 33,029,990</b>

Details of these revenues and other sources of funds are shown in the detailed financial plan attached.

**SECTION 2: APPROPRIATIONS.** The governing body appropriates from these anticipated revenues and unexpended and unencumbered funds the following expenditures for fiscal year 2011:

FUND NAME	FISCAL YEAR 2010	FISCAL YEAR 2011	FISCAL YEAR 2012	EST. FUND BALANCE 6/30/12
General Fund				
General Government	\$ 1,243,425	\$ 1,184,734	\$ 1,258,570	
Public Safety	3,525,563	3,605,099	3,683,376	
Public Works	1,602,297	1,241,764	1,149,099	
Health & Welfare	730,049	663,993	685,483	
Debt Service	118,518	129,779	192,047	
Education	728,640	755,330	764,749	
Capital Projects	210,000	-	-	
<b>TOTAL GENERAL FUND</b>	<b>\$ 8,158,492</b>	<b>\$ 7,580,699</b>	<b>\$ 7,733,324</b>	<b>\$ 5,018,443</b>
Drug Fund	7,258	71,325	31,975	78,298
Kids Park	-	3,082	930	-
Refuse Collection Fund	526,903	578,483	579,712	392,205
CDBG Loan Fund	-	-	49,500	565
UDAG Loan Fund	-	1,000	1,000	408,002
Debt Service Fund	118,731	195,197	192,047	313,657
Industrial Park	4,372	3,000	218,500	593
Capital Projects	666,983	135,870	88,100	3,126,238
Landfill Fund	54	30,180	30,180	450,199
General Purpose School Fund	\$7,570,441	\$8,932,224	\$9,786,895	4,179,541
<b>TOTAL ALL FUNDS</b>	<b>\$ 17,053,234</b>	<b>\$ 17,531,060</b>	<b>\$ 18,712,163</b>	<b>\$ 13,967,741</b>

Details of these appropriated expenditures are shown in the detailed financial plan attached.

**SECTION 3: STATEMENT OF INDEBTEDNESS.** The Board of Mayor and Aldermen recognizes that the municipality has bonded and other indebtedness and includes a statement of this indebtedness.

STATEMENT OF BONDED OR OTHER INDEBTEDNESS	DEBT REDEMPTION (Principal)	INTEREST REQUIREMENTS	DEBT AUTHORIZED AND UNISSUED	CONDITION OF SINKING FUND
General Obligation Bond Series 2009	\$ 105,000	\$ 62,269		
TN Energy Efficiency Loan	\$ 24,778	\$ -		

Appropriations of \$192,047 from the Debt Service Fund, have been included and authorized for the payment of current debt obligations and any planned debt obligations for the coming fiscal year. The Board of Mayor and Aldermen anticipates and has budgeted for no new debt in the coming year.

Details of the debt services requirements are shown on in the detailed financial plan.

**SECTION 4: CAPITAL IMPROVEMENT PROGRAM.** During the coming fiscal year the Board of Mayor and Aldermen has planned for the following capital projects and has included a statement listing these capital projects and the sources of financing for these projects:

STATEMENT OF PROPOSED NEW CAPITAL PROJECTS	PROPOSED FINANCING BY APPROPRIATIONS	PROPOSED FINANCING BY DEBT
		\$ -
Fire Turnout Gear	\$73,000	\$ -
		\$ -
<b>TOTAL</b>	<b>\$ 73,000</b>	<b>\$ -</b>

Details of capital projects to be implemented in the coming fiscal year including sources of financing are in the detailed financial plan attached.

**SECTION 5: BUDGET CONTROL.** At the beginning of each quarterly period during the fiscal year and more often if required by the Board of Mayor and Aldermen, a report shall be submitted showing the relation between the estimated and actual revenues and other sources of funds and expenditures to date. At any time it is determined that revenue is not meeting estimates; the City Administrator may impound appropriations to ensure expenditures do not exceed revenues.

**SECTION 6: EXCESS APPROPRIATIONS PROHIBITED.** No appropriation listed above shall be exceeded without an amendment of the budget ordinance as required by the Municipal Budget Law of 1982 *Tennessee Code Annotated* Section 6-56-208 and Section 9-1-116. In addition, no appropriation may be made in excess of available funds except to provide for an actual emergency threatening the health, property or lives of the inhabitants of the municipality and declared by a two-thirds (2/3) vote of at least a quorum of the Board of Mayor and Aldermen in accord with Section 6-56-205 of the *Tennessee Code Annotated*. The budget and capital program budget ordinance may be amended in the same manner as any other ordinance may be amended.

**SECTION 7: TRANSFER OF MONEY.** Money, not to exceed \$5,000, may be transferred from one appropriation to another in the same fund by the City Administrator as allowed by Section 6-56-209 of the *Tennessee Code Annotated*. Any resulting transfers shall be reported to the governing body at its next regular meeting and entered into the minutes.

**SECTION 8: BUDGET DETAIL.** A detailed financial plan will be attached to this budget and become part of this budget ordinance. In addition, the published operating budget and budgetary comparisons shown by fund with beginning and ending fund balances and the number of full time equivalent employees required by Section 6-56-206, *Tennessee Code Annotated* will be attached.

**SECTION 9: DIRECTOR OF LOCAL FINANCE BUDGET APPROVAL.** This ordinance will not be the official budget of the City of Fayetteville until it is approved by the Director of the Division of Local Finance in the Office of the Comptroller of the Treasury as required by *Tennessee Code Annotated* Section 9-21-403. The City of Fayetteville may operate under this ordinance as a continuation budget until the Director's approval has been obtained as long as operating expenditures do not exceed available funds and cash receipts during the continuation budget period and all outstanding debt service is paid.

**SECTION 10: TAX RATE.** The City of Fayetteville's fiscal year 2012 tax rate for real property shall be \$1.3195 per each \$100 of assessed value.

**SECTION 11:** This ordinance shall take effect July 1, 2011, the public welfare requiring it. All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

June 28, 2011  
Date

  
John Ed Underwood, Jr., Mayor

  
James H. Lee, City Administrator

Motion was made by Danny Bryant, seconded by Pat Fraley, to adopt Ordinance 2011-15 adopting the annual budget and capital program and the tax rate for the fiscal year 2012. Upon roll call, the following voted:

Aye

Danny Bryant, Thomas Young, Sr., Dorothy Small, Pat Fraley, Michael Stewart, and Marty Pepper

Nay

None

Mayor Underwood declared the Ordinance adopted.

Alderman Pepper had to leave the meeting.

After much discussion pertaining to the Friends of the Library, a motion was made by Michael Stewart, seconded by Thomas Young, to reconsider the main motion. Upon roll call, the following voted:

Aye

Thomas Young, Sr., Dorothy Small, Michael Stewart, and Danny Bryant

Nay

Pat Fraley

Mayor Underwood declared the motion approved.

Motion was made by Michael Stewart, seconded by Dorothy Small, to adopt Ordinance 2011-15 adopting the annual budget and capital program and the tax rate for the fiscal year 2012.

After much discussion, a motion was made by Michael Stewart, seconded by Dorothy Small, to amend Ordinance 2011-15 to include additional funding of Thirty Thousand Dollars (\$30,000.00) as a one-time contribution to the Friends of the Library. Upon roll call, the following voted:

Aye

Dorothy Small, Michael Stewart, and Thomas Young, Sr.

Nay

Pat Fraley, Danny Bryant, and Mayor Underwood (the Charter requires 4 votes to pass the motion)

Mayor Underwood declared the motion failed due to the lack of 4 affirmative votes.

The main motion was voted upon as the following:

Aye

Pat Fraley, Michael Stewart, Danny Bryant, Thomas Young, Sr., and Dorothy Small

Nay

None

Mayor Underwood declared the Ordinance adopted.

Motion was made, seconded, and unanimously adopted to adjourn.

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Mayor

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Clerk