

Ordinance No. 358-26-1C

**AN ORDINANCE OF THE CITY OF TOWNSEND, TENNESSEE
ADOPTING THE ANNUAL BUDGET FOR THE
FISCAL YEAR BEGINNING JULY 1, 2026 AND ENDING JUNE 30, 2027**

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

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

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

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF TOWNSEND, TENNESSEE, TENNESSEE AS FOLLOWS:

SECTION 1: That the governing body projects anticipated revenues from all sources and appropriates planned expenditures for each department, board, office or other agency of the municipality, herein, presented together with the actual annual receipts and expenditures of the last preceding fiscal year and the estimated annual expenditures for the current fiscal year, and from those revenues and unexpended and unencumbered funds as follows for fiscal year 2027, and including the projected ending balances for the budget year, the actual ending balances for the most recent ended fiscal year and the estimated ending balances for the current fiscal years

General Fund	FY 2025	FY 2026	FY 2027
Revenues	Actual	Estimated	Budgeted
Local Taxes	\$ 1,116,974	\$ 1,190,867	\$ 1,217,351
Licenses and Permits	67,753	34,095	31,915
Intergovernmental	173,289	182,737	250,237
Miscellaneous Revenues	146,201	130,418	135,809
Total Revenues	\$ 1,504,217	\$ 1,538,117	\$ 1,635,312
Appropriations			
General Government	\$ 642,844	\$ 765,880	\$ 800,030
Public Safety	552,813	539,379	568,420
Public Works	194,565	148,001	138,289
Parks and Recreation	32,202	23,330	10,368
Tourism Department	-	-	75,000
Debt Service	41,914	41,141	41,914
Total Appropriations	\$ 1,464,337	\$ 1,517,731	\$ 1,634,021
Change in Fund Balance	\$ 39,880	\$ 20,386	\$ 1,291
Beginning Fund Balance	\$ 788,002	\$ 827,882	\$ 848,268
Ending Fund Balance	\$ 827,882	\$ 848,268	\$ 849,559

Drug Fund	FY 2025	FY 2026	FY 2027
Revenues	Actual	Estimated	Budgeted
Revenues	\$ 1,750	\$ 1,000	\$ 1,000
Total Revenues	\$ 1,750	\$ 1,000	\$ 1,000
Appropriations			
Drug Expenditures	\$ 2,217	\$ 1,000	\$ 1,500
Total Appropriations	\$ 2,217	\$ 1,000	\$ 1,500
Change in Fund Balance	\$ (467)	\$ -	\$ (500)
Beginning Fund Balance	\$ 4,761	\$ 4,294	\$ 4,294
Ending Fund Balance	\$ 4,294	\$ 4,294	\$ 3,794

State Street Aid Fund	FY 2025	FY 2026	FY 2027
Revenues	Actual	Estimated	Budgeted
Intergovernmental Revenue	\$ 19,241	\$ 19,487	\$ 19,885
Total Revenues	\$ 19,241	\$ 19,487	\$ 19,885
Appropriations			
Street Maintenance and Repairs	\$ 1,711	\$ 1,550	\$ -
Total Appropriations	\$ 1,711	\$ 1,550	\$ -
Change in Fund Balance	\$ 17,530	\$ 17,937	\$ 19,885
Beginning Fund Balance	\$ 196,452	\$ 213,982	\$ 231,920
Ending Fund Balance	\$ 213,982	\$ 231,920	\$ 251,806

SECTION 2: At the end of the fiscal year 2026, the governing body estimates fund balances or deficits as follows:

General Fund	\$	848,268
Drug Fund	\$	4,294
State Street Aid	\$	231,920

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

Original Issuance Amount	Authorized & Unissued	Total Principal Outstanding at 06/30/26	FY 2027 Budgeted Annual Debt Service		
			Principal	Interest	Total
\$ 236,340	\$ -	\$ 84,000	\$ 40,000	\$ 1,914	\$ 41,914
\$ 236,340	\$ -	\$ 84,000	\$ 40,000	\$ 1,914	\$ 41,914

SECTION 4: During the coming fiscal year the governing body has planned capital projects and proposed funding as follows:

Proposed Capital Projects	Proposed Amount Financed by Appropriations	Proposed Amount Financed by Grants	Proposed Amount Financed by Debt	Total Proposed Capital Projects
General Fund				
Police Car	\$ 25,039			\$ 25,039
Public Works Equ	5,000			5,000
Totals	\$ 30,039	\$ -		\$ 30,039

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

SECTION 6: A detailed financial plan will be attached to this budget and become part of this budget ordinance.

SECTION 7: This annual operating and capital budget ordinance and supporting documents shall be submitted to the Comptroller of the Treasury or Comptroller's Designee for approval pursuant to Title 9, Chapter 21, Tennessee Code Annotated within fifteen (15) day of its adoption. If the Comptroller of the Treasury or Comptroller's Designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes or as directed by the Comptroller of the Treasury or Comptroller's Designee.

SECTION 8: All unencumbered balances of appropriations remaining at the end of the fiscal year lapse and revert to the respective fund balances.

SECTION 9: All ordinances or parts of ordinances in conflict with any provisions of this ordinance are hereby repealed.

SECTION 10: There is hereby levied a property tax of \$0.00 per \$100 of assessed value on all real and personal property.

SECTION 11: This ordinance shall take effect July 1, 2026, the public welfare requiring it.

PASSED ON FIRST READING: _____

PASSED ON FINAL READING: _____

City Recorder

City Seal

Mayor