

## **ORDINANCE No. 2025-XX**

### **AN ORDINANCE OF THE CITY OF MT. JULIET, TENNESSEE ADOPTING THE ANNUAL BUDGET, PROPERTY TAX RATE AND SEWER RATES FOR THE FISCAL YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026**

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 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 monies 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 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 MT. JULIET, 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 2026, 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:

<b>General Fund 110</b>	<b>Fiscal Year 2024 Actual</b>	<b>Fiscal Year 2025 Estimate</b>	<b>Fiscal Year 2026 CM</b>
<b>Revenues</b>			
Local Taxes	\$ 26,670,109	\$ 28,541,099	\$ 39,710,345
Permits and Fees	8,388,292	6,488,039	5,397,750
Fines and Forfeitures	1,124,754	1,200,508	1,284,250
Grants	665,499	226,474	137,000
Intergovernmental Revenue	8,021,654	8,495,900	9,246,994
Miscellaneous Revenue	159,455	193,155	145,100
<b>Total Revenues</b>	<b>\$ 45,029,763</b>	<b>\$ 45,145,175</b>	<b>\$ 55,921,439</b>
<b>Appropriations</b>			
General Government	\$ 8,657,435	\$ 12,125,677	\$ 9,316,798
Public Safety	27,302,769	28,428,504	35,509,719
Public Works	14,653,153	5,787,713	4,394,455
Parks and Recreation	4,276,488	2,286,471	2,324,112
Community Development	1,970,024	2,097,179	2,118,566
Transfers to Other Funds	11,520,388	14,391,644	20,290,595
<b>Total Appropriations</b>	<b>\$ 68,380,257</b>	<b>\$ 65,117,189</b>	<b>\$ 73,954,245</b>
Change in Fund Balance (Revenues - Appropriation)	(23,350,494)	(19,972,014)	(18,032,806)
Beginning Fund Balance July 1	70,313,311	46,962,817	26,990,804
Ending Fund Balance June 30	<b>\$ 46,962,817</b>	<b>\$ 26,990,804</b>	<b>\$ 8,957,998</b>
Ending Fund Balance as % of Appropriations	69%	41%	12%

<b>State Street Aid Fund 121</b>	<b>Fiscal Year 2024 Actual</b>	<b>Fiscal Year 2025 Estimate</b>	<b>Fiscal Year 2026 CM</b>
<b>Revenues</b>			
State Gasoline & Motor Fuel	\$ 1,367,242	\$ 1,454,936	\$ 1,597,833
Miscellaneous Revenue	22,300	22,016	10,000
Transfer from General Fund	1,000,000	750,000	700,000
<b>Total Revenues</b>	<b>\$ 2,389,542</b>	<b>\$ 2,226,951</b>	<b>\$ 2,307,833</b>
<b>Appropriations</b>			
Operations Recurring	\$ 2,517,810	\$ 2,187,799	\$ 2,240,000
Capital Outlays	-	-	-
<b>Total Appropriations</b>	<b>\$ 2,517,810</b>	<b>\$ 2,187,799</b>	<b>\$ 2,240,000</b>
Change in Fund Balance (Revenues - Appropriation)	(128,268)	39,152	67,833
Beginning Fund Balance July 1	265,860	137,591	176,743
Ending Fund Balance June 30	<b>\$ 137,591</b>	<b>\$ 176,743</b>	<b>\$ 244,576</b>
Ending Fund Balance as % of Appropriations	5%	8%	11%

<b>Drug Fund 123</b>	<b>Fiscal Year 2024 Actual</b>	<b>Fiscal Year 2025 Estimate</b>	<b>Fiscal Year 2026 CM</b>
<b>Revenues</b>			
Drug Related Fines	\$ 240,498	\$ 144,428	\$ 130,000
Sale of Seized Items	19,947	-	-
Miscellaneous Revenue	23,321	22,468	20,000
<b>Total Revenues</b>	<b>\$ 283,765</b>	<b>\$ 166,895</b>	<b>\$ 150,000</b>
<b>Appropriations</b>			
Operations Recurring	\$ 20,043	\$ 77,010	\$ 30,000
Capital Outlays	195,252	132,947	208,000
<b>Total Appropriations</b>	<b>\$ 215,296</b>	<b>\$ 209,957</b>	<b>\$ 238,000</b>
Change in Fund Balance (Revenues - Appropriation)	68,470	(43,061)	(88,000)
Beginning Fund Balance July 1	510,604	579,074	536,013
Ending Fund Balance June 30	\$ 579,074	\$ 536,013	\$ 448,013
Ending Fund Balance as % of Appropriations	269%	255%	188%

<b>Debt Service Fund 124</b>	<b>Fiscal Year 2024 Actual</b>	<b>Fiscal Year 2025 Estimate</b>	<b>Fiscal Year 2026 CM</b>
<b>Revenues</b>			
Transfers from Other Funds	\$ 1,060,000	\$ 3,641,644	\$ 3,635,723
Impact Fees	371,658	380,503	350,000
Miscellaneous Revenue	9,020	8,189	8,000
<b>Total Revenues</b>	<b>\$ 1,440,678</b>	<b>\$ 4,030,336</b>	<b>\$ 3,993,723</b>
<b>Appropriations</b>			
Bond Interest	\$ 1,347,141	\$ 1,766,488	\$ 1,741,305
Bond Principal Redemption	319,464	2,215,000	2,315,000
Capital Note Interest	0	0	0
Capital Note Principal	0	0	0
<b>Total Appropriations</b>	<b>\$ 1,666,605</b>	<b>\$ 3,981,488</b>	<b>\$ 4,056,305</b>
Change in Fund Balance (Revenues - Appropriation)	(225,927)	48,847	(62,582)
Beginning Fund Balance July 1	355,662	129,735	178,582
Ending Fund Balance June 30	\$ 129,735	\$ 178,582	\$ 116,000
Ending Fund Balance as % of Appropriations	8%	4%	3%

<b>Employee Benefits Fund 150</b>	<b>Fiscal Year 2024 Actual</b>	<b>Fiscal Year 2025 Estimate</b>	<b>Fiscal Year 2026 CM</b>
<b>Revenues</b>			
City Contributions	\$ 3,624,770	\$ 4,531,287	\$ 5,626,270
Participant Contributions	\$ 867,086	\$ 1,015,152	\$ 1,209,743
<b>Total Revenues</b>	<b>\$ 4,491,856</b>	<b>\$ 5,546,439</b>	<b>\$ 6,836,013</b>
<b>Appropriations</b>			
Participant Claims & Expenses	\$ 4,319,345	\$ 5,047,156	\$ 6,746,009
<b>Total Appropriations</b>	<b>\$ 4,319,345</b>	<b>\$ 5,047,156</b>	<b>\$ 6,746,009</b>
Change in Fund Balance (Revenues - Appropriation)	172,511	499,283	90,004
Beginning Fund Balance July 1	890,432	1,062,943	1,562,226
Ending Fund Balance June 30	\$ 1,062,943	\$ 1,562,226	\$ 1,652,230
Ending Fund Balance as % of Appropriations	25%	31%	24%

<b>Capital Projects Fund 300</b>	<b>Fiscal Year 2024 Actual</b>	<b>Fiscal Year 2025 Estimate</b>	<b>Fiscal Year 2026 CM</b>
<b>Revenues</b>			
Grants	\$ 1,128,729	\$ 833,012	\$ 8,820,468
Interest and Other	616,708	1,540,429	1,025,000
Sale of Bonds/Notes	35,223,471	-	19,000,000
Transfers from Other Funds	9,450,000	10,000,000	15,954,873
<b>Total Revenues</b>	<b>\$ 46,418,907</b>	<b>\$ 12,373,441</b>	<b>\$ 44,800,341</b>
<b>Appropriations</b>			
Roads and Projects	\$ 17,251,130	\$ 30,981,460	\$ 63,390,629
<b>Total Appropriations</b>	<b>\$ 17,251,130</b>	<b>\$ 30,981,460</b>	<b>\$ 63,390,629</b>
Change in Fund Balance (Revenues - Appropriation)	29,167,777	(18,608,019)	(18,590,288)
Beginning Fund Balance July 1	8,080,530	37,248,307	18,640,288
Ending Fund Balance June 30	\$ 37,248,307	\$ 18,640,288	\$ 50,000
Ending Fund Balance as % of Appropriations	216%	60%	0%

<b>Storm Water Fund 416</b>	<b>Fiscal Year 2024 Actual</b>	<b>Fiscal Year 2025 Estimate</b>	<b>Fiscal Year 2026 CM</b>
<b>Revenues</b>			
Inspections	\$ 498,530	\$ 563,920	\$ 555,000
Storm Water Charges	2,383,526	2,386,443	2,375,000
Miscellaneous Revenue	113,194	164,520	101,000
<b>Total Revenues</b>	<b>\$ 2,995,251</b>	<b>\$ 3,114,883</b>	<b>\$ 3,031,000</b>
<b>Appropriations</b>			
Personnel	\$ 678,112	\$ 850,220	\$ 1,450,237
Operating	91,807	122,901	237,000
Capital Outlays	329,414	569,640	3,281,469
<b>Total Appropriations</b>	<b>\$ 1,099,333</b>	<b>\$ 1,542,761</b>	<b>\$ 4,968,706</b>
Change in Fund Balance (Revenues - Appropriation)	1,895,917	1,572,122	(1,937,706)
Beginning Fund Balance July 1	1,529,948	3,425,865	4,997,988
Ending Fund Balance June 30	\$ 3,425,865	\$ 4,997,988	\$ 3,060,282
Ending Fund Balance as % of Appropriations	312%	324%	62%

<b>Sewer Fund 412</b>	<b>Fiscal Year 2024 Actual</b>	<b>Fiscal Year 2025 Estimate</b>	<b>Fiscal Year 2026 CM</b>
<b>Operating Revenues</b>			
Sewer Charges	\$ 9,905,596	\$ 10,299,008	\$ 11,296,528
Miscellaneous Other Fees	21,550	37,970	40,000
Total Operating Revenues	\$ 9,927,146	\$ 10,336,978	\$ 11,336,528
<b>Operating Expenses</b>			
Administrative	\$ 1,994,870	\$ 2,195,423	\$ 2,939,918
Sewer Department	4,537,950	4,996,308	5,267,100
Depreciation	2,350,000	3,000,000	3,108,000
Total Operating Expenses	\$ 8,882,820	\$ 10,191,732	\$ 11,315,018
<b>Operating Income (Loss)</b>	\$ 1,044,326	\$ 145,246	\$ 21,510
<b>Nonoperating Revenues (Expenses)</b>			
Revenue: Investment Income	\$ 1,199,516	\$ 1,157,504	\$ 1,150,000
Grants - Operating	2,200,646	-	-
Other Income	1,313	12,360	18,000
Expense: Debt Service - Interest Expense			
Total Nonoperating Revenue (Expenses)	\$ 3,401,474	\$ 1,169,864	\$ 1,168,000
<b>Income (Loss) Before Capital Contributions and Transfers</b>	\$ 4,445,800	\$ 1,315,110	\$ 1,189,510
<b>Capital Contributions and Transfers</b>			
Capital Contributions - Tap Fees in Excess of Cost	\$ 1,284,767	\$ 1,958,201	\$ 1,800,000
Capital Contributions - Grants			
Capital Contributions - Other	-	1,000,000	1,000,000
Transfers In - from Other Funds			
Total Capital Contributions and Transfers	\$ 1,284,767	\$ 2,958,201	\$ 2,800,000
<b>Beginning Net Position July 1</b>	94,092,980	103,310,026	107,583,337
<b>Ending Net Position June 30</b>	<b>\$ 99,823,547</b>	<b>\$ 107,583,337</b>	<b>\$ 111,572,847</b>
<b>Statutory Change in Net Position Reconciliation:</b>			
<b>Change in Net Position</b>	\$ 5,730,567	\$ 4,273,311	\$ 3,989,510
<b>Subtract:</b>			
Capital Contributions - Tap Fees in Excess of Cost	\$ 1,284,767	\$ 1,958,201	\$ 1,800,000
Capital Contributions - Grants	-	-	-
Capital Contributions - Other	-	1,000,000	1,000,000
Transfers In - from Other Funds	-	-	-
Total amount subtracted for statutory change	\$ 3,485,412	\$ 2,958,201	\$ 2,800,000
<b>Statutory Change in Net Position*</b>	\$ 2,245,154	\$ 1,315,110	\$ 1,189,510
<p><i>* Note: A statutory negative Change in Net Position for two consecutive years will result in the local government's referral to the Water and Wastewater Financing Board.</i></p>			

SECTION 2: At the end of the fiscal year 2025, the governing body estimates fund balances or deficits as follows:

<b>Fund</b>	<b>Estimated Fund Balances at June 30, 2025</b>
General Fund	\$ 26,990,804
State Street Aid Fund	\$ 176,743
Drug Fund	\$ 536,013
Debt Service Fund	\$ 178,582
Employee Benefits Fund	\$ 1,562,226
Capital Projects Fund	\$ 18,640,288
Sewer Fund	\$ 36,108,353
Storm Water Fund	\$ 4,997,988

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:

<b>Bonded or Other Indebtedness</b>	<b>Authorized and Unissued</b>	<b>Principal Outstanding at June 30, 2025</b>	<b>FY2026 Principal Payment</b>	<b>FY2026 Interest Payment</b>
<b>Bonds</b>				
2019 GO REFUNDING & FH BORROWING		\$ 990,000	\$ 990,000	\$ 49,500
2020 GO REFUNDING 2016 BONDS		\$ 7,240,000	\$ 175,000	\$ 156,805
2024 GO BONDS		\$ 30,700,000	\$ 1,150,000	\$ 1,535,000
<b>Notes</b>				
<b>Capital Leases</b>				

SECTION 4: During the coming fiscal year (2026) the governing body has pending and planned capital projects with proposed funding as follows:

Proposed Capital Projects	Proposed Capital Projects - Total Expense	Proposed Amount Financed by Appropriations	Proposed Amount Financed by Debt
NEW POLICE HEADQUARTERS	\$ 7,050,000	\$ 7,050,000	None
FIRE STATION 3	\$ 8,550,000	\$ 8,550,000	None
RECREATION / AQUATIC CENTER	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
SMJR WIDENING GRAVES TO CENTRAL PK	\$ 500,000	\$ 500,000	None
CENTRAL PK INTERCHANGE	\$ 5,000,000	\$ 5,000,000	None
GBG WIDENING CC TO LEBANON RD	\$ 2,300,000	\$ 2,300,000	None
OLDR IMPROVEMENTS PHASE I	\$ 5,700,000	\$ 5,700,000	\$ 5,000,000
CENTRAL PK IMPORVEMENTS	\$ 500,000	\$ 500,000	None
LEBANON RD SIDEWALKS PH 3	\$ 1,302,355	\$ 1,302,355	None
ITS (INTELLIGENT SIGNAL SYSTEM) PH 2	\$ 3,600,000	\$ 3,600,000	None
E. DIVISION STREET IMPROVMENTS (AMAZON)	\$ 2,000,000	\$ 2,000,000	None
CURD ROAD SIGNAL AT MT. JULIET ROAD	\$ 1,000,000	\$ 1,000,000	None
GOLDEN BEAR/BECKWITH INTERCHANGE HIGH MAST	\$ 1,500,000	\$ 1,500,000	None
TOWN CENTER TRAIL, PHASE III	\$ 1,411,567	\$ 1,411,567	None
PLEASANT GROVE RD.	\$ 500,000	\$ 500,000	None
ITS & SIGNAL IMPROVEMENTS, PHASE III	\$ 2,219,629	\$ 2,219,629	None
MT. JULIET ROAD ADA UPGRADES, PHASE II	\$ 737,358	\$ 737,358	None
BECKWITH ROAD WIDENING	\$ 2,600,000	\$ 2,600,000	None
TOWN CENTER TRAIL, PHASE 4 (TRAIN STATION TO C	\$ 725,000	\$ 725,000	None
CEDAR CREEK GREENWAY PHASE II	\$ 1,779,720	\$ 1,779,720	None
MJRD RAILROAD XING IMPROVEMENTS	\$ 200,000	\$ 200,000	None
OLDR IMPROVEMENTS, PHASE II	\$ 200,000	\$ 200,000	None

SECTION 5: The current wastewater disposal rates will have a 3% increase from the prior year rates for all residential and commercial users inside and outside the city limits, including the prior 1984 property owners that have sewer available that have not hooked onto the sewer system of the City of the Mt. Juliet Sewer. The rate structure will be as follows and shall continue until amended:

	2025 Rates
<b>Residential – Inside Mt. Juliet:</b>	
Minimum Base Rate Charge	
(first 2,000 gallons)	16.88
Per 1,000 gallons thereafter	8.27
<b>Commercial – Inside Mt. Juliet:</b>	
Minimum Base Rate Charge	
(first 2,000 gallons)	23.81
Per 1,000 gallons thereafter	11.53
<b>Residential – Outside Mt. Juliet:</b>	
Minimum Base Rate Charge	
(first 2,000 gallons)	21.11
Per 1,000 gallons thereafter	10.35
Minimum Base Rate Charge for service requested after June 9, 2019	
(first 2,000 gallons)	33.76
Per 1,000 gallons thereafter	16.54
<b>Commercial – Outside Mt. Juliet:</b>	
Minimum Base Rate Charge for service requested prior to June 9, 2019	
(first 2,000 gallons)	29.77
Per 1,000 gallons thereafter	14.41
Minimum Base Rate Charge for service requested after June 9, 2019	
(first 2,000 gallons)	47.63
Per 1,000 gallons thereafter	23.05
<b>Special Discharge Fees:</b>	
Billing Fee	21.00
Plus 160% of Discharge Per 1,000 gallons	14.41
<b>Prior 1984 Customers</b>	
Flat rate	16.88
Well Access	32.35
Grease Traps Monthly	43.00

SECTION 6: The new rates shall be effective with the July 31, 2025 sewer billing statements.



SECTION 7: Title 13, Section 13-1-12 (e) as amended effective May 1, 2020, to adjust the sewer capacity charge as follows shall remain effective until amended:

RS-40	\$1,340.00 per unit
RS-30	\$1,590.00 per unit
RS-20	\$1,840.00 per unit
RS-15	\$2,090.00 per unit
RS-10	\$2,340.00 per unit
All other residential classifications	\$2,590.00 per unit

Title 13, Section 13-1-12 (e) is further confirmed as amended to state “commercial capacity fees shall be altered accordingly” until otherwise amended.

SECTION 8: 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 9: Money may be transferred from one appropriation to another in the same fund only by appropriate ordinance by the governing body, subject to such limitations and procedures as it may describe as allowed by Section 6-56-509 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 10: 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 Tennessee Code Annotated § 6-56-206 will be attached.

SECTION 11: There is hereby levied a property tax of \$0.54 per \$100 of assessed value on all real and personal property.

SECTION 12: 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 if the City has debt issued pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated within fifteen (15) days of its adoption. This budget shall not become the official budget for the fiscal year until such budget is approved by the Comptroller of the Treasury or Comptroller’s Designee in accordance with Title 9, Chapter 21 of the Tennessee Code Annotated (the “Statutes”). 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. If the City does not have such debt outstanding, it will file this annual operating and capital budget ordinance and supporting documents with the Comptroller of the Treasury or Comptroller’s Designee.

SECTION 13: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 14: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

SECTION 15: This ordinance shall take effect July 1, 2025, the public welfare requiring it.

PASSED:

\_\_\_\_\_  
James Maness, Mayor

FIRST READING: \_\_\_\_\_  
SECOND READING: \_\_\_\_\_

ATTESTED:

\_\_\_\_\_  
Sheila S. Lockett, MMC  
City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
Kenneth Martin, City Manager

\_\_\_\_\_  
Samantha A. Burnett  
City Attorney