

Founded
1842

Incorporated
1903

City of Cleveland Tennessee



Annual Budget
2016 - 2017

*City of Cleveland,
Tennessee*



*Annual Budget
FY 2017*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Cleveland

Tennessee

For the Fiscal Year Beginning

July 1, 2015

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Cleveland, Tennessee for its annual budget for the fiscal year beginning July 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Mission Statement

City of Cleveland, Tennessee

Provide for the welfare of all citizens of Cleveland through efficient, high quality services, sound leadership and progressive planning for the future.

City of Cleveland, Tennessee

Annual Budget

Fiscal Year 2016-2017

City Officials:

<i>Mayor:</i>	Tom Rowland
<i>City Council:</i>	George Poe, Jr., Vice Mayor (at large) Richard Banks, (at large) Charlie McKenzie, District 1 William Estes, District 2 Avery Johnson, Sr., District 3 David May, Jr., District 4 Dale Hughes, District 5
<i>City Attorney:</i>	John F. Kimball
<i>City Judge:</i>	Barrett Painter
<i>City Manager:</i>	Janice S. Casteel
<i>Assistant City Manager:</i>	Melinda B. Carroll

Department Heads:

<i>Director of Finance/ City Clerk:</i>	Shawn McKay
<i>Development and Engineering Services Director:</i>	Jonathan Jobe
<i>Fire Chief:</i>	Ron Harrison
<i>Human Resource Director:</i>	Jeff Davis
<i>Information Technology Director:</i>	Kris Miller
<i>Library Director:</i>	Andrew Hunt
<i>Parks & Recreation Director:</i>	Patti Petitt
<i>Police Chief:</i>	Mark Gibson
<i>Public Works Director:</i>	Tommy Myers
<i>Airport Manager:</i>	Mark Fidler
<i>Cleveland Utilities General Manager:</i>	Ken Webb, CPA
<i>Interim Director of Schools:</i>	Cathy Goodman

Table of Contents

	Page #
Front Cover Sheet	
Certificate - Government Finance Officers Association Distinguished Budget Presentation Award	
Mission Statement	
Listing of City Officials	
Table of Contents	
I. Introduction	i
Reader's Guide	vii
II. City Manager's Budget Message	xi
III. Summary of the Budget - All Funds	1-30
IV. Ordinances:	
Budget Ordinance	31-40
Tax Rate Ordinance	41-42
Appropriations Resolution	43-44
Electric-In-Lieu of Tax Resolution	45
Water-In-Lieu of Tax Resolution	46
Wastewater-In-Lieu of Tax Resolution	47
Cleveland City Schools Federal Project Fund Resolution	48
V. Financial Policies and Budget Preparation	49-64
VI. Personnel Administration	
Personnel Overview	65-66
Organization Chart of the City	67-69
Staffing Overview	70-71
City Boards and Commissions	72-77
Budget by Fund Type and Fund:	
VII. Fund Type: General Fund	
General Fund	78
Budget Summary	79
Revenues:	
Overview	80
Local Taxes	81
Licenses and Permits	82
Intergovernmental Revenues	83
Charges for Services	84
Fines and Forfeitures	85
Interest (Investment) Income	86
Miscellaneous Revenues	87
Public Enterprise	88
Other Funding Sources	89

Table of Contents

	Page #
Fund Type: General Fund (cont.):	
Expenditures:	
Legislative and Judicial	90-94
Administration and Finance Department	95-101
Development and Engineering Services	102-107
Police Department	108-112
Fire Department	113-118
Public Works Department	119-125
Cleveland Regional Jetport	126-130
Animal Control	131-134
Risk Management, Safety and Wellness Program	135-138
Parks and Recreation Department	139-144
Grants and Other Agency Support	145-148
Transfers to Other Funds	149-151
VIII. Fund Type: Special Revenue Funds	
Special Revenue Funds Overview	152-154
Special Revenue Funds Summary	155-156
Solid Waste Management Fund	157-163
State Street Aid	164-167
Cleveland Public Library	168-173
Drug Enforcement	174-175
Byrne Memorial Justice Assistance Grants	176-177
Metropolitan Planning Organization	178-181
Community Development Block Grant	182-185
Recycling Grant	186-188
E-Ticketing Grant	189-190
Cleveland City Schools	191-197
School Food Service	198-199
IX. Fund Type: Debt Service Funds	
Debt Service Fund	200-215
X. Fund Type: Capital Projects Funds	
Capital Improvement Projects Overview	216-222
Long Range Financial Plan	223-224
Capital Improvements Program (CIP) Fund	225-226
Sales Tax Capital Projects Fund	227-228
Greenway Fund	229-232
Fletcher Park Trust Fund	233
Spring Branch Industrial Park Fund	234

Table of Contents

	Page #
XI. Fund Type: Enterprise Funds	235
Stormwater Management	236-240
Cleveland Utilities Overview	241-253
Cleveland Utilities Electric Fund	254-258
Cleveland Utilities Water/Wastewater Fund	259-262
XII. Fund Type: Internal Service Funds	263
Fleet Management Fund	264-269
XIII. Fund Type: Trust Fund	270
Health Insurance Trust Fund	271
Meiler Estate Animal Shelter Fund	272-273
XIV. Appendices	
Glossary of Terms	274-282
List of Acronyms	283-284
List of Authorized Personnel Positions by Department	285-290
Position Classification and Pay Plan	291-297
Fringe Benefits	298-303
Retirement System	304-309
Property Tax Rates - Direct and Overlapping Governments - Ten Years	310
Principal Taxpayers	311
Principal Employers	312
Computation of Legal Debt Margin	313
Cleveland Utilities Electric Division Data	314-316
Cleveland Utilities Water Division Data	317-320
Other Statistical Data	321-322

Introduction

The City of Cleveland is a fast-growing community that has retained its "hometown" feel. Convenient to numerous tourist attractions ranging from whitewater rafting and mountain climbing to shopping and big-city culture, Cleveland offers a high quality of life to its residents.

Cleveland has a growing economy facilitated by a strong industrial base and fast-evolving retail market. The area is home to 11 Fortune 500 manufacturing companies as well as increasing the tourism component of the economy, with its proximity to the mountains, whitewater rafting, and Cherokee Indian heritage. Its location along the Interstate 75 corridor offers transportation advantages to residents and industries. Regional educational and vocational opportunities, anchored by a wide selection of area private and public colleges and universities, provide a competitive advantage for future workers. A solid secondary educational system, funded in part by the City, ensures a fresh supply of qualified college- and workforce-bound individuals.

With the breath-taking beauty of the area, high standard of living and friendly, "hometown" feel, coupled with the community's unwavering commitment to ensure an even brighter future, Cleveland is a great place to live, work, play and visit.



The average elevation is 875 feet above sea level, the terrain being the foothills of the Appalachian Mountains. The climate is seasonal, but moderate, with mild winters and summers. The average annual rainfall is 54.6" and the relative humidity is 72%. The City is a short distance from the Smoky Mountains and the Cherokee National Forest, site of the 1996 Olympic canoe and kayak events on the scenic Ocoee River. Outdoor recreational activities are plentiful.

The City of Cleveland is the county seat of Bradley County, Tennessee, located in the extreme southeastern corner of the state. Cleveland is located 25 miles northeast of Chattanooga, 82 miles southwest of Knoxville, 124 miles north of Atlanta, 172 miles north of Birmingham, and 181 miles southeast of Nashville. It is located on Interstate 75, US Highways 11 and 64, and State Routes 60, 74, 40 and 2.

The City was incorporated on February 4, 1903, with a population of 400. The county is bordered on the south by Whitfield County, Georgia, to the west by Hamilton and Meigs counties, to the north by McMinn County, and to the east by Polk County, which is adjacent to North Carolina.

Cleveland boasts the sixth largest number of manufacturing companies in the State of Tennessee. Major private-sector employers in Cleveland are: Lonza Group, Resolute Forest Products – Calhoun Operations, Brown Stove Works, Renfro Corporation, Cleveland Chair Co., Procter & Gamble, Hardwick Clothes, Jackson Manufacturing, Johnston Coca-Cola Bottling Co., Mars Snackfoods, Whirlpool, Amazon, Wacker Polysilicon, SkyRidge Medical Center, Newlywed Foods, Olin Corporation, Peyton’s Southeastern, President Baking, Rubbermaid, Merck, and United Knitting. The city is also recognized as a regional shopping destination and health care provider for surrounding counties in Tennessee, Georgia, and North Carolina.



The state-certified population for 2010 was 41,285. The City and County are both growing at a moderate rate. The City has shown consistent growth throughout its history, as the following table demonstrates:

Census Population

	City of Cleveland		Bradley County	
	Population	Square Miles	Population	Square Miles
1930	9,136	2.0	22,870	338
1940	11,357	2.0	28,498	338
1950	12,605	4.0	32,338	338
1960	16,196	7.0	38,324	338
1970	21,446	9.2	50,686	338
1980	26,415	13.3	67,547	338
1990	30,354	19.5	73,712	338
2000	37,192	25.0	87,965	338
2010	41,285	30.0	98,963	338

According to the 2010 census, the City’s population is 81.4% Caucasian, 7.2% African-American, 7.5% Hispanic, and 3.9% Asian or Other. The median age is 34.8 years. Those 19 years of age and younger are 26.3% of the population, and those 55 years of age and older are 25.3%. The median income per household is \$32,257 and the per capita income is \$25,572. The housing stock totals 17,841 units, of which 7,820 (48.6%) are owner occupied. The rental vacancy rate in 2010 was 9.9%. The median value of owner occupied was \$141,600. Housing costs in Cleveland and Bradley County are 16.6% below the national average as reflected in the third quarter 2009 ACCRA cost of living survey. The unemployment rate for Cleveland in March 2016 was 4.0%. The unemployment rate for Bradley County was 3.8%, the State of Tennessee was 4.2% and the national average was 5.0%. The cost of living is 94.3%, which is 5.7% below the national average.

Cleveland is served by Southern Railway, Greyhound bus line, numerous common freight carriers, barge service from the Hiwassee River by Charleston Marine Transport, Inc., and the Cleveland Regional Jetport. Chattanooga’s Lovell Field, with both general aviation and commercial aviation capability, is approximately thirty minutes south on Interstate 75.

The City has two institutions of higher learning: Lee University, a four-year liberal arts university, and Cleveland State Community College, a two-year technical and community college. The City School System consists of one primary school, six elementary schools, one middle school, one high school, and one alternative school. Additional information is located under Special Revenue Funds or at www.clevelandschools.org.

The school system consistently ranks among the top ten public systems in the state on the American College Test (ACT) for college entrance.



Cleveland is home to eight City-owned and maintained recreational parks, including a handicap park and a nature park. The City also owns and maintains two community centers, a soccer complex and a greenway with four miles of walking paths. Additional discussion of recreational parks can be found within the Parks and Recreation section of the General Fund or online at www.clevelandtn.gov.



In Cleveland, utilities are provided by the following companies:

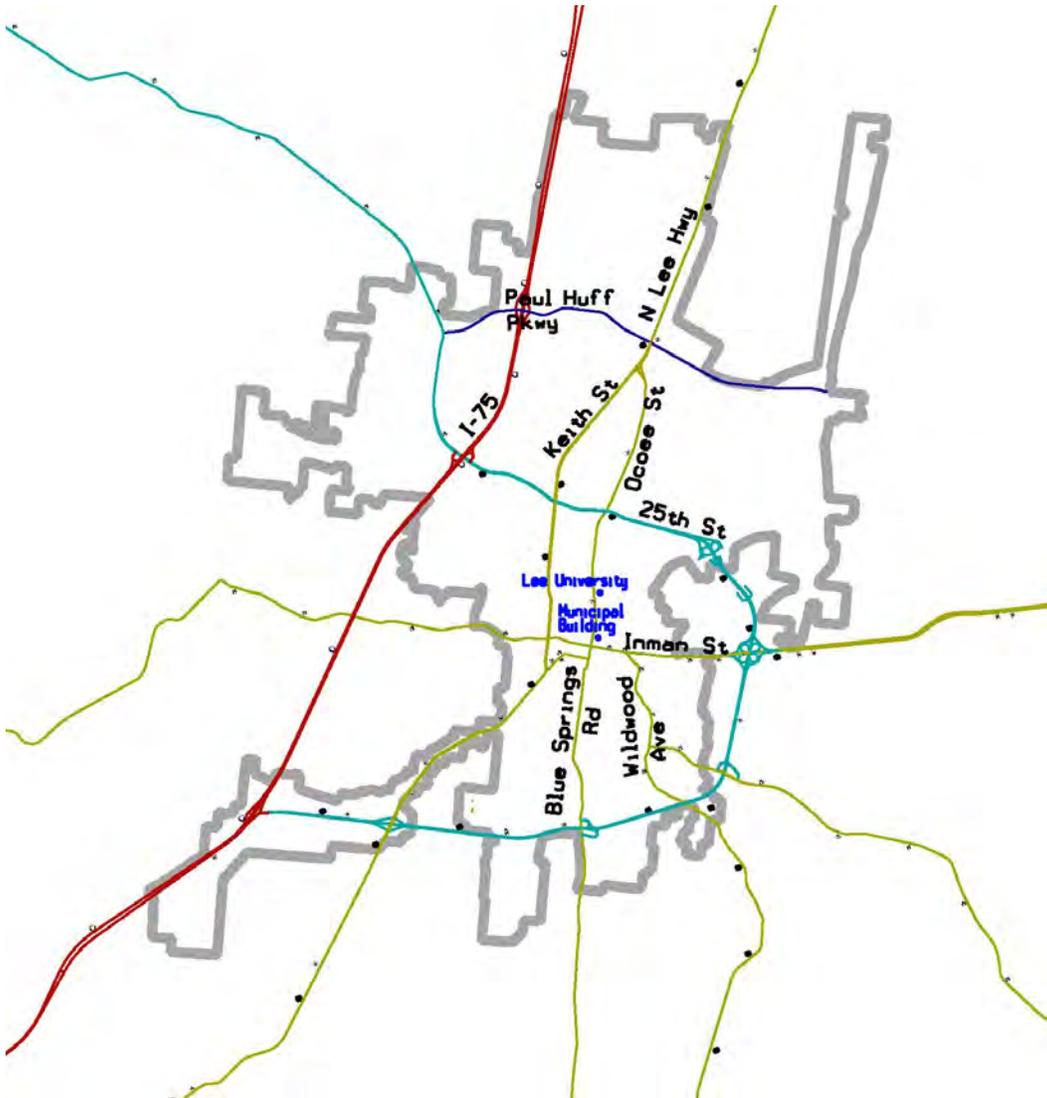
Cleveland Utilities	Electricity, water, and wastewater
Volunteer Energy MC	Electricity in some annexed areas
Chattanooga Gas	Natural Gas
AT&T	Telecommunications
Charter Communications	Cable Television

There are six local radio stations, AM-WBAC News Radio (1340), WCLE (1570), FM-Mix 104.1; WAYA-TN 93.9, WOOP 99.9 and WSAA-Ocoee 93; one daily newspaper, the Cleveland Daily Banner. In addition, the Chattanooga Times Free Press, and the Knoxville News Sentinel report on news in Cleveland. Cleveland has its own local television channel with the local cable television provider Charter Communications. Four television stations in Chattanooga also cover Cleveland regularly: WRCB (NBC), WTVC (ABC), WDSI (FOX), and WDEF (CBS). Three public television stations are also available in the area, WTCI in Chattanooga, WTNB in Cleveland, and WCLP in Atlanta.

The City operates under the Council-Manager form of government, established by an amended Private Act Charter in 1993, following a referendum. There are five council-members elected from districts. The Mayor and two additional council-members are elected at large. All elections are non-partisan, and the terms are for four years, with half the members elected every two years. The City Council appoints a City Manager as the Chief Executive Officer of the municipality.



City of Cleveland *Area Map*



Reader's Guide to the Budget

This Budget Document has been organized with the main purpose being to make it user-friendly. Government budgets by definition are confusing documents, particularly for the first-time reader. Generally Accepted Accounting Principles (GAAP) for government require the use of multiple funds. Some of those fund categories are budgeted and accounted for using the modified accrual basis of accounting, and some the accrual basis of accounting. This further complicates the matter for readers of government budgets, who are familiar with private sector accounting using full accrual in which there is one balance sheet and one income statement. These terms are explained in the Financial Policies section; Summary of Significant Accounting Policies, under item C: Measurement focus, Basis of Accounting. It is strongly recommended that you take a few moments to review this Reader's Guide before reading the Budget.

Following this Guide is Tab II, which contains the City Manager's Budget Message. This message discusses the fund structure of the Budget, and which basis of accounting is used for each type of fund. It also includes a listing of the assumptions used in developing the Budget. Finally, it includes a discussion of the major issues facing the City and how the Budget affects them and is affected by them. Immediately following is a listing of the City's Goals and Objectives for FY2017.

Tab III is a multi-sheet spreadsheet, which summarizes all funds of the City of Cleveland, and the projected fund balances. This summary includes all revenues and transfers into a fund, and all expenditures (expenses) and transfers out of a fund. It also shows the uses of cash in those funds using full accrual accounting. In short, it is the entire budget in a condensed format.

Tab IV contains the two ordinances which the City Council must adopt annually in order to establish a Budget for the year: 1) the Budget Ordinance, which officially approves the Budget document; 2) the Tax Rate Ordinance, which officially sets the ad valorem (property) tax rate expressed as cents/\$100 of assessed valuation, and the business license tax rates; as well as the following resolutions: the Agency Appropriation Resolution; and the Electric, Water, and Wastewater In-Lieu of Tax Resolutions.

Tab V contains the Financial Policies of the City, which guide the financial administration of the City. Also, the budget process is described and a budget calendar is included showing the key dates and steps in the preparation of both the Capital Improvements Program (CIP) and the Budget.

Tab VI contains information on the City's personnel functions. First is an overview of the legal framework, including key documents and policies, and how positions and pay increases become authorized. Second is an organization chart followed by a narrative overview of the organization of the City. Third is a staffing overview and finally a listing of all City boards and commissions, giving their duties and length of term.

Tabs I through VI should provide you with a solid overview of the City; how it is organized to provide services and what those services are; the major issues it faces and its goals and objectives to meet them; the financial policies and personnel policies it uses; the Budget preparation process; the assumptions used in developing the Budget; and a summary of the entire Budget.

Tabs VII through XIII will provide you with detailed information on each fund and operational department and division of the City. The tabs denote each of the seven fund types: 1) general, 2) special revenue, 3) debt service, 4) capital projects, 5) enterprise, 6) internal service, and 7) trust fund. The format used in each fund and department is to present a detailed organization chart; a narrative on the programs, services, and functions provided; a summary of expenditures; the goals and objectives for the year; and the performance measures used.

All positions shown uncolored on the detailed organization charts are financed by the general fund. Those positions shown in a different color are financed by another fund(s), which is explained in each narrative section. Below is a listing of the colors and which fund they represent:

Dark Green	Solid Waste Management Fund
Aqua	School Federal Projects Fund
Blue	School Food Service Fund
Lilac	Fleet Management Fund
Light Blue	State Street Aid Fund
Gray	Library Fund
Navy Blue	Cleveland Utilities
Rose	Community Development Block Grant
Purple	Metropolitan Planning Organization Fund
Light Green	Stormwater Management Fund

Tab XIV contains several appendices, the first being a Glossary of Terms. Since governmental budgeting and accounting is different from that in the private sector, definitions of many of our terms have been included. Second is a listing of all authorized personnel positions by department for four years. This allows the reader to see the staffing level in each department, and whether it has grown or decreased. Third is the Position Classification and Pay Plan, which lists each position and assigns a pay grade to it, and includes the matrix of pay grades. This allows the reader to see the pay range for every classified position within the City. Forth is a listing of every fringe benefit that the City provides its employees. There is some detailed information on the retirement system. Lastly, you will find historical information on property taxes, property values and assessments.

Our hope is that you will find this document informative about your municipal government, and organized in a manner that allows you to find information quickly on any fund, department, or operation. If you have difficulty using it, we would welcome your comments and suggestions for improvement. Please write Mr. Shawn McKay, Director of Finance/City Clerk, P.O. Box 1519, Cleveland, TN 37364-1519, or phone him at (423) 472-4551.

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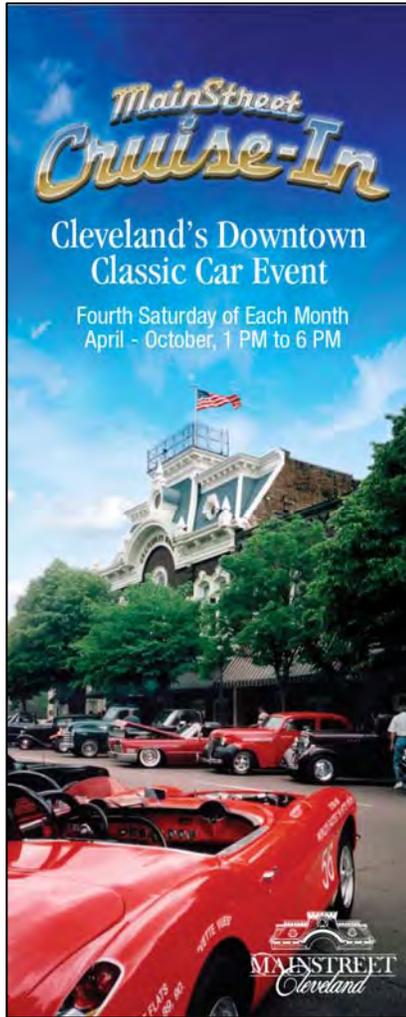


Cleveland, TN Government



@Cleveland_TN

"The City with Spirit"
Cleveland, Tennessee



City of Cleveland

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CLEVELAND, TENNESSEE
Office of the City Manager



Cleveland Municipal Building
190 Church Street, N.E.
P.O. Box 1519
Cleveland, TN 37364-1519

April 4, 2016

Honorable Mayor and City Council
City of Cleveland
P.O. Box 1519
Cleveland, Tennessee 37364-1519

RE: City Manager's Budget Message and Transmittal of the Proposed Budget for
Fiscal Year 2017

Gentlemen:

The FY2017 Budget for the City of Cleveland is submitted for your consideration. The document includes the revenues and expenditures that are necessary to maintain and in some areas improve the current levels of municipal services.

The FY2017 Budget addresses the infrastructure needs of the City of Cleveland. It is a challenge to keep up with the demand for services and facilities in such a growing community. The City of Cleveland is the principal city of the Cleveland Metropolitan Statistical Area (MSA) and it is the employment and commercial center of the metropolitan area.

The FY2017 budget does not include a property tax increase and the city's rate will remain \$1.7655 per hundred dollars of assessed value. The budget does not include an increase in the monthly sanitation fee of \$6.95. The budget does include a monthly stormwater fee. Effective January 1, 2016 the city began using a tiered residential rate in the amount of \$1.65 for residential properties with impervious areas of less than 1,775 sq. ft. which represents 0.5 Single Family Unit (SFU), \$3.25 for residential properties with impervious areas ranging from 1,776 to 5,900 sq. ft. which represents 1.0 SFU, and \$4.90 for residential properties with impervious areas greater than 5,901 sq.ft. which represents 1.5 SFU. The fee which is mandated by Congress is expected to generate approximately \$1.5 million annually for the city's stormwater program which funds the city's share of major drainage projects through the Army Corp of Engineers, small local drainage projects through the city's Public Works Department, and stormwater staff necessary to administer the city's program.

The major priorities of the FY2017 budget include projects proposed through a new bond issue including \$3 million for Spring Branch Industrial Park infrastructure; \$1.7 million for construction of Fire Station #6 to serve the new Spring Branch Industrial Park and commercial area at I-75's Exit 20; \$900,000 for the fire apparatus for #6 Fire Hall; \$800,000 for replacement of the city's twenty-year old computer software system; and funding for the city's email and geographic information system (GIS), a new police command post, Tinsley Park tennis courts, and paving for Tinsley Park and the soccer complex. State and federal funds will construct the new Tom Rowland Interchange on APD-40 to be completed by November 2016. The Local Interstate Connector (LIC) project at the new APD-40 Interchange was completed in 2014 on the south side and construction of the LIC-North will be completed in 2016. The City and County have each contributed \$2,000,000 and the state is funding \$4,000,000 for the LIC projects.

Staff continued a conservative approach of estimating revenue for the FY2017 budget. Due to conservative budgeting practices there has been growth in the fund balance for thirteen of the past fifteen fiscal years. Due to the emergency replacement of the Cleveland High School gymnasium, the City used \$5.3 million of its \$12.8 million fund balance in the City's General Fund for this project in FY2015.

Cleveland City Schools will receive a transfer of operating money from the city's General Fund in the amount of \$5,273,600, which is the same amount as FY2016 due to the emergency construction of the Cleveland High School Arena. Also, a transfer from the city's General Fund is made to the Debt Service Fund to cover long-term debt incurred by the city for the school system in the amount of \$2,524,379, which includes an additional \$443,226 for the new Cleveland High School Arena. A new elementary school is proposed to be constructed on Georgetown Road in FY2017. Initial funding will be provided from the city's share of a county bond issue for Lake Forest Middle School. Because all residents pay county taxes, Bradley County funds education based upon the ratio of students attending each school system. Since one-third of the students attend Cleveland City Schools, one-third of the county's property tax and capital funding designated for education supports city schools and two-thirds supports county schools. The city will provide its funding for the new elementary school in July 2017 from the proceeds of a proposed bond issue.

The Library Fund also receives a transfer of money from the City's General Fund each year, with an equal appropriation from Bradley County. The FY2017 budget includes \$645,800 for the Cleveland Public Library which is a \$19,100 increase from last fiscal year. This additional funding will be used to fund a 3.5% step increase for employees and increased health insurance premiums.

Cleveland Utilities' budgets are actually enterprise fund service plans that can fluctuate depending upon the usage of utilities, which can be affected by market conditions and the weather. Cleveland Utilities receives no transfers of money from the City's General Fund or other funds because the utilities operate solely from their charges for service. Cleveland Utilities included a local rate increase of 4% for water customers

and a 1.13% HUC pass through; a 4.50% increase for their wastewater customers; and a 1.50% local rate increase for electric customers, and any TVA pass through for FY2017.

Budget Assumptions:

Staff used several assumptions in preparing this Budget. The assumptions were important factors in estimating revenues and expenditures. The major assumptions are as follows:

Rate Increases:

- No property tax rate increase.
- No increase in the Residential Sanitation Fee.
- A stormwater user fee was implemented July 1, 2014 for properties located within the city to fund stormwater projects and to hire a consultant to prepare an analysis of the impervious surface of each parcel in the city, determine the average equivalent residential unit (ERU) rate, establish a credit system for green infrastructure, and determine the stormwater fee necessary to fund the Cleveland stormwater program including the projects identified by the Army Corp of Engineers' flood study scheduled to be completed in 2016. The monthly fee of \$1.00 for residential property and the monthly fee of \$2.00 for non-residential properties with 2,500 square feet of impervious area or greater continued through December 31, 2015. The consultant recommended and the City Council approved a 3-tiered residential fee and a non-residential rate of \$3.25 per ERU, which is below the \$3.35 state average, and will be used to address National Pollutant Discharge Elimination System (NPDES) requirements.
- The city's street cut permit fee will remain \$265 for 48 square feet of patch. This fee was last increased in August 2015.
- Fleet Management will charge \$77 (previously \$67) per hour for labor, 33% (previously 30%) markup on parts, 33% markup on contracted services and a 25-cent (previously 20-cent) markup on each gallon of fuel over the City's actual cost. These fees are for the overall operating expenses incurred by this facility and fleet operation.

Revenue Growth Projections:

- Property tax revenue growth of approximately 1.6% over FY2016's amended budget.
- Local sales tax budgeted at 2% above the FY2016 budget.

- State sales tax budgeted at 4.2% above the FY2016 budget.
- State income tax budgeted at 22% above FY2016 budget.
- 5% franchise fee on the gas franchise and the cable television franchise.

Expenditures and Transfers:

- City employees will receive no Cost of Living Adjustment (COLA). In order to implement the city's recent Classification/Compensation study which indicated that Cleveland's starting pay is 3.5% below the consultant's market salary survey, employees who qualify will receive a 3.5% step increase in FY2017. Cleveland Utilities has funded a 3.5% raise for their employees, and City Schools has funded a step increase for their employees who qualify as well as a 3% increase for all employees.
- The city will hire a Geographic Information System (GIS) Administrator in order to provide mapping access to all departments. This position was previously contracted through Cleveland Utilities mainly serving engineering functions and street addressing.
- The City Schools' budget includes six additional teaching positions and one half-time position.
- Cleveland Utilities' budget includes four additional positions.
- The rate increase for health and dental insurance has not yet been determined. The city's partially self-funded plan is experiencing claims similar to last year and staff has included a 4.4% increase for health insurance.
- The Appropriations Budget includes \$12,000 for FY2017 for the replacement of the HVAC system at the Museum Center at Five Points, which is a key anchor for downtown Cleveland. This level of support will need to continue for seven years (through FY2021) to finance the project. This budget also increases the funding for the Bradley County Emergency Communication District (9-1-1 service) from \$450,000 to \$550,000 annually.
- The City will pay \$2,524,379 for debt service for school capital projects.
- The FY2017 unreserved fund balance represents 29.9% of total general fund expenditures. However, unreserved fund balance only represents 21.7% when compared to total general fund expenditures and transfers to other funds – such as debt service and schools.
- The FY2017 budget will not use any of the City's \$3.7 million debt service fund balance which represents 59.5% of debt service expenditures.

Proposed New Debt:

- The City’s FY2017 General Fund budget includes \$7.7 million in long-term debt for capital projects, including \$3 million for Spring Branch Industrial Park infrastructure; \$1.7 million for construction of Fire Station #6 to serve the new Spring Branch Industrial Park and commercial area at I-75’s Exit 20; \$900,000 for the fire apparatus for #6 Fire Hall; \$800,000 for replacement of the city’s twenty-year old computer software system; and funding for the city’s email and geographic information system (GIS), a new police command post, Tinsley Park tennis courts, and paving for Tinsley Park and the soccer complex. The fire station is necessary in order for the fire department to adequately serve the southern portion of the city, including the new Spring Branch Industrial Park and the Interstate Exit 20 commercial area which will continue to develop. The new station, equipment and personnel will be needed in order to help the city maintain its ISO rating once development occurs.
- Cleveland Utilities’ Water Division has \$5 million in loans authorized and unissued through the State Revolving Fund for the installation of Advanced Metering Infrastructure (AMI) meters. These funds will be drawn down over three fiscal years, through FY2017.
- Cleveland Utilities Budget is also projecting \$3 million in new debt for their Electric Division, \$5.225 million in new debt for their Water Division, and \$5.652 million for their Sewer Division for various capital projects.

Proposed Capital Projects:

- The City will fund \$2.8 million in capital projects this fiscal year from the 2009 local option sales tax which funds **only** capital infrastructure and equipment needs of each department.

➤ Public Works	\$1,359,962
➤ Fire Department	582,000
➤ Police Department	359,000
➤ City-wide computer info system	274,000
➤ Parks and Recreation	85,000
➤ Development and Engineering	24,000
➤ General Govt. and Administration	178,000

The above amounts fund replacement equipment for city departments, except for the following projects:

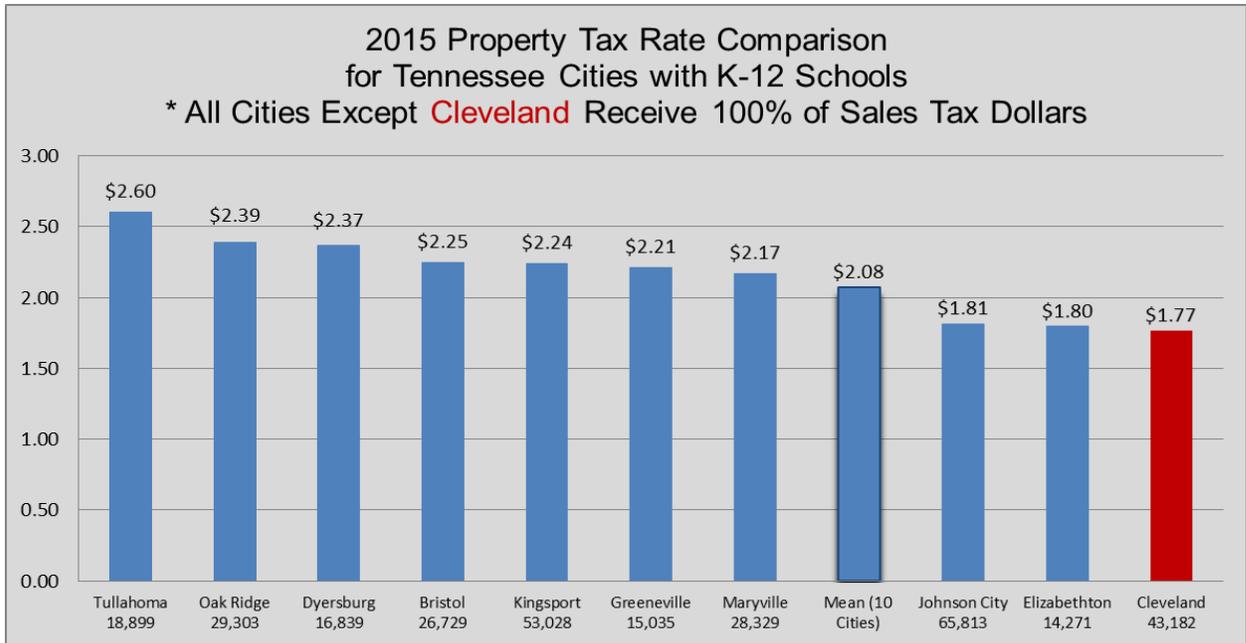
❖ Street paving	\$1,000,000
❖ Sidewalk Projects	65,000
❖ MPO – Adkisson Project	130,000
❖ MPO – Paul Huff Extension	12,000

❖ Purchase of Inman St. Building	50,000
❖ Police E-ticketing equipment	74,000
❖ Fire SCBA Cylinders	150,000
❖ Greenway Parking Lot – Keith St.	60,000
❖ Playground Equipment	25,000
❖ Downtown Redevelopment	100,000

- City Schools will receive approximately \$925,000 for its capital projects from the sales tax referendum.
- Federal funding has been made available through the Metropolitan Planning Organization (MPO) for transportation projects. This budget includes:
 - Adkisson Drive and Norman Chapel Road (Executive Park Drive to Paul Huff Parkway)
 - Paul Huff Parkway Extension
- Stormwater fees will be used to fund the following:
 - Major drainage projects to be identified by the Army Corp of Engineers’ study.
 - Small drainage projects through the Public Works Department, including Oak Street and Parker Street drainage improvements.
- The FY2017 budget includes \$200,000 (90% federal and state funds) for the Metropolitan Planning Organization (MPO) and \$387,511 for the Community Development Block Grant Entitlement program, a 100% federally funded program. The City qualifies as an Entitlement Community for the CDBG program due to designation as a principal city in an MSA.

Major Issues:

1.) **Property Tax Rate:** Cleveland’s property tax rate of \$1.7655 per hundred dollars of assessed value remains the lowest property tax rates of similarly-sized cities with a K-12 city school system in the state. The FY2017 Budget will not include a property tax increase to maintain the current level of service being provided today for our citizens. See the chart on the next page for a comparison of Cleveland’s rate to other similarly-sized cities with K-12 school systems. The total amount of funding for the Cleveland City Schools System equals \$7.8 million or 39% of the total property tax revenues.



2.) **Elementary School:** This Budget **does not** include funding for a new elementary school. The City has purchased the land, but does not have funding in place for the estimated \$14 million new elementary school to be located on Georgetown Road. The City anticipates that Bradley County will issue debt for its Lake Forest Middle School, with one-third of the capital funds allocated for the city school’s capital project in January 2017. The City will issue its bonds in July 2017 to begin construction of its new elementary school. The operational increase and furnishings for the new school will be paid by City Schools.

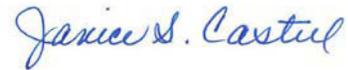
3.) **Other Funding Issues:** The City and County have each agreed to invest \$2 million in a proposed veterans’ home to be located off APD-40. The City’s funds for the veterans’ home will be available in FY2017 when Bradley County reimburses the city’s \$2 million investment made on their behalf for the Spring Branch Industrial Park. Land has been donated for the veterans’ home, the design has been completed, and the city has budgeted \$150,000 for road improvements to Kile Lane which will be the entrance to the Veterans home.

We believe this Budget includes only essential items required for the City to continue to move forward and to make significant progress on the City’s goals for the coming year.

I would be remiss if I did not acknowledge the numerous hours of staff time that have been devoted to preparing this Budget. I especially want to thank Amy Newman, City Accountant, Christy Bryant, Support Services Manager, Shawn McKay, Director of Finance, Melinda Carroll, Assistant City Manager, and the staff of the Administration and Finance Department, Department Heads and their Departmental Budget Officers for their time and effort in preparing this Budget.

A Public Hearing and first reading of the Budget Ordinance have been scheduled for May 9th. The final reading of the Budget Ordinance will be held on May 23th and this Budget with any revisions you recommend will go into effect on July 1, 2016. Please contact me if you have any questions or would like to discuss the Budget in detail.

Respectfully Submitted,



Janice S. Casteel
City Manager

City of Cleveland, Tennessee
Goals & Objectives
and Strategies for Implementation

- Goal #1 Improve the educational system in the City of Cleveland.
- Objective: Continue upgrade of technology equipment all schools.
- Continue transition to digital content at Cleveland High School, Cleveland Middle School and grades 4-5.
 - Continue to replace ¼ of teacher computers every year.
 - Purchase mobile carts equipped for laptops for Cleveland High School and Cleveland Middle School.
 - Increase the number of wireless access points in each school.
- Objective: Continue to see growth and improvement on both state and national assessments such as TN Ready, American College Test, and Preliminary Scholastic Aptitude Test.
- Continue implementation of a system-wide instructional improvement system.
 - Continue staff training.
 - Continue professional development for classroom teachers.
- Objective: Construct new facilities.
- Continue planning and design phase for a new elementary school.
- Objective: Provide quality meals that meet federal and state nutritional guidelines for students through the School Nutrition Program.
- Offer 3 meal options to meet a variety of student tastes and preferences at no cost to students.
 - Provide nutrition educational material to encourage healthy eating habits at home.
- Objective: Provide major capital improvements related to maintenance and transportation needs for schools.
- Continue bus replacement program.
 - Prioritize building maintenance projects.
 - Update long-range capital replacement plan.
 - Continue short-term capital improvement program.
- Goal #2 Improve the level of public safety within the City of Cleveland.
- Objective: Provide better equipment for public safety personnel.
- Maintain and upgrade self-contained breathing apparatus for fire personnel as needed.
 - Purchase traffic crash/crime scene mapping equipment.

- Implement Watson reporting system to improve accuracy and lower the amount of time officers spend on report calls.
- Objective: Increase public fire education with schools, civic organizations, and citizen groups.
- Purchase additional fire safety materials and provide additional training classes to the public.
 - Hold an annual Open House at all stations, including live demonstrations of fire equipment.
 - Present “show and tell” at schools throughout the year in addition to Fire Prevention month, and encourage station tours for children and adults of all ages.
 - Offer informational speakers for civic organization meetings.
 - Offer Career Showcase annually to educate the public as to the lifestyle and skill sets required for a career in fire service.
- Objective: Maintain or improve ISO rating by hiring additional firefighters and constructing new fire stations.
- Continue to fill vacant positions caused by recent retirements.
 - Hire two firefighters to bring all fire crews to a minimum of four personnel.
 - Fill the Deputy Chief position in order to fully implement all fire programs, increase the depth at the administrative level, and enable succession planning for the department.
 - Construct new fire station at Westland Drive/APD40 to service the southern part of the city and anticipated new industrial and commercial development around I-75 Exit 20.
 - Begin search for property in anticipation of building a new fire station (CFD Station Seven) to service the northeast portion of the city, including the industrial park and Cleveland’s Regional Jetport.
- Objective: Continue to reduce crime rates in Cleveland and place a high priority on school safety.
- Continue to fill vacant positions caused by recent resignations, retirements, and disciplinary actions.
 - Provide advanced active shooter training for law enforcement.
 - Continue training program for law enforcement personnel.
 - Participate in community awareness training and participate in active shooter scenario training with other agencies.

- Utilize police department's new K-9's and continue partnership with the Drug Task Force to target prescription drug abuse in the Cleveland community.
- Objective: Implement equipment replacement program.
 - Replace worn out and unsafe police cars on an annual basis.
 - Replace firearms as necessary.
 - Provide continued advancements in Information Technology as trends and technological advancements occur to maximize modern enforcement strategies.
 - Replace fire administration and inspection vehicles over the next several years.
- Objective: Increase the number of sworn police officers to address the increasing calls for service and the continued population growth of Bradley County.
 - Add six additional patrol positions to bring the patrol teams up to eight members each.
 - Create two new level 27 Drug Detective positions to help address the growing prescription drug use issue in City of Cleveland.
- Objective: Continue the Wellness Program for Cleveland Fire Personnel.
 - Continue annual physicals for all certified fire personnel.
 - Continue annual fit-for-duty testing for all firefighters hired after 2007.
 - Hold Peer Fitness Assessment annually.
 - Allocate one hour per shift for physical fitness for all certified personnel.

Goal the #3 Improve the facilities and transportation system within the City of Cleveland.

- Objective: Continue street resurfacing program.
 - Fund \$1 million annually for street resurfacing projects.
- Objective: Continue drainage improvements to alleviate flooding.
 - Fund \$200,000 annually in major drainage projects.
- Objective: Continue pothole patching program and eventually have all streets on resurfacing program to eliminate potholes.
 - Continue to allocate crews dedicated to maintenance of city streets.
- Objective: Install new sidewalks and repair existing sidewalks.
 - Fund \$30,000 annually in new sidewalk construction and sidewalk maintenance.
 - Fund one-time pedestrian projects totaling more than \$1 million.

- Objective: Improve the coordination of downtown traffic signals.
 - Continue study of signal timing and traffic patterns.
- Objective: Extend the runway from 5,500 ft. to 6,200 ft. to better serve Cleveland's industry flying into the new Cleveland Regional Jetport.
 - Authorize consultant to complete design and apply for state and federal funding.
- Objective: Continue inspection of all utility cuts.
 - Continue funding of two inspectors who monitor all utility cuts from start to finish insuring proper procedures and materials are used.
 - Study new technology and methods to prevent failure of street cuts.
- Objective: Continue the City's storm water program.
 - Continue compliance with the city's NPDES permit.
 - Continue to provide water quality education.
 - Partner with community for stream clean-ups.
 - Continue implementation of the storm water utility fee necessary to fund Cleveland's storm water program including the projects identified by the Army Corp of Engineers flood study.
- Objective: Continue the Army Corp of Engineers' Flood Study of Cleveland's drainage basins.
 - Plan and start Army Corp of Engineers recommended projects.
- Objective: Improve major intersections in Cleveland.
 - Continue work with TDOT to identify needed intersection improvement projects.
 - Redesign Paul Huff/Adkisson intersection to accommodate increased traffic.
- Objective: Operate and expand a city-wide deviated fixed route transit system.
 - Identify areas for expansion of city-wide deviated fixed route transit system.
- Objective: Implement Phase III of Roadscapes Project on 25th Street from Keith Street to Parker Street.
 - Construct Phase III of Roadscapes Project.

Goal #4

Improve the city's ability to provide services through technology.

- Objective: Continue to improve and update the city's new website.
 - Staff will assist the Community Relations/Grant Coordinator with posting new information and features to the city's website.
- Objective: Continue collection of property taxes and fines on-line.

- Staff will work with new financial vendors and financial institutions to provide citizens with the best service.
- Objective: Continue scanning of City files for improved access to information and improve research capabilities.
 - Provide adequate hardware and software to facilitate collection, storage and access of city data.
- Objective: Continue use of procurement cards to purchase materials for city departments.
 - Provide departments and users on-line access to procurement card statements.
- Objective: Continue installation of laptop computers in fire trucks and maintenance of computers in police cars.
 - Maintain laptop computers in fire trucks and train fire department employees to use these mobile data terminals.
 - Install software updates for police and fire computers as those become available.
 - Implement new software allowing the use of smartphones to access police data, reporting, and ticketing.
- Objective: Continue to research new ways to implement mobile computing for city employees to improve productivity.
 - Research and develop best practices for wired and wireless devices.
 - Implement and maintain latest hardware and software.
 - Attend trade shows, vendor events, and visit other cities to stay informed on latest trends in technology.

Goal #5 Improve economic development efforts.

- Objective: Continue to aggressively market the Cleveland/Bradley Industrial Park and the new Spring Branch Industrial Park.
 - Participate in Industrial Development Board meetings.
 - Maintain link with Bradley/Cleveland Chamber of Commerce website to promote the new Spring Branch Industrial Park.
- Objective: Continue to support the Economic Development Council and the Industrial Development Board so that a solid recruitment and retention program remains in place.
 - Provide financial support to the Bradley/Cleveland Chamber of Commerce.
- Objective: Develop Spring Branch Industrial Park.
 - Design and install infrastructure for new industrial park.

- Objective: Complete Local Interstate Connector roads in conjunction with proposed APD-40 Interchange and planned improvements for Exit 20.
 - Design and construct Local Interstate Connector – North road project.
- Objective: Market the new Cleveland Regional Jetport
 - Attend trade shows with Bradley/Cleveland Chamber of Commerce representatives.
 - Continue to expand website

Goal #6

Improve long-range planning.

- Objective: Hold annual Council Planning Retreat to determine city-wide needs and priorities.
 - Identify and provide cost estimates for needed projects.
- Objective: Annually review the City’s Debt Management Policy and implement revisions as necessary to protect the City’s financial stability.
 - Review the current Debt Management Policy for necessary revisions based upon changes in state law and best management practices.
- Objective: Increase the fund balance of the Debt Service Fund to 70% of the fund’s annual expenditures.
 - Budget all variable rate debt at 4%.
- Objective: Prepare a long-range financial plan to be updated annually to include the City’s 15-year equipment replacement schedule and capital projects included in the City’s current Capital Improvement Needs Inventory (CINI).
 - Maintain and update departmental 15-year equipment programs.
- Objective: Continue Transportation Planning through the Metropolitan Planning Organization (MPO) coordinated with the Rural Planning Organization (RPO).
 - Attend MPO and RPO meetings.
 - Continue planning for more than \$6 million in transportation projects for next two years.
- Objective: Develop strategic growth plan for Bradley County due to the new Wacker Chemie Industrial development at Exit 33 and the new Volkswagen plant located in Ooltewah, which is only 7 miles from Cleveland city limits.
 - Implement the 2035 Comp Plan and three small area plans.

Goal #7

Improve the quality of life of citizens of Cleveland.

Objective: Continue implementation of Community Development Block Grant program for low and moderate income areas of Cleveland.

- Identify and complete projects in target area.

Objective: Continue implementation of historic zoning through the Historic Preservation Commission.

- Serve as staff for the Historic Preservation Commission.
- Prepare educational flyer for residents of Historic Preservation area.

Objective: Continue support of the Cleveland/Bradley County Public Library

- Provide funding for new library materials and technology.

Objective: Improve existing recreational facilities.

- Replace ground covering with certified mulch at all city playgrounds.

Objective: Continue a proactive codes enforcement program.

- Continue funding four code enforcement positions.
- Utilize the city's website and utility bill flyer to inform citizens of code requirements.

Objective: Continue to provide high quality animal control services.

- Strive for a "No-Kill" Animal Shelter
- Increase educational programs on the need for spay, neutering and vaccinations of all cats and dogs.
- Continue to aggressively respond to citizen complaints regarding animals and animal cruelty.

Objective: Continue development of the Cleveland/Bradley County Greenway.

- Design and construct the Ocoee Greenway Connector estimated to cost \$930,000.
- Construct a section of greenway from Willow Avenue to Brown Avenue estimated to cost \$70,000.
- Design a section of greenway from Brown Avenue to Inman Street.

Objective: Increase recreational opportunities for the entire community.

- Construct new tennis complex at Tinsley Park.
- Renovate Blythe/Old Field Park.
- Construct multi-purpose and baseball fields at Blythe-Bower Elementary School.

Objective: Continue improvement at the skateboard park.

- Purchase additional equipment for the park.

Objective: Implement a Recreation Long-Range Master Plan.

- Hold community meetings and work with Parks and Recreation Board to begin update of Long-Range Master Plan.
- Objective: Continue to be designated a “Tree City”.
 - Increase Cleveland’s green footprint by planting additional trees.
- Objective: Reduce the amount of material taken to the landfill.
 - Increase recycling awareness through educational materials.
 - Partner with Keep America Beautiful organization in support of “Household Hazardous Waste Day”.
- Objective: Continue partnership with Habitat for Humanity for development of housing for low income home buyers.
 - Donate surplus vacant property to Habitat for Humanity as lots become available.
- Objective: Continue plan for redevelopment of former Whirlpool plant area and begin Inman Street Redevelopment plan.
 - Hold meetings with government and community representatives to begin redevelopment plan.
 - Apply for redevelopment grants.
- Objective: Provide reliable electric, water, and wastewater utility services.
 - Extend services to newly-annexed areas.
 - Continue to maintain the systems’ financial stability while expanding the customer base into those areas annexed into the city and increasing the systems’ capacity.

Goal #8 Improve efficiency through workforce.

- Objective: Provide a safe work environment for all workers.
 - Repair and/or replace equipment as needed.
 - Conduct annual safety awareness training.
- Objective: Properly train and inform employees of safe workplace practices.
 - Provide safety manual to all new employees.
 - Provide training required by OSHA to all employees, in addition to specialize work-related safety practices and basic safety, CPR/AED, and First Aid training.
- Objective: Adhere to personnel policy in hiring qualified, competent workforce.
 - Provide qualification testing for available positions.
 - Conduct interviews and qualification requirement testing in conjunction with department heads.
- Objective: Provide training and educational opportunities for workforce to enhance job skills.

- Increase training budgets for employees.
 - Provide city-wide training as available for a variety of topics.
- Objective: Implement new diversity policy.
- Attend career fairs and other recruitment venues.
 - Continue to advertise job openings on city's new website.
- Objective: Provide fleet management services to city departments and other outside agencies.
- Provide a quality preventive maintenance program.
 - Improve the training and certifications of mechanics.

Goal #9 Improve energy efficiency of City buildings and equipment.

- Objective: Replace roofs on City buildings with more energy efficient roofs.
- Update roof assessment and replacement plan for all city buildings.
- Objective: Research use of alternative fuels for City vehicles.
- Attend seminars related to alternative fuels.
- Objective: Continue energy audits of all City buildings.
- Prepare City Council update of energy audit.
 - Continue utilizing TVA for energy audits of city buildings.

City of Cleveland Summary of All Funds

This section consists of first a consolidated summary of all funds used to provide city services. As described in the summary of significant accounting policies, the various funds are grouped into three broad fund categories as follows:

(1) Governmental Funds

General Fund – The principal fund of the city. The General Fund is used to account for all activities of the City not included in other specified funds. The General Fund accounts for the normal recurring activities of the City (i.e., public safety, recreation, public works, general government, etc.).

The School Fund is also a major fund of the City. It is used to account for the revenues and expenditures of the City of Cleveland public school system.

Special Revenue Funds – Funds used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The City's Special Revenue Funds include the State Street Aid Fund, Solid Waste Management Fund, Drug Enforcement Trust Fund, School Fund, School Food Services, Library Fund, Community Development Block Grant Fund, Metropolitan Planning Organization Fund, Byrne Memorial Grant Funds, Recycling Grant, E-Ticketing Grant and Schools Federal Projects Fund.

Debt Service Fund – Fund used to account for the accumulation of resources for, and payment of, general long-term principal, interest, and related costs.

Capital Project Funds – Funds used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by enterprise operations. The City's Capital Project Funds include the City's Capital Improvement Program Fund, the Sales Tax Capital Projects Fund, Greenway Fund, Fletcher Park Trust Fund and Spring Branch Industrial Park Fund.

(2) Proprietary Funds

Enterprise Funds – Funds used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - - where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has three Enterprise Funds: Cleveland Utilities Electric Division, Cleveland Utilities

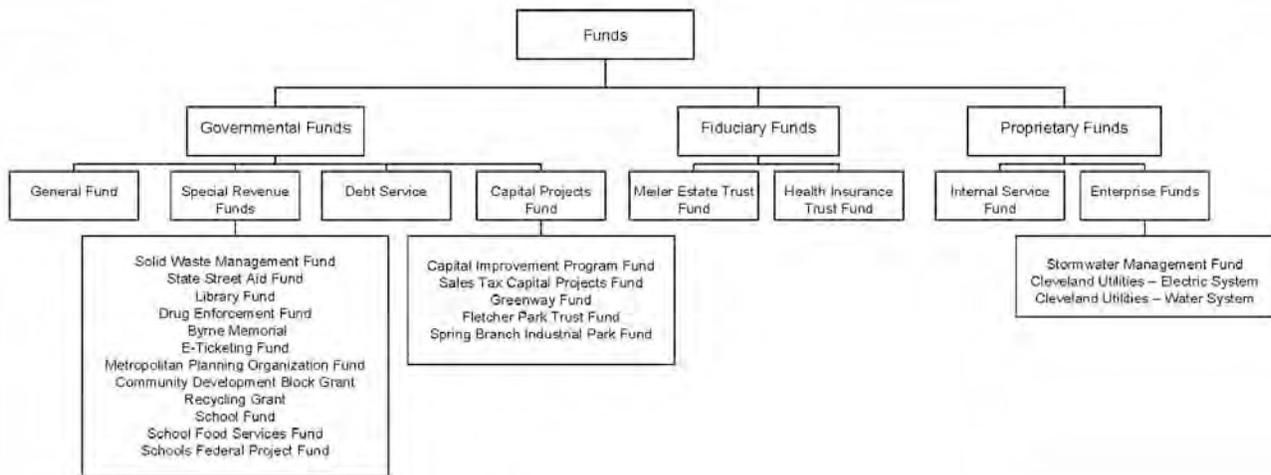
Water/Wastewater Division and Stormwater Management. Cleveland Utilities Electric Division and Water/Wastewater Division are considered major funds of the City.

Internal Service Funds – Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The Fleet Management Fund is the City’s only Internal Service Fund and is used to account for expenses necessary to maintain the rolling stock of the City departments.

(3) Fiduciary Funds

Trust Funds – Funds used to account for assets held by the city in a trustee capacity. A “non-expendable” trust fund stipulates that only earnings and not principal may be spent. The Meiler Estate Animal Shelter Trust Fund, a permanent fund, is used to account for funds bequeathed to the Cleveland Animal Shelter by Elizabeth and John Meiler. In addition, the City has established a Health Insurance Trust Fund to cover the costs of the city’s partially self-insured insurance program.

The following chart illustrates these three fund categories and their individual funds.



The three largest sources of revenue for the City budget include Charges for Services, Intergovernmental, and Taxes. Combined these sources provide 98.6% of the total revenues received by the City of Cleveland.

Charges for services revenues provide 61.0% of the revenues necessary to provide city services. Cleveland Utilities bills the majority of this to its customers for electric, water, and wastewater services. Other charges include recreation fees, the sanitation fee billed to city residents, stormwater fees, school tuition fees charged to students who live outside the city limits, charges for lunches in the School Food Service Fund, amounts billed to city departments for vehicle maintenance, and other miscellaneous fees.

Intergovernmental revenues represent 21.9% of the City's revenues. Education funding received from Bradley County, the State of Tennessee, and the Federal government accounts for more than half of this revenue. Other sources include state sales tax, TVA in-lieu-of-tax payments, and state income tax, to name only the larger ones.

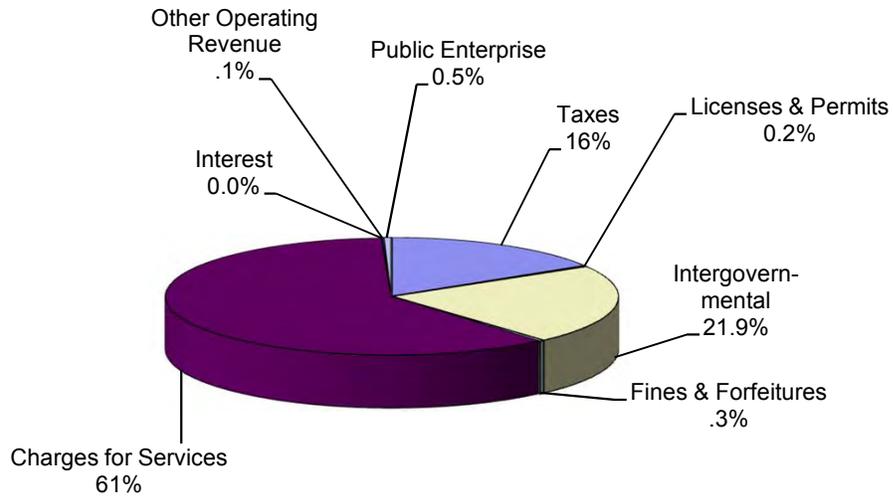
Tax revenues account for 16.0% of the total funding sources received to fund city services. Property tax and sales tax are the largest sources of tax revenues. Combined they provide over 87% of total taxes collected. The proposed budget does not include a property tax increase and the city's rate will remain \$1.7655 per hundred dollars of assessed value. There is no change in the monthly sanitation fee of \$6.95. The budget does include a monthly stormwater user fee established using a tiered residential rate of \$1.65 for 0.5 Single Family Unit (SFU), \$3.25 for 1.0 SFU and \$4.90 for 1.5 SFU.

Major uses of these resources include power purchased by Cleveland Utilities at 36.2% and education funding at 21.0%. Other significant expenditures and expenses include Cleveland Utilities' operation expenses at 10.8% and Public Safety at 8.2%.

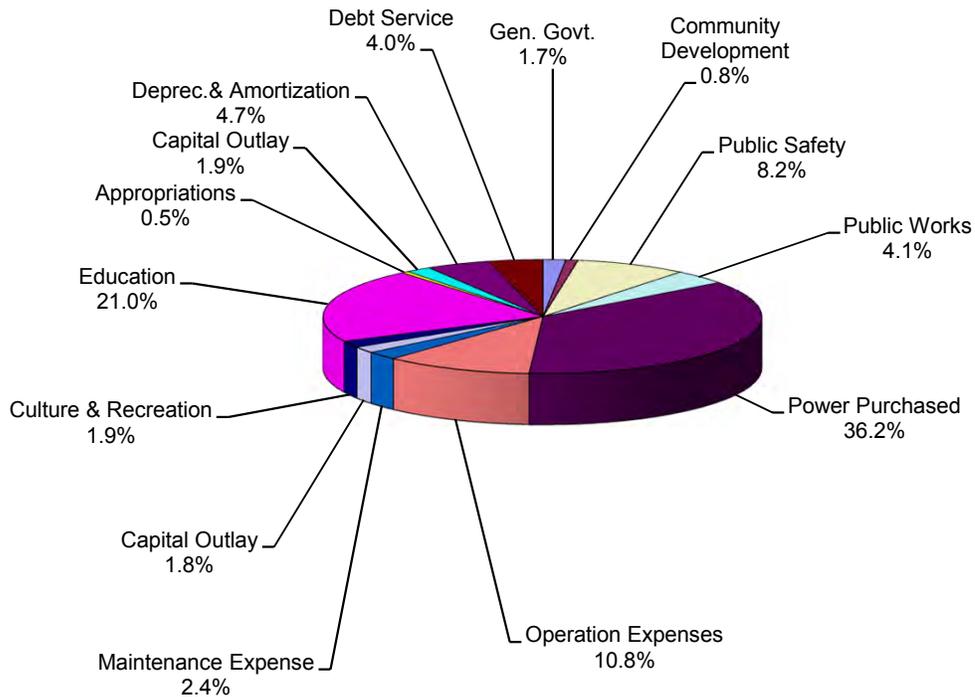
The revenue sources and expenditures of the City of Cleveland may be more easily understood by reviewing the following pie charts. Also included in this section are three-year budget spreadsheets (FY2015 actual, FY2016 budgeted, and FY2017 recommended budgets) for each of the fund categories.

Information about each individual fund may be found within the various fund types: General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Trust Funds. Please see those tabs for detailed budget information and the services provided by these funds.

City of Cleveland Summary of All Funds Revenues By Source - FY2017



Expenditures and Expenses By Use - FY2017



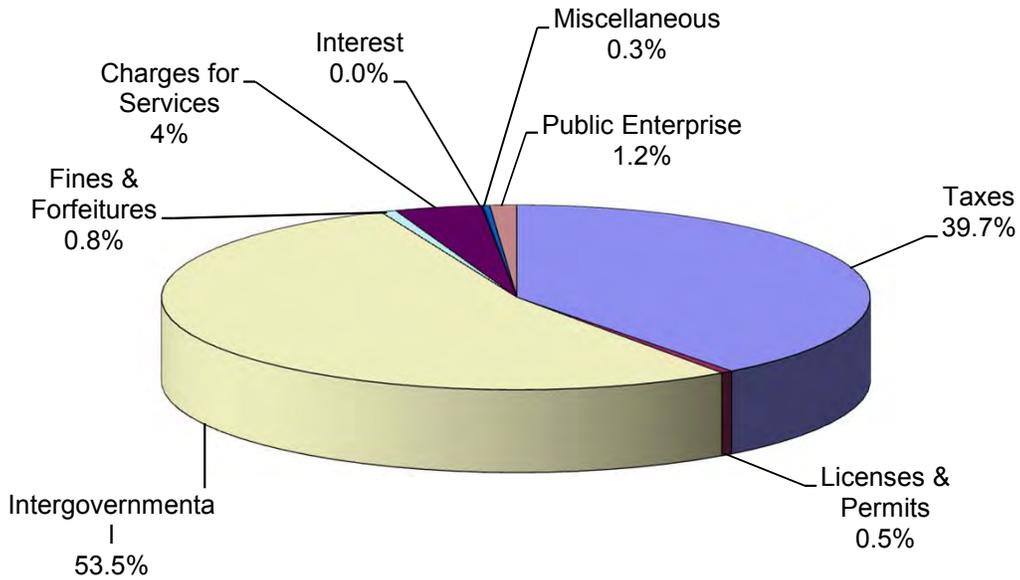
City of Cleveland, Tennessee
2015-2017 Summary of All Funds

	Governmental Funds			Proprietary Funds		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Revenues:						
Taxes	\$36,910,848	\$37,044,643	\$37,493,000	\$0	\$0	\$0
Licenses & permits	492,000	500,250	508,500	0	0	0
Intergovernmental	53,429,253	60,459,624	50,520,335	0	0	0
Fines & forfeitures	665,896	650,675	663,250	0	0	0
Charges for services	3,686,987	3,722,315	3,730,615	125,737,715	131,280,867	132,650,331
Interest	95,433	56,550	42,550	82,205	68,780	77,168
Miscellaneous	1,930,542	1,081,759	309,368	1,906	4,971	0
Public Enterprise	977,476	1,035,400	1,159,100	0	0	0
Subtotal:	\$98,188,435	\$104,551,216	\$94,426,718	\$125,821,826	\$131,354,618	\$132,727,499
Other financial sources:						
Operating transfers in	21,688,975	15,788,674	15,873,442	0	85,636	0
Capital contributions	0	0	0	333,235	0	0
Proceeds from debt	0	15,694,990	0	0	0	0
Total Financial Sources	\$119,877,410	\$136,034,880	\$110,300,160	\$126,155,061	\$131,440,254	\$132,727,499
Expenditures and Expenses						
General government	\$2,455,194	\$3,212,596	\$3,077,784	\$569,991	\$645,361	\$682,452
Community development	1,567,779	1,900,661	1,988,340	0	0	0
Public safety	16,974,564	17,974,417	18,498,931	0	0	0
Public works	8,676,635	9,134,562	9,173,297	0	0	0
Power purchased	0	0	0	81,846,712	83,994,604	81,432,741
Operation expenses	0	0	0	20,424,657	22,972,883	24,436,068
Maintenance expense	0	0	0	5,049,920	5,206,931	5,298,958
Health and welfare	483,389	539,268	511,947	0	0	0
Culture and recreation	4,245,588	4,134,996	4,321,903	0	0	0
Education	46,715,950	45,549,960	47,319,468	0	0	0
Appropriations	1,091,983	1,112,757	1,212,736	0	0	0
Capital outlay	10,351,107	29,065,908	4,192,548	0	0	0
Depreciation and amortization expense	0	0	0	9,859,375	10,255,949	10,571,942
Debt service principal	3,960,888	12,583,710	4,356,560	0	0	0
Debt service interest and other	2,378,383	2,605,578	2,392,552	1,994,950	2,141,615	2,227,481
Subtotal:	\$98,901,460	\$127,814,413	\$97,046,066	\$119,745,605	\$125,217,343	\$124,649,642
Other financing uses:						
Pymt. to ref. bond escrow	4,105	4,600	4,600	0	0	0
Operating transfers out	19,441,870	13,466,334	13,528,419	2,247,105	2,407,976	2,345,023
Total Use of Resources:	\$118,347,435	\$141,285,347	\$110,579,085	\$121,992,710	\$127,625,319	\$126,994,665
Net Increase (Decrease) in Fund Balance	\$1,529,975	(\$5,250,467)	(\$278,925)	\$4,162,351	\$3,814,935	\$5,732,834
Fund Balance or Net Assets - July 1	25,329,944	26,859,919	21,609,452	119,845,982	124,008,333	127,823,268
Fund Balance or Net Assets-June 30	\$26,859,919	\$21,609,452	\$21,330,527	\$124,008,333	\$127,823,268	\$133,556,102

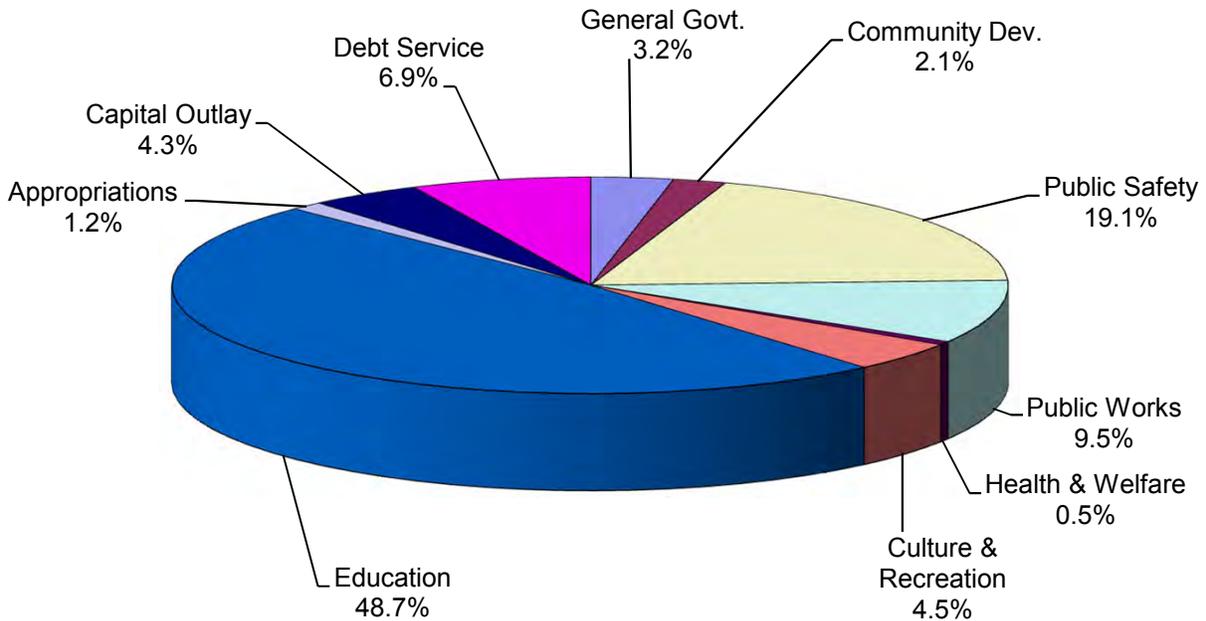
City of Cleveland, Tennessee
2015-2017 Summary of All Funds

	Fiduciary Funds			Total		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Revenues:						
Taxes	\$0	\$0	\$0	\$36,910,848	\$37,044,643	\$37,493,000
Licenses & permits	0	0	0	492,000	500,250	508,500
Intergovernmental	0	0	0	53,429,253	60,459,624	50,520,335
Fines & forfeitures	0	0	0	665,896	650,675	663,250
Charges for services	0	3,362,105	3,537,484	129,424,702	138,365,287	139,918,430
Interest	655	1,000	1,000	178,293	126,330	120,718
Miscellaneous				1,932,448	1,086,730	309,368
Public Enterprise	0	0	0	977,476	1,035,400	1,159,100
Subtotal:	\$655	\$3,363,105	\$3,538,484	\$224,010,916	\$239,268,939	\$230,692,701
Other financial sources:						
Operating transfers in	0	0	0	21,688,975	15,874,310	15,873,442
Capital contributions	0	0	0	333,235	0	0
Proceeds from debt	0	0	0	0	15,694,990	0
Total Financial Sources	\$655	\$3,363,105	\$3,538,484	\$246,033,126	\$270,838,239	\$246,566,143
Expenditures and Expenses						
General government	\$0	\$0	\$0	\$3,025,185	\$3,857,957	\$3,760,236
Community development	0	0	0	1,567,779	1,900,661	1,988,340
Public safety	0	0	0	16,974,564	17,974,417	18,498,931
Public works	0	0	0	8,676,635	9,134,562	9,173,297
Power purchased	0	0	0	81,846,712	83,994,604	81,432,741
Operation expenses	0	0	0	20,424,657	22,972,883	24,436,068
Maintenance expense	0	0	0	5,049,920	5,206,931	5,298,958
Health and welfare	0	3,343,134	3,475,278	483,389	3,882,402	3,987,225
Culture and recreation	0	0	0	4,245,588	4,134,996	4,321,903
Education	0	0	0	46,715,950	45,549,960	47,319,468
Appropriations	0	0	0	1,091,983	1,112,757	1,212,736
Capital outlay	0	0	0	10,351,107	29,065,908	4,192,548
Depreciation and amortization expense	0	0	0	9,859,375	10,255,949	10,571,942
Debt service principal	0	0	0	3,960,888	12,583,710	4,356,560
Debt service interest and other	0	0	0	4,373,333	4,747,193	4,620,033
Subtotal:	\$0	\$3,343,134	\$3,475,278	\$218,647,065	\$256,374,890	\$225,170,986
Other financing uses:						
Pymt. to ref. bond escrow	0	0	0	4,105	4,600	4,600
Operating transfers out	0	0	0	21,688,975	15,874,310	15,873,442
Total Use of Resources:	\$0	\$3,343,134	\$3,475,278	\$240,340,145	\$272,253,800	\$241,049,028
Net Increase (Decrease) in Fund Balance	\$655	\$19,971	\$63,206	\$5,692,981	(\$1,415,561)	\$5,517,115
Fund Balance or Net Assets - July 1	465,375	466,030	486,001	145,641,301	158,782,604	157,367,043
Fund Balance or Net Assets-June 30	\$466,030	\$486,001	\$549,207	\$151,334,282	\$157,367,043	\$162,884,158

City of Cleveland Summary of Governmental Funds Revenues By Source - FY2017



Expenditures By Source - FY2017



City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Governmental Funds

	General Fund			Special Revenue Funds		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Financial Sources:						
Taxes	\$32,696,564	\$33,148,011	\$33,721,000	\$0	\$0	\$0
Licenses & permits	492,000	500,250	508,500	0	0	0
Intergovernmental	6,618,267	5,436,853	5,781,700	44,974,845	42,911,427	44,491,735
Fines & forfeitures	649,800	591,300	643,250	16,096	59,375	20,000
Charges for services	801,099	778,600	778,900	2,885,888	2,943,715	2,951,715
Interest	11,414	7,500	11,000	8,206	9,750	7,750
Miscellaneous	367,263	172,224	66,500	388,229	698,350	242,868
Public Enterprise	977,476	1,035,400	1,159,100	0	0	0
Subtotal:	\$42,613,883	\$41,670,138	\$42,669,950	\$48,273,264	\$46,622,617	\$47,714,068
Other financial sources:						
Operating transfers in	2,286,162	2,390,243	2,343,623	\$7,079,781	\$7,066,400	\$7,090,500
Capital lease	0	0	0	0	0	0
Proceeds from debt	0	0	0	0	0	0
Total Financial Sources	\$44,900,045	\$44,060,381	\$45,013,573	\$55,353,045	\$53,689,017	\$54,804,568
Expenditures:						
General government	\$2,455,194	\$3,212,596	\$3,077,784	\$0	\$0	\$0
Development & Engineering	1,202,401	1,393,353	1,490,770	365,378	507,308	497,570
Public safety	16,912,756	17,904,027	18,471,431	61,808	70,390	27,500
Public works	4,580,836	4,814,766	4,937,660	4,095,799	4,319,796	4,235,637
Health and welfare	483,389	539,268	511,947	0	0	0
Culture and recreation	2,929,902	2,750,196	2,897,803	1,315,686	1,384,800	1,424,100
Education	0	0	0	46,715,950	45,549,960	47,319,468
Appropriations	1,091,983	1,112,757	1,212,736	0	0	0
Capital outlay	0	0	0	201,797	1,451,992	295,711
Debt service principal	0	0	0	227,311	0	0
Debt service int. & other	0	0	0	24,212	22,478	1,200
Subtotal:	\$29,656,461	\$31,726,963	\$32,600,131	\$53,007,941	\$53,306,724	\$53,801,186
Other financing uses:						
Pymt to ref. bond escrow	0	0	0	0	0	0
Operating transfers out	18,330,832	12,321,579	12,402,300	949,319	915,119	979,119
Total Use of Resources:	\$47,987,293	\$44,048,542	\$45,002,431	\$53,957,260	\$54,221,843	\$54,780,305
Net Increase(Decrease) in Fund Balance	(3,087,248)	11,839	11,142	1,395,785	(532,826)	24,263
Fund Balance - July 1	\$12,812,055	\$9,724,807	\$9,736,646	\$5,008,285	\$6,404,070	\$5,871,244
Fund Balance - June 30	\$9,724,807	\$9,736,646	\$9,747,788	\$6,404,070	\$5,871,244	\$5,895,507

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Governmental Funds

Debt Service Funds			Capital Project Funds			Total Governmental Funds		
2015	2016	2017	2015	2016	2017	2015	2016	2017
Actual	Budgeted	Proposed	Actual	Budgeted	Proposed	Actual	Budgeted	Proposed
\$0	\$0	\$0	\$4,214,284	\$3,896,632	\$3,772,000	\$36,910,848	\$37,044,643	\$37,493,000
0	0	0	0	0	0	492,000	500,250	508,500
86,226	146,900	146,900	1,749,915	11,964,444	100,000	53,429,253	60,459,624	50,520,335
0	0	0	0	0	0	665,896	650,675	663,250
0	0	0	0	0	0	3,686,987	3,722,315	3,730,615
6,709	6,000	5,000	69,104	33,300	18,800	95,433	56,550	42,550
84,625	165,266	0	1,090,425	45,919	0	1,930,542	1,081,759	309,368
0	0	0	0	0	0	977,476	1,035,400	1,159,100
<u>\$177,560</u>	<u>\$318,166</u>	<u>\$151,900</u>	<u>\$7,123,728</u>	<u>\$15,940,295</u>	<u>\$3,890,800</u>	<u>\$98,188,435</u>	<u>\$104,551,216</u>	<u>\$94,426,718</u>
5,845,481	6,009,452	6,165,319	6,477,551	322,579	274,000	21,688,975	15,788,674	15,873,442
0	0	0	0	0	0	0	0	0
0	8,420,000	0	0	7,274,990	0	0	15,694,990	0
<u>\$6,023,041</u>	<u>\$14,747,618</u>	<u>\$6,317,219</u>	<u>\$13,601,279</u>	<u>\$23,537,864</u>	<u>\$4,164,800</u>	<u>\$119,877,410</u>	<u>\$136,034,880</u>	<u>\$110,300,160</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$2,455,194	\$3,212,596	\$3,077,784
0	0	0	0	0	0	1,567,779	1,900,661	1,988,340
0	0	0	0	0	0	16,974,564	17,974,417	18,498,931
0	0	0	0	0	0	8,676,635	9,134,562	9,173,297
0	0	0	0	0	0	483,389	539,268	511,947
0	0	0	0	0	0	4,245,588	4,134,996	4,321,903
0	0	0	0	0	0	46,715,950	45,549,960	47,319,468
0	0	0	0	0	0	1,091,983	1,112,757	1,212,736
0	0	0	10,149,310	27,613,916	3,896,837	10,351,107	29,065,908	4,192,548
3,403,000	12,250,710	4,021,560	330,577	333,000	335,000	3,960,888	12,583,710	4,356,560
2,250,493	2,480,900	2,290,952	103,678	102,200	100,400	2,378,383	2,605,578	2,392,552
<u>\$5,653,493</u>	<u>\$14,731,610</u>	<u>\$6,312,512</u>	<u>\$10,583,565</u>	<u>\$28,049,116</u>	<u>\$4,332,237</u>	<u>\$98,901,460</u>	<u>\$127,814,413</u>	<u>\$97,046,066</u>
4,105	4,600	4,600	0	0	0	4,105	4,600	4,600
0	0	0	161,719	229,636	147,000	19,441,870	13,466,334	13,528,419
<u>\$5,657,598</u>	<u>\$14,736,210</u>	<u>\$6,317,112</u>	<u>\$10,745,284</u>	<u>\$28,278,752</u>	<u>\$4,479,237</u>	<u>\$118,347,435</u>	<u>\$141,285,347</u>	<u>\$110,579,085</u>
365,443	11,408	107	2,855,995	(4,740,888)	(314,437)	1,529,975	(5,250,467)	(278,925)
<u>\$3,396,541</u>	<u>\$3,761,984</u>	<u>\$3,773,392</u>	<u>\$4,113,063</u>	<u>\$6,969,058</u>	<u>\$2,228,170</u>	<u>\$25,329,944</u>	<u>\$26,859,919</u>	<u>\$21,609,452</u>
<u>\$3,761,984</u>	<u>\$3,773,392</u>	<u>\$3,773,499</u>	<u>\$6,969,058</u>	<u>\$2,228,170</u>	<u>\$1,913,733</u>	<u>\$26,859,919</u>	<u>\$21,609,452</u>	<u>\$21,330,527</u>

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	General Fund		
	2015 Actual	2016 Budgeted	2017 Proposed
Financial Sources:			
Taxes	\$32,696,564	\$33,148,011	\$33,721,000
Licenses & permits	492,000	500,250	508,500
Intergovernmental	6,618,267	5,436,853	5,781,700
Fines & forfeitures	649,800	591,300	643,250
Charges for services	801,099	778,600	778,900
Interest	11,414	7,500	11,000
Miscellaneous	367,263	172,224	66,500
Public Enterprise	977,476	1,035,400	1,159,100
Subtotal:	\$42,613,883	\$41,670,138	\$42,669,950
Other financial sources:			
Operating transfers in	2,286,162	2,390,243	2,343,623
Proceeds from bonds	0	0	0
Total Financial Sources	\$44,900,045	\$44,060,381	\$45,013,573
Expenditures:			
General government	\$2,455,194	\$3,212,596	\$3,077,784
Development & Engineering	1,202,401	1,393,353	1,490,770
Public safety	16,912,756	17,904,027	18,471,431
Public works	4,580,836	4,814,766	4,937,660
Health and welfare	483,389	539,268	511,947
Culture and recreation	2,929,902	2,750,196	2,897,803
Education	0	0	0
Appropriations	1,091,983	1,112,757	1,212,736
Capital outlay	0	0	0
Debt service principal	0	0	0
Debt service int. & other	0	0	0
Subtotal:	\$29,656,461	\$31,726,963	\$32,600,131
Other financing uses:			
Operating transfers out	18,330,832	12,321,579	12,402,300
Total Use of Resources:	\$47,987,293	\$44,048,542	\$45,002,431
Net Increase(Decrease) in Fund Balance	(3,087,248)	11,839	11,142
Fund Balance - July 1	12,812,055	9,724,807	9,736,646
Fund Balance - June 30	\$9,724,807	\$9,736,646	\$9,747,788

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Special Revenue Funds					
	State Street Aid Fund			Solid Waste Management Fund		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	1,089,999	1,140,000	1,141,500	0	0	0
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	2,456,777	2,460,000	2,466,000
Interest	544	500	500	812	700	800
Miscellaneous	0	0	0	4,673	0	0
Subtotal:	\$1,090,543	\$1,140,500	\$1,142,000	\$2,462,262	\$2,460,700	\$2,466,800
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$1,108,000	\$1,074,100	\$1,074,100
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$1,090,543	\$1,140,500	\$1,142,000	\$3,570,262	\$3,534,800	\$3,540,900
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	622,473	678,718	700,541	3,443,139	3,617,078	3,525,096
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	0	123,800	30,000	0	0	0
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
Subtotal:	\$622,473	\$802,518	\$730,541	\$3,443,139	\$3,617,078	\$3,525,096
Other financing uses:						
Operating transfers out	386,000	347,200	411,200	7,000	10,000	10,000
Total Use of Resources:	\$1,008,473	\$1,149,718	\$1,141,741	\$3,450,139	\$3,627,078	\$3,535,096
Net Increase(Decrease) in Fund Balance	82,070	(9,218)	259	120,123	(92,278)	5,804
Fund Balance - July 1	\$514,498	\$596,568	\$587,350	\$494,210	\$614,333	\$522,055
Fund Balance - June 30	\$596,568	\$587,350	\$587,609	\$614,333	\$522,055	\$527,859

City of Cleveland, Tennessee
 2015-2017 Summary of Financial Sources and Uses
 Governmental Funds by Fund Type

Special Revenue Funds, Continued

	Drug Enforcement Trust Fund			2014 Byrne Mem. Justice Asst. Grant		
	2015	2016	2017	2015	2016	2017
	Actual	Budgeted	Proposed	Actual	Budgeted	Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	46,881	0	0
Fines & forfeitures	12,576	45,000	10,000	0	0	0
Charges for services	0	0	0	0	0	0
Interest	103	100	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Subtotal:	\$12,679	\$45,100	\$10,000	\$46,881	\$0	\$0
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$0	\$0	\$0
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$12,679	\$45,100	\$10,000	\$46,881	\$0	\$0
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	14,927	16,500	17,500	46,881	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	2,115	51,100	1,100	0	0	0
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
Subtotal:	\$17,042	\$67,600	\$18,600	\$46,881	\$0	\$0
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
Total Use of Resources:	\$17,042	\$67,600	\$18,600	\$46,881	\$0	\$0
Net Increase(Decrease) in Fund Balance	(4,363)	(22,500)	(8,600)	0	0	0
Fund Balance - July 1	\$77,939	\$73,576	\$51,076	\$0	\$0	\$0
Fund Balance - June 30	\$73,576	\$51,076	\$42,476	\$0	\$0	\$0

City of Cleveland, Tennessee
 2015-2017 Summary of Financial Sources and Uses
 Governmental Funds by Fund Type

Special Revenue Funds, Continued

	2015 Byrne Mem. Justice Asst. Grant			School Fund		
	2015	2016	2017	2015	2016	2017
	Actual	Budgeted	Proposed	Actual	Budgeted	Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	39,515	0	36,019,646	37,045,656	38,674,931
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	194,309	235,215	235,215
Interest	0	0	0	4,552	6,250	6,250
Miscellaneous	0	0	0	243,573	208,350	172,868
Subtotal:	\$0	\$39,515	\$0	\$36,462,080	\$37,495,471	\$39,089,264
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$5,273,600	\$5,273,600	\$5,273,600
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$0	\$39,515	\$0	\$41,735,680	\$42,769,071	\$44,362,864
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	39,515	0	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	39,759,223	42,176,366	43,790,745
Appropriations	0	0	0	0	0	0
Capital outlay	0	0	0	0	425,000	0
Debt service principal	0	0	0	227,311	0	0
Debt service int. & other	0	0	0	24,212	22,478	1,200
Subtotal:	\$0	\$39,515	\$0	\$40,010,746	\$42,623,844	\$43,791,945
Other financing uses:						
Operating transfers out	0	0	0	556,319	557,919	557,919
Total Use of Resources:	\$0	\$39,515	\$0	\$40,567,065	\$43,181,763	\$44,349,864
Net Increase(Decrease) in Fund Balance	0	0	0	1,168,615	(412,692)	13,000
Fund Balance - July 1	\$0	\$0	\$0	\$2,685,064	\$3,853,679	\$3,440,987
Fund Balance - June 30	\$0	\$0	\$0	\$3,853,679	\$3,440,987	\$3,453,987

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

Special Revenue Funds, Continued

	School Food Services Fund			Library Fund		
	2015	2016	2017	2015	2016	2017
	Actual	Budgeted	Proposed	Actual	Budgeted	Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	2,784,930	3,186,894	3,342,023	635,498	636,131	645,800
Fines & forfeitures	0	0	0	0	0	0
Charges for services	172,809	186,500	186,500	61,993	62,000	64,000
Interest	154	200	200	2,041	2,000	0
Miscellaneous	0	0	0	139,983	490,000	70,000
Subtotal:	\$2,957,893	\$3,373,594	\$3,528,723	\$839,515	\$1,190,131	\$779,800
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$614,181	\$626,700	\$645,800
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$2,957,893	\$3,373,594	\$3,528,723	\$1,453,696	\$1,816,831	\$1,425,600
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	1,315,686	1,384,800	1,424,100
Education	2,952,850	3,373,594	3,528,723	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	0	0	0	166,113	432,031	1,500
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
Subtotal:	\$2,952,850	\$3,373,594	\$3,528,723	\$1,481,799	\$1,816,831	\$1,425,600
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
Total Use of Resources:	\$2,952,850	\$3,373,594	\$3,528,723	\$1,481,799	\$1,816,831	\$1,425,600
Net Increase(Decrease) in Fund Balance	5,043	0	0	(28,103)	0	0
Fund Balance - July 1	\$498,660	\$503,703	\$503,703	\$618,182	\$590,079	\$590,079
Fund Balance - June 30	\$503,703	\$503,703	\$503,703	\$590,079	\$590,079	\$590,079

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Special Revenue Funds, Continued					
	Community Development Block Grant			Metropolitan Planning Organization		
	2015	2016	2017	2015	2016	2017
	Actual	Budgeted	Proposed	Actual	Budgeted	Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	248,418	649,231	487,481	121,756	200,000	200,000
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Subtotal:	\$248,418	\$649,231	\$487,481	\$121,756	\$200,000	\$200,000
Other financial sources:						
Operating transfers in	\$20,000	\$25,000	\$30,000	\$57,000	\$57,000	\$57,000
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$268,418	\$674,231	\$517,481	\$178,756	\$257,000	\$257,000
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	219,000	272,808	258,870	146,378	234,500	238,700
Public safety	0	0	0	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	32,719	415,561	258,611	850	4,500	4,500
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
Subtotal:	\$251,719	\$688,369	\$517,481	\$147,228	\$239,000	\$243,200
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
Total Use of Resources:	\$251,719	\$688,369	\$517,481	\$147,228	\$239,000	\$243,200
Net Increase(Decrease) in Fund Balance	16,699	(14,138)	0	31,528	18,000	13,800
Fund Balance - July 1	\$53,151	\$69,850	\$55,712	\$62,581	\$94,109	\$112,109
Fund Balance - June 30	\$69,850	\$55,712	\$55,712	\$94,109	\$112,109	\$125,909

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Special Revenue Funds, Continued					
	E-Ticketing Grant			Schools Federal Projects		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	4,003,877	0	0
Fines & forfeitures	3,520	14,375	10,000	0	0	0
Charges for services	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Subtotal:	\$3,520	\$14,375	\$10,000	\$4,003,877	\$0	\$0
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$0	\$0	\$0
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$3,520	\$14,375	\$10,000	\$4,003,877	\$0	\$0
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	14,375	10,000	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	4,003,877	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
Subtotal:	\$0	\$14,375	\$10,000	\$4,003,877	\$0	\$0
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
Total Use of Resources:	\$0	\$14,375	\$10,000	\$4,003,877	\$0	\$0
Net Increase(Decrease) in Fund Balance	3,520	0	0	0	0	0
Fund Balance - July 1	\$0	\$3,520	\$3,520	\$0	\$0	\$0
Fund Balance - June 30	\$3,520	\$3,520	\$3,520	\$0	\$0	\$0

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Special Revenue Funds, Continued					
	Recycling Grant			Total Special Revenue Funds		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	23,840	14,000	0	44,974,845	42,911,427	44,491,735
Fines & forfeitures	0	0	0	16,096	59,375	20,000
Charges for services	0	0	0	2,885,888	2,943,715	2,951,715
Interest	0	0	0	8,206	9,750	7,750
Miscellaneous	0	0	0	388,229	698,350	242,868
Subtotal:	\$23,840	\$14,000	\$0	\$48,273,264	\$46,622,617	\$47,714,068
Other financial sources:						
Operating transfers in	\$7,000	\$10,000	\$10,000	\$7,079,781	\$7,066,400	\$7,090,500
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$30,840	\$24,000	\$10,000	\$55,353,045	\$53,689,017	\$54,804,568
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	365,378	507,308	497,570
Public safety	0	0	0	61,808	70,390	27,500
Public works	30,187	24,000	10,000	4,095,799	4,319,796	4,235,637
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	1,315,686	1,384,800	1,424,100
Education	0	0	0	46,715,950	45,549,960	47,319,468
Appropriations	0	0	0	0	0	0
Capital outlay	0	0	0	201,797	1,451,992	295,711
Debt service principal	0	0	0	227,311	0	0
Debt service int. & other	0	0	0	24,212	22,478	1,200
Subtotal:	\$30,187	\$24,000	\$10,000	\$53,007,941	\$53,306,724	\$53,801,186
Other financing uses:						
Operating transfers out	0	0	0	949,319	915,119	979,119
Total Use of Resources:	\$30,187	\$24,000	\$10,000	\$53,957,260	\$54,221,843	\$54,780,305
Net Increase(Decrease) in Fund Balance	653	0	0	1,395,785	(532,826)	24,263
Fund Balance - July 1	\$4,000	\$4,653	\$4,653	\$5,008,285	\$6,404,070	\$5,871,244
Fund Balance - June 30	\$4,653	\$4,653	\$4,653	\$6,404,070	\$5,871,244	\$5,895,507

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Debt Service Fund		
	2015 Actual	2016 Budgeted	2017 Proposed
Financial Sources:			
Taxes	\$0	\$0	\$0
Licenses & permits	0	0	0
Intergovernmental	86,226	146,900	146,900
Fines & forfeitures	0	0	0
Charges for services	0	0	0
Interest	6,709	6,000	5,000
Miscellaneous	84,625	165,266	0
Subtotal:	\$177,560	\$318,166	\$151,900
Other financial sources:			
Operating transfers in	5,845,481	6,009,452	6,165,319
Proceeds from bonds	0	8,420,000	0
Total Financial Sources	\$6,023,041	\$14,747,618	\$6,317,219
Expenditures:			
General government	\$0	\$0	\$0
Community development	0	0	0
Public safety	0	0	0
Public works	0	0	0
Health and welfare	0	0	0
Culture and recreation	0	0	0
Education	0	0	0
Appropriations	0	0	0
Capital outlay	0	0	0
Debt service principal	3,403,000	12,250,710	4,021,560
Debt service int. & other	2,250,493	2,480,900	2,290,952
Subtotal:	\$5,653,493	\$14,731,610	\$6,312,512
Other financing uses:			
Pymt to ref. bond escrow	4,105	4,600	4,600
Operating transfers out	0	0	0
Total Use of Resources:	\$5,657,598	\$14,736,210	\$6,317,112
Net Increase(Decrease) in Fund Balance	\$365,443	\$11,408	\$107
Fund Balance - July 1	3,396,541	3,761,984	3,773,392
Fund Balance - June 30	\$3,761,984	\$3,773,392	\$3,773,499

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Capital Project Funds					
	Sales Tax Capital Projects Fund			Capital Improvement Program		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Financial Sources:						
Taxes	\$4,214,284	\$3,896,632	\$3,772,000	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	1,749,915	11,964,444	100,000
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Interest	46,466	18,800	18,800	3,844	2,500	0
Miscellaneous	0	0	0	1,083,227	42,819	0
Subtotal:	\$4,260,750	\$3,915,432	\$3,790,800	\$2,836,986	\$12,009,763	\$100,000
Other financial sources:						
Operating transfers in	0	0	0	6,477,551	322,579	274,000
Proceeds notes/bonds	0	0	0	0	6,835,065	0
Total Financial Sources	\$4,260,750	\$3,915,432	\$3,790,800	\$9,314,537	\$19,167,407	\$374,000
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	3,311,559	5,853,394	3,351,562	6,818,802	21,247,903	541,275
Debt service principal	330,577	333,000	335,000	0	0	0
Debt service int. & other	103,678	102,200	100,400	0	0	0
Subtotal:	\$3,745,814	\$6,288,594	\$3,786,962	\$6,818,802	\$21,247,903	\$541,275
Other financing uses:						
Operating transfers out	0	0	0	39,057	85,636	0
Total Use of Resources:	\$3,745,814	\$6,288,594	\$3,786,962	\$6,857,859	\$21,333,539	\$541,275
Net Increase(Decrease) in Fund Balance	\$514,936	(\$2,373,162)	\$3,838	\$2,456,678	(\$2,166,132)	(\$167,275)
Fund Balance - July 1	\$2,072,089	\$2,587,025	\$213,863	\$194,762	\$2,651,440	\$485,308
Fund Balance - June 30	\$2,587,025	\$213,863	\$217,701	\$2,651,440	\$485,308	\$318,033

City of Cleveland, Tennessee
 2015-2017 Summary of Financial Sources and Uses
 Governmental Funds by Fund Type

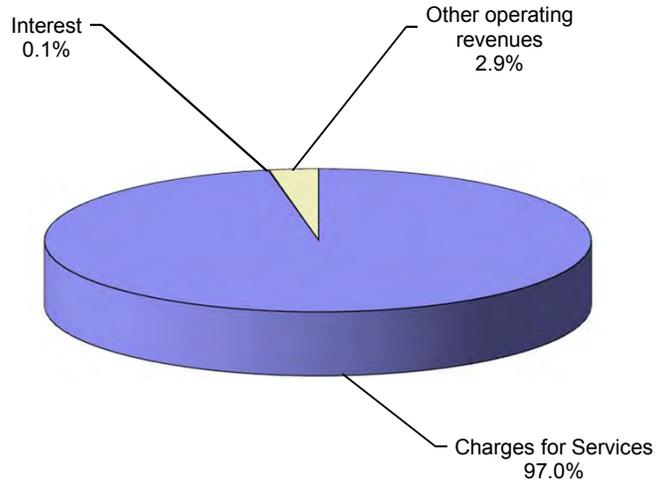
	Capital Project Funds, Continued					
	Fletcher Park Trust Fund			Greenway Fund		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Interest	0	0	0	11	0	0
Miscellaneous	0	0	0	7,198	3,100	0
Subtotal:	\$0	\$0	\$0	\$7,209	\$3,100	\$0
Other financial sources:						
Operating transfers in	0	0	0	0	0	0
Proceeds notes/bonds	0	0	0	0	0	0
Total Financial Sources	\$0	\$0	\$0	\$7,209	\$3,100	\$0
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	0	5,403	0	5,783	7,662	4,000
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
Subtotal:	\$0	\$5,403	\$0	\$5,783	\$7,662	\$4,000
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
Total Use of Resources:	\$0	\$5,403	\$0	\$5,783	\$7,662	\$4,000
Net Increase(Decrease) in Fund Balance	\$0	(\$5,403)	\$0	\$1,426	(\$4,562)	(\$4,000)
Fund Balance - July 1	\$5,403	\$5,403	\$0	\$7,594	\$9,020	\$4,458
Fund Balance - June 30	\$5,403	\$0	\$0	\$9,020	\$4,458	\$458

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

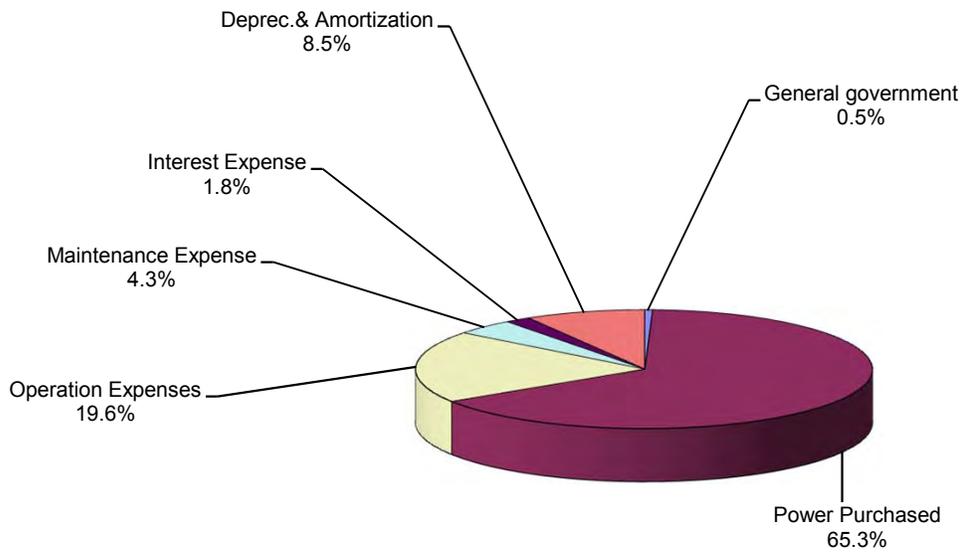
Capital Project Funds, Continued

	Spring Branch Industrial Park Fund			Total Capital Project Funds		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$4,214,284	\$3,896,632	\$3,772,000
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	1,749,915	11,964,444	100,000
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Interest	18,783	12,000	0	69,104	33,300	18,800
Miscellaneous	0	0	0	1,090,425	45,919	0
Subtotal:	\$18,783	\$12,000	\$0	\$7,123,728	\$15,940,295	\$3,890,800
Other financial sources:						
Operating transfers in	0	0	0	6,477,551	322,579	274,000
Proceeds notes/bonds	0	439,925	0	0	7,274,990	0
Total Financial Sources	\$18,783	\$451,925	\$0	\$13,601,279	\$23,537,864	\$4,164,800
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	13,166	499,554	0	10,149,310	27,613,916	3,896,837
Debt service principal	0	0	0	330,577	333,000	335,000
Debt service int. & other	0	0	0	103,678	102,200	100,400
Subtotal:	\$13,166	\$499,554	\$0	\$10,583,565	\$28,049,116	\$4,332,237
Other financing uses:						
Operating transfers out	122,662	144,000	147,000	161,719	229,636	147,000
Total Use of Resources:	\$135,828	\$643,554	\$147,000	\$10,745,284	\$28,278,752	\$4,479,237
Net Increase(Decrease) in Fund Balance	(\$117,045)	(\$191,629)	(\$147,000)	\$2,855,995	(\$4,740,888)	(\$314,437)
Fund Balance - July 1	\$1,833,215	\$1,716,170	\$1,524,541	\$4,113,063	\$6,969,058	\$2,228,170
Fund Balance - June 30	\$1,716,170	\$1,524,541	\$1,377,541	\$6,969,058	\$2,228,170	\$1,913,733

City of Cleveland Summary of Proprietary Funds Revenues By Use - FY2017



Expenses By Use - FY2017



City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Proprietary Funds

	Enterprise Funds			Internal Service Funds		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Operating Revenues:						
Charges for services	\$121,566,278	\$126,880,780	\$128,085,949	\$561,305	\$603,193	\$715,692
Other operating revenues	3,610,132	3,796,894	3,848,690	0	0	0
Total Operating Revenues	\$125,176,410	\$130,677,674	\$131,934,639	\$561,305	\$603,193	\$715,692
Operating Expenses:						
General government	\$0	\$0	\$0	\$569,991	\$645,361	\$682,452
Public works	\$0	\$0	\$0	0	0	0
Recreation	\$0	\$0	\$0	0	0	0
Power purchased	\$81,846,712	\$83,994,604	\$81,432,741	0	0	0
Operation expenses	\$20,424,657	\$22,972,883	\$24,436,068	0	0	0
Maintenance expense	\$5,049,920	\$5,206,931	\$5,298,958	0	0	0
Depreciation and amortization	9,827,612	10,224,149	10,539,086	31,763	31,800	32,856
Total Operating Expenses:	\$117,148,901	\$122,398,567	\$121,706,853	\$601,754	\$677,161	\$715,308
Operating Income (Loss)	\$8,027,509	\$8,279,107	\$10,227,786	(\$40,449)	(\$73,968)	\$384
Nonoperating Revenues (Expenses):						
Interest income	82,174	68,780	77,168	31	0	0
Interest expense	(1,994,950)	(2,141,615)	(2,227,481)	0	0	0
Other income	0	0	0	1,906	4,971	0
Total Nonoperating Revenues (Expenses):	(1,912,776)	(2,072,835)	(2,150,313)	1,937	4,971	0
Change In Net Assets Before Capital Contributions and Transfers:	\$6,114,733	\$6,206,272	\$8,077,473	(\$38,512)	(\$68,997)	\$384
Capital contributions	333,235	0	0	0	0	0
Operating transfers in	0	85,636	0	0	0	0
Operating transfers out	(2,247,105)	(2,407,976)	(2,345,023)	0	0	0
Change In Net Assets	\$4,200,863	\$3,883,932	\$5,732,450	(\$38,512)	(\$68,997)	\$384
Est. Net Assets - July 1	118,533,657	122,734,520	126,618,452	1,312,325	1,273,813	1,204,816
Est. Net Assets - June 30	\$122,734,520	\$126,618,452	\$132,350,902	\$1,273,813	\$1,204,816	\$1,205,200

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Proprietary Funds

	Total Proprietary Funds		
	2015 Actual	2016 Budgeted	2017 Proposed
Operating Revenues:			
Charges for services	\$122,127,583	\$127,483,973	\$128,801,641
Other operating revenues	\$3,610,132	\$3,796,894	\$3,848,690
Total Operating Revenues	\$125,737,715	\$131,280,867	\$132,650,331
Operating Expenses:			
General government	\$569,991	\$645,361	\$682,452
Public works	0	0	0
Recreation	0	0	0
Power purchased	81,846,712	83,994,604	81,432,741
Operation expenses	20,424,657	22,972,883	24,436,068
Maintenance expense	5,049,920	5,206,931	5,298,958
Depreciation and amortization	9,859,375	10,255,949	10,571,942
Total Operating Expenses:	\$117,750,655	\$123,075,728	\$122,422,161
Operating Income (Loss)	\$7,987,060	\$8,205,139	\$10,228,170
Nonoperating Revenues (Expenses):			
Interest income	82,205	68,780	77,168
Interest expense	(1,994,950)	(2,141,615)	(2,227,481)
Other income	1,906	4,971	0
Total Nonoperating Revenues (Expenses):	(1,910,839)	(2,067,864)	(2,150,313)
Change In Net Assets Before Capital Contributions and Transfers:	\$6,076,221	\$6,137,275	\$8,077,857
Capital contributions	333,235	0	0
Operating transfers in	0	85,636	0
Operating transfers out	(2,247,105)	(2,407,976)	(2,345,023)
Change In Net Assets	\$4,162,351	\$3,814,935	\$5,732,834
Est. Net Assets - July 1	119,845,982	124,008,333	127,823,268
Est. Net Assets - June 30	\$124,008,333	\$127,823,268	\$133,556,102

City of Cleveland, Tennessee
2015-2017 Summary of Estimated Revenues, Expenses and Changes in Net Assets
Enterprise Funds

	Enterprise Funds					
	Cleveland Utilities Electric Division			Cleveland Utilities Water/Wastewater Division		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Operating Revenues:						
Charges for services	\$97,856,518	\$101,403,687	\$100,658,516	\$23,709,760	\$24,817,093	\$25,927,533
Other operating revenues	1,517,530	1,570,476	1,530,031	2,092,602	2,226,418	2,318,659
Total Operating Revenues	\$99,374,048	\$102,974,163	\$102,188,547	\$25,802,362	\$27,043,511	\$28,246,192
Operating Expenses:						
General and administrative	\$0	\$0	\$0	\$0	\$0	\$0
Public works	0	0	0	0	0	0
Recreation	0	0	0	0	0	0
Power purchased	81,846,712	83,994,604	81,432,741	0	0	0
Operation expenses	7,435,789	8,122,471	8,112,734	12,988,868	14,170,787	14,900,134
Maintenance expense	2,901,817	2,860,802	3,046,215	2,148,103	2,346,129	2,252,743
Depreciation and amortization	4,385,804	4,574,933	4,715,332	5,441,808	5,649,216	5,823,754
Total Operating Expenses:	\$96,570,122	\$99,552,810	\$97,307,022	\$20,578,779	\$22,166,132	\$22,976,631
Operating Income (Loss)	\$2,803,926	\$3,421,353	\$4,881,525	\$5,223,583	\$4,877,379	\$5,269,561
Nonoperating Revenues (Expenses):						
Interest income	42,654	32,350	37,401	39,520	36,330	39,667
Interest expense	(466,497)	(527,581)	(510,921)	(1,528,453)	(1,614,034)	(1,716,560)
Other income (expense)	0	0	0	0	0	0
Total Nonoperating Revenues (Expenses):	(423,843)	(495,231)	(473,520)	(1,488,933)	(1,577,704)	(1,676,893)
Change in Net Assets Before Contributions and Transfers:	\$2,380,083	\$2,926,122	\$4,408,005	\$3,734,650	\$3,299,675	\$3,592,668
Capital contributions	0	0	0	333,235	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	(2,034,884)	(1,971,655)	(1,912,477)	(212,221)	(418,588)	(431,146)
Change in Net Assets	\$345,199	\$954,467	\$2,495,528	\$3,855,664	\$2,881,087	\$3,161,522
Est. Net Assets, July 1	55,224,104	55,569,303	56,523,770	63,309,553	67,165,217	70,046,304
Est. Net Assets, June 30	\$55,569,303	\$56,523,770	\$59,019,298	\$67,165,217	\$70,046,304	\$73,207,826

City of Cleveland, Tennessee
2015-2017 Summary of Estimated Revenues, Expenses and Changes in Net Assets
Enterprise Funds

	Enterprise Funds, Continued					
	Stormwater			Total Enterprise Funds		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Operating Revenues:						
Charges for services	\$0	\$660,000	\$1,499,900	\$121,566,278	\$126,880,780	\$128,085,949
Other operating revenues	0	0	0	3,610,132	3,796,894	3,848,690
Total Operating Revenues	\$0	\$660,000	\$1,499,900	\$125,176,410	\$130,677,674	\$131,934,639
Operating Expenses:						
General and administrative	\$0	\$0	\$0	\$0	\$0	\$0
Public works	0	0	0	0	0	0
Recreation	0	0	0	0	0	0
Power purchased	0	0	0	81,846,712	83,994,604	81,432,741
Operation expenses	0	679,625	1,423,200	20,424,657	22,972,883	24,436,068
Maintenance expense	0	0	0	5,049,920	5,206,931	5,298,958
Depreciation and amortization	0	0	0	9,827,612	10,224,149	10,539,086
Total Operating Expenses:	\$0	\$679,625	\$1,423,200	\$117,148,901	\$122,398,567	\$121,706,853
Operating Income (Loss)	\$0	(\$19,625)	\$76,700	\$8,027,509	\$8,279,107	\$10,227,786
Nonoperating Revenues (Expenses):						
Interest income	0	100	100	82,174	68,780	77,168
Interest expense	0	0	0	(1,994,950)	(2,141,615)	(2,227,481)
Other income (expense)	0	0	0	0	0	0
Total Nonoperating Revenues (Expenses):	0	100	100	(1,912,776)	(2,072,835)	(2,150,313)
Change in Net Assets Before Contributions and Transfers:	\$0	(\$19,525)	\$76,800	\$6,114,733	\$6,206,272	\$8,077,473
Capital contributions	0	0	0	333,235	0	0
Operating transfers in	0	85,636	0	0	85,636	0
Operating transfers out	0	(17,733)	(1,400)	(2,247,105)	(2,407,976)	(2,345,023)
Change in Net Assets	\$0	\$48,378	\$75,400	\$4,200,863	\$3,883,932	\$5,732,450
Est. Net Assets, July 1	0	0	48,378	118,533,657	122,734,520	126,618,452
Est. Net Assets, June 30	\$0	\$48,378	\$123,778	\$122,734,520	\$126,618,452	\$132,350,902

City of Cleveland, Tennessee
2015-2017
Summary of Estimated Revenues, Expenses and Changes in Net Assets
Internal Service Funds

	Internal Service Funds					
	Fleet Management			Total Internal Service Funds		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Operating Revenues:						
Charges for services	\$561,305	\$603,193	\$715,692	\$561,305	\$603,193	\$715,692
Other operating revenues	0	0	0	0	0	0
Total Operating Revenues	\$561,305	\$603,193	\$715,692	\$561,305	\$603,193	\$715,692
Operating Expenses:						
General government	\$569,991	\$645,361	\$682,452	\$569,991	\$645,361	\$682,452
Public works	0	0	0	0	0	0
Recreation	0	0	0	0	0	0
Power purchased	0	0	0	0	0	0
Operation expenses	0	0	0	0	0	0
Maintenance expense	0	0	0	0	0	0
Depreciation and amortization	31,763	31,800	32,856	31,763	31,800	32,856
Total Operating Expenses:	\$601,754	\$677,161	\$715,308	\$601,754	\$677,161	\$715,308
Operating Income (Loss)	(\$40,449)	(\$73,968)	\$384	(\$40,449)	(\$73,968)	\$384
Nonoperating Revenues (Expenses):						
Interest income	31	0	0	31	0	0
Interest expense	0	0	0	0	0	0
Other income(expense)	1,906	4,971	0	1,906	4,971	0
Total Nonoperating Revenues (Expenses):	1,937	4,971	0	1,937	4,971	0
Change in Net Assets Before Operating Transfers:	(\$38,512)	(\$68,997)	\$384	(\$38,512)	(\$68,997)	\$384
Capital contribution	0	0	0	0	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Change in Net Assets	(\$38,512)	(\$68,997)	\$384	(\$38,512)	(\$68,997)	\$384
Est. Net Assets, July 1	1,312,325	1,273,813	1,204,816	1,312,325	1,273,813	1,204,816
Est. Net Assets, June 30	\$1,273,813	\$1,204,816	\$1,205,200	\$1,273,813	\$1,204,816	\$1,205,200

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Fiduciary Funds by Fund Type

	Meiler Estate Animal Shelter Nonexpendable Trust Fund		
	2015	2016	2017
	Actual	Budgeted	Proposed
Financial Sources:			
Taxes	\$0	\$0	\$0
Licenses & permits	0	0	0
Intergovernmental	0	0	0
Fines & forfeitures	0	0	0
Charges for services	0	0	0
Interest	655	1,000	1,000
Miscellaneous	0	0	0
Subtotal:	\$655	\$1,000	\$1,000
Other financial sources:			
Operating transfers in	0	0	0
Proceeds from bonds	0	0	0
Total Financial Sources	\$655	\$1,000	\$1,000
Expenditures:			
General government	\$0	\$0	\$0
Community Development	0	0	0
Public safety	0	0	0
Public works	0	0	0
Health and welfare	0	0	0
Culture and recreation	0	0	0
Education	0	0	0
Appropriations	0	0	0
Capital outlay	0	0	0
Debt service principal	0	0	0
Debt service int. & other	0	0	0
Subtotal:	\$0	\$0	\$0
Other financing uses:			
Operating transfers out	0	0	0
Total Use of Resources:	\$0	\$0	\$0
Net Increase(Decrease) in Fund Balance	655	1,000	1,000
Fund Balance - July 1	\$465,375	\$466,030	\$467,030
Fund Balance - June 30	\$466,030	\$467,030	\$468,030

City of Cleveland, Tennessee
2015-2017 Summary of Financial Sources and Uses
Fiduciary Funds by Fund Type

	Health Insurance Trust Fund			Total Trust Funds		
	2015 Actual	2016 Budgeted	2017 Proposed	2015 Actual	2016 Budgeted	2017 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	3,362,105	3,537,484	0	3,362,105	3,537,484
Interest	0	0	0	655	1,000	1,000
Miscellaneous	0	0	0	0	0	0
Subtotal:	\$0	\$3,362,105	\$3,537,484	\$655	\$3,363,105	\$3,538,484
Other financial sources:						
Operating transfers in	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$0	\$3,362,105	\$3,537,484	\$655	\$3,363,105	\$3,538,484
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community Development	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	3,343,134	3,475,278	0	3,343,134	3,475,278
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
Subtotal:	\$0	\$3,343,134	\$3,475,278	\$0	\$3,343,134	\$3,475,278
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
Total Use of Resources:	\$0	\$3,343,134	\$3,475,278	\$0	\$3,343,134	\$3,475,278
Net Increase(Decrease) in Fund Balance	0	18,971	62,206	655	19,971	63,206
Fund Balance - July 1	\$0	\$0	\$18,971	\$465,375	\$466,030	\$486,001
Fund Balance - June 30	\$0	\$18,971	\$81,177	\$466,030	\$486,001	\$549,207

FUND DESCRIPTION MATRIX

Department/Agency	GOVERNMENTAL			PROPRIETARY		FIDUCIARY
	General Fund	Capital Projects	Other Govt.	Internal Service Fund	Enterprise Funds	Trust Funds
City Departments						
Administration and Finance	x	x				x
Animal Control	x		x			x
Development and Engineering Services	x	x	x			x
Fire	x	x				x
Fleet					x	x
Legislative and Judicial	x					x
Parks and Recreation	x	x	x			x
Police	x	x	x			x
Public Works	x	x	x	x		x
Regional Jetport	x	x	x			x
Other Agencies						
City Schools	x	x				
Cleveland/Bradley Public Library	x					x
Stormwater					x	x
Cleveland Utilities					x	

This table illustrates the funds each Department and Agency is a part of in the budget.

ORDINANCE NO: 2016-15

AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE CITY OF CLEVELAND, TENNESSEE.

BE IT ORDAINED by the City of Cleveland as follows:

Whereas, the Municipal Budget Law of 1982 requires that the governing body of each municipality adopt and operate under an annual budget ordinance including a financial plan with at least the information required by that state statute;

Whereas, Section 6-22-124, Tennessee Code Annotated, requires the city council to adopt an appropriation ordinance including all funds before the first day of the fiscal year;

Whereas, the budget process is one of the most important activities undertaken by governments for the public welfare. With 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 City of Cleveland has decided to implement for the coming fiscal year;

SECTION 1: **REVENUES.** That the City of Cleveland estimates anticipated revenues of the municipality from all sources including current and delinquent taxes, nontax revenues, and proceeds from the sale of debt to be \$246,566,143. All of these sources are available for appropriation.

Anticipated Revenues	2014-2015 <u>(ACTUAL)</u>	2015-2016 <u>(ESTIMATED)</u>	2016-2017 <u>PROPOSED</u>
Revenues:			
General Fund	\$42,613,883	\$41,670,138	\$42,669,950
Special Revenue Funds:			
Solid Waste Management	2,462,262	2,460,700	2,466,800
State Street Aid	1,090,543	1,140,500	1,142,000
General Purpose School	36,462,080	37,495,471	39,089,264
Schools Food Service	2,957,893	3,373,594	3,528,723
Cleveland Public Library	839,515	1,190,131	779,800
Drug Enforcement	12,679	45,100	10,000
2014 Byrne Mem. Justice Asst. Grant	46,881	0	0
2015 Byrne Mem. Justice Asst. Grant	0	39,515	0
Community Dev. Block Grant	248,418	649,231	487,481
E-Ticketing	3,520	14,375	10,000
Recycling Grant	23,840	14,000	0
Schools Federal Projects	4,003,877	0	0
Metropolitan Planning Organization	121,756	200,000	200,000
Debt Service	177,560	318,166	151,900

Anticipated Revenues, cont'd:	<u>2014-2015</u> <u>(ACTUAL)</u>	<u>2015-2016</u> <u>(ESTIMATED)</u>	<u>2016-2017</u> <u>PROPOSED</u>
Revenues:			
Capital Projects Funds:			
Fletcher Park	0	0	0
Greenway Fund	7,209	3,100	0
Capital Improvements Program	2,836,986	12,009,763	100,000
Sales Tax Capital Projects Fund	4,260,750	3,915,432	3,790,800
Spring Branch Industrial Park Fund	18,783	12,000	0
Enterprise Funds:			
Stormwater Management	0	660,100	1,500,000
Cleveland Utilities Electric Division	99,416,702	103,006,513	102,225,948
Cleveland Utilities Water/Wastewater Division	25,841,882	27,079,841	28,285,859
Trust Funds:			
Meiler Trust Fund	655	1,000	1,000
Health Insurance Trust Fund	0	3,362,105	3,537,484
Internal Service Fund:			
Fleet Management	563,242	608,164	715,692
Total Revenues	224,010,916	239,268,939	230,692,701
Other financial sources			
Operating transfers in:			
General Fund:	2,286,162	2,390,243	2,343,623
Special Revenue Funds:			
Solid Waste Management	1,108,000	1,074,100	1,074,100
State Street Aid	0	0	0
General Purpose School	5,273,600	5,273,600	5,273,600
Cleveland Public Library	614,181	626,700	645,800
Community Dev. Block Grant	20,000	25,000	30,000
Recycling Grant	7,000	10,000	10,000
Metropolitan Planning Organization	57,000	57,000	57,000
Debt Service	5,845,481	6,009,452	6,165,319
Capital Projects Funds:			
Capital Improvement Program	6,477,551	322,579	274,000
Greenway Fund	0	0	0
Enterprise Funds:			
Stormwater Management	0	85,636	0
Total Operating Transfer In:	\$21,688,975	\$15,874,310	\$15,873,442

Anticipated Revenues	2014-2015 <u>(ACTUAL)</u>	2015-2016 <u>(ESTIMATED)</u>	2016-2017 <u>PROPOSED</u>
Other financial sources:			
Operating transfers in, cont'd:			
Capital Contributions			
Enterprise Funds:			
Stormwater Management	0	0	0
Cleveland Utilities Electric Division	0	0	0
Cleveland Utilities Water/Wastewater Division	333,235	0	0
Total Capital Contributions:	333,235	0	0
Bond & Note Proceeds and Capital Lease			
General Fund	0	0	0
General Purpose School Fund	0	0	0
Capital Improvement Program	0	6,835,065	0
Spring Branch Industrial Park	0	439,925	0
Debt Service	0	8,420,000	0
Total Bond & Note Proceeds:	\$0	\$15,694,990	\$0
Total Other Financing Sources	\$22,022,210	\$31,569,300	\$15,873,442
Total Revenues and Other Financing Sources	\$246,033,126	\$270,838,239	\$246,566,143

Details of these revenues and other financing sources are shown in the City of Cleveland's budget document by fund.

SECTION 2: **APPROPRIATIONS.**

That the City of Cleveland appropriates from these anticipated revenues and unexpended and unencumbered funds the following:

Expenditures	2014-2015 (ACTUAL)	2015-2016 (ESTIMATED)	2016-2017 PROPOSED
General Fund	\$29,656,461	\$31,726,963	\$32,600,131
Special Revenue Funds:			
Solid Waste Management	3,443,139	3,617,078	3,525,096
State Street Aid	622,473	802,518	730,541
General Purpose School	40,010,746	42,623,844	43,791,945
Schools Food Service	2,952,850	3,373,594	3,528,723
Cleveland Public Library	1,481,799	1,816,831	1,425,600
Drug Enforcement	17,042	67,600	18,600
2014 Byrne Mem. Justice Asst. Grant	46,881	0	0
2015 Byrne Mem. Justice Asst. Grant	0	39,515	0
Community Dev. Block Grant	251,719	688,369	517,481
E Ticketing		14,375	10,000
Recycling Grant	30,187	24,000	10,000
Schools Federal Project	4,003,877	0	0
Metropolitan Planning Organization	147,228	239,000	243,200
Debt Service	5,657,598	14,736,210	6,317,112
Capital Projects Funds:			
Fletcher Park	0	5,403	0
Greenway Fund	5,783	7,662	4,000
Capital Improvements Program	6,818,802	21,247,903	541,275
Sales Tax Capital Projects Fund	3,745,814	6,288,594	3,786,962
Spring Branch Industrial Park Fund	13,166	499,554	0
Enterprise Funds:			
Stormwater Management	0	679,625	1,423,200
Cleveland Utilities Electric Division	96,570,122	99,552,810	97,307,022
Cleveland Utilities Water/Wastewater Division	20,578,779	22,166,132	22,976,631
Trust Funds:			
Meiler Estate Trust Fund	0	0	0
Health Insurance Trust Fund	0	3,343,134	3,475,278
Internal Service Fund:			
Fleet Management	601,754	677,161	715,308
Total Expenditures	216,656,220	254,237,875	222,948,105
	2014-2015 (ACTUAL)	2015-2016 (ESTIMATED)	2016-2017 PROPOSED
Nonoperating Revenues (Expenses)			
Enterprise Funds:			
Stormwater Management	0	0	0
Cleveland Utilities Electric Division	(466,497)	(527,581)	(510,921)
Cleveland Utilities Water/Wastewater Division	(1,528,453)	(1,614,034)	(1,716,560)
Internal Service Fund:			
Fleet Management	0	0	0
Total Nonoperating Revenues (Expenses)	(1,994,950)	(2,141,615)	(2,227,481)

Other Financing Uses	2014-2015 (ACTUAL)	2015-2016 (ESTIMATED)	2016-2017 PROPOSED
Operating Transfers Out			
General Fund	18,330,832	12,321,579	12,402,300
Special Revenue Funds:			
Solid Waste Management	7,000	10,000	10,000
State Street Aid	386,000	347,200	411,200
General Purpose School	556,319	557,919	557,919
Schools Federal Project	0	0	0
Debt Service	0	0	0
Capital Projects Funds:			
Capital Improvements Program	39,057	85,636	0
Spring Branch Industrial Park Fund	122,662	144,000	147,000
Enterprise Funds:			
Stormwater Management	0	17,733	1,400
Cleveland Utilities Electric Division	2,034,884	1,971,655	1,912,477
Cleveland Utilities Water/Wastewater Division	212,221	418,588	431,146
Nonexpendable Trust Funds:			
Meiler Estate Trust Fund	0	0	0
Total Operating Transfers Out	21,688,975	15,874,310	15,873,442
Total Other Financing Uses	23,683,925	18,015,925	18,100,923
Total Expenditures and Other Financing Uses	240,340,145	272,253,800	241,049,028

Details of these appropriated expenditures are shown in the City of Cleveland's budget document by fund.

Increase (Use) of Fund Balance or Net Assets	2014-2015 (ACTUAL)	2015-2016 (ESTIMATED)	2016-2017 PROPOSED
General Fund	(3,087,248)	11,839	11,142
Special Revenue Funds:			
Solid Waste Management	120,123	(92,278)	5,804
State Street Aid	82,070	(9,218)	259
General Purpose School	1,168,615	(412,692)	13,000
Schools Food Service	5,043	0	0
Cleveland Public Library	(28,103)	0	0
Drug Enforcement	(4,363)	(22,500)	(8,600)
2014 Byrne Mem. Justice Asst. Grant	0	0	0
2015 Byrne Mem. Justice Asst. Grant	0	0	0

Increase (Use) of Fund Balance or Net Assets	2014-2015 (ACTUAL)	2015-2016 (ESTIMATED)	2016-2017 PROPOSED
Special Revenue Funds cont'd:			
Commun. Development Block Grant	16,699	(14,138)	0
E Ticketing	3,520	0	0
Recycling Grant	653	0	0
Schools Federal Project	0	0	0
Metro. Planning Organization (MPO)	31,528	18,000	13,800
Debt Service	365,443	11,408	107
Capital Projects Funds:			
Capital Improvements Program	2,456,678	(2,166,132)	(167,275)
Fletcher Park	0	(5,403)	0
Greenway Fund	1,426	(4,562)	(4,000)
Sales Tax Capital Projects Fund	514,936	(2,373,162)	3,838
Spring Branch Industrial Park Fund	(117,045)	(191,629)	(147,000)
Enterprise Funds:			
Stormwater Management	0	48,378	75,400
Cleveland Utilities Electric Division	345,199	954,467	2,495,528
Cleveland Utilities Water/Wastewater Division	3,855,664	2,881,087	3,161,522
Internal Service Fund:			
Fleet Management	(38,512)	(68,997)	384
Trust Funds:			
Meiler Estate Trust Fund	655	1,000	1,000
Health Insurance Trust Fund	0	18,971	62,206
Total Incr. (Use) of Fund Balance or Net Assets	5,692,981	(1,415,561)	5,517,115

SECTION 3: **STATEMENT OF BALANCE/DEFICIT.** At end of the current fiscal year, the City of Cleveland estimates that it will use none of its \$9,724,807 General Fund fund balance and none of the \$3,761,984 Debt Service fund balance.

SECTION 4: **CAPITAL IMPROVEMENT PROGRAM.** During the coming fiscal year the City of Cleveland has planned for capital projects and proposed capital projects for future implementation and has included a statement listing these capital projects and the sources of financing these projects.

SECTION 5: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

First Reading: May 9, 2016
Final Reading: May 23, 2016

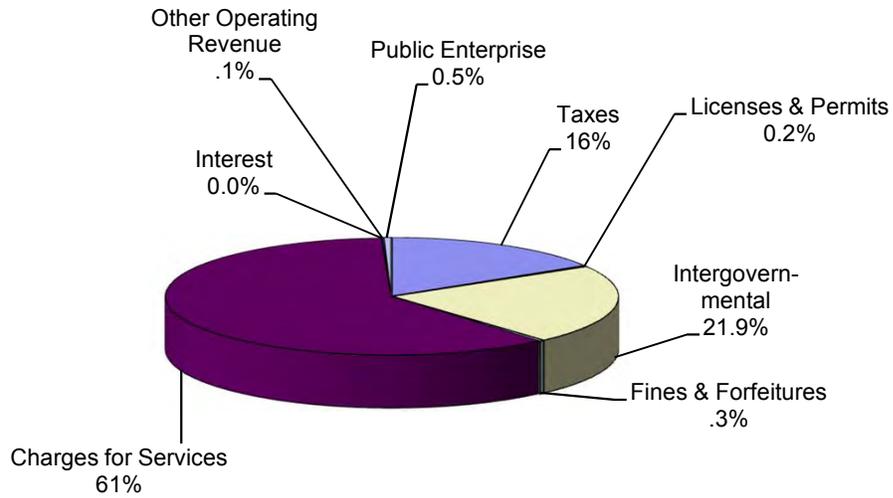
APPROVED AS TO FORM:

/s/John F. Kimball
City Attorney

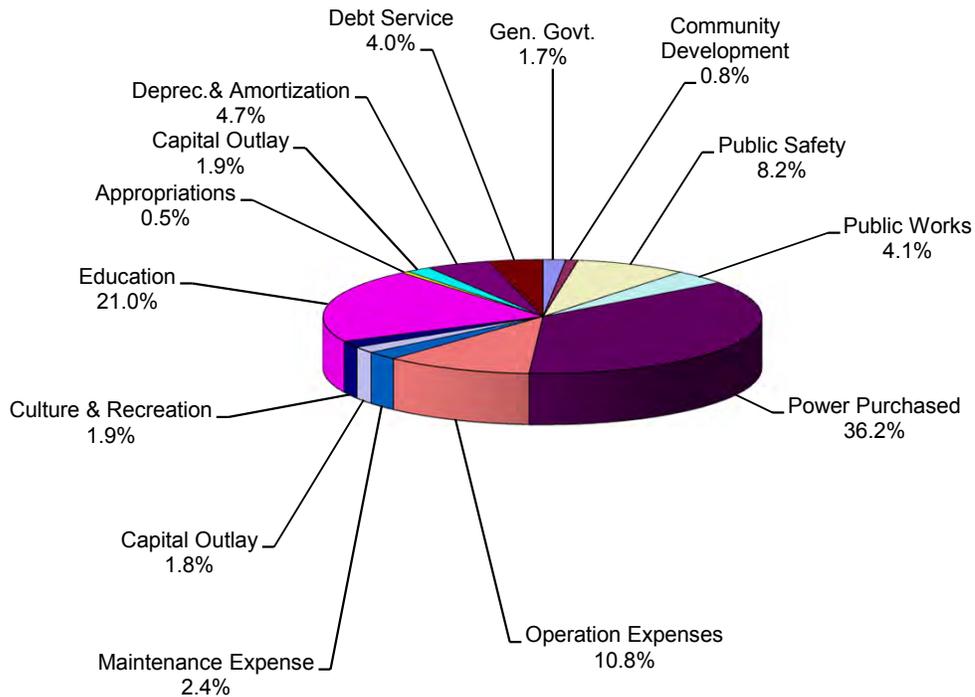
/s/Tom Rowland
Mayor

/s/Shawn McKay
City Clerk

Revenues By Source - FY2017



Expenditures and Expenses By Use - FY2017



**City of Cleveland, Tennessee
Schedule of Debt Payments
For Fiscal Year 2016**

Loan Type	Loan Name	Authorized and Unissued at 6/30/16	Amount Outstanding at 6/30/16	Payment Fund	Principal	Interest	Total Debt Service
FY2017 Debt Requirement Excluding Cleveland Utilities							
Loan Agreements:							
	Loan - 2008 TMBF-County	0	1,300,000	County's General Fund	82,000	65,000	147,000
	2009 QSCB	0	2,645,798	School Fund	259,577	67,184	326,761
	Loan - 2012 TMBF-Whirlpool	0	793,000	General Fund	59,000	10,000	69,000
	Loan - 2012 TMBF-LIC	0	1,429,000	School Fund	75,000	33,153	108,153
	Loan - 2012 TMBF-Airport Terminal Bldg.	0	1,189,000	Airport	88,000	15,000	103,000
	Loan - 2012 TMBF-Spring Branch Ind Park	0	5,064,000	General Fund	337,000	101,280	438,280
	Loan - 2014 TMBF-Airport	0	3,969,000	Airport	175,000	104,782	279,782
	Loan - 2014 TMBF-Refunding	0	22,873,480	General Fund	973,000	574,124	1,547,124
	Loan - 2015 TMBF-Refunding	0	7,855,000	General Fund	523,900	142,961	666,861
				State St. Aid	282,100	76,979	359,079
	Loan - 2016 TMBF Airport - Hangars	0	1,000,000	Airport	46,000	15,300	61,300
	Loan - 2016 TMBF Raider Arena	0	5,734,200	General Fund	271,200	172,026	443,226
	Loan - 2016 TMBF-Refunding	0	4,587,360	General Fund	108,711	55,068	163,779
				School Fund	175,649	88,976	264,625
	Loan - 2017 TMBF	7,700,000	0	General Fund	0	88,000	88,000
Total Loan Agreements:		\$ 7,700,000	\$ 58,439,838		\$ 3,456,137	\$ 1,609,832	\$ 5,065,969
General Obligation Bonds:							
	Gen Improv. Bonds - Series 2009-C	0	13,735,000	General Fund	28,680	574,603	603,283
				Storm Water	1,320	53	1,373
	Series 2009-D	0	5,730,000	General Fund	835,000	189,727	1,024,727
				State St.Aid	35,000	17,073	52,073
Total Gen. Oblig. Bonds:		\$ -	\$ 19,465,000		\$ 900,000	\$ 781,456	\$ 1,681,456
Total Long-term Debt Excluding Cleveland Utilities		\$ 7,700,000	\$ 77,904,838		\$ 4,356,137	\$ 2,391,288	\$ 6,747,425

FY2017 Debt Requirement for Cleveland Utilities

Loan Type	Loan Name	Authorized and Unissued at 6/30/16	Amount Outstanding at 6/30/16	Payment Fund	Principal	Interest	Total Debt Service
Tax and Revenue Refunding Bonds :							
	Series 2009-C	0	8,140,000	Water/Sewer	410,000	317,694	727,694
	Series 2009-D	0	4,180,000	Electric	540,000	156,075	696,075
	Series 2009-D	0	9,870,000	Water/Sewer	1,560,000	356,463	1,916,463
	Series 2014-Refunding	0	6,915,000	Water/Sewer	945,000	211,399	1,156,399
Total Tax & Revenue Refunding Bonds:		\$ -	\$ 29,105,000		\$ 3,455,000	\$ 1,041,631	\$ 4,496,631

**City of Cleveland, Tennessee
Schedule of Debt Payments
For Fiscal Year 2016**

FY2017 Debt Requirement for Cleveland Utilities

Tax and Revenue Bonds:

Series 2007B	0	\$ 880,000	Electric	\$ 85,000	\$ 36,579	\$ 121,579
Series 2007B	0	6,560,000	Water/Sewer	115,000	287,367	402,367
Series 2010	0	4,875,000	Electric	325,000	145,296	470,296
Series 2010	0	1,825,000	Water	95,000	55,736	150,736
Total Tax and Revenue Bonds:	\$ -	\$ 14,140,000		\$ 620,000	\$ 524,978	\$ 1,144,978

Tax and Revenue Loan:

Series 2012 TMBF	0	\$ 3,000,000	Water	\$ 187,500	\$ 60,000	\$ 247,500
Series 2012 TMBF-Spring Branch	0	1,524,692	Electric	\$ 112,333	\$ 30,494	\$ 142,827
Series 2014 TMBF	0	3,262,500	Electric	\$ 181,250	\$ 65,250	\$ 246,500
Series 2014 TMBF	0	2,475,000	Water	\$ 137,500	\$ 49,500	\$ 187,000
Series 2015 TMBF	0	2,627,000	Electric	\$ 124,000	\$ 30,473	\$ 154,473
Series 2015 TMBF	0	2,866,000	Water	\$ 136,000	\$ 85,980	\$ 221,980
Loan - 2017 TMBF	3,000,000	0	Electric	0	0	0
Loan - 2017 TMBF	1,500,000	0	Water	0	0	0
Loan - 2017 TMBF	1,000,000	0	Sewer	0	0	0
Total Tax & Revenue Loan:	\$ 5,500,000	\$ 15,755,192		\$ 878,583	\$ 321,697	\$ 1,200,280

State Revolving Fund Loan:

SRF Loan	0	\$ 522,769	Sewer	\$ 30,944	\$ 10,732	\$ 41,676
ARRA Loan	0	104,554	Sewer	\$ 6,189	\$ 2,146	\$ 8,335
SRF-CWO 319	\$ 506,906	\$ 806,572	Sewer	\$ 62,208	\$ 15,492	\$ 77,700
SRF-CWP 320	\$ 3,406,457	\$ 4,397,703	Sewer	\$ 369,840	\$ 87,852	\$ 457,692
2014 DG2 14-151	0	1,949,754	Water	\$ 87,168	\$ 28,644	\$ 115,812
2015 CG4 15-349	0	2,325,000	Water	\$ 101,652	\$ 31,440	\$ 133,092
Total State Revolving Fund Loan:	\$ 3,913,363	\$ 10,106,352		\$ 658,001	\$ 176,306	\$ 834,307

Total Long-term Debt-Cleveland Utilities

	\$ 9,413,363	\$ 69,106,544		\$ 5,611,584	\$ 2,064,612	\$ 7,676,196
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Combined Debt Requirement for FY2017

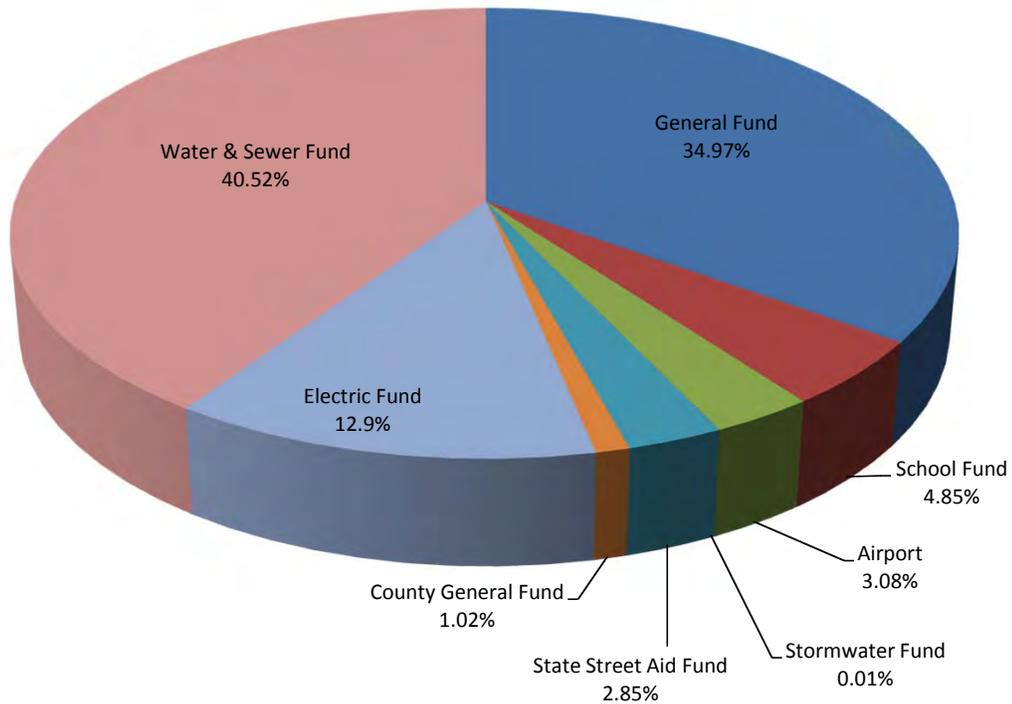
Loan Type	Loan Name	Authorized and		Total		
		Unissued at 6/30/16	Amount Outstanding at 6/30/16	Principal	Interest	Service
Loan Agreements		7,700,000	58,439,838	3,456,137	1,609,832	5,065,969
General Obligation Bonds		0	19,465,000	900,000	781,456	1,681,456
Tax & Revenue Refunding Bonds		0	29,105,000	3,455,000	1,041,631	4,496,631
Tax & Revenue Bonds		0	14,140,000	620,000	524,978	1,144,978
Tax & Revenue Loan		5,500,000	15,755,192	878,583	321,697	1,200,280
State Revolving Fund Loan		3,913,363	10,106,352	658,001	176,306	834,307
Combined Debt Requirement:		\$ 17,113,363	\$ 147,011,382	\$ 9,967,721	\$ 4,455,900	\$14,423,621

**City of Cleveland, Tennessee
Schedule of Debt Payments
For Fiscal Year 2016**

FY2017 Debt Service By Fund:

Fund	Principal	Interest	Debt Service
General Fund	3,136,491	1,907,789	5,044,280
School Fund	510,226	189,313	699,539
State Street Aid Fund	317,100	94,052	411,152
Storm Water Fund	1,320	53	1,373
Airport	309,000	135,082	444,082
Electric Fund	1,367,583	464,167	1,831,750
Water & Sewer Fund	4,244,001	1,600,445	5,844,446
County General Fund	82,000	65,000	147,000
Total:	\$ 9,967,721	\$ 4,455,900	\$ 14,423,621

Debt Service by Fund



ORDINANCE NO: 2016-16

TAX ORDINANCE - YEAR 2016

AN ORDINANCE TO PROVIDE AND FIX FOR THE CITY OF CLEVELAND, TENNESSEE, FOR THE YEAR 2016, AND SUBSEQUENT YEARS, THE TAX RATE ON ALL PROPERTY, BOTH REAL AND PERSONAL; TO PROVIDE A BUSINESS TAX; TO PROVIDE FOR A SPECIAL FRANCHISE PRIVILEGE TAX, IN ACCORDANCE WITH AND AS SET FORTH IN THE "BUSINESS TAX ACT" KNOWN AS CHAPTER 387 OF THE PUBLIC ACTS OF 1971, PASSED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, WITHIN THE CORPORATE LIMITS OF THE CITY OF CLEVELAND, AND TO FIX A PENALTY FOR ANY PERSON, FIRM OR CORPORATION EXERCISING ANY SUCH VOCATION, OCCUPATION OR BUSINESS WITHIN SAID CITY OF CLEVELAND WITHOUT FIRST PAYING SAID TAX.

SECTION 1. BE IT ORDAINED by the City Council of the City of Cleveland, Tennessee, that the tax levy on all property, both real and personal, for the year 2016, and each subsequent year thereafter be, and is, \$1.7655 on each One Hundred Dollars (\$100.00) of assessed valuation.

SECTION 2. BE IT FURTHER ORDAINED by the City Council of the City of Cleveland, Tennessee, that all persons, firms and corporations engaged in any location, occupation or business within the corporate limits of said City shall pay a business tax to the City of Cleveland equal to and in the same amount as the business tax prescribed to be paid by such person, firm or corporation under the terms and provisions of the "Business Tax Act", known and designated as Chapter 387 of the Public Acts of 1971, as passed by the aforesaid Act hereto attached, read and understood by the said City Council, and made a part of this Ordinance; and the rate of taxes on such business is made a part hereof as fully as if the same were incorporated in full herein; and the rate of taxes on such privilege and privileges named in said Act for retail businesses shall be as follows:

Class 1A	1/10 of 1% retail 1/40 of 1% wholesale
Class 1B	1/10 of 1% retail 3/80 of 1% wholesale
Class 1C	1/10 of 1% retail 3/80 of 1% wholesale
Class 1D	1/20 of 1%
Class 2	3/20 of 1% retail 3/80 of 1% wholesale
Class 3	3/16 of 1% retail 3/80 of 1% wholesale
Class 4	1/10 of 1%

and the taxes shall be paid to the City Clerk as provided by law and Ordinances for the collection of all revenues for the City of Cleveland, Tennessee.

SECTION 3. BE IT FURTHER ORDAINED by the City Council of the City of Cleveland, Tennessee, that there is also levied a special franchise privilege tax, in accordance with the provisions of Chapter 311 of the Public Acts of the 85th General Assembly of the State of Tennessee, on all public utility corporations, domestic and foreign, and which do business, own property, or operate as a public utility in the City of Cleveland, Tennessee. The base of such tax shall be determined as set forth in Chapter 311 aforesaid. The rate of said tax shall be \$1.7655 for each one hundred dollars (\$100.00) of assessed valuation.

SECTION 4. BE IT FURTHER ORDAINED by the City Council of the City of Cleveland, Tennessee, that it shall be unlawful for any person, firm or corporation to exercise the privileges set forth and referred to in this Ordinance before complying with the provisions of the Ordinance, and anyone exercising any of the forgoing privileges without paying the tax prescribed shall be guilty of a misdemeanor and liable to a fine on conviction of not less than \$5.00, nor more than \$50.00, for each such privilege which is exercised without a license, to be imposed by the City Judge of the City of Cleveland.

SECTION 5. BE IT FURTHER ORDAINED by the City Council of the City of Cleveland, Tennessee, that if any Section or part of this Ordinance shall be declared invalid or unenforceable, the invalidity of such Section or part shall not otherwise affect its validity but the remaining Sections or parts of this Ordinance shall be enforced without regard to the Section or part declared to be invalid.

SECTION 6. BE IT FURTHER ORDAINED by the City Council of the City of Cleveland, Tennessee, that all Ordinances or parts of Ordinances in conflict with the provisions of this Ordinance are hereby repealed; however, this Ordinance shall not be the exclusive means of taxation within the City of Cleveland, Tennessee, but is in addition to any other valid Ordinances in existence at the present time by which the City may collect a tax or taxes, and this Ordinance shall take effect from and after its passage, the public welfare of the City of Cleveland requiring it.

Signed in Open Meeting:

/s/Tom Rowland
Mayor

ATTEST:

/s/Shawn McKay
City Clerk

/s/Councilman Charles McKenzie
/s/Councilman Bill Estes
/s/Councilman Avery Johnson
/s/Councilman David May
/s/Councilman Dale Hughes
/s/Councilman Richard Banks
/s/Vice Mayor George Poe

APPROVED AS TO FORM:

/s/John F. Kimball
City Attorney

RESOLUTION

**CITY OF CLEVELAND
APPROPRIATION RESOLUTION**

WHEREAS, the City of Cleveland recognizes that its citizens have various needs which must be addressed; and

WHEREAS, the municipal government has neither the expertise or manpower to assist its citizens with all their special needs; and

WHEREAS, several not-for-profit organizations have been established over the years to help the citizens with their special needs; and

WHEREAS, the enclosed organizations have demonstrated, through their financial statements and by reputation, to be of service in enhancing the quality of life in this area;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cleveland, Tennessee that these contributions be made for FY 2016-2017:

Adopted this 23rd day of May, 2016.

APPROVED AS TO FORM:

/s/John F. Kimball
City Attorney

/s/Tom Rowland
Mayor

/s/Shawn McKay
City Clerk

GENERAL FUND APPROPRIATIONS						
	2014-2015 ACTUAL BUDGET	2015-2016 ORIGINAL BUDGET	2015-2016 AMENDED BUDGET	2016-2017 REQUESTED BUDGET	2016-2017 PROPOSED BUDGET	
General government:						
JOINTLY FUNDED	0	9,321	4,321	9,300	9,300	
CLEVE/BRAD REG MUSEUM	42,300	42,300	42,300	42,300	42,300	
MTAS - BENCHMARKING	3,500	4,000	4,000	4,000	4,000	
MUNICIPAL LEAGUE DUES	9,102	9,200	9,200	9,200	9,200	
CHAMBER-ECONOMIC DEV	45,000	45,000	45,000	45,000	45,000	
SE TN DISTRICT DUES	8,257	8,000	8,000	8,000	8,000	
MAINSTREET CLEVELAND	25,000	25,000	25,000	25,000	25,000	
CEMETERY ASSOCIATION (50%)	10,000	10,000	10,000	10,000	10,000	
COURTS COMMUNITY SVC (50%)	48,365	59,400	59,400	59,400	59,400	
KEEP AMERICA BEAUTIFUL(50%)	28,200	28,200	28,200	28,200	28,200	
JUVENILE COURT MATCH	1,100	1,100	1,100	1,100	1,100	
UNITED WAY SUPPORTERS	1,100	1,000	1,000	1,000	1,000	
SETHRA-TRANSIT	135,000	135,000	140,000	135,000	135,000	
HVAC @ MUSEUM	10,000	12,000	12,000	12,000	12,000	
Total General government	366,924	389,521	389,521	389,500	389,500	
Public safety:						
CLEVE/BRAD COMM CTR (49.5%)	450,000	450,000	450,000	550,000	550,000	
EMERGENCY MGMT (20%)	82,024	87,300	87,300	87,300	87,300	
MAINSTREET PROJECTS	6,107	4,000	4,000	4,000	4,000	
SETDD LEGAL FEES	0	1,000	1,000	1,000	1,000	
Total Public Safety	538,131	542,300	542,300	642,300	642,300	
Health & welfare:						
VETERANS AFFAIRS (20%)	23,693	22,600	22,600	22,600	22,600	
BEHAVIORAL RESEARCH	2,000	2,000	2,000	2,000	2,000	
LIFE BRIDGES (20%)	6,200	6,200	6,200	6,200	6,200	
COMMUNITY SVCS AGCY (50%)	94,376	94,400	94,400	94,400	94,400	
Total Health & welfare	126,269	125,200	125,200	125,200	125,200	
Parks & recreation:						
AQUA TIGER EQUIPMENT	2,000	2,000	2,000	2,000	2,000	
BOYS AND GIRLS CLUB	13,923	14,000	14,000	14,000	14,000	
BRADLEY/CLEV FOOTBALL	3,500	3,500	3,500	3,500	3,500	
YOUTH BASEBALL	5,000	0	0	0	0	
CLEVELAND YOUTH SOFTBALL	4,000	4,000	4,000	4,000	4,000	
SOCCER ASSOCIATION	5,000	5,000	5,000	5,000	5,000	
LAND PAYMENT-SOCCER	5,000	5,000	5,000	5,000	5,000	
Total Parks & recreation	38,423	33,500	33,500	33,500	33,500	
Education:						
VOCATIONAL SCHOOL (20%)	22,236	22,236	22,236	22,236	22,236	
Total Education	22,236	22,236	22,236	22,236	22,236	
TOTAL APPROPRIATIONS	1,091,983	1,112,757	1,112,757	1,212,736	1,212,736	

RESOLUTION

A RESOLUTION DIRECTING THE PAYMENT BY THE CLEVELAND UTILITIES BOARD TO THE CITY OF CLEVELAND TAX EQUIVALENT PAYMENTS FOR THE CLEVELAND UTILITIES BOARD'S ELECTRIC SYSTEM

WHEREAS, section 7-52-304 of the Tennessee Code annotated empowers a municipality's governing body, after consultation with the supervisory body of an electric system, to determine the amounts of tax equivalents to be paid to the taxing jurisdiction (municipality) in the service area of the electric system; and

WHEREAS, the City Council of the City of Cleveland, through its City Manager and Finance Director, has held such consultation with the supervisory body of the electric system of the City of Cleveland; and

WHEREAS, the necessary calculations of tax equivalents payable have been made in accordance with the provisions of Tennessee Code annotated Section 7-52-304;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEVELAND;

Section 1. The Cleveland Utilities Board electric system is hereby directed to pay to the City of Cleveland \$1,912,477 in tax equivalents for FY2017.

Section 2. This resolution shall become effective July 1, 2016 the public welfare requiring it.

Adopted this 23rd day of May, 2016.

APPROVED AS TO FORM:

/s/John F. Kimball
City Attorney

/s/Tom Rowland
Mayor

/s/Shawn McKay
City Clerk

RESOLUTION

A RESOLUTION DIRECTING THE PAYMENT BY THE CLEVELAND UTILITIES BOARD TO THE CITY OF CLEVELAND TAX EQUIVALENT PAYMENTS FOR THE CLEVELAND UTILITIES BOARD'S WATER SYSTEM.

WHEREAS, section 7-34-115 of the Tennessee Code annotated empowers a municipality's governing body, after consultation with the supervisory body of a water system, to determine the amounts of tax equivalents to be paid to the taxing jurisdiction (municipality) in the service area of the water system; and

WHEREAS, the City Council of the City of Cleveland, through its City Manager and Finance Director, has held such consultation with the supervisory body of the water system of the City of Cleveland; and

WHEREAS, the necessary calculations of tax equivalents payable have been made in accordance with the provisions of Tennessee Code annotated Section 7-34-115;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEVELAND;

Section 1. The Cleveland Utilities Board water and wastewater system is hereby directed to pay to the City of Cleveland \$225,146 in tax equivalents for FY2017.

Section 2. This resolution shall become effective July 1, 2016 the public welfare requiring it.

Adopted this 23rd day of May, 2016.

APPROVED AS TO FORM:

/s/John F. Kimball
City Attorney

/s/Tom Rowland
Mayor

/s/Shawn McKay
City Clerk

RESOLUTION

A RESOLUTION DIRECTING THE PAYMENT BY THE CLEVELAND UTILITIES BOARD TO THE CITY OF CLEVELAND TAX EQUIVALENT PAYMENTS FOR THE CLEVELAND UTILITIES BOARD'S WASTEWATER SYSTEM.

WHEREAS, section 7-34-115 of the Tennessee Code annotated empowers a municipality's governing body, after consultation with the supervisory body of a wastewater system, to determine the amounts of tax equivalents to be paid to the taxing jurisdiction (municipality) in the service area of the water system; and

WHEREAS, the City Council of the City of Cleveland, through its City Manager and Finance Director, has held such consultation with the supervisory body of the wastewater system of the City of Cleveland; and

WHEREAS, the necessary calculations of tax equivalents payable have been made in accordance with the provisions of Tennessee Code annotated Section 7-34-115;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEVELAND;

Section 1. The Cleveland Utilities Board wastewater system is hereby directed to pay to the City of Cleveland \$206,000 in tax equivalents for FY2017.

Section 2. This resolution shall become effective July 1, 2016 the public welfare requiring it.

Adopted this 23rd day of May, 2016.

APPROVED AS TO FORM:

/s/John F. Kimball
City Attorney

/s/Tom Rowland
Mayor

/s/Shawn McKay
City Clerk

RESOLUTION

**A RESOLUTION REGARDING THE CLEVELAND CITY SCHOOLS
FEDERAL PROJECT FUND**

THAT WHEREAS, the Cleveland City Schools receive monies from the federal government to assist with the educational programs of the local school system; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cleveland, Tennessee in regular session assembled this 23rd day of May, 2016, as follows:

Section 1. That the Cleveland City Schools General Fund is hereby approved, and the budget for the Cleveland City Schools Federal Project Fund shall be the budget for the separate projects approved within the fund by the Tennessee Department of Education and for the *No Child Left Behind* projects as approved by the Cleveland Board of Education.

Section 2. That a certified copy of this Resolution shall be furnished to the Director of Schools to forward to the Tennessee Department of Education as proof of compliance with its regulations regarding federal project funds.

Section 3. That this Resolution shall be and remain in full force and effect from and after its date of adoption.

Passed and adopted this 23rd day of May, 2016.

APPROVED AS TO FORM:

/s/John F. Kimball
City Attorney

/s/Tom Rowland
Mayor

/s/Shawn McKay
City Clerk

Financial Policies and Budget Preparation

The City Council has adopted policies in all areas of financial management, which guide the preparation, adoption, amendment, and administration of the Operating Budget, the Capital Budget, and the Capital Improvements Plan. Below is a listing of those policies in the areas of:

- Operating Budget Policies
- Capital Budget Policies
- Revenue Policies
- Reserve Policies
- Cash Management and Investment Policies
- Risk Management Policies
- Debt Policies
- Accounting, Auditing, and Financial Reporting Policies

Operating Budget Policies

The City Council shall hold an annual Budget Retreat each Spring in order to establish priorities for funding in the next fiscal year and a Planning Session in January each year to discuss long-range major capital improvements.

The City shall adopt a balanced budget annually. A balanced budget is a basic budgetary constraint intended to ensure that a government does not spend beyond its means. A budget is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. Any subsequent amendment must identify the revenues or other financing sources. The City will strive to maintain current fund balances in its operating funds and to meet the reserve targets established under the “Reserve Policy” section of this document.

The City will continue to pay competitive wages and fringe benefits in order to attract and retain quality personnel.

All Enterprise Funds shall be self-supporting from their fees and charges, with no subsidy from the General Fund. By the same token, the General Fund shall receive no subsidy from any Enterprise Fund. This does not prohibit the normal Payment in Lieu of Taxes (PILOT) required from Cleveland Utilities.

The Fleet Management Fund should reflect the true costs to provide maintenance for city-owned vehicles, as well as outside governmental agencies contracting vehicle maintenance with the city. The City Council shall review annually the hourly rate and mark-up on parts and gasoline required to support the operation

The Solid Waste Management Fund should reflect the true costs to provide residential and commercial garbage collection, disposal and recycling; bulk (white

goods) collection and disposal; and leaf collection and disposal. The City Council shall evaluate annually the extent to which each service is supported by service charges rather than a subsidy from the General Fund.

The Cleveland City School System (CCS) shall be given an increase in City funding over the current fiscal year's budgeted revenue estimate from the City, that is equal to the estimated percentage increase in the Local Taxes portion of the General Fund Revenues for the following fiscal year. The computation of this increased percentage shall not include any revenue increase due to increased property or sales tax rates which are earmarked for specific purposes. This will assure that the school system receives a reasonable inflationary increase for the portion of their budget funded by the City. The City is not in a position to provide funding beyond this level and still have adequate financial resources for the other needs of the community. The increases necessary to cover inflationary increases in the CCS Budget currently funded by the Federal, State, and County governments must be obtained from those sources each year.

The City shall aggressively pursue improvements in technology and work methods that will improve service levels and/or reduce operating costs.

The City will not reduce the level of service of any program, activity, or function in FY2017. Recycling will continue to be made available to the citizens of Cleveland at regional recycling centers.

The City shall use one-time revenues only for capital items or to build reserves, instead of operating expenditures.

The City shall raise property taxes only when absolutely necessary to balance the Budget and maintain adequate reserves.

All appropriations and expenditures shall be made in full compliance with applicable State laws and the City's Purchasing Manual.

The City will follow the Budget Preparation Calendar shown at the end of this section.

The City Manager and Director of Finance shall prepare an annual Budget which meets the requirements to receive the Distinguished Budget Presentation Award from the Government Finance Officers Association. The City received this award for the first time in 1998.

Capital Budget Policies

The City shall adopt a Capital Improvements Plan (CIP) annually which will include the next fiscal year's Capital Budget. Improvements requested for the next five years are included in the city's Capital Improvement Needs Inventory (CINI).

The City shall make every effort not to add additional programs and services until both the Operating Budget and the CIP are adequately funded.

The City shall provide resources from current revenues to fund an adequate maintenance and replacement schedule for infrastructure and equipment.

The City will aggressively pursue state and federal funding, as well as other sources of funding for capital improvements.

Revenue Policies

The City will budget revenues conservatively so that the chance of a revenue shortage during the year is remote. This also will help finance contingencies and budget amendments that were unforeseen when the Budget was first adopted.

The City will review annually all fees and charges to assure that they maintain their inflation-adjusted purchasing power.

Since different revenue sources impact classes of taxpayers differently, the City Council recognizes that the only way to minimize these different impacts is to have a diversified revenue system. These impacts will be considered in making any needed adjustments to the various sources of revenue.

The City will make every effort not to become too dependent on one source of revenue in order to minimize serious fluctuations in any year.

The City will consider market rates and rates of comparable cities in the region when changing tax rates, fees, and charges. The City will make every effort to maintain its favorable comparative position with other Tennessee cities in this regard, which has contributed to its economic development success.

All cash donations to any department or agency of the City shall be deposited with the City Clerk's Office. All purchases using such donations must be budgeted and will comply fully with the City's purchasing policies. The City cannot accept donations on behalf of an outside agency or group. Donations of equipment or supplies may be made directly to a department or agency of the City. Donated equipment meeting the definition of a fixed asset must be reported to the Purchasing Agent, for tagging and listing as a fixed asset.

Reserve Policies

The City Council recognizes the need to set reserve amount targets for every operating fund of the City. The targets for those funds using the modified accrual basis of accounting are set as the percentage that the unassigned fund balance is to the budgeted expenditures and transfers to other funds. The targets for those funds using the accrual basis of accounting are set as the percentage that the working capital is to the budgeted operating expenses. The targets are as follows:

Fund Title	Unassigned Fund Balance (or Working Capital) as a % of Expenditures (or Operating Expenses) And Transfers to Other Funds
General Fund	25%
Solid Waste Management Fund	5%
State Street Aid Fund	5%
Debt Service Fund	50%
Fleet Management Fund	5% Working Capital
Drug Enforcement Fund	5%
School General Fund	3%
School Food Service Fund	10%
Library General Fund	10%
Stormwater Fund	5%

The City Manager and Director of Finance are directed to prepare Budgets that result in every target being met by June 30, 2018.

These reserve targets shall be reviewed annually by the City Manager and Director of Finance, who shall report to the City Council on their continued adequacy.

Cash Management and Investment Policies

The City will make all deposits of cash within the time period required by State law.

The City will aggressively pursue all revenues due, including past due bills, court tickets and fines, using whatever legal means are available.

The City will pay all obligations on or before the due date.

The City will continue the current cash management and investment policies, which are designed to emphasize safety of capital first, sufficient liquidity to meet obligations second, and the highest possible yield third. Those policies are as follows:

The City operates with one consolidated checking account and one payroll account to handle all the funds, operating and capital. This does not include any accounts for Cleveland Utilities, the Cleveland Public Library, or the Cleveland City Schools, which maintain their own accounting systems and bank relationships. The services were rebid for a three-year contract beginning July 1, 2013.

The bank bid assures the City no service fees, free wire transfers, monthly statements, full collateralization per State requirements, and a rate on all money kept overnight pegged to a percentage of the federal funds rate. Consolidation of bank accounts makes investment decisions easier, and reduces staff time needed to reconcile monthly bank statements.

The Director of Finance makes a twelve month cash flow projection, and from that develops a schedule of long-term investments. These investments could be any type authorized by State law. However, the City Council has limited it to Certificates of Deposit. In an effort to provide an equal opportunity among the city's local banks, yet receive the maximum yield, each local bank is allowed to submit a sealed bid for any monies to be invested.

Should there not be enough interest from local banks, the Director of Finance is authorized to put the remainder in the State investment pool. The State investment pool's rates are set in a similar fashion to the City's program, so there should be no loss of yield.

Risk Management Policies

The City will minimize potential losses through employee safety training, inspections of the workplace, risk analysis, and Tennessee OSHA compliance. The City's Safety Committee will assist the Wellness, Safety and Risk Manager in this.

A drug testing program shall continue for all potential employees, as well as random testing of all federally-required employees. The City will continue to participate in the Tennessee Municipal League's (TML) Risk Management Pool for virtually all necessary coverages, including General Liability, Automobile Liability, Errors and Omissions, Property, Boiler and Machinery, Inland Marine, Special Events and Worker's Compensation. The Cleveland Municipal Airport Authority also carries a policy on the airport through the City. The City will continue to be a reimbursing employer for unemployment claims.

Annual inspections of premises and work practices shall be performed by the risk management staff of the TML Pool, and the City will correct any deficiencies noted.

Debt Policies

The City will issue bonds and capital outlay notes only for capital improvements and moral obligations. The debt policy for the City has been approved by the State of Tennessee Comptroller's Office.

The City will not issue notes or bonds to finance operating deficits. Adequate reserves will be maintained to assure this does not become necessary. No bond or note will be issued to purchase a fixed asset which has a shorter useful life than the term of the debt instrument.

The City will issue general obligation bonds or capital outlay notes for necessary general government projects and Cleveland City Schools projects. Cleveland City Schools may be required to budget the debt service for some smaller projects. Any new school construction not covered by the State or Bradley County will be budgeted within the City's Debt Service Fund or repaid by Cleveland City Schools. Cleveland Utilities shall pay from its fees and charges all the debt service payments on any general obligation bond issued on its behalf.

No debt will be issued which would increase the outstanding amount of debt above ten (10%) percent of the total assessed value of property within the City. The outstanding amount of debt in this calculation shall not include debt issued for improvements in the electric, water/wastewater systems, and stormwater projects because that debt will be repaid from charges for services, not from property taxes.

The City will maintain at least 50% of its outstanding debt (bonds and notes) at a fixed interest rate, with the remaining portion being variable rate debt. Synthetically fixed rate debt will be considered as variable rate debt in calculating this percentage.

A firm source of revenue must be identified by the City Council before any bond or capital outlay note is issued.

Accounting, Auditing, and Financial Reporting Policies

The City will maintain its accounting records in full accord with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board.

The City Council will receive a monthly finance report showing Income Statements and all investments.

The City shall have a qualified certified public accounting firm conduct an independent audit annually.

The City Manager and Director of Finance shall prepare a Comprehensive Annual Financial Report each year which meets the requirements of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. The City of Cleveland has received this award every year since FY1988.

Summary of Significant Accounting Policies

The City of Cleveland, Tennessee was incorporated in 1903 under the provisions of Chapter 307 of The Acts of 1903. The City operates under the Council-Manager form of government as authorized under Chapter 78 of the Private Acts of 1993 and amended by Chapter 165 of the Private Acts of 1994 as it relates to the operation of the school system. The City provides the following services as authorized by its charter: health, public safety, welfare and general government services.

The following is a summary of significant policies:

A. Reporting Entity

The financial statements of the City of Cleveland include those of separately administered organizations that have a significant operational or financial relationship with the City.

Based on the foregoing criteria, the financial statements of the following organizations are included in the accompanying financial statements as part of the primary government:

Cleveland Board of Education

The Board of Education consists of seven members. Members are elected to four-year terms. The Council levies taxes for the Board's operations and issues debt for its capital projects. The financial position and results of operations of the Board of Education are reported in the School Fund, School Federal Projects Fund, and School Food Services Fund as governmental fund types, and included as part of the primary government due to the fact that it is not considered to be legally separate.

Cleveland Board of Public Utilities

The Board of Public Utilities consists of five members appointed by the City Council. The City Council has authority over the Board, prescribes the rules and regulations to which the Board must comply, and must approve their budget and proposed changes in rates. The financial position and results of operations of the Board of Public Utilities are presented in the Cleveland Utilities Water Division and Cleveland Utilities Electric Division in the enterprise fund section. The activities of the Board of Public Utilities are includable as part of the primary government due to the fact that it is not considered to be legally separate.

Cleveland Public Library Board

The Board of Cleveland Public Library consists of seven members appointed by the City Council and the County Commission. The Board is fiscally dependent upon the City because the City Council approves the Library's budget and issues debt for its capital projects. The financial position and results of operations of the Cleveland Public Library Board are reported in the Library Fund as a governmental fund type and includable as part of the primary government due to the fact that it is not considered to be legally separate.

B. Government-wide and Fund Financial Statements

Government-wide Statements - The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenue, including all taxes, are presented as general revenue.

Fund Financial Statements - The fund financial statements provide information about the City's funds, including its governmental funds and proprietary funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

School Fund. This fund is used to account for the revenues and expenditures of the City of Cleveland public school system. Funding for the school system is provided by federal and state grants as well as state and county taxes.

The City reports the following major enterprise funds:

Cleveland Utilities Water Division. This fund is used to account for the provision of water and wastewater services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing and collection and some service areas outside the corporate boundaries.

Cleveland Utilities Electric Division. This fund is used to account for the provision of electric service to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing, billing and collection and some service areas outside the corporate boundaries.

Additionally, the government reports the following fund type:

Internal Service Fund. This fund is used to account for the maintenance of all vehicles owned by the City of Cleveland and various other government agencies.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water, wastewater and electric functions. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Measurement focus, Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, gasoline taxes, wholesale beer taxes, income taxes, mixed drink taxes, gross receipts taxes and in-lieu of taxes are susceptible to accrual. Licenses and permits, fines and forfeitures, gross receipts taxes and excise taxes are recorded as revenue when received in cash because they are generally not measurable until actually received. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds and internal service fund are charges to customers for sales and services. Cleveland Utilities - Water Division also recognizes as operating revenue the portion of the tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The effect of interfund activity has been eliminated from the government-wide financial statements.

D. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and certificates of deposit with original maturities of three months or less, primarily with local financial institutions.

E. Investments

Investments are stated at fair value based on quoted market prices, except for non-negotiable certificates of deposit that are reported at cost, which approximates fair value. Legal provisions of the city charter require that all investments be properly insured or collateralized with a federal depository. State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and pooled investment funds.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/

from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The reserve method is used to estimate the allowance for electric and water service receivables.

The City's property tax is levied each October 1, on the assessed value listed as of the prior January 1, for all real and personal property located in the City. City property tax revenues are recognized when levied to the extent they result in current receivables. Taxes not collected as of March 1 of the following year are considered delinquent and are subject to lien on April 1 of the succeeding year.

G. Inventories and Prepaid Items

Inventories are valued at cost, using the first-in, first-out method. The costs of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

H. Restricted Assets

Certain proceeds of the Cleveland Utilities - Water Division revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. They are represented mostly by cash and certificates of deposit. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., primary roads, secondary roads, drainage), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Infrastructure - Roads	50
Infrastructure - Drainage	20
Infrastructure - Detention Ponds	40
Buildings	20-50
Vehicles	5
Equipment	5-10
Other Improvements	25

Cleveland Utilities			
Electric Division		Water Division	
Class	Years	Class	Years
Structures, transmission and distribution system	33-50	Structures, transmission and distribution systems	25-50
Equipment	10-20	Equipment	10-20
Transportation equipment	5	Transportation equipment	5

Cleveland Utilities uses a composite straight-line rate expressed as a percentage of average depreciable plant. The 2015 rates for the Electric Division and Water Divisions were 3.7% and 2.8% respectively. When property subject to depreciation is retired or otherwise disposed of in the normal course of business, its costs, together with the cost of removal less salvage, is charged to the reserve for depreciation. Replacements of property (exclusive of minor items of property) for Cleveland Utilities are charged to utility plant accounts.

Cleveland Utilities Electric and Water Divisions charge a portion of depreciation on certain transportation equipment to other expense classifications based on relative usage. Depreciation charged to other accounts was \$269,474, and \$112,385 for Cleveland Utilities Electric Division and Water Division respectively. The following schedule reconciles this allocation of depreciation expense:

	Reconciliation
Depreciation and amortization per statement of revenues, expenses and changes in net position	\$ 9,850,195
Depreciation charged to clearing account	381,859
Depreciation and amortization per statement of cash flows	<u>\$ 10,232,054</u>

J. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualifies for reporting in this category. The first one is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding (loss) results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item relates to pension contributions made after the measurement date of the pension liability. These amounts will be recognized as a reduction (increase) in the following measurement period. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of

resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. Unavailable revenue is reported in the governmental funds balance sheet and also the government-wide statement of net position as deferred revenue. This is comprised of current property taxes (2015 levy) at the government-wide level. The governmental funds report unavailable revenue from property taxes, sales tax and other state taxes and are recognized as an inflow of resources in the period that they become available. The second item is the deferred charge on refunding (gain) resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third item relates to pension liability and differences between actual and expected experience and earnings on pension plans.

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Long-term obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the CSA and TCRS plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CSA and TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the various plans. Investments are reported at fair value.

M. Net Position and Fund Equity

In the government-wide financial statements equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of June 30, 2015, outstanding bond proceeds totaled \$726.

Restricted net position - Consists of amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other amounts that do not meet the definition of restricted or invested in capital assets, net of related debt.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications consist of the following:

Nonspendable Fund Balance - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinances by the City Council, the City's highest level of decision-making authority.

Assigned Fund Balance - includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The City Council is the authorized body to make assignments. The Council has by resolution authorized the finance director to assign fund balance.

Unassigned Fund Balance - the residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When an expenditure is incurred for purposes of which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

N. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. The City holds budget hearings in mid March of each year with all department heads submitting requests. The operating budget includes proposed expenditures and the means of financing them. Also, a six-year capital budget is presented in conjunction with the operating budget.
2. At a later date, the City Manager makes a formal presentation to the Council for the finalized budget.
3. Prior to July 1, the budget and property tax rate are due for passage by ordinance.
4. The Finance Director is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures may not exceed appropriations at the fund level.
5. Formal legally adopted budgets are employed as a management control device during the year for all funds except for Cleveland Utilities - Electric and Water Divisions. Budgeted amounts reflected in the accompanying final budget and actual comparison are as originally adopted and amended by the City Council.
6. All appropriations which are not expended lapse at year end.
7. During the year, supplementary appropriations were necessary. The effect of the amendments were to increase budgeted revenues by \$6,967,574, and increase budgeted expenditures by \$10,147,539. The increase in revenues is primarily from federal grants and tax revenue received by the City. The increase in budgeted expenditures is a result of the additional funding.

The Budget Process

The City's Budget process begins in the Fall. The City Manager conducts a planning session, establishing city-wide goals and priorities of the City Council. Prior to this session, department heads are given forms upon which to submit their capital budget requests. The City Council is also notified to give the City Manager any requests they might have, so that costs may be researched. Departmental requests for the Capital Improvements Program (CIP) are turned in to the City Manager in early December.

The Director of Finance and staff provide a budget worksheet which includes proposed insurance, retirement, and salary increases. Each department provides justification for additional increases in the operating budget, and budgets are due from departments in January. The Director of Finance reviews a five-year trend of revenues collected by the city to project the revenue estimates including growth. The Director of Finance and City Manager finalize the revenue estimates together considering the impact of new legislation and economic conditions, as well as the proposed fee and/or tax increases. At that point, the Finance Director begins the review of the operating expenditures, and the City Manager prepares the CIP. After the Director of Finance and staff have prepared a preliminary Budget, the Director of Finance and the City Manager review it to determine whether further cuts are possible, or if additional revenues are necessary. The City Manager and Director of Finance work with department heads to ensure that budget cuts do not adversely impact the delivery of basic services to Cleveland's citizens. Those decisions are made prior to the Budget Planning Session held by the City Council in late March or early April.

The City's financial policies impact the development of the budget. The City's operating budget policies require a budget retreat in the spring and planning session in January of each year to develop a plan for long range major capital improvements. The operating budget policies also require a balanced budget and that all enterprise funds be self-supporting from their fees and charges. These policies also require that the City's annual budget meet the requirements to receive the Distinguished Budget Presentation Award from Government Finance Officers Association.

In accordance with its capital budget policies, staff prepares the capital improvements plan annually. Improvements requested for the next five years are included in the City's Capital Improvement Needs Inventory (CINI). Staff has also developed a fifteen-year equipment replacement program with funding from the City's Sales Tax Capital Projects Fund. The City's revenue policies require that revenues are budgeted conservatively, that all fees and charges are reviewed to assure that they are adjusted for inflation and that the City will not become too dependent on one source of revenue. Reserve Policies establish reserve targets for every operating fund of the City. The reserve targets are reviewed annually when the budget is prepared. Debt policies are strictly adhered to. The City limits debt to 10% of the total assessed value of property within the City. A firm source of revenue must be identified by the City Council before any bond or capital outlay note is issued.

During the Spring Budget Planning Session, the Director of Finance and City Manager present projections of the current fiscal year's Budget, and the preliminary operating Budget for Council review. Department heads present their Capital Budget requests, changes in programs/services, and any requests for new personnel. In addition, the City Manager presents the Council with recommendations for a six-year Capital Improvements Program and the amount

of any proposed bond issues and/or tax increases. The City Council then debates any changes in suggested priorities in both the preliminary operating Budget and the Capital Improvements Program. Once those priorities are established, the City Manager and the Director of Finance finalize the Budget. The City Manager prepares the Budget Message detailing the major issues and initiatives contained in both documents. The Finance department staff prepare the excel spreadsheets detailing the line item budgets proposed for each fund and work with individual departments on narratives and the graphics used throughout the budget.

The proposed budget must be distributed to the Mayor, City Council, and public by June 1st as required in the City Charter. Copies are available to the public for review at both the City Clerk's Office and the public library. A public hearing is scheduled for one of the regular meetings in May, after which the budget is voted on first reading. Second and final reading of the budget ordinance is held at the next meeting, and the budget becomes effective July 1st. In the event the Council cannot agree on a budget before July 1st, an Interim Budget is adopted, which is simply a continuation budget from the previous year. At that point, the Finance Director authorizes the City Accountant to enter the adopted budget into the accounting system.

Budget amendments may be made at any time throughout the fiscal year. Any amendment request is reviewed by the Finance Director, who makes a recommendation on whether the expenditure should be made, and what revenue source will be used to finance it. The budgetary level of control is at the fund level. All amendments require two separate readings of the budget amendment ordinance just like the vote on the original budget. After second reading and passage, the Finance Director authorizes the City Accountant to enter the amended amounts in the budget.

CITY OF CLEVELAND, TENNESSEE
CALENDAR FOR FY2017 BUDGET AND
CAPITAL IMPROVEMENTS (CINI) PREPARATION

- October 26 City Manager distributes Capital Request forms to Department Heads.
- December 31 Department Heads submit Capital Requests to City Manager.
- January 25 City Manager conducts planning session with City Council and Department Heads to establish city-wide goals and priorities.
- January 26 Finance Director releases budget preparation memo to Departmental Budget Officers.
- February 8 City Council sets date for Budget Session to be held at Municipal Building.
- February 15 All budget requests and revisions to city-wide goals and objectives are submitted to the Finance Director.
- February 29 Finance Director and City Manager complete all revenue projections for current and next fiscal year and work with Department Heads to make necessary budget cuts.
- March 2-7 Finance Director and City Manager review each departmental budget. Also, discuss the presentation of the proposals by the Department Head and detailed agenda for Planning Session, including time slots for presentations.
- April 6 Finance Director's Office prepares Agenda packets, including budget requests, CINI, and distributes to the City Council.
- April 11 City Council Budget Session at Municipal Building.
- April 11-May 4 Finance Director and City Manager finish the Budget and write Budget Message, Budget Ordinance, and Tax Rate Ordinance. A&F Budget Team prepares Budget using GFOA criteria.
- April 25 City Council schedules a Public Hearing on the Budget for the May 9th City Council Meeting.
- May 4 Budget distributed to the City Council, Department Heads, and News Media.
- May 9 City Council holds Public Hearing concerning the Budget.
- May 9 City Council adopts the Budget and Tax Rate Ordinance on First Reading.
- May 23 City Council adopts the Budget and Tax Rate Ordinance on Final Reading.

Personnel Administration

Federal law, State law, the City Charter and several policy documents approved by the City Council govern Personnel Administration. The City Manager and the Human Resources Director are responsible for Personnel Administration. The City Charter authorizes the City Manager to hire, supervise, and if necessary terminate any employee of the City except the appointed City Attorney and City Judge. The City Charter further calls for Personnel Rules and Regulations, which the City Council has adopted by resolution, to guide the City Manager in personnel matters. The City Charter also calls for a Position Classification and Pay Plan. The City Council adopted the current plan effective July 1, 2001, following a detailed study by Burriss & Associates, Inc. of both pay and fringe benefits. The Plan includes updated job descriptions for every position within the City. The previous Plan had been in effect for four years, with annual adjustments. In October 2015, the City hired Burriss and Associates to review and update the City's Classification/Compensation Plan. The review of the plan recommended that the City retain the current pay structure with adjustment to the entry level rates to maintain competitiveness. Certain positions were also upgraded to appropriate grades based on market survey information.

Cleveland City Schools and the Cleveland Utilities Board operate as separate entities, and therefore are not included under the City's personnel policies or pay plan. Therefore, all information here applies only to the City of Cleveland, not the schools or Utilities Board. The Library Board sets policies for the Library, but their employees are included in the Pay Plan.

The number of authorized positions within each department and division are established annually with the adoption of the Budget. No position can be added during the year without the approval of the City Council. The City's Personnel Rules and Regulations detail employee recruitment, selection, orientation, training, fringe benefits, expected conduct, attendance, work week and work periods, and grievance procedures. The Human Resources Director is responsible for administering these policies on a daily basis. Any proposed changes in the Personnel Rules and Procedures are reviewed by a Human Resources Committee, which is made up of representatives of each department recommended by the department heads and approved by the City Council. The Human Resources Committee also hears employee grievances; however, all grievances are decided by the City Manager.

Employee pay may be adjusted annually in two ways. First, as part of the Budget the City Council may authorize a cost of living adjustment (COLA) to offset inflation, thereby keeping the Pay Plan competitive. Second, those employees who have received a good employee evaluation for the past year are eligible to move up one step on the Pay Plan, provided they are not at the last step. Both adjustments take effect with the new fiscal year. Effective July 1, 2003, the City converted from a weekly to a bi-weekly payroll schedule for hourly employees and salaried employees converted from a monthly payroll schedule to a bi-weekly or semi-monthly schedule, based on their preference. All employees placed in a salaried position after the conversion to bi-weekly payroll were paid bi-weekly with no option for semi-monthly pay status. Police remained on their 14 day payroll schedule and Fire remained on their 28-day schedule, as they are subject to the 14 and 28-day work period exemptions respectively under the Fair Labor Standards Act. Effective October 1, 2003, electronic direct deposit was made available to employees on a voluntary basis. Effective February 4, 2013, the City Manager implemented an administrative policy requiring mandatory direct deposit for all employees hired after that date.

Major medical insurance for employees was provided through a partially self-funded Insurance Trust Fund until July, 1999. In FY2000, the City accepted bids on a fully insured premium based plan for both health and dental insurance and awarded the plan to Blue Cross Blue Shield of Tennessee. Health and dental insurance coverage are combined plans for Cleveland Utilities and City of Cleveland employees. On August 1, 2015, the City returned to a partially self-funded plan administered by Blue Cross and Blue Shield of Tennessee.

The City adopted a Fit for Duty policy for Police and Fire employees effective November 26, 2007. Certified police officers and firefighters hired after that date will be required to pass a validated agility test to maintain their status as police officers or firefighters. Certified firefighters are also required to undergo a complete medical examination annually. Employees unable to meet the standards will be given time to improve their physical condition and be given the opportunity to pass the test and/or exam in order to maintain their position as a police officer or firefighter.

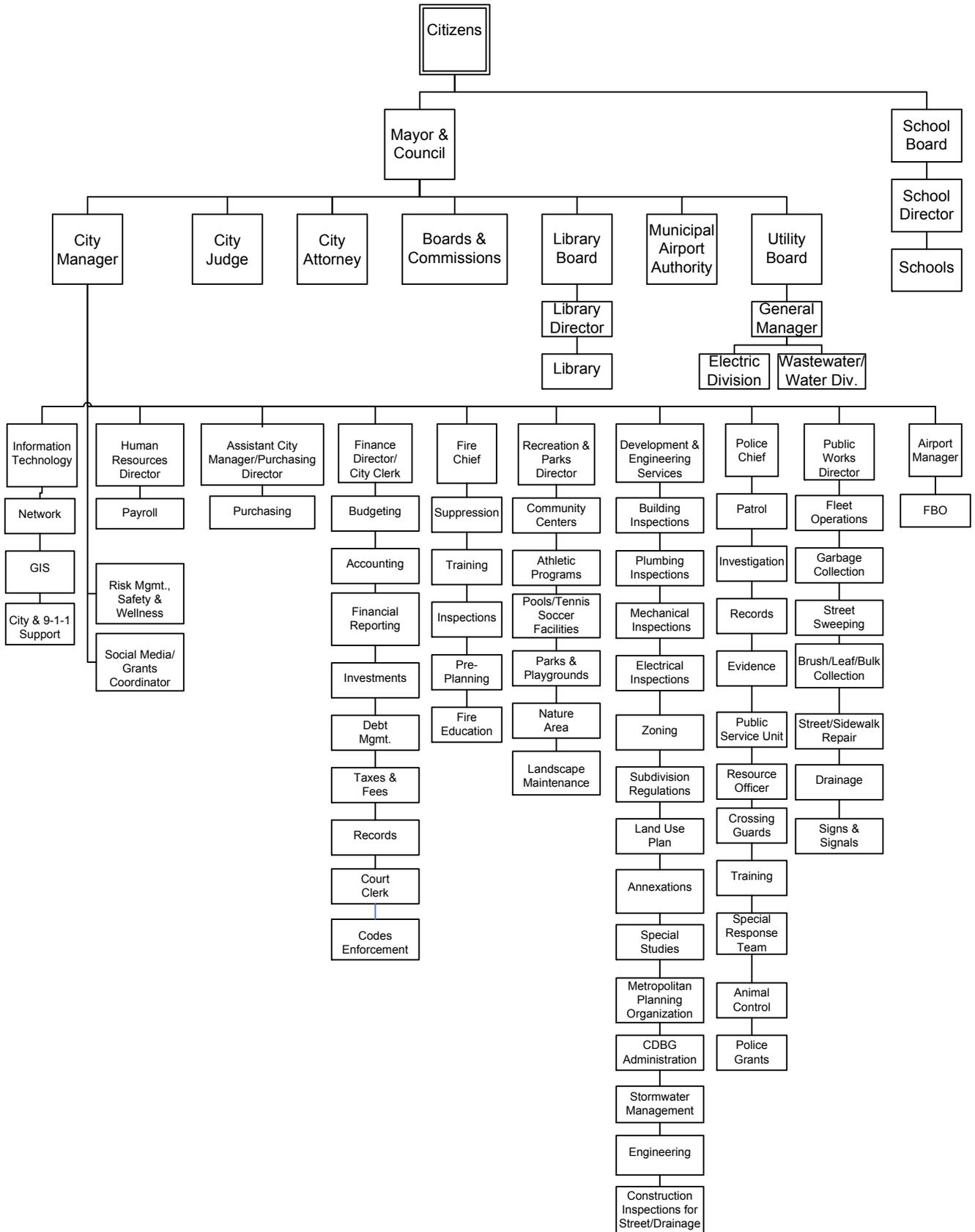
The City participates in the Tennessee Consolidated Retirement System (TCRS), the state system that is open to local government employees also. When the State institutes a benefit enhancement, local governments can choose whether to offer that as an option.

The City in recent years has improved its retirement plan by adding several of these options. The City is a non-contributory member of the system, meaning the City pays both the employer's and the employees' shares to actuarially fund the system. Effective July 1, 2012 through June 30, 2016, the City of Cleveland pays 16.62% of gross wages for its employees. The projected rate for FY2017 is 16.71%. The City's portion of the system is actuarially sound, and the system as a whole is financially stable.

Effective February 1, 2008, the City of Cleveland adopted the new Public Safety Officer Supplemental Bridge Option for retirement purposes. This option requires mandatory retirement for public safety officers (police officers and firefighters) at age 60, with an exception to age 62 in administrative positions. The option also provides full retirement benefits at age 55 with 25 years of service and provides an additional benefit for public safety officers between the ages of 55 and 62. This option resulted in an increase to the contribution rate on the salaries of the public safety officers by 3.5%. The contribution rate for those employees is 20.12% effective July 1, 2012 through June 30, 2016. The projected rate for FY2017 is 20.21%

More detailed information on personnel administration is given following this summary. First, the Organizational Chart of the City is given. More detailed departmental or division organizational charts can be found within the fund that finances that department or division. Next, a summary chart and graph along with a List of Authorized Personnel Positions by Department is provided with a three-year comparison. Then, the Position Classification and Pay Plan matrix is given, showing the pay grade for each position and what pay rates are assigned to that grade. A brief explanation of the City's Fringe Benefits follows. Finally, more information on the Retirement System is provided.

Organizational Chart for the City of Cleveland, Tennessee



Organizational Chart of the City of Cleveland, Tennessee

The City of Cleveland was incorporated in 1903. In an August 1993 referendum, the citizens approved a change to the City Charter from the Commission to the Council-Manager form of government. The Mayor and City Council are elected for four-year, staggered terms. The mayor, one at-large council seat, and those from Districts 1 and 2 were elected in 1998. The other at-large council seat was also elected in 1998, but for a two-year term. That seat went to the at-large candidate with the second-highest vote total. The election for that at-large council seat, and those from Districts 3, 4, and 5 was held in August 2000 for full four-year terms. City elections are held in even-numbered years.

The Cleveland Board of Education was appointed by the City Council until September 1995, when the City Council adopted an ordinance requiring the election of board members. This ordinance was passed in order to comply with TCA 49-2-201, which now requires elected school boards and appointed directors of schools. The Board of Education is comprised of seven members; two elected at-large, and one elected from each of the five council districts. All serve four-year terms. In the August 1998 election one at-large member, and those representing Districts 1 and 2 were elected. In the August 2000 election, the other at-large member, and those representing Districts 3, 4, and 5 were elected. The Board of Education appoints the Director of Schools, who is in charge of the daily operations of the school system.

The City Council appoints a City Attorney to provide the Council and staff legal advice and serve as prosecutor in Municipal Court; a City Judge to preside over the Municipal Court; various Boards and Commissions; and the Cleveland Utilities Board (CUB). The five-member CUB then appoints a General Manager, who is in charge of the daily operations of Cleveland Utilities two divisions: the electric system, and the water and wastewater system.

Some Cleveland/Bradley Library Board members are appointed by the Cleveland City Council and some by the Bradley County Commission. The Library Budget must be approved by both the City Council and the Bradley County Commission, which share the cost equally under a joint agreement. The Library Board appoints the Library Director, who is in charge of the daily operations of the library.

The City Council also appoints the City Manager, who is in charge of all other City operations. The Assistant City Manager assists the City Manager in her duties. Those operations are listed in the attached Organizational Chart, shown under the appropriate department heads:

- Director of Finance/City Clerk
- Fire Chief
- Parks & Recreation Director
- Development and Engineering Services Director
- Police Chief
- Public Works Director
- Airport Manager
- Human Resource Director
- Information Technology Director

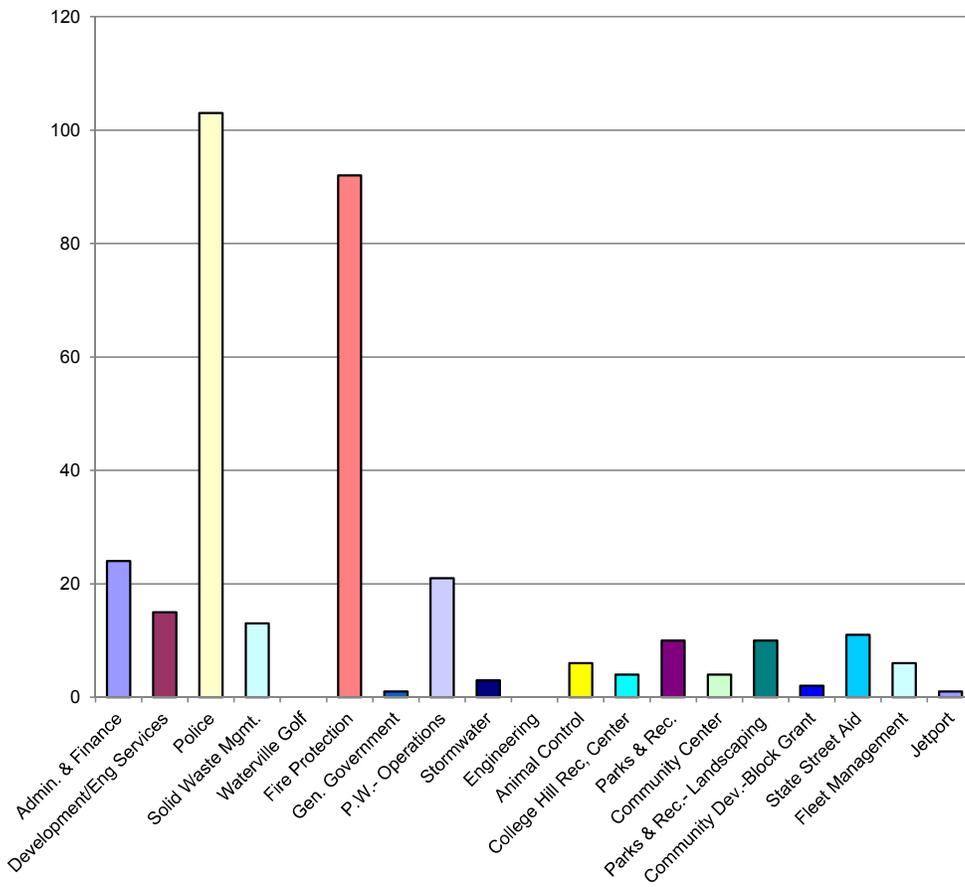
The City opened a new airport facility in 2013, the Cleveland Regional Jetport. The Cleveland Municipal Airport Authority hired an Airport Manager who works for the City Manager and in conjunction with the Cleveland Municipal Airport Authority and the airport Fixed Base Operator (FBO) to ensure the airport is properly operated and maintained.

A more detailed Organization Chart for each department is contained within the fund, which finances the particular department or division of a department. Pay grades/classifications and benefits can be found in the Appendices.

STAFFING COMPARISON BY DEPARTMENT
FULL TIME EMPLOYEES: FUNDED

Departments	2012/13 Adopted	2013/14 Adopted	2014/15 Adopted	2015/16 Adopted	2016/17 Adopted
Admin. & Finance	14	14	14	23	24
Development/Eng Services	8	14	14	15	15
Police	96	103	103	104	103
Solid Waste Mgmt.	13	13	13	13	13
Waterville Golf	6	6	6	0	0
Fire Protection	90	92	92	92	92
Gen. Government	1	1	1	1	1
P.W.- Operations	20	21	21	21	21
Stormwater	2	2	2	3	3
Engineering	4	0	0	0	0
Animal Control	8	8	6	6	6
College Hill Rec, Center	3	3	3	3	4
Parks & Rec.	9	9	9	10	10
Community Center	4	4	4	4	4
Parks & Rec.- Landscaping	7	7	7	9	10
Community Dev.-Block Grant	2	2	2	2	2
State Street Aid	10	11	11	11	11
Fleet Management	8	7	7	6	6
Jetport	0	1	1	1	1
Total FTE's	305	318	316	324	326

City of Cleveland FY2017 Staffing By Department



City Boards and Commissions

ANIMAL SHELTER ADVISORY BOARD

The Animal Shelter Advisory Board shall be responsible for advising the City Manager and City Council on policies and procedures necessary for the operation of the Cleveland Animal Shelter. The Advisory Board consists of 7 members, serving 5-year staggered terms. These members consist of 2 veterinarians, 2 city residents and 1 at-large resident.

AIRPORT AUTHORITY

The Cleveland Municipal Airport Authority was created by the Cleveland City Council in September, 2004. The five member board was given the authority to control and regulate any and all operations of the municipal airport. The members serve five-year staggered terms.

BEER BOARD

The Beer Board regulates the selling, storing for sale, distributing for sale, and manufacturing of beer within this municipality in accordance with the provisions of the City Code. The Beer Board consists of 5 members and 2 alternate board members, serving 2-year staggered terms.

BRADLEY/CLEVELAND COMMUNITY SERVICES AGENCY

This board has the following duties:

1. Enforcement of compliance with all conditions of the Community Services administration, Department of Labor, and the Department of Health, Education and Welfare and other applicable grant programs.
2. Selection of the committees to provide liaison with the Agency.
3. Determination, subject to the Community Services Administration's and/or other applicable federal agencies' regulations and policies, of all fiscal and personnel controls and policies.
4. The right to determination and final approval after recommendation by the Administering Board of all program plans, priorities, program proposals and budgets.
5. Selection, appointment, removal or the replacement of the Executive Director.
6. Final ratification upon recommendation by the Executive Director of appointment or replacement of all staff positions.
7. Determination, subject to Community Services Administration and other applicable federal agencies' regulations and policies, the rules of procedure for the Governing Board.
8. Selection of the officers of the Governing Board.

The Bradley/Cleveland Community Services has 9 board members and 1 alternate board member. They are City and County officials and serve an indefinite term.

BRADLEY COUNTY EQUALIZATION BOARD

This Board works with Assessor of Property office to hear complaints on property appraisals. The Bradley County Equalization Board has 4 members, serving 2-year terms. The City Council appoints 1 of these members.

BUILDING ADJUSTMENT AND APPEALS BOARD

This board has the powers and duties to hear appeals of decisions and interpretations of the building officials and consider variances of the technical codes. The board has 8 members serving a 3-year term, 3 alternate board members, and 2 serving a 3-year term and 1 serving a 1-year term.

CLEVELAND HOUSING AUTHORITY

By law, the housing authority board is required to make policy decisions, to determine how programs are administered, to obtain funds from various sources and protect funds needed to keep the Public Housing Agency (PHA) operating. Commissioners are responsible for the actions and decisions made by the Executive Director and other PHA staff. The Cleveland Housing Authority Board has 5 members, serving a 5-year staggered term.

ECONOMIC DEVELOPMENT COUNCIL

A division of the Cleveland/Bradley Chamber of Commerce, the purpose of the EDC is to further the quality, plan, and manage economic development of Cleveland/Bradley County and the surrounding trade area. The EDC has the power to take any action deemed necessary and appropriate to fulfill that purpose. The Economic Development Council has 32 board members, serving an indefinite term.

FLETCHER PARK ADVISORY BOARD

The Fletcher Park Planning Group is vested with the authority and responsibility to:

1. Establish bylaws and procedural rules;
2. Prepare a master plan which includes recommendations to the City Council pertaining to the development of Fletcher Park;
3. Review any plans for development of Fletcher Park and make recommendations to the City Council pertaining to the development of Fletcher Park; and.
4. Make recommendations to the City Manager and/or the Parks and Recreation Director on any matter pertaining to the development or operation of Fletcher Park.

Fletcher Park has 6 Advisory Board members, serving 3-year terms.

HEALTH & EDUCATION FACILITIES BOARD

This board issues bonds for development pertaining to health and education. The board issues the bond and that makes the bond interest tax free from federal income tax. The Health & Education Facilities Board has 7 board members, serving a 6-year staggered term.

HISTORIC PRESERVATION COMMISSION

This Commission was established in April, 2004 to provide for the designation of landmarks, landmark sites, and historic districts; to provide for certificates of appropriateness for construction and demolition activities affecting historic resources; to establish criteria and procedures for the issuance of certificates of appropriateness; to provide exceptions for economic hardship, minimum maintenance requirements, public safety; to establish guidelines for enforcement and penalties, appropriations, conflicts of interest, severability and effective dates. This commission has 7 members, consisting of a representative of a local patriotic or historical organization; an architect or engineer, if available; and a member of the Cleveland Municipal Planning Commission. A documented effort to fill the other positions with community members from primary and secondary historic preservation-related principles shall be made. Members are appointed by the City Council and serve 4-year terms.

HOUSING ADJUSTMENT AND APPEALS

The duties of the Housing Board of Adjustments and Appeals shall be to consider and determine appeals whenever it is claimed that the true intent and meaning of this code or any of its regulations have been misconstrued or wrongly interpreted. The Housing Adjustment and Appeals Board has 5 members, serving a 3-year staggered term.

BRADLEY/CLEVELAND INDUSTRIAL DEVELOPMENT BOARD

This board was created by Cleveland/Bradley County in January, 2004 as a non-profit corporation for the purpose of promoting job creation and economic development. This board issues bonds for industry expansion or relocation. The bond board actually becomes the owner of the property and leases it back to the industry. The Industrial Development Board has 7 voting members, serving 6-year staggered terms.

JOHNSTON PARK ADVISORY BOARD

The duties of the Johnston Park Advisory Board are to advise the recreation director of improvements needed for the park. The Johnston Park Advisory Board has 9 members, serving 3-year staggered terms.

LIBRARY BOARD

The Library Board is organized to foster and promote public library development in Bradley County. In accordance with Tennessee law, the Board has the power to direct all the affairs of the library, including the appointment of a Library Director who directs the internal affairs of the library. It establishes the policies for all branches of the library. It may receive donations and bequests to be used directly for library purposes. It may hold and convey realty and personal property and negotiate leases for and on behalf of the library. The Library Board has 7 members, serving 6-year staggered terms.

PARKS ADVISORY COMMISSION

The powers and duties of the Parks Advisory Commission are to provide, establish, conduct and maintain a supervised recreation system and facilities and to acquire by gift, purchase or lease lands and buildings for such purposes. The Parks Advisory Commission has 7 members, serving 3-year terms.

PLANNING COMMISSION

The powers of the planning commission are to prepare and adopt a general plan, make advisory reports and recommendations, mandatory referral to review and comment on any public project, review subdivision regulations and site plans, prepare and recommend a zoning ordinance and map, and review amendments to the zoning ordinance or map. The Planning Commission has 10 members appointed by the Mayor, serving 3-year staggered terms.

BOARD OF PLUMBING EXAMINERS

The powers and duties of the Board of Plumbing Examiners shall determine if an applicant for a plumbing license has knowledge of the rules and regulations for the installation of plumbing devices, appliances and equipment as set forth in the statutes of the state, the ordinances of the city and the Standard Plumbing Code; to issue licenses and certificates therefore; to determine the general qualifications and fitness of each applicant for executing the class of work covered by the license applied for, and for the transaction of the other business. The Board of Plumbing Examiners has 5 members, serving a 5-year staggered term.

SCHOOL BOARD

The School Board has full power as trustees and directors to manage and control the public schools of the city and to appoint a Director of city schools. The School Board has 7 members, elected by the citizens for 4-year staggered terms.

STORMWATER REGULATIONS BOARD

The Stormwater Regulations Board recommends amendments of the Stormwater ordinance to the City Council and holds hearings for appeals and other hearings as may be required. The board may issue subpoenas requiring attendance and testimony of witnesses relevant to any matter properly heard by the board in order to assure fair and just enforcement to all parties involved as well as provide adequate guidance as it pertains to the Stormwater Ordinance. The board consists of 5 members, meeting the following criteria: one (1) environmental engineer, environmental scientist or environmental technician, one (1) attorney, one (1) person employed or retired from an industrial or commercial establishment regulated by the stormwater ordinance, and two (2) persons that shall not have any particular qualifications, but to the extent practical shall be selected to maintain diversity on the board. Members of the Stormwater Regulations Board serve 4-year staggered terms.

TREE BOARD

The shade tree board is responsible for administering the tree ordinance. The duties of the tree board include the following:

1. Develop and administer a master tree plan for the city subject to review and approval by the traffic engineer.
2. Develop and review, as necessary, recommended policies to carry out the intent of this chapter.
3. Assist in coordinating tree-related activities.
4. Coordinate publicity concerning the tree ordinance requirements.
5. Conduct an Arbor Day ceremony.
6. Provide tree information to the community.

7. Maintain a recommended tree list for the community.
8. Recognize groups and individuals completing tree projects.
9. Coordinate donations of trees or money to purchase trees.
10. Hear citizen concerns regarding tree problems during scheduled meetings.
11. Perform other tree-related duties and opportunities that arise from time to time.

The Tree Board has 9 board members, serving 2-year staggered terms.

UTILITY BOARD

The duties and powers of the Cleveland Utility Board are:

1. To employ a competent and well-qualified person to serve as general manager of the system, which includes water, wastewater and electric distribution.
2. Set salaries or delegate this power to the general manager except for the salary of the general manager and secretary/treasurer.
3. Have full charge of operating, equipping, maintaining, extending and servicing the system, making disbursements of funds in accordance with law and ordinances and contracts made and entered into by the city, and collecting all moneys due the system.
4. Have the right to extend or enlarge the system, right to contract and be contracted with, the right to exercise the rights of eminent domain, in the name of the City of Cleveland, by and with the consent of the City Council, the right to institute suit and defend suits brought against it, the right to employ counsel, and in general to do all acts and things necessary for the operation and maintenance of the system.
5. The Board shall give full effect to the contracts with the TVA, and others, with reference to the acquisition and purchase of the electric distribution system, as well as the power contract between the TVA and the City of Cleveland; shall rigidly enforce the collection of bills for electric, water and sewer service and shall, within the time prescribed by its rules and regulations, discontinue the electric, water or wastewater service for the nonpayment of bills.
6. The Board shall fix rates to be charged for services rendered by the system.

The Utility Board has 5 board members, serving 4-year staggered terms.

VACANT PROPERTY REVIEW BOARD

The Vacant Property Review Board reviews vacant properties to make a written determination of blight and deterioration. The Board has 5 members, serving 2-year staggered terms.

WRECKER BOARD

The Wrecker Board is responsible for administering the provisions established by code concerning the towing and wrecker services within the City. These duties include rules and regulations for receiving a permit, holding hearings concerning wrecker operators, and investigating complaints against wrecker operators. The Board has 5 members, serving 5-year staggered terms.

BOARD OF ZONING APPEALS

The duties include hearing and deciding appeals from any order, requirement, decision or determination made by the city building inspector in the enforcement of the Zoning Ordinance; to hear and decide special exceptions to the terms of the ordinance upon which such board may be required to pass by subsequent ordinance. The Board has 5 members, serving 3-year staggered terms.

General Fund

The General Fund is the primary fund of the City of Cleveland. Any program, service or function not required to be funded elsewhere is budgeted in this fund. This fund supports most of the basic operations and services of the city.

The General Fund Revenues can be segregated into seven major categories:

- Local Taxes
- Licenses and Permits
- Intergovernmental Revenues
- Charges for Services
- Fines and Forfeitures
- Interest (Investment) Income
- Miscellaneous Revenues
- Public Enterprise Revenues

In addition to these recurring sources of revenue, the City Council may elect to appropriate (or budget to use) some of the fund balance (excess of revenues and other resources over expenditures and other uses) in the General Fund. This will only be done if the fund balance is sufficient to support such an appropriation and still attain the targeted fund balance called for in the Financial Policies.

Expenditures in the General Fund are budgeted within several major categories, most of which represent individual departments or divisions of the city. These categories are as follows:

- Legislative and Judicial
- Administration and Finance
 - Codes Enforcement
- Development and Engineering Services
- Police Department
- Fire Department
- Public Works Department:
 - Operations Division
 - Street Lighting and Signals
- Cleveland Regional Jetport
- Animal Control
- Wellness, Safety & Risk Management Program
- Parks and Recreation Department:
 - Administration and Maintenance Division
 - Landscape Maintenance
 - College Hill Recreation Center
 - Cleveland Community Center
 - Tinsley Park
- Grants and Other Agency Support
- Transfers to Other Funds

General Fund Budget Summary

	FY2015 ACTUAL BUDGET	FY2016 ORIGINAL BUDGET	FY2016 AMENDED BUDGETED	FY2017 PROPOSED BUDGET	% OF TOTAL
<i>Revenues and Other</i>					
<i>Financial Resources</i>					
Local Taxes	\$32,696,564	\$32,926,785	\$33,148,011	\$33,721,000	74.9%
Licenses and Permits	\$492,000	\$470,750	\$500,250	\$508,500	1.1%
Intergovernmental Revenues	\$6,618,267	\$5,211,276	\$5,436,853	\$5,781,700	12.8%
Charges for Services	\$801,099	\$442,000	\$591,300	\$643,250	1.4%
Fines and Forfeitures	\$649,800	\$778,600	\$778,600	\$778,900	1.7%
Interest (Investment) Income	\$11,414	\$7,500	\$7,500	\$11,000	0.0%
Miscellaneous Revenues	\$367,263	\$101,500	\$172,224	\$66,500	0.1%
Public Enterprise Revenues	\$977,476	\$1,261,200	\$1,035,400	\$1,159,100	2.6%
Transfer from Other Funds	\$2,286,162	\$2,514,518	\$2,390,243	\$2,343,623	5.2%
<i>Total Revenues and Other</i>	\$44,900,045	\$43,714,129	\$44,060,381	\$45,013,573	100.0%
<i>Expenditures and Other</i>					
<i>Financing Uses</i>					
Legislative and Judicial	\$373,557	\$453,351	\$501,841	\$439,598	1.0%
Administration and Finance	\$1,969,918	\$2,165,605	\$2,318,175	\$2,209,505	4.9%
Codes Enforcement	\$0	\$0	\$251,758	\$283,859	0.6%
Development and Engineering Services	\$1,202,401	\$1,367,150	\$1,393,353	\$1,490,770	3.3%
Police Department	\$8,735,890	\$9,322,799	\$9,359,235	\$9,604,360	21.3%
Fire Department	\$8,176,866	\$8,513,975	\$8,544,792	\$8,867,071	19.7%
Public Works Operations Division	\$2,122,253	\$2,326,200	\$2,301,539	\$2,338,060	5.2%
Street Lighting and Signals	\$1,289,113	\$1,502,900	\$1,451,800	\$1,452,900	3.2%
Stormwater Management	\$276,366	\$0	\$0	\$0	0.0%
Cleveland Regional Jetport	\$893,104	\$1,261,200	\$1,061,427	\$1,146,700	2.5%
Animal Control	\$483,389	\$503,884	\$539,268	\$511,947	1.1%
Risk, Safety & Wellness Program	\$111,719	\$126,850	\$140,822	\$144,822	0.3%
P&R Administration and Maintenance	\$963,288	\$963,865	\$933,022	\$994,759	2.2%
P&R Landscape Maintenance	\$594,268	\$707,711	\$636,165	\$674,742	1.5%
College Hill Recreation Center	\$386,145	\$399,400	\$423,096	\$450,669	1.0%
Cleveland Community Center	\$376,386	\$358,400	\$368,412	\$398,133	0.9%
Tinsley Park	\$266,780	\$311,650	\$308,300	\$341,500	0.8%
Parks and Recreation Leases	\$0	\$0	\$81,201	\$38,000	0.1%
Waterville Golf Course	\$343,035	\$0	\$0	\$0	0.0%
Grants and Other Agency Support	\$1,091,983	\$1,112,757	\$1,112,757	\$1,212,736	2.7%
Transfers to Other Funds	\$18,330,832	\$12,264,500	\$12,321,579	\$12,402,300	27.6%
<i>Total Expenditures and</i>	\$47,987,293	\$43,662,197	\$44,048,542	\$45,002,431	100.0%
<i>Other Financing Uses</i>	\$47,987,293	\$43,662,197	\$44,048,542	\$45,002,431	100.0%
<i>Increase (Decrease) in Fund Balance</i>	\$(3,087,248)	\$ 51,932	\$ 11,839	\$ 11,142	
<i>Fund Balance at Beginning of FY</i>	\$12,812,055	\$ 9,724,807	\$ 9,724,807	\$ 9,736,646	
<i>Fund Balance at End of FY</i>	\$ 9,724,807	\$ 9,776,739	\$ 9,736,646	\$ 9,747,788	

In addition to the budgeted appropriations in the General Fund, several departments have other operations or divisions that are financed within some of the other operating funds. The Police Department has additional operational funding in the Drug Enforcement Fund. (See Tab VIII.) The Public Works Department has additional operational funding in the Solid Waste Management Fund and the State Street Aid Fund. (See Tab VIII.)

REVENUES:

Overview:

Revenues for FY2016 are estimated to be \$839,664 lower than FY2015. The significant difference for FY2015 is primarily due to a decrease in the projected state income tax revenue for the year.

The local economy continues to show modest signs of growth after several years of decline. For FY2017, property taxes are projected to grow \$307,175, which is an estimated 1.6% increase. The property tax rate will remain the same at \$1.7655 and the monthly sanitation fee will continue to be \$6.95. In addition, the stormwater user fee for residents inside the city will generate approximately \$1.5 million for the city's Stormwater Management Fund. These funds will be used to implement large scale projects identified by the Army Corps of Engineers flood study as well as other drainage projects within the City.

Local sales tax is projected to increase \$199,814 or 2.2%. The Cleveland Regional Jetport is estimated to generate \$1,159,100 in revenues from fuel sales, t-hanger rentals, ground and land leases, and special events held at the facility.

The City has budgeted to use none of the General Fund balance in FY2017 for general operations.

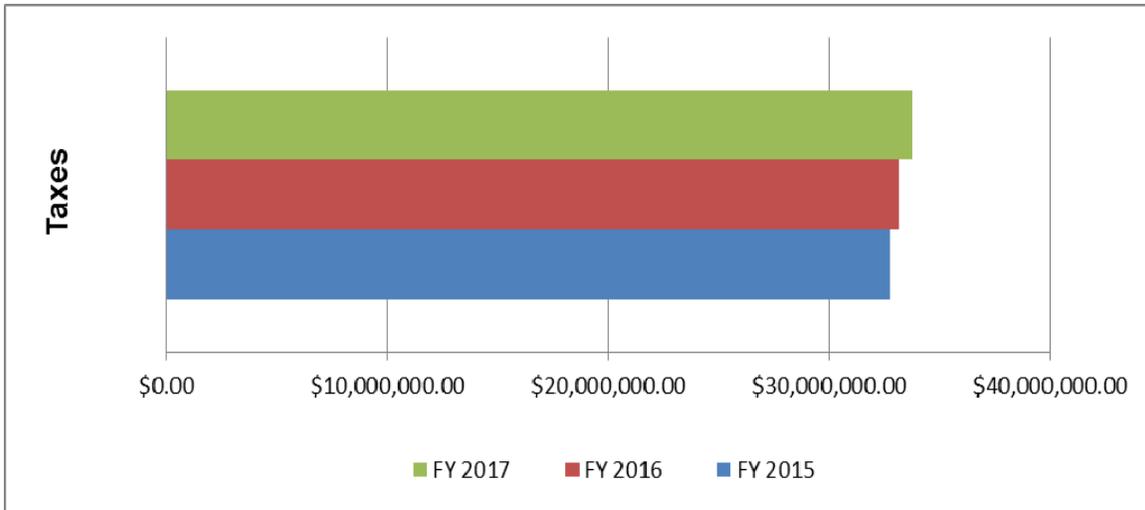
Local Taxes:

The City Council will adopt the same tax rate as FY2016 of \$1.7655 per \$100 of assessed value. Property tax is the largest source of revenue in the General Fund. At \$19,995,000 it represents 44% of total General Fund revenues.

The Local Option Sales Tax is projected to increase in FY2017 by 2.2%. This is the second largest revenue source in the General Fund at \$9,381,000, representing 21% of total General Fund revenues.

Local Taxes represent \$33,721,000 of the \$45,013,573 General Fund revenues, or 74.9%. Combined, the Property Tax and Local Option Sales Tax represent 65.3% of the total General Fund.

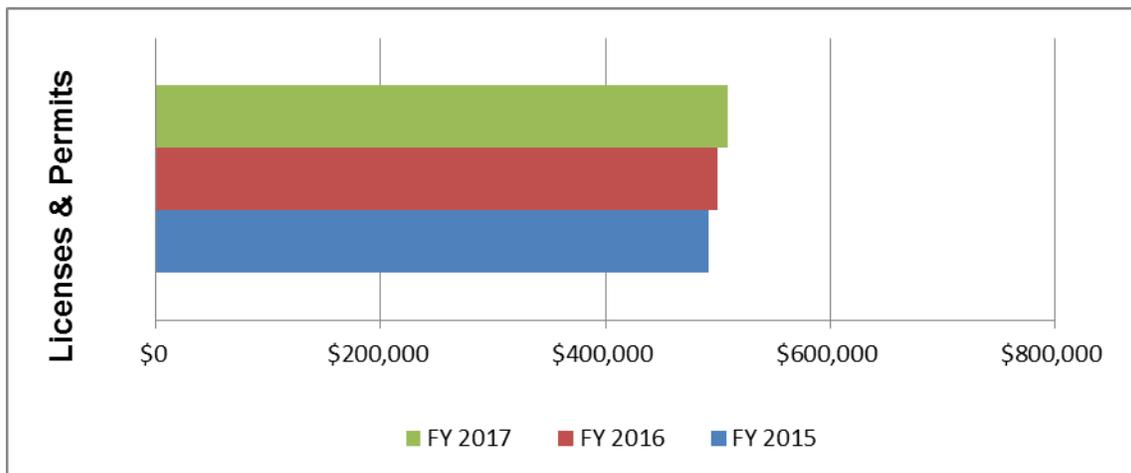
Taxes	FY 2015	FY 2016	% (+/-)	FY 2017	% (+/-)
Property Tax	\$19,613,707	\$19,684,825	0.4%	\$19,995,000	1.6%
Interest & Penalty on Tax	217,448	235,000	8.1%	235,000	0.0%
In Lieu of Tax	239,618	265,000	10.6%	275,000	3.8%
Local Sales Tax	8,871,440	9,181,186	3.5%	9,381,000	2.2%
Wholesale Beer Tax	1,588,040	1,615,000	1.7%	1,635,000	1.2%
Gross Receipts Tax	1,176,363	1,207,000	2.6%	1,210,000	0.2%
Franchise Tax	989,948	960,000	-3.0%	990,000	3.1%
Total Taxes	\$32,696,564	\$33,148,011	1.4%	\$33,721,000	1.7%



Licenses and Permits:

Licenses and Permits are projected to increase by 1.6%. At \$508,500 Licenses and Permits represent 1.1% of total General Fund revenues.

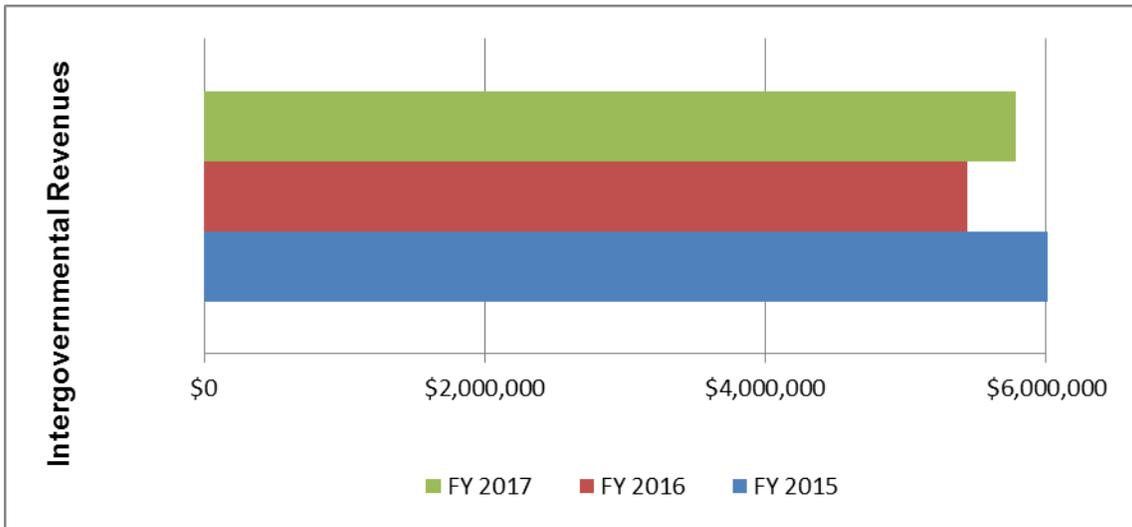
	FY 2015	FY 2016	% (+/-)	FY 2017	% (+/-)
Licenses & Permits					
Beer Licenses	\$5,750	\$6,000	4.3%	\$6,000	0.0%
Beer Renewal Fee	14,650	14,500	-1.0%	15,000	3.4%
Liquor License Renewal	25,005	25,000	0.0%	25,000	0.0%
Building Permits	225,918	225,000	-0.4%	225,000	0.0%
Electrical Permits	7,472	7,350	-1.6%	7,350	0.0%
Electrical Licenses	17,728	17,500	-1.3%	17,500	0.0%
Mechanical Permits	17,095	17,000	-0.6%	17,000	0.0%
Mechanical Licenses	8,325	6,800	-18.3%	7,500	10.3%
Plumbing Permits	46,692	40,000	-14.3%	42,500	6.3%
Plumbing Licenses	9,420	10,500	11.5%	10,500	0.0%
Natural Gas Permits	2,135	0	-100.0%	0	N/A
Street Cut Permits	59,498	80,875	35.9%	80,900	0.0%
Land Disturbance Permits	8,075	7,500	-7.1%	7,500	0.0%
Rezoning Fee	1,026	4,000	289.9%	4,000	0.0%
PUD Rezoning Fee	0	650	N/A	650	0.0%
Zoning Appeal Fee	1,900	2,000	5.3%	2,000	0.0%
Zoning Letter Fee	845	1,250	47.9%	1,250	0.0%
Minor Encroachment Fee	500	300	-40.0%	300	0.0%
Certificate of Appropriateness	850	800	-5.9%	800	0.0%
Recr. Permits/Maint. Fee	6,505	6,500	-0.1%	6,500	0.0%
Plat Review Fee	3,325	2,500	-24.8%	3,250	30.0%
Plans Review Fee	20,161	17,000	-15.7%	20,000	17.6%
Certificate of Occupancy	7,425	6,500	-12.5%	7,000	7.7%
Alley/Street Abandonment	300	500	66.7%	500	0.0%
Wrecker Permit Fees	1,300	225	-82.7%	500	122.2%
Taxicab Driver Fees	100	0	-100.0%	0	N/A
Total	\$492,000	\$500,250	1.7%	\$508,500	1.6%



Intergovernmental Revenues:

Intergovernmental Revenues are projected to increase 6.3%. These revenues are recovering slightly as the State's economy improves. The State sales tax, income tax, beer, mixed drink, gas inspection and excise taxes are shared with the City based upon formulas approved in the State's annual budget. Much of this is shared on a per capita basis based upon the City's population as a percentage of the State's population. At \$5,781,700, this revenue source is 12.8% of the total General Fund.

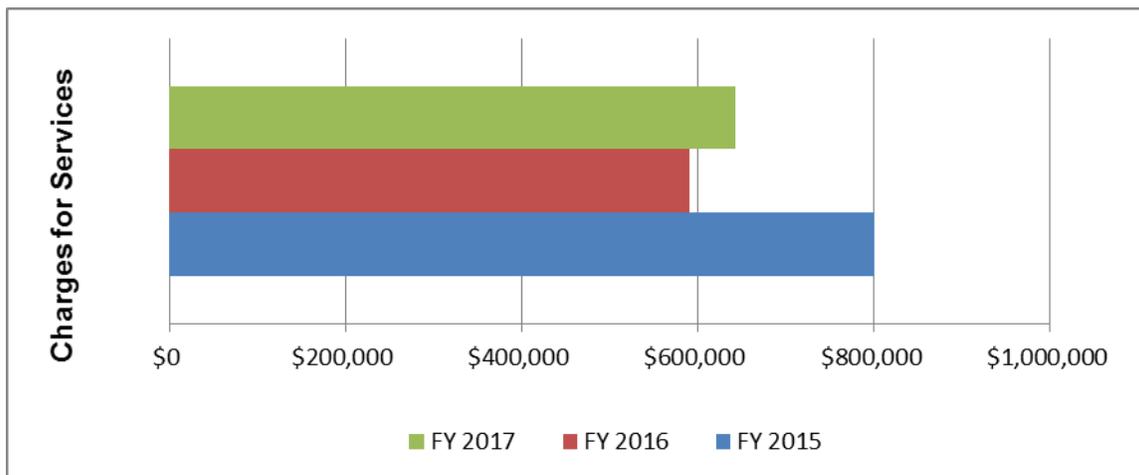
	FY 2015	FY 2016	% (+/-)	FY 2017	% (+/-)
Intergovernmental					
Federal Grant-Prot. Vests	\$3,445	\$2,677	-22.3%	\$0	-100.0%
Tema-Tornado Damage	8,733	\$21,176	142.5%	\$0	-100.0%
Police Training Supp.	50,400	55,200	9.5%	55,200	0.0%
Fire Training Supplement	52,200	52,800	1.1%	52,800	0.0%
State-Highway Safety Grant	5,000	5,000	0.0%	0	-100.0%
State Sales Tax	3,130,831	3,297,000	5.3%	3,435,900	4.2%
State Income Tax	2,275,984	900,000	-60.5%	1,100,000	22.2%
State Beer Tax	19,746	21,000	6.4%	22,000	4.8%
State Mixed Drink Tax	129,049	130,000	0.7%	130,000	0.0%
State Gas Inspection Tax	84,221	87,500	3.9%	90,300	3.2%
State Hwy Maintenance	192,452	194,500	1.1%	195,000	0.3%
TVA-In Lieu of Taxes	479,262	485,000	1.2%	515,500	6.3%
State Excise Tax	186,944	185,000	-1.0%	185,000	0.0%
Total	\$6,618,267	\$5,436,853	-17.9%	\$5,781,700	6.3%



Charges for Services:

Charges for Services are projected to increase by 8.8% to \$643,250. This revenue source represents 1.4% of total General Fund revenues.

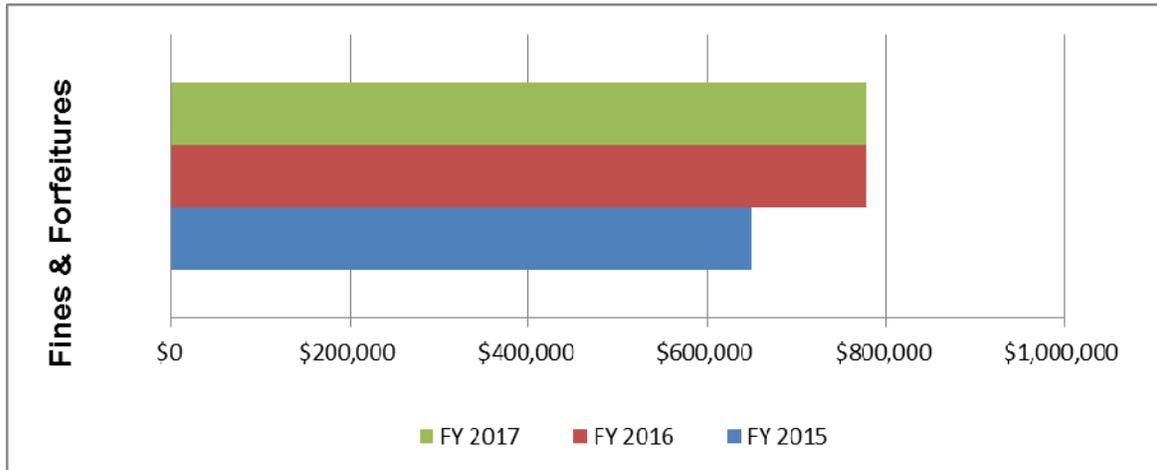
	FY 2015	FY 2016	% (+/-)	FY 2017	% (+/-)
Charges for services					
CHA Police Protection	\$20,833	\$50,000	140.0%	\$50,000	0.0%
Fire Inspection Fees	1,405	1,750	24.6%	1,750	0.0%
Police Accident Reports	5,120	0	-100.0%	4,750	N/A
Police Dept-Cont Svcs	48,740	35,000	-28.2%	0	-100.0%
CBC ECD 911-Contracted Svcs	0	100,000	N/A	105,000	5.0%
Airport Grounds Maintenance	7,783	14,300	83.7%	0	-100.0%
Stormwater Fee	231,919	0	-100.0%	0	N/A
Animal Control-Sale/BD Fees	31,790	27,500	-13.5%	30,000	9.1%
Animal Control-Rabies	20	0	-100.0%	0	N/A
Wellness Program Dues	7,954	0	-100.0%	0	N/A
Waterville Golf Course	49,996	0	-100.0%	0	N/A
Tinsley Park	46,496	65,750	41.4%	60,250	-8.4%
Cleveland Comm Center	14,292	10,500	-26.5%	12,500	19.0%
College Hill Recreation Center	17,823	14,000	-21.4%	17,500	25.0%
Parks & Rec-Misc	4,589	2,500	-45.5%	2,500	0.0%
GIS Services - Stormwater	0	0	N/A	30,000	N/A
GIS Services - 911 Center	0	0	N/A	6,000	N/A
SRO-City Schools	312,339	270,000	-13.6%	323,000	19.6%
Total	\$801,099	\$591,300	-26.2%	\$643,250	8.8%



Fines and Forfeitures:

Fines and Forfeitures are projected to increase slightly. The largest revenue source by far is traffic tickets from Municipal Court, followed by fines from General Sessions Court and drug fines. At \$778,900, this revenue source is 1.7% of total General Fund revenues.

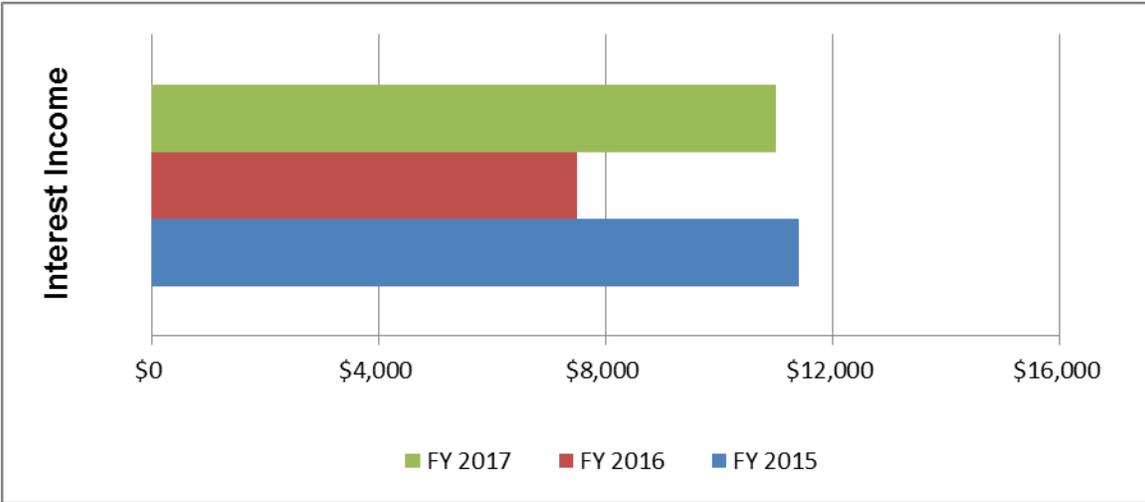
	FY 2015	FY 2016	% (+/-)	FY 2017	% (+/-)
Fines & Forfeitures					
Traffic Tickets	\$473,576	\$575,000	21.4%	\$575,000	0.0%
Parking Tickets	28,523	30,000	5.2%	30,000	0.0%
Animal Shelter	350	600	71.4%	600	0.0%
Code Enforcement Fines	1,150	2,000	73.9%	3,000	50.0%
Court Clerk Fees	3,427	3,500	2.1%	3,500	0.0%
Bradley Co.-Drug Fines	10,176	16,000	57.2%	15,000	-6.3%
Sessions Court	39,100	46,500	18.9%	46,500	0.0%
Circuit Court	10,776	15,000	39.2%	15,000	0.0%
Officers-Sessions	67,222	75,000	11.6%	75,000	0.0%
Officers-Circuit	6,325	6,000	-5.1%	6,300	5.0%
State Refunds	325	500	53.8%	500	0.0%
Sex Offender Registry	8,850	8,500	-4.0%	8,500	0.0%
	\$649,800	\$778,600	19.8%	\$778,900	0.0%



Interest (Investment) Income:

Interest Income is the money earned on available cash during the fiscal year. With the banking services proposal accepted by the City Council effective July 1, 2013, the City receives 100% of the Federal Funds rate. The Federal Funds rate established by the Federal Reserve Board has remained at a low level for several years. The projected income from this revenue source is projected to increase 47% to \$11,000.

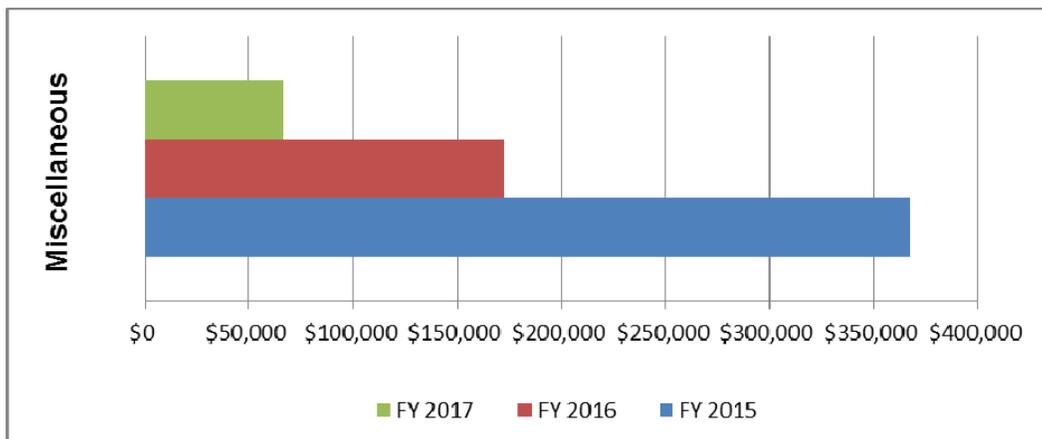
	FY 2015	FY 2016	% (+/-)	FY 2017	% (+/-)
Interest Income					
Interest Income	\$11,414	\$7,500	-34.3%	\$11,000	46.7%
	\$11,414	\$7,500	-34.3%	\$11,000	46.7%



Miscellaneous Revenues:

Miscellaneous Revenues are projected to decrease by \$105,724, or 61%. In previous years, donations have been received and may continue, but are not a reliable source of income and are not budgeted to cover recurring costs. They will be used to supplement the existing budgets should they be received. At \$66,500 this revenue source is 0.01% of total General Fund revenues.

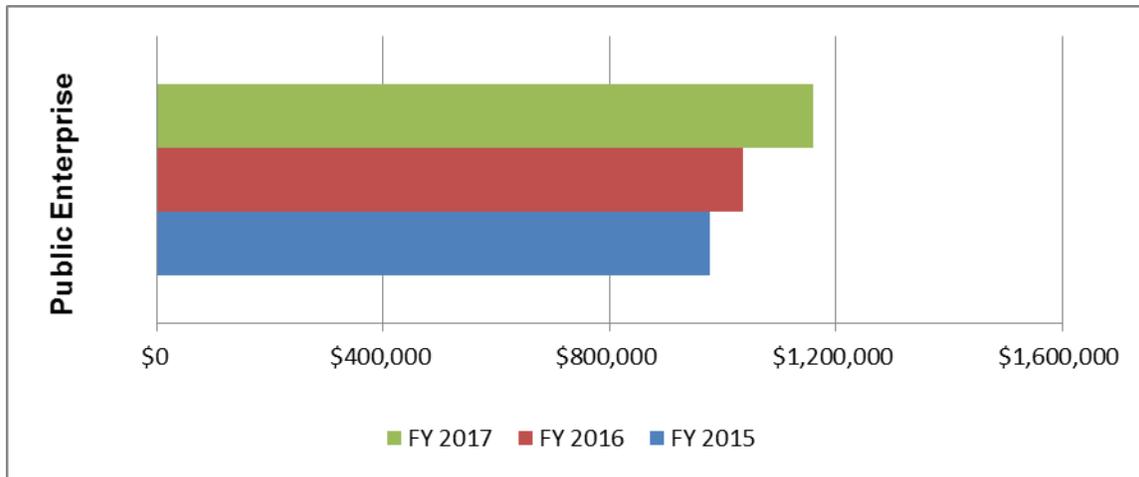
	FY 2015	FY 2016	% (+/-)	FY 2017	% (+/-)
Miscellaneous					
Waterville Lease	3,000	36,000	1100.0%	36,000	0.0%
Sale of Land - Surplus	0	25,370	N/A	0	-100.0%
Auction-Sale of Equipment	14,000	0	-100.0%	0	N/A
Sale of Scrap Metal	4,243	0	-100.0%	0	N/A
Health Insurance Refund	1,571	0	-100.0%	0	N/A
Donation-Memorial Trees	8,750	13,215	51.0%	0	-100.0%
Donation-Fencing @ Tinsley	2,000	0	-100.0%	0	N/A
Old Timers Banquet Revenue	2,660	1,500	-43.6%	1,500	0.0%
Greenway Pac	360	0	-100.0%	0	N/A
Sign/Decal Reimbursement	855	3,000	250.9%	1,500	-50.0%
Donations-Fire Dept	0	500	N/A	0	-100.0%
TML Safety Grant-Matching	1,864	4,000	114.6%	0	-100.0%
TML Package Bonus	5,000	5,000	0.0%	5,000	0.0%
TML Driver Safety Grant	2,674	10,000	274.0%	0	-100.0%
Misc. Insurance Revenue	2,713	1,700	-37.3%	0	-100.0%
TML Reimbursement-PW Truck	2,489	0	-100.0%	0	N/A
TML Reimbursement-AP75 SCBA	10,500	0	-100.0%	0	N/A
Animal Control Donations	533	0	-100.0%	0	N/A
Animal Control Sponsor Adoptions	1,521	1,639	7.8%	0	-100.0%
Donations-Fire Safety	500	200	-60.0%	0	-100.0%
Donations-National Night Out	500	0	-100.0%	0	N/A
Donations-Abused Animal	1,015	0	-100.0%	0	N/A
Donations-Greenway Vandalism	800	0	-100.0%	0	N/A
TML Reimb.-Police Vehicle	28,202	21,624	-23.3%	0	-100.0%
Fire Misc/Reports	56	0	-100.0%	0	N/A
TML-Reimb. for Property Damage	97,111	12,318	-87.3%	0	-100.0%
TML-Work Comp Salary Reimb	12,657	9,158	-27.6%	0	-100.0%
Capital Leases Issued-Mowers	142,181	0	-100.0%	0	N/A
Sundry Income	19,318	27,000	39.8%	22,500	-16.7%
Temporary Collection	190	0	-100.0%	0	N/A
Total	\$367,263	\$172,224	-53.1%	\$66,500	-61.4%



Public Enterprise:

Public Enterprise Revenue reflects the operations of the Cleveland Regional Jetport from the sale of fuel and rentals of t-hangers, land leases and terminal meeting rooms. These revenues are expected to increase \$123,700 or 12% in FY2017. At \$1,159,100, Public Enterprise Revenues represent 2.6% of the General Fund budget.

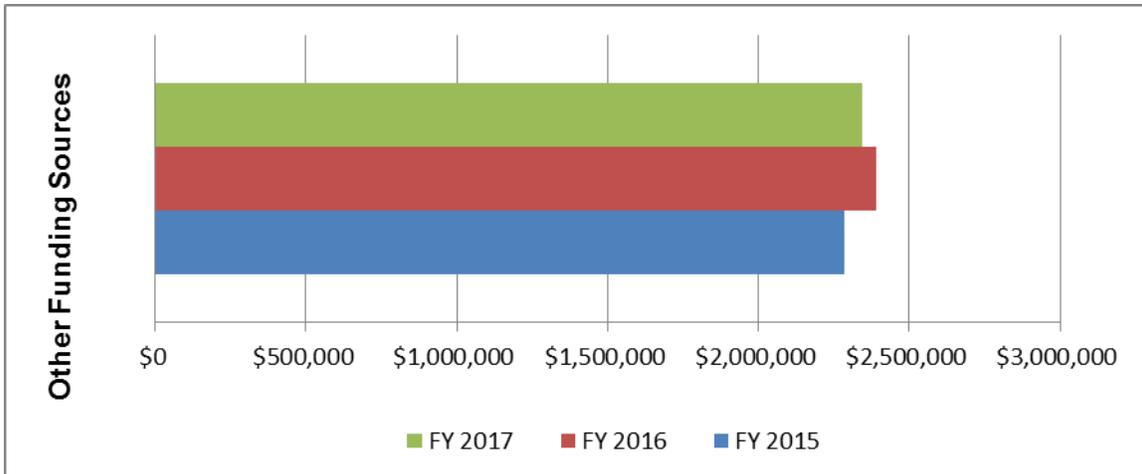
	FY 2015	FY 2016	% (+/-)	FY 2017	% (+/-)
Public Enterprise					
Jetport - Jet Fuel	\$558,202	\$614,100	10.0%	\$675,500	10.0%
Jetport - AvGas	172,818	193,900	12.2%	213,000	9.9%
Jetport - Ground/Land Lease	67,395	78,300	16.2%	78,300	0.0%
Jetport - T-Hangar Rent	69,568	100,800	44.9%	135,600	34.5%
Jetport - Terminal Bldg Rental	4,595	5,000	8.8%	5,000	0.0%
Jetport - Tie Downs	3,459	4,500	30.1%	5,000	11.1%
Jetport - Community Hangar	981	8,100	725.7%	15,000	85.2%
Jetport - Terminal Building	50,000	4,000	-92.0%	4,000	0.0%
Jetport - GPU Service Fee	495	700	41.4%	700	0.0%
Jetport - Video Advertisement	10,000	10,000	0.0%	10,000	0.0%
Jetport - Ramp Fee	9,907	11,000	11.0%	12,000	9.1%
Jetport - Special Events	10,608	5,000	-52.9%	5,000	0.0%
Jetport - Sales Tax	19,448	0	-100.0%	0	N/A
Total	\$977,476	\$1,035,400	5.9%	\$1,159,100	11.9%



Other Funding Sources:

Payments received as a transfer from Cleveland Utilities include \$225,146 for In-Lieu of Tax – Water and \$206,000 for In-Lieu Tax – Wastewater. These amounts are based upon the value of the Water and Wastewater Division assets, net of depreciation. In addition, a transfer of \$1,912,477 from Cleveland Utilities Electric Division which represents the amount of property tax the Electric Division would pay if they were a privately owned company. No transfer of profits is made from Cleveland Utilities to the General Fund, as is done in some other states. This revenue source is 5.2% of the total General Fund revenues.

	FY 2015	FY 2016	% (+/-)	FY 2017	% (+/-)
Other Funding Sources					
Transfer from CU - Water	\$212,221	\$218,588	3.0%	\$225,146	3.0%
Transfer from CU - Wastewater	0	200,000	N/A	206,000	3.0%
Transfer from CU - Electric	2,034,884	1,971,655	-3.1%	1,912,477	-3.0%
Transfer/Animal Control Spay	39,057	0	-100.0%	0	N/A
	\$2,286,162	\$2,390,243	4.6%	\$2,343,623	-2.0%



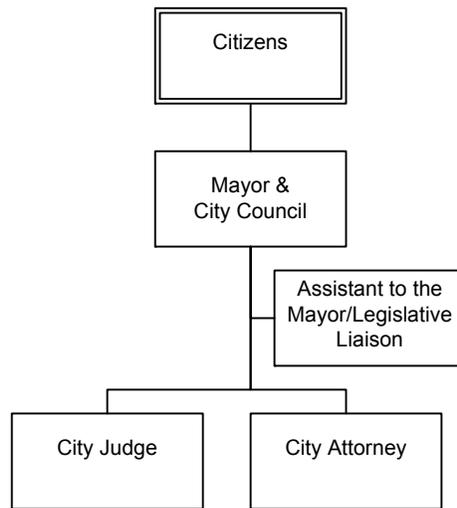
Legislative and Judicial



Cleveland City Council Members

Back row: Charlie McKenzie, District 1; Bill Estes, District 2; David May, Jr., District 4; Dale Hughes, District 5; Richard Banks, At-large; George Poe, Vice Mayor; Seated: Avery Johnson, District 3; Mayor Tom Rowland

Legislative and Judicial Department



Legislative and Judicial

Programs, Services, and Functions:

This budget covers the costs of the Mayor, City Council, the City Attorney, the Municipal Judge, and the Assistant to the Mayor/Legislative Liaison. The City Council is the legislative body which determines local laws and policies, including the annual budget. The Mayor presides at those meetings. The City Council appoints members to various boards and commissions and also appoints the City Manager, who manages the daily operations of the City according to the policies and ordinances they have adopted, as well as State and Federal laws.

The City Attorney advises the City Council and staff on all legal issues affecting the City. In addition, his office serves as the prosecuting attorney in the Municipal Court. The City Attorney is a part-time position appointed by the City Council.

The Municipal Judge is appointed by the City Council and presides over the Municipal Court. This is a part-time position. He is aided by the Court Clerk, who is funded in the Administration and Finance Department.

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$281,655	\$312,014	\$339,298	8.7%
Operating Expenditures	\$90,933	\$180,627	\$98,800	-45.3%
Capital Outlay & Debt Service	\$969	\$9,200	\$1,500	-83.7%
 Total Expenditures	 \$373,557	 \$501,841	 \$439,598	 -12.4%
 FTE's	 1	 1	 1	

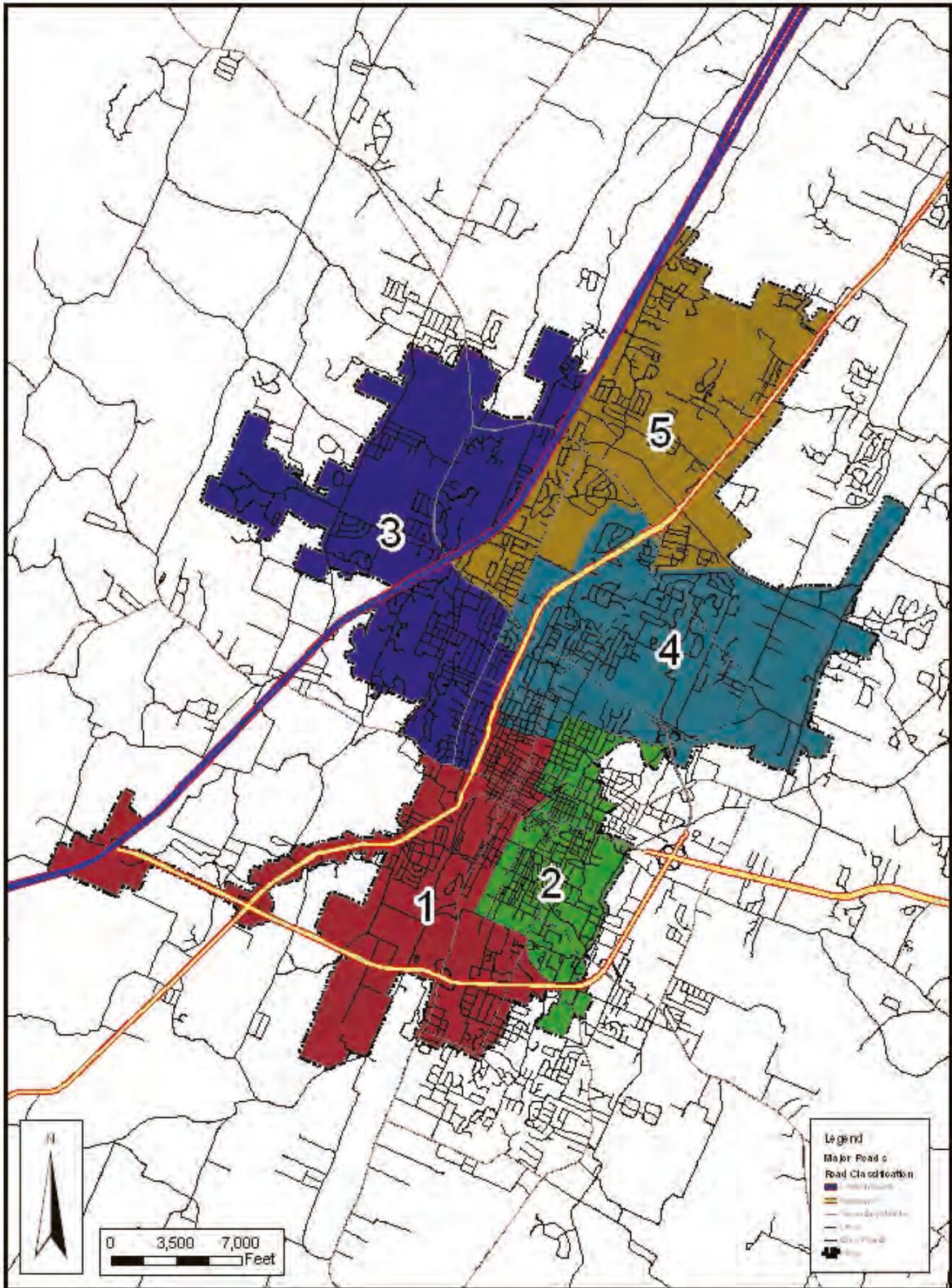
Goals and Objectives:

- To provide political leadership to the community in order to enhance the quality of life for all residents.
- Maintain the financial position of the City while providing high quality municipal services.
- Develop long-range financial plans to assure that community goals can be obtained.
- Hold annual Council Planning Retreat to determine City-wide needs and priorities.
- To increase the number of jobs recruited by 8% in FY2017.
- Attract six new retail businesses and seven restaurants in FY2017.

- Continue to aggressively market the Cleveland/Bradley Industrial Park and the new Spring Branch Industrial Park.
- Continue to support the Economic Development Council and the Industrial Development Board so that a solid recruitment and retention program remains in place.
- Continue to attract more retail opportunities.
- Design and install infrastructure for new industrial park.

Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Number of City Council Meetings	24	25	22	22
City's Bond Rating by Moody's/S&P	Aa3/A-	Aa3/AA	Aa3/AA	Aa3/AA
Six-Year CIP Adopted	YES	YES	YES	YES
# New Industries Recruited	4	5	5	5
# of Jobs Created	55	70	100	100
# of new restaurants	4	4	5	7
# of new retail businesses	4	5	5	6



City of Cleveland Voting Districts

Administration and Finance

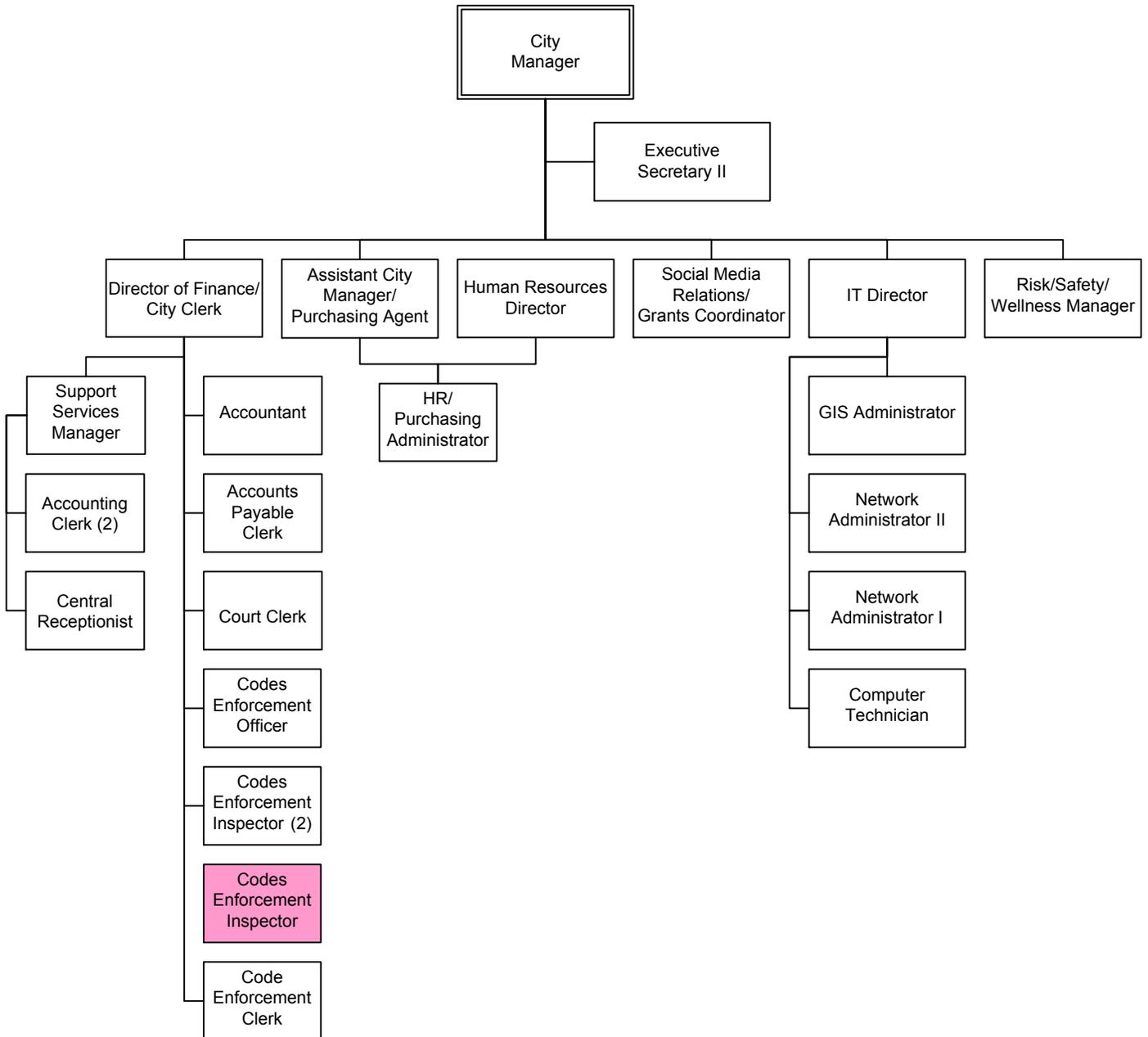


City Manager Janice Casteel



Director of Finance Shawn McKay

Administration and Finance Department



Administration and Finance Department

Programs, Services, and Functions:

The City Manager is responsible for all city operations and assuring that Council policies and ordinances are enforced correctly. The City Manager is also responsible for the preparation of an annual Budget and a Capital Improvements Program. She is also a policy advisor to the City Council, particularly on the financial condition of the City. She is also responsible for any hiring, training, disciplinary action, and termination of all City employees.

The City Manager is responsible for directly supervising the Administration Division, which includes Purchasing, Human Resources Wellness, Safety and Risk Management and Computer Administration divisions.

She is also responsible for developing communication programs to keep the media, general public, employees and the City Council informed. The Assistant City Manager/Purchasing Agent assists in carrying out these functions.

The Human Resources Director is responsible for all employee recruitment, examination, and orientation. He also advises departments on personnel grievances, disciplinary actions, ADA, FLSA, and FMLA compliance. He is responsible for administering the City's pay and fringe benefits programs. Payrolls are administered by the HR/Purchasing Administrator.

The Purchasing Division is responsible for all purchasing for the city. In addition, the Assistant City Manager/Purchasing Agent conducts all City auctions of surplus equipment. Procurement cards implemented in February 2000 have significantly decreased the number of purchase orders issued. The City Council decreased the threshold for recognizing fixed assets from \$5,000 to \$500 due to the large number of fixed assets which fall in this category, and because all fixed assets are tracked by the Human Resource Assistant/Payroll Administrator/Purchasing Assistant.

The IT Director is responsible for administration of the City's computer system. This having its own staff affords the City more access to uninterrupted computer repair and installation services, as well as technical advice on electronic information technology purchases.

The City's website is maintained by this division. City bid openings, job opportunities and a calendar of events can be found at www.clevelandtn.gov. The City provides online access to inspection permits, City Council minutes and upcoming meeting agendas, and property taxes. Citizens can also complete "Requests for Service" forms online.

The \$508,000 funded for the Information Technology (I.T.) Department will help achieve several goals in the coming year. Money allocated to the Electronic Document Imaging Program will aid the department in its pursuit to convert important paper documents to electronic files to be used by City employees as well as by the general public via the City's internet website. Money allocated to the City-wide computer technology will help the I.T. Department keep over 250 computers and servers in top running order, repair and replace aging computer equipment, expand and enhance network capabilities, and purchase new software packages. Money spent in this area will lower overall maintenance costs and reduce downtime in the long run, thus keeping City employees efficient in their day-to-day tasks. Finally, the money allocated to Software Licensing will keep our copies of Microsoft operating systems and Office packages current, provide for free upgrades and updates, and most important of all – legal.

The Director of Finance assists the City Manager in the preparation of the annual Budget and Capital Improvements Program, and supervises four divisions of the Finance department. In addition, the Director is responsible for the Comprehensive Annual Financial Report and works with the independent auditors. The Director also serves as the City Clerk, who is responsible for all official records of the City. The department has four divisions: Accounting, City Court, Revenue Collections and Code Enforcement.

The City Accountant tracks all collections and deposits. The City operates with one checking account and one payroll account. The consolidated accounts simplify the banking and investment procedures. Effective July 1, 2010, all overnight money earns 100% of Federal Funds, based upon the banking services agreement. The Accountant prepares monthly revenue and expense reports for each fund, as well as a summary report for the City Council.

The Municipal Court Clerk assists the Municipal Judge by receiving and entering all citations in the computer, preparing the court docket, attending court weekly, and preparing all reports for the Tennessee Department of Safety. The Court Clerk also prepares delinquent notices, default judgments, and failure to appear notices.

Revenue Collections is responsible for the collection of property taxes, citations, licenses, permits, and other miscellaneous revenues. The City has 19,645 parcels of property for the 2015 tax year, of which approximately 250 parcels have been paid online. This number will increase as more taxpayers become aware of this convenient payment option. In March 2015, the City Council approved partial payments for property taxes for city residents, which includes an option for automatic monthly bank drafts.

The Support Services Manager in this division assists the City Clerk with the responsibility for all official records of the City, preparation of City Council Minutes and Council Agenda packets. Council Meetings are held on the second and fourth Mondays of each month, with a work session at 1:00 pm and the regular meeting at 3:00 pm in the Cleveland Municipal Building.

The City's Accounts Payable Clerk receives and processes all invoices for payment. The Central Receptionist is responsible for greeting and directing the public as well as receiving and disbursing incoming telephone calls for the Municipal Building.

The Code Enforcement Division will be completing their first year of comprehensive statistics and reporting since their move under the Finance Department in July, 2015. Their purpose is to provide services for our citizens through education and enforcement of city codes and regulations that result in the protection of the health, safety and welfare of all. Based upon their current numbers, Code Enforcement officers open an average of 205 new cases per month. Officers also average 183 completed cases per month where the citizens voluntarily comply with the ordinance and the case is closed. The division is currently on pace to have initiated over 3,000 notices of violation this year. We are proud of our public education campaign this year "Know the Code" and have used local media, social media and officer engagement to promote educational awareness of the codes.

Administration and Finance:

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$1,144,678	\$1,673,208	\$1,621,580	-3.1%
Operating Expenditures	\$824,425	\$643,467	\$586,425	-8.9%
Capital Outlay & Debt Service	\$815	\$1,500	\$1,500	0%
Total Expenditures	\$1,969,918	\$2,318,175	\$2,209,505	-4.7%
FTE's	14	23	24	

Codes Enforcement:

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$0	\$223,525	\$250,059	11.9%
Operating Expenditures	\$0	\$28,233	\$33,800	19.7%
Capital Outlay & Debt Service	\$0	\$0	\$0	0%
Total Expenditures	\$0	\$251,758	\$283,859	12.7%
FTE's	4	4	4	

Goals and Objectives:

- To meet fund balance/working capital targets established by City Council next year.
- Continue to obtain clean audit opinions, reflecting sound financial management.
- Increase collection of property tax and sales tax by 0.5% in FY2017.
- To add 10 new vendors to continue to aggressively pursue competitive purchasing to assure best pricing.
- Increasing the scanning of documents required by the City's Record Retention Policy by 5% by next year.
- Implement collection of traffic citations online.
- Continue to improve and update City's website.
- Continue use of procurement cards to purchase materials and provide online access to City departments.
- Update software for e-ticketing compatibility.
- Continue to research new ways to implement mobile computing for City employees to improve productivity.
- Adhere to personnel policy in hiring qualified, competent workforce.
- Provide training and educational opportunities for workforce to enhance job skills.
- Replace roofs on City buildings with more energy efficient roofs.
- Research use of alternative fuels for City vehicles.
- Continue energy audits of all City buildings.
- Maintain and update departmental 15-year equipment programs.

Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Clean Audit Opinion Received	Yes	Yes	Yes	Yes
Bad Debt Write-off	\$25,677	\$13,097	\$30,000	\$30,000
# of Financial Policies Not Met	None	None	None	None
# of Transactions Processed by Revenue Collection Division	40,802	45,482	43,890	44,980
# of online Property Tax Payments	182	273	275	300
Combined Current and Delinquent Property Tax Collection as % of Current Tax Levy	98.5%	94.9%	99.8%	99.8%
# of Municipal Court Cases Handled	1,431	1,794	1,710	1,750
# of Purchase Orders Issued	1,349	1,275	1,200	1,175
# of Checks written	4,347	3,716	3,410	3,500
Dollar amount of Procurement Card purchases	\$515,549	\$592,876	\$599,364	\$605,000
# of Bids	18	6	6	4
% of Employees Utilizing Payroll Direct Deposit	53%	60%	64%	70%
# of Moving Citations Entered	4,411	5,706	4,948	5,300
# of Parking Citations Entered	1,309	1,317	1,028	1,330
% of moving Citations Collected (written during this fiscal year)	84%	85%	73%	75%
% of parking Citations collected (written during this fiscal year)	85%	81%	86%	88%
% of moving Citations outstanding	10%	10%	16%	19%
% of parking Citations outstanding	11%	13%	16%	20%

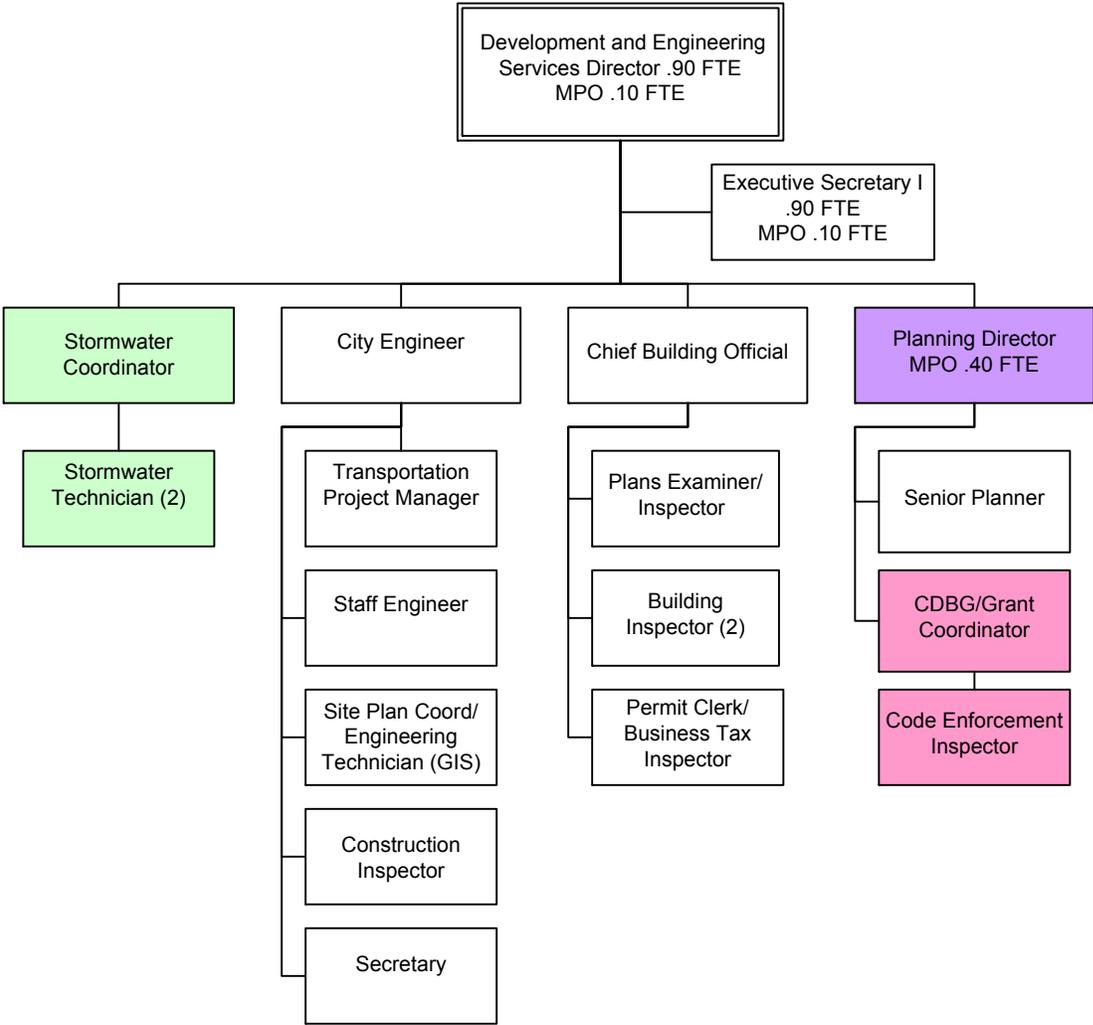
Development and Engineering Services



Director Jonathan Jobe



Development and Engineering Services



Development and Engineering Services

Programs, Services, and Functions:

The Development and Engineering Department's purpose is to provide services that support orderly growth and a quality of living environment within the Cleveland community. This is accomplished through planning, administration of funding programs, engineering design, stormwater design, GIS addressing, and the enforcement of regulations affecting building and development.

The Development and Engineering Department was created in August 2011 by combining the Community Development Department and the Engineering Department. The budgets of Community Development and Engineering were combined in FY2013. In FY2015, the positions of the Property Maintenance Official and the Chief Building Official were combined, with the position retaining the name Chief Building Official. With a highly trained Chief Building Official, citizens and government officials will be able to resolve any regulation issues in a quick and effective manner. The Chief Building Official will also administer and enforce the new 2012 International Code Council building codes. In March 2015, the Transportation Project Manager position was created. The Transportation Project Manager is a licensed engineer, with strong project management and communication, who works with Tennessee Department of Transportation, City of Cleveland's Public Works Departments, Engineering Department, Metropolitan Planning Organization, Cleveland Utilities and local citizens. The Transportation Project Manager coordinates all TDOT and MPO related projects and oversees construction inspections (CEI) on all MPO projects. He also works with Cleveland Utilities on new signal warrants and designs and also approves stop sign warrants and any other traffic related issues.

This department has four main divisions: planning, engineering, building inspections and stormwater, which work cooperatively with each other, other city departments, other governmental agencies, and most importantly, the public, to further the department's purpose.

The Planning Division administers the zoning ordinance, the subdivision regulations, the floodplain management ordinance, and the historic zoning ordinance. Major planning functions are comprehensive planning, transportation planning and administrative support for the Cleveland Urban Area Metropolitan Planning Organization (CUAMPO), Community Development Block Grant (CDBG) program, Cleveland Municipal Planning Commission, Board of Zoning Appeals, and the Historic Preservation Commission.

Planning conducts research and analysis, prepares and maintains plans, answers questions from property developers and others, prepares and presents staff reports for rezoning, conditional uses, variances, right-of-way abandonments, subdivisions, annexations, etc., and prepares and maintains budgets and other documents for the CUAMPO and CDBG.

The Engineering Division includes staff for engineering design, transportation projects, stormwater design and mapping. GIS addressing for the E-911 system, and all related engineering activities. The Engineering division is responsible for updating mapping of subdivisions and assigning new addresses. Engineering is also responsible for drainage project design, Greenway project coordination, roadway design, field inspections, and review of all new subdivisions roads and drainage, as well as design of some “in house” city projects.

The Engineering Division also has access to the joint GIS, which aids in design work, infrastructure information, analysis, and mapping for engineering and other engineering needs. Through an agreement with the Tennessee Planning Office, the Cleveland/Bradley GIS will now be able to maintain a new flyover schedule of every two years for aerial photography.

The Engineering Division provides a large media center enabling staff to initialize an electronic plans review process which eliminates the need for multiple paper copies of plans. It has been utilized for mass production drawings for current projects, rapid reproduction of single prints and plots direct from computer prints and archiving of valuable historical mapping and plan sets.

The Building Division interprets, applies, and enforces the 2012 International Code Council building code, plumbing code, mechanical code, and other building related codes. The Building Division assists in the administration and enforcement of the electrical and fire prevention codes, the zoning ordinance, the floodplain management ordinance, the storm water ordinance, and the historic zoning ordinance. They maintain records of permits, construction plans, elevations certificates, etc. The Building Division provides staff support for the Building Board of Adjustment and Appeals, the Plumbing Board, the Mechanical Board and the Board of Zoning Appeals. The Building Division also collects and assists customers with business taxes.

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$1,031,845	\$1,201,575	\$1,258,920	4.7%
Operating Expenditures	\$169,682	\$185,778	\$222,350	19.7%
Capital Outlay & Debt Service	\$874	\$6,000	\$9,500	58.3%
Total Expenditures	\$1,202,401	\$1,393,353	\$1,490,770	6.9%
FTE's	14	15	15	

Goals and Objectives:

- Implement planning tasks for the Cleveland Municipal Planning Commission*.
- Continue transportation planning program tasks for Cleveland Urban Area Metropolitan Planning Organization (CUAMPO)*.
- Continue implementing Community Development Block Grant Consolidated Plan
- Continue to update and improve City land development regulations.
- Continue plan review, permitting, and inspections.
 - City of Cleveland adopts and implements the 2012 International Code Council Building Codes
 - Prepare and store records digitally for improved accessibility and research Capabilities
- Continue preparation of a Strategic Plan and a Comprehensive Plan.
- Continue implementation of Historic Zoning through the Historic Preservation Commission.
 - Serve as staff for the Historic Preservation Commission
 - Prepare educational flyer for residents of the historic preservation area
- Develop strategic growth plan for Bradley County due to the new Wacker Chemie industrial development at Exit 33 and the new Volkswagen plant in Ooltewah.
- Continue plan for redevelopment of former Whirlpool plant area and begin Inman Street Redevelopment plan.
 - Hold meetings with government and community representatives to begin Redevelopment plan
 - Apply for redevelopment grants
- Continue to design local drainage projects.
- TDOT Grant - Construction of sidewalk 20th Street SE to McGrady Drive on Wildwood Avenue/ Dalton Pike, and on 9th Street SE from Wildwood Avenue to Chippewa Ave, and on 12th Street from Chippewa Avenue to Blythe Avenue.
- Continue to carry out greenway, sidewalk, bicycle, and transit improvement planning in various neighborhood areas and develop appropriate transportation funding applications, and pursue project implementation.
- Continue downtown redevelopment project planning, including transportation planning, and develop appropriate funding applications, and pursue project implementation, coordinating with other agencies and private interests.
- Advance other priority transportation projects such as Adkisson Drive widening, Paul Huff Parkway Extension planning, 20th Street from the by-pass to Old Tasso Road, etc.
- Assist in access management planning for the SR60 corridor.
- Spot improvement to Wildwood Avenue sidewalk from 9th Street to 14th Street. Construction of a bus shelter on Blythe Avenue at the Family Services Center.
- Improve major intersections in Cleveland.
 - Continue work with TDOT to identify needed intersection improvement projects
 - Redesign Paul Huff/Peerless and 25th Street/Peerless intersections to accommodate traffic
 - Design improvements for 20th Street/Michigan Avenue Road for safety
- Complete Local Interstate Connector roads in conjunction with proposed APD-40 Interchange and planned improvements for Exit 20.
 - Purchase Right of Way (ROW) for Local Interstate Connector – North road project

Performance Measures:

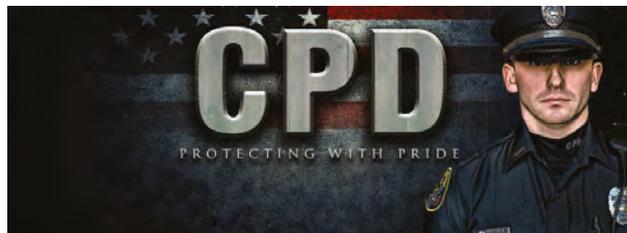
Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Population (Estimate)	42,774	43,182	43,614	44,050
# of Building Permits	379	389	425	450
Value of Building Permits	\$190,578	\$304,521	\$325,000	\$330,000
Value of Construction Permitted	\$37,240,566	\$65,106,317	\$70,000,000	\$75,000,000
# of Plumbing Permits	696	708	725	750
# of Mechanical Permits	266	324	350	375
# of Rezoning Cases	14	20	25	25
# of Subdivision Plats Approved	32	35	40	40
# of Business Licenses Processed	2,102	2,423	2,500	2,600
Complete Strategic Plan/ Comprehensive plan work items completed	YES	YES	YES	YES
Adopt/update Long-Range Transportation Plan	YES	YES	YES	YES
Adopt/update TIP*	YES	YES	YES	YES
Adopt/implement UPWP*	YES	YES	YES	YES
CDBG funds obligated/spent	\$577,814	\$352,335	\$251,719	\$387,511
Enforce Historic Zoning District	YES	YES	YES	YES

*Anticipated planning tasks include implementation of the comprehensive plan, including but not limited to downtown redevelopment. Short range planning tasks include continued administration of the zoning ordinance and subdivision regulations, including revisions necessary to implement planning objectives such as SR60 corridor management. Planning also includes administration of other plans and grant programs such as CDBG. CUAMPO work tasks include development, adoption, administration, and amendment/adjustment the Long Range Transportation Plan (LRTP), the Transportation Improvement Plan (TIP), and the Unified Planning Work Program (UPWP), and related documents such as the Public Participation Plan.

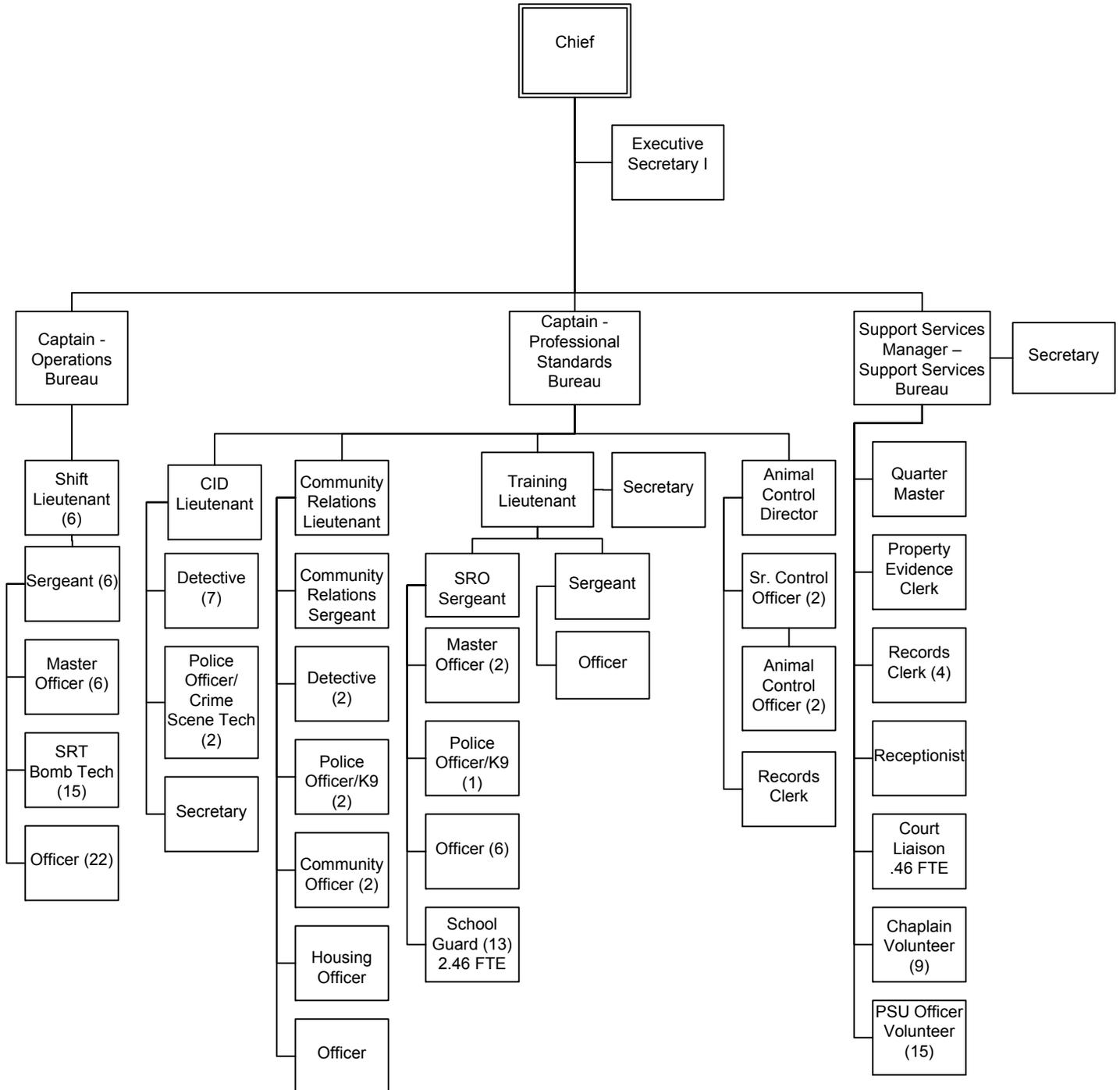
Cleveland Police Department



Chief of Police Mark Gibson



Police Department



Police Department

Programs, Services, and Functions:

The Cleveland Police Department is dedicated to provide services that transcend the expectations of our citizens. By recognizing the diversity and cultural differences of the visitors and citizens of Cleveland, we will continue to develop and improve communications and the shared responsibility for crime prevention. We will protect and serve the residents and visitors of Cleveland with honor, integrity and professionalism.

The Police Department is funded primarily from this budget within the General Fund. The Cleveland Housing Authority provides funds for one officer that is assigned to patrol and other duties identified by the Housing Authority. The Cleveland City School System provides funding for three (3) School Resource Officers. Other funding sources include the Drug Enforcement Fund, Byrne Memorial Justice Assistance Grants (JAG), Tennessee Sex Offender Registry and the Governor's Highway Safety Grant.

The Department is authorized for 91 sworn officers. These positions are assigned through the department; Administration, Patrol Teams, Detectives, Crime Scene Techs, School Resource Officers, Community Enforcement Officers, Housing Officer, Training Officer, Accreditation Officer, and Media Relations Officer. In FY2017 the department will be authorized for 2.06 officers per 1,000 citizens in Cleveland. The department has three bureaus: Operations, Professional Standards and Support Services. Operations and Professional Standards are commanded by Police Captains and Support Services is commanded by the Support Services Manager.

The Operations Bureau is comprised of the Patrol Division which is divided into 6 teams. These patrol teams work 10 hour shifts providing services 24 hours a day, 7 days a week. The Professional Standards Bureau includes the Investigative Division, Training, and the Community Relations Unit. The Support Services Bureau includes the Records Unit, Property and Evidence, Quartermaster, and our volunteer units.

The Department engages with our community by providing services such as R.A.D. (Rape Aggression Defense System) classes, Neighborhood Watch Programs, and the Boy Scout Explorer Program. Our Public Service Unit provides vehicle unlocks and funeral escorts. School Crossing Guards direct foot traffic in our school zones. Both units assist with annual events such as the July 4th Fireworks Display, Halloween Block Party and Christmas Parade, in addition to other special events throughout the year.

The department maintains national accreditation by CALEA, the Commission on the Accreditation for Law Enforcement Agencies, Inc. The department received its Third Award in December 2015. We also maintain state accreditation by TLEA, the Tennessee Association of Chiefs of Police Tennessee Law Enforcement Accreditation.

As the department strives to stay up-to-date in technology and other current trends in the police and public safety field, the Cleveland City Council generously supports our department. In January 2014, the City Council approved the purchase of software and related equipment for electronic ticketing which was funded from the Sales Tax Capital Projects Fund. The department

is currently expanding its paperless reporting system by purchasing the Watson Reporting System that works with smartphones to replace Vision Mobile. Their continued support of increased patrol personnel would be instrumental in achieving several of our departmental goals in the foreseeable future.

The Department continues to seek grant funding from Homeland Security, the U.S. Department of Justice, and other state and federal funding sources to provide officers with up-to-date equipment.

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$7,216,207	\$7,716,426	\$8,029,615	4.1%
Operating Expenditures	\$1,403,169	\$1,541,809	\$1,537,245	-0.3%
Capital Outlay & Debt Service	\$116,514	\$101,000	\$37,500	-62.9%
Total Expenditures	\$8,735,890	\$9,359,235	\$9,604,360	2.6%
FTE's	103	104	103	

Goals and Objectives:

- Decrease Violent Crime Rate by 15%
- Decrease Traffic Accidents by 5%
- Reduce Response Time to under 7 minutes
- Equip all Patrol Vehicles with In-Vehicle Video Cameras
- Increase CID/SIU clearance rate by 5%
- Continue to place a high priority on safety within City schools
- Purchase IAPro software for Internal Affairs reporting and file maintenance
- Continue training program for law enforcement personnel
- Continue with annual vehicle replacement program
- Maintain CALEA and TLEA Accreditation and Standards
- Continue implementation of Community Relations Unit
- Increase sworn personnel in patrol and criminal investigations specifically narcotics

Performance Measures:

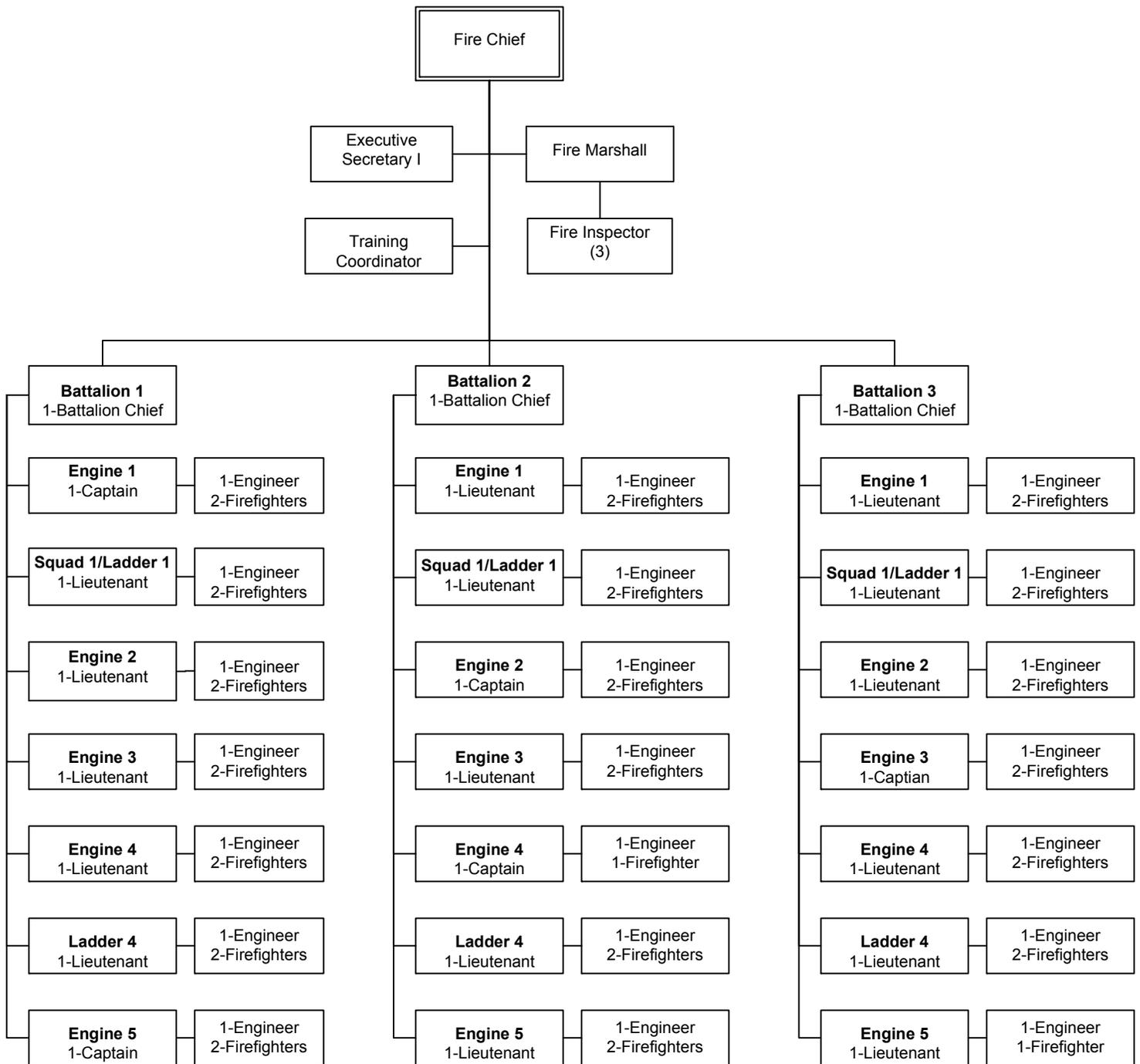
Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Population (Estimate)	42,774	43,182	43,614	44,050
# of Sworn Officers	91	91	91	91
Sworn Officers per 1,000 Population	2.12	2.10	2.07	2.07
Annual Training Hours for Sworn Personnel	6,590	3,500	4,300	4,300
Clearance Rate for Detectives	77%	83%	85%	85%
# Job-related Injuries requiring medical treatment	6	5	5	5
Traffic Accidents	2,758	2,985	3,200	3,040
Traffic Accidents w/ Injury	279	367	340	300
Traffic Accidents – Alcohol Related	19	50	22	30
Response Time (in minutes)	7.22	8.11	7.15	6.9
Calls for Service	51,081	56,225	52,716	53,700
DUI Citations/Arrests	89	122	95	100
Homicide	1	2	3	2
Sexual Offenses	43	43	62	70
Robbery	30	36	39	44
Aggravated Assault	301	290	327	338
Automobile Theft	121	125	70	82
Thefts	1,786	2,048	1,586	1,734
Moving Citations	4,410	5,766	5,000	5,900
Parking Citations	1,309	1,631	1,400	1,550

Cleveland Fire Department



Fire Chief Ron Harrison

Cleveland Fire Department



Cleveland Fire Department

Programs, Services, and Functions:

The City of Cleveland Fire Department is currently made up of eighty-five (85) full-time firefighting positions and seven (7) staff positions. Staff personnel include the Fire Chief, Executive Secretary, Training Officer, Fire Marshal, and three (3) Fire Inspectors. The department currently works out of five (5) stations.

Along with providing fire suppression, the City of Cleveland Fire Department provides vehicle extrication, medical first response, hazardous materials responses and technical rescue to emergencies within the city limits.

The City of Cleveland Fire Department continues to respond to all priority medical calls within the city limits. These responses enhance medical care and do not involve medical transport. The calls for medical service in FY2015 were 1,184.

The City of Cleveland Fire Department responded to 2,612 calls for service during FY2015. The estimated value of property saved was \$44,028,757 and the estimated property loss due to fire was \$1,323,337.

The City of Cleveland Fire Department retains an Insurance Services Organization Class 3 rating for the City of Cleveland residents, businesses, and industry.

The Training Division continues to aggressively train all firefighters utilizing a variety of different methods and compiling more than 25,500 hours of classroom and hands-on training for FY2015. Through continuous training, City of Cleveland firefighters demonstrate their dedication and commitment to their community, citizens, and fellow firefighters.

The Fire Prevention Division conducted 2,196 inspections during FY2015 with 1,707 of these being annual Fire & Life Safety inspections. They also participated in 40 Fire Prevention/Education presentations spreading the message of fire safety to 3,591 adults and 3,781 children. Portable Fire Extinguisher training was provided to 15 different businesses and industrial locations with 1,431 adults attending.

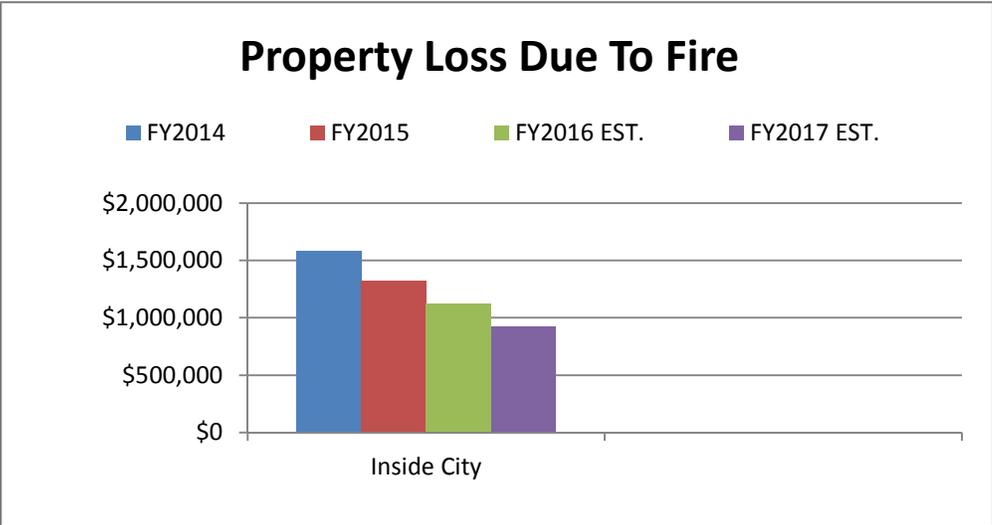
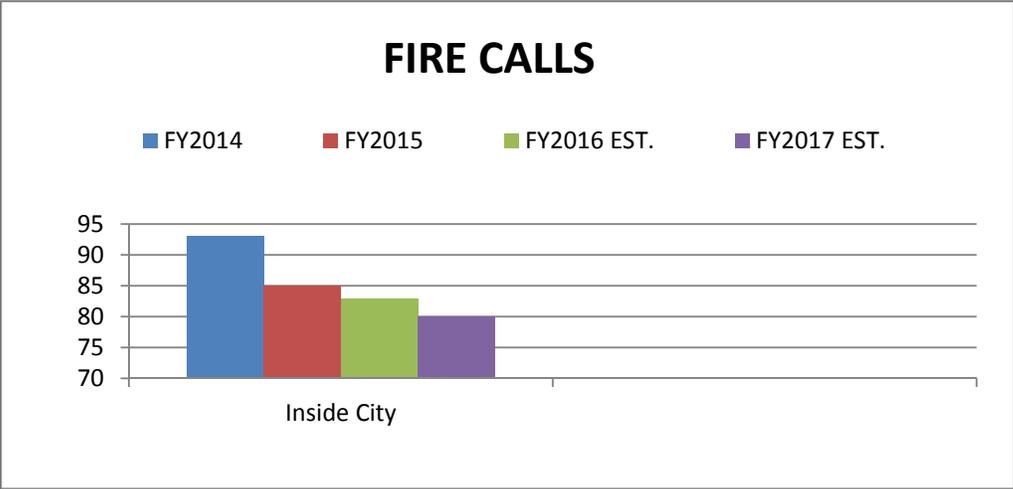
EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$7,418,115	\$7,667,289	\$7,973,772	4.0%
Operating Expenditures	\$725,368	\$819,153	\$842,949	2.9%
Capital Outlay & Debt Service	\$33,383	\$58,350	\$50,350	-13.7%
Total Expenditures	\$8,176,866	\$8,544,792	\$8,867,071	3.7%
FTE's	92	92	92	

Goals and Objectives:

- Maintain the reduction in loss of life and property through education, prevention, and professional emergency management.
 - Purchase additional Fire Safety Materials and provide additional training classes to the public.
- Increase number of public information classes through the use of station Open Houses, school programs, and interactions with civic organizations by 9%.
 - Hold an annual Open House at all stations for the public to attend and observe live demonstrations of how fire equipment is used in department's daily jobs.
 - Present "show and tell" at schools throughout the year in addition to Fire Prevention month; as well as, encourage station tours for children and adults of all ages.
 - Offer informational speakers and have the CFD Honor Guard attend civic organization meetings.
 - Offer Career Showcase annually to educate the public as to the lifestyle and skill sets required of a career in the fire service.
- Maintain or improve ISO rating by hiring additional firefighters and constructing stations and evaluate areas of possible improvement.
 - Fill 7 vacancies caused by recent retirements.
 - Build a new fire station (CFD Station Six) at Westland Drive/APD 40 to service the southern part of the City and anticipated new development around I-75 exit 20.
 - Obtain property in anticipation of building a new fire station (CFD Station Seven) to service the northeast portion of the City, including the industrial park and Jetport.
- Continue the Wellness Program for Cleveland Fire Personnel.
 - Annual physicals are required and conducted for each CFD personnel.
 - Annual Fit for Duty testing is required for all firefighters hired after 2007.
 - Peer Fitness Assessment is held annually.
 - One hour per day is dedicated to physical fitness.
- Continue to replace fire administration and inspection vehicles over the next several years.
 - Replace one staff vehicle in FY17 that has 112,000 miles.
- Purchase new heavy Rescue apparatus to replace the current Squad 1.
 - This apparatus was ordered at the end of March, 2015; the anticipated date of delivery June, 2016.

Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Property Loss (\$) due to fire in City	\$1,579,109	\$1,323,337	\$1,124,836	\$922,366
Property Saved (\$) in City	\$22,965,470	\$44,028,757	\$50,633,070	\$58,228,030
Calls for Service	93	85	83	80
# of Fatalities in City/Fringe Area	1	0	0	0
# of Injuries in City/Fringe Area	4	4	4	3
# of Certified Fire Personnel	87	88	91	91
# of First Responders	41	41	43	43
# of EMTs	34	34	36	36
# of Paramedics	5	5	5	5
Population	42,774	43,182	43,614	44,050
Fire Service cost per 1,000 population	\$184,659	\$189,358	\$195,919	\$201,295
Fire Inspections per 1,000 population	37.59	39.53	42.99	44.27
# of Buildings inspected	1,608	1,707	1,875	1,950
# of Fire education classes in schools & day cares	30	33	35	38
Structure/Vehicle fire calls per 1,000 population	2.17	1.97	1.90	1.82
# of Structure/vehicle fire calls in City	93	85	83	80
Fire Cause Determined	90%	90%	92%	94%
Restricted duty during the year	0	0	0	0
Cost per Structure/vehicle fire call	\$84,931	\$97,161	\$102,563	\$119,098
Average Response Time from Dispatch	4 min/48 sec	4 min/20 sec	4 min/15 sec	4 min/12 sec



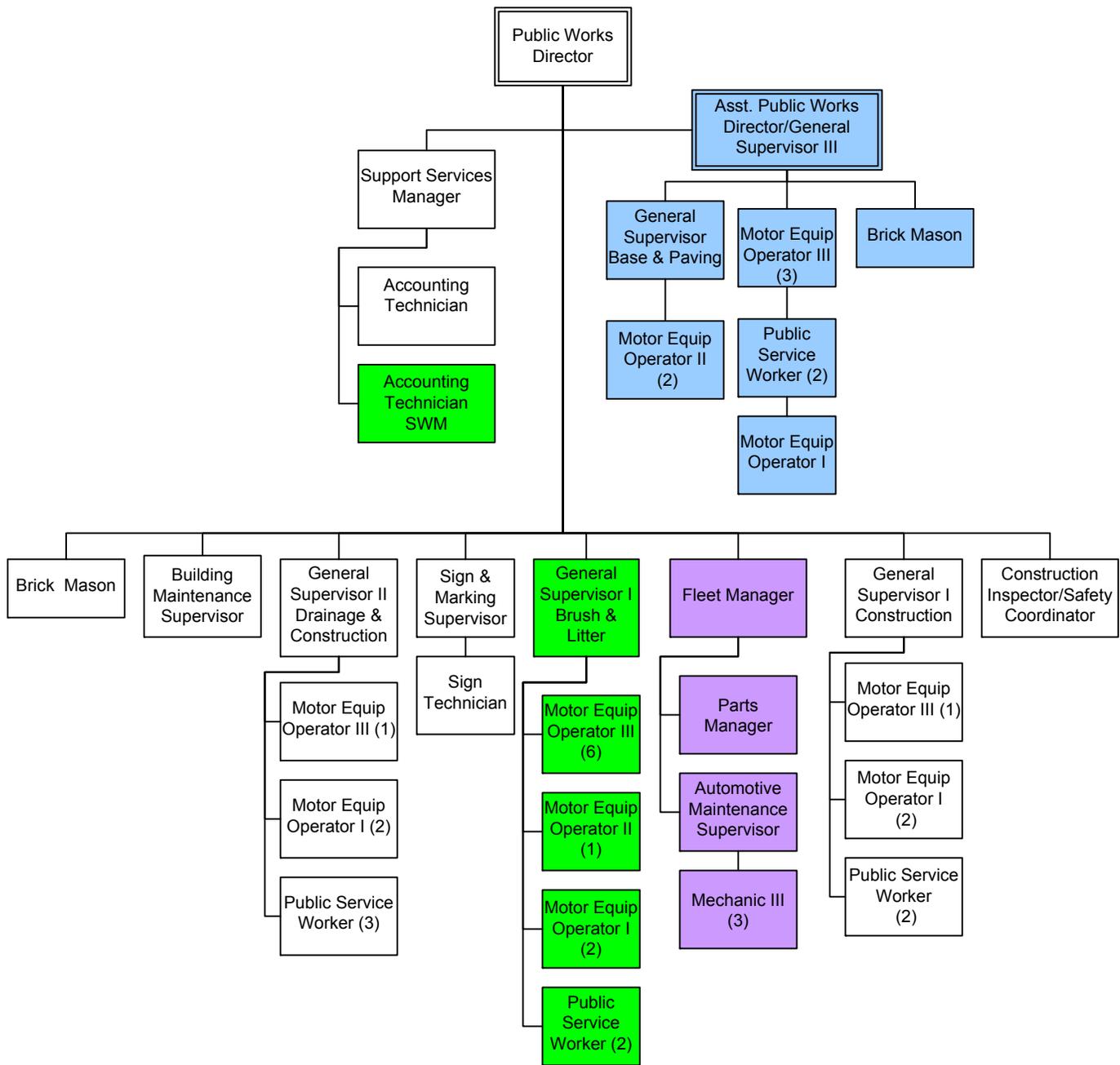
Public Works



Director Tommy Myers



Public Works Department



Public Works Department

Programs, Services, and Functions:

The functions of the Public Works Department are numerous as well as diversified. They include street design, construction inspection and maintenance, drainage design (construction or installation and maintenance), preparation and inspections for contracted major paving projects, sidewalk construction and replacement, public facilities maintenance and renovation, residential and commercial garbage collection, brush disposal, bulk goods, and leaf collection. The Public Works Department is also responsible for the City's fleet operation, sign maintenance and design, and street markings.

The department receives operating funding from three separate funds: the General Fund, Solid Waste Management Fund, and State Street Aid Fund. Public Works also has a Fleet Management division, which is an Internal Service Fund.

The administration area covers all the secretarial and office support personnel. The operations area includes all personnel except those working in and funded by Solid Waste Management and State Street Aid. The Operations Division also receives funding for equipment debt service from the State Street Aid and Stormwater Funds.

The Public Works Department utilizes a computerized, networked complaint tracking and work order system. One of the main features of this system is the capability of city departments to be able to view the status of requests and work orders when responding to citizen calls and complaints.

The Operations Division handles street cut repairs and inspections, new street and drainage construction inspections, pothole and crack sealing repairs, drainage construction, repair and cleaning, snow removal, street sweeping, and the annual repaving projects.

The City's utility street cut policy requires anyone wanting to cut a street or sidewalk to get a permit from Public Works. The excavation must be sawed evenly, backfilled with flowable fill (under the construction inspector's supervision) to within 4" of the surface, and cured for at least two days before the City installs an asphalt patch. The fees generated by the permit offset the cost of inspection and patching, and the resulting surface will not buckle or sink.

Street routes are swept on a twice-a-month schedule, while brush and refuse collection occurs weekly. The City's policy regarding snow removal is to try to remove all snow within 24 hours from major roads first, then collectors, and finally residential streets.

Major street paving is the largest capital item funded for Public Works. The department provides street inspections throughout the year in order to evaluate and prioritize paving needs. A construction inspector prepares and maintains logged records and documentation, which is utilized for the budget and bidding process. Inspectors grade streets on a scale from 1 through 5 (1 being the worst case scenario and 5 being the best). Therefore, a street graded "1" would need immediate attention and a grade of "2 through 5" means streets would be re-evaluated in two through five years consecutively. The annual list takes into consideration multiple street cuts and/or construction projects by Cleveland Utilities or other contractors.

The construction inspector's annual paving list is presented to the Public Works Director for review and an annual priority list is prepared and grouped into the five voting districts. The list is based on the annual allocation provided by council for major paving. Streets with structural deficiencies are ranked highest because of problems associated with hazardous, unsafe roadway conditions which could result in traffic accidents and injury to motorists. When the major paving project begins, the construction inspectors monitor and inspect the work daily as it is conducted.

The Operations Division has a drainage crew responsible for preventive maintenance by cleaning drainage areas and catch basins, as well as cleaning streets and handling erosion control. Having this crew has enabled the department to provide better drainage control, as well as new drainage construction in the city.

The City has been able to perform a number of drainage projects internally. Having a dedicated crew for this purpose allows the City to take on larger projects that were otherwise beyond the department's resources.

The City has a contract with Cleveland Utilities to give them full control of the traffic signals within the city. This includes traffic signal warrant studies, signal design, and signal timing and coordination plans. However, traffic related functions such as street closures and traffic sign requests are reviewed and carried out by the Public Works Department; and, any requests for traffic counts or the review of traffic plans for future development is handled by the Department of Development and Engineering Services' Transportation Project Manager.

The Signs & Marking staff is responsible for all street markings, sign construction and maintenance of all city-owned streets, including railroad crossings. This consists of fabricating all signs from raw materials, placement of street markings, and the lettering and numbering of all city department vehicles and other outside agencies. City departments are billed only for material costs; however, outside agencies are billed for both labor and materials. The sign crew is responsible for setup of signs and barricades required for city road closures.

With the opening of the new Cleveland Regional Jetport, the airport has moved from being a division of Public Works to its own department. Although the airport is no longer under the direction of the Public Works Director, the Public Works Department will continue to provide support staff for the director and Airport Authority for any clerical needs.

The Solid Waste Management Fund finances the contracts for residential, commercial garbage collection and commercial recycling. However, the collection of brush, bulk goods, and leaves is performed by solid waste employees, which is funded by the general fund. The State Street Aid Fund provides debt service payments on the street equipment and road projects, as well as salaries of Public Works street crews.

In conjunction with Bradley County, the Public Works Department provides funding to operate a recycling site to collect recyclables in order to reduce landfill usage.

PW Operations Division:

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$1,198,754	\$1,309,600	\$1,338,760	2.2%
Operating Expenditures	\$915,422	\$987,139	\$983,100	-0.4%
Capital Outlay & Debt Service	\$8,077	\$4,800	\$16,200	237%
Total Expenditures	\$2,122,253	\$2,301,539	\$2,338,060	1.6%
FTE's	21	21	21	

PW Street Lighting and Signals:

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$0	\$0	\$0	0%
Operating Expenditures	\$1,289,113	\$1,442,900	\$1,452,900	0.7%
Capital Outlay & Debt Service	\$0	\$8,900	\$0	-100%
Total Expenditures	\$1,289,113	\$1,451,800	\$1,452,900	0.08%

Goals and Objectives:

- Continue to inspect and repave all utility cuts.
- Increase the level of pothole patching.
- Continue street resurfacing program.
- Install new sidewalks and repair existing sidewalks.
- Continue drainage improvements to alleviate flooding.
- Provide in-house training on a greater level and increase training for all staff.
- Respond to complaints within two working days.
- Continue study of signal timing and traffic patterns.
- Study new technology and methods to prevent failure of street cuts.
- Continue work with TDOT to identify needed intersection improvement projects.

Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Value of Street Repaving Contract	\$937,127	\$716,361	\$1,421,931	\$1,000,000
Value of Sidewalk, Curb, & Gutter Construction	\$25,367	\$36,507	\$20,000	\$30,000
# of Major Drainage Projects Completed	4	5	7	5
New Drainage Construction Costs (GASB)	\$400,371	\$558,387	\$220,000	\$120,000
Linear Feet of Drainage Pipe Installed	4,690	6,936	5,197	5,607
# of Stormwater Structures Installed	175	235	320	730
# of Utility Cut Permits	226	244	145	205
Value of Utility Cut Permits	\$50,916	\$75,920	\$44,814	\$50,000
# of Tons of Asphalt Used on Potholes	1,327	1,287	888	1,167
# Cubic Yards of Concrete/Flowable Fill for Street Cut Repair & Drainage Projects	770	567	469	602
# of CalLink complaints/work order requests	899	992	720	870
% of CalLink complaint/work orders completed/closed	87.00%	97.88%	79.72%	87.66%
# of CalLink complaint/work orders per 1,000 population	21.00	22.97	16.50	19.75

**City of Cleveland
CALLink System - Public Works' Work Requests
FY 2014-15
Total Requests 992
Total Completed 971 (97.88%)**



■ Work Orders Completed - 971

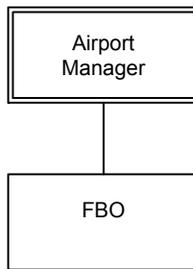
■ Work Orders Open - 21

Cleveland Regional Jetport



Airport Manager Mark Fidler

Cleveland Regional Jetport



Cleveland Regional Jetport

Programs, Services, and Functions:

Celebrating its 3rd year of operation, the Cleveland TN Regional Jetport continues to establish itself as our city's gateway to visitors and commercial enterprise. With a beautiful, award-winning terminal building greeting its customers, Jetport development continues at an exciting pace. It is regarded as one of Cleveland's greatest assets, and rightly so.

The addition of 20 new Erect-A-Tube T-Hangars and adjacent apron is the most significant recent development at the Jetport. Offering additional storage of recreation and light business single and multi-engine aircraft, KRZR is becoming a very popular facility for local aviators to call home for their aircraft. In addition to hangar and property lease fees generated by our tenants, substantial revenues are generated thru the sale of Jet-A and 100LL aviation grade fuel products. The FBO, under contract with the Cleveland Municipal Airport Authority, provides aircraft maintenance, flight training and aircraft handling services to visiting customers and base tenants alike.

Privately owned and commercial enterprise hangar construction continues at a brisk pace as well. Presently, a massive hangar/office complex is being erected which will house corporate jet aircraft including a Cessna Citation, a Beechcraft Duke twin engine aircraft, a Bell 222 helicopter and an L-39 Albatross military primary jet trainer. This new combination hangar and office complex is, like our terminal building, designed to reflect the character of the region, rich in wood and stone details. It will be a proud addition to the Jetport.

Another noteworthy recent addition to the Jetport is the completion of a service base facility operated by MedTrans Corporation under agreement with Erlanger Health System. Operating a Eurocopter EC-135 twin-turbine helicopter, Erlanger "LifeForce 1" offers acutely ill patients expedient transportation to local medical facilities or to distant specialized care facilities such as the burn center in Augusta, GA or the cardiovascular care center located at University of Alabama, Birmingham. Just a few months in operation, the Jetport's LifeForce 1 base has already established itself as the busiest of all of Erlanger's LifeForce bases, flying an average of approximately 3 trips per day. We are very proud to have this valuable service as one of the benefits rendered to our community and the region as the result of the Jetport's construction and development.

Our goal of extending the runway 700 feet remains alive with the FAA's authorization of a waiver of their most-recent runway design criteria. With the waiver in place, we have initiated moving ahead with the design and engineering phases of the project. We anticipate that TDOT participation in project funding is forthcoming, given the fact that we have demonstrated its justification by FAA development standards.

Oversight and management of the Jetport daily operations while working with local, state and Federal agencies is the main focus of the Airport Director. Maintaining a facility that is both safe and legally compliant with the myriad of regulations governing air commerce often requires 24/7 availability of the Airport Director. Facility development

planning dictates frequent interaction with officials of TDOT-AERO and the FAA at various forums. The Airport Director serves as KRZR’s representative at these functions in addition to being the Airport Authorities agent, dealing with routine operations issues and maintenance of high standards of performance.

The Jetport remains committed to providing superb service with outstanding facilities with a friendly, customer-oriented staff. As the initial point of contact for many first-time visitors to Cleveland, our priority is to welcome each customer and impress upon them that we are honored they have chosen to join us at the Jetport and that it is both our pleasure and honor to have them as our guest.

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$169,008	\$233,600	\$297,400	29.3%
Operating Expenditures	\$686,340	\$829,927	\$847,900	2.2%
Capital Outlay & Debt Service	\$37,756	\$1,400	\$1,400	0%
Total Expenditures	\$893,104	\$1,061,427	\$1,146,700	8.0%
FTE’s	1	1	1	

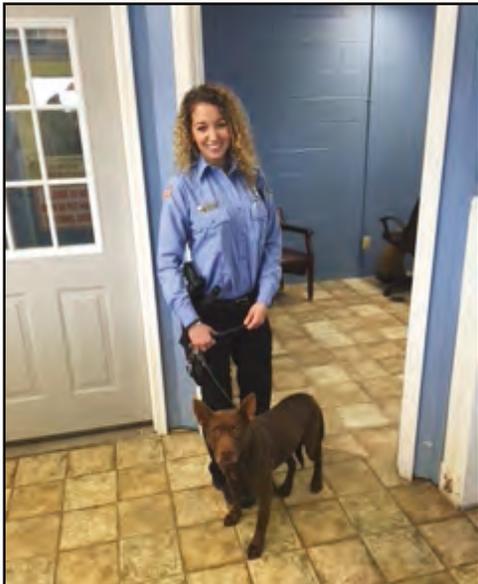
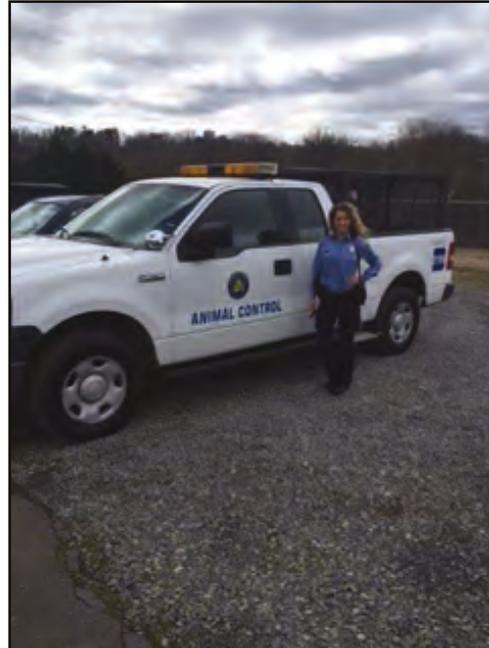
Goals and Objectives:

- Maintain a safe and legally compliant facility, meeting or exceeding standards established by FAA, TDOT-AERO and industry established best practices.
- Completion of additional private hangars for use by individuals and corporations.
- Completion of 700’X 100’ extension to existing 5500’ runway.
- Completion of parallel taxiway associated with runway extension.
- Development of GPW-WAAS instrument approach NAVAID system in conjunction with extension of runway.
- Continued development of business opportunities such as property leases, fuel sales, facility rentals and more.
- Promotion of the Jetport thru assorted events and media exposure.
- Progress in extension of Customs and Border Protection Services extension of port boundaries to include the Jetport.
- Development of relationships in community with businesses and airport users.

Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Total number of meetings booked for conference rooms	48	20	24	25
Total number of special events held	2	5	5	5
Total number of hangars on site	25	30	47	49
Total number of hangars occupied	25	30	46	49
Total aircraft based at airport	41	44	48	52
Total gallons of fuel sold	90,000	190,246	245,000	260,000
Number of inspections by State departments	2	2	2	2
Number of public meetings held by Airport Authority	12	8	11	12

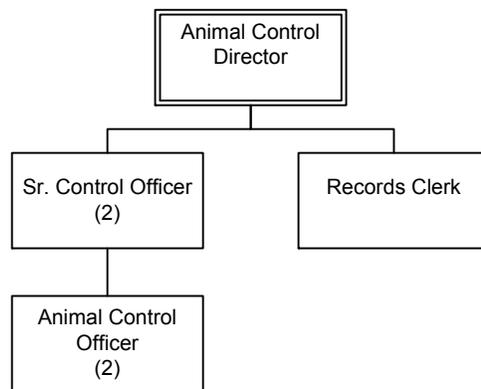
Animal Control



Please remember to have your
pets spayed or neutered in order
to help control the pet population.



Animal Control



Animal Control

Programs, Services, and Functions:

This budget covers the costs to operate the City’s Animal Control Division. Fiscal Year 2015 was the first complete fiscal year that Animal Control Services did not extend outside the corporate city limits of Cleveland. Animal Control receives funding from the Meiler Estate Animal Shelter Trust Fund, Terry Wayne Robinson Estate, Hugh Gladden Estate and Howard William Zuker Estate.

Animal Control Officers enforce the city’s leash law and other related City ordinances, as well as all state statues regarding animal control, rabies, vaccinations, and quarantining of animals.

The Department actively promotes pet adoptions. The Bradley County Veterinarians Association provides discount rates for spaying, neutering, and vaccinations of all adopted animals at the Cleveland Animal Shelter.

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$336,794	\$358,655	\$392,727	9.5%
Operating Expenditures	\$145,878	\$179,513	\$118,120	-34.2%
Capital Outlay & Debt Service	\$717	\$1,100	\$1,100	0%
Total Expenditures	\$483,389	\$539,268	\$511,947	-5.1%
FTE's	8	6	6	

Goals and Objectives:

- Continue to provide high quality animal control services throughout the City.
- Continue to be pro-active in adoptions.
- Continue to educate citizens on the need for spaying, neutering and vaccinating all cats and dogs.
- Continue to actively respond to citizen complaints regarding animals and animal cruelty.

Performance Measures:

Measure Description	FY2014* (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
# of Animals Picked-up in City	1,616	1,278	1,280	1,290
# of Calls in City	3,149	2,637	2,800	2,800
# of Animals Picked-up in County	895	0	1	0
# of Calls from County residents	1,545	192	200	200
# of Animals Adopted	1,188	612	700	700
# of Animals Euthanized	162	121	120	120
# of Animals Handled per Employee	151	213	213	215
Cost per Animal Handled	\$225.65	\$378.24	\$420.97	\$396.86
% of Animals Adopted vs. Euthanized	.07%	5%	7%	7%
# of Animals Brought in from other Counties	1	0	0	0
# of Complaints Regarding Animals	4,994	2,829	3,450	3,400
# of Complaints Regarding Animal Cruelty	166	134	140	140
# of Educational Programs	1	1	1	2
# of Employees	6	6	6	6
# of Certified Animal Control Officers	4	4	4	4

*As previously noted the contract with Bradley County ended on March 17, 2014.

Risk Management, Safety and Wellness Program



Risk Management, Safety and Wellness Program

Risk, Safety and Wellness
Manager

Risk Management, Safety and Wellness Program

Programs, Services and Functions:

The Risk, Safety & Wellness Manager administers the City's Workers Compensation Program, serves as liaison to insurance companies and prepares all claims and renewals of Worker's Compensation, Liability and Property insurance policies. The Risk, Safety & Wellness Manager also writes and implements policies regarding safety and personnel in effort to assist departments, on a day-to-day basis, monitor and reduce risks, by maintaining a safe work environment for the employees of the City of Cleveland, and reduce costs by implementing safety and wellness programs.

The Risk, Safety & Wellness Manager serves as Chairman for the Human Resources Committee, which reviews and recommends changes to the City's Personnel Policies as well as chairman for the Safety Program Committee and the Wellness Committee.

The City of Cleveland's Safety Program Committee meets the third Thursday of each month to discuss safety issues for City of Cleveland employees and remain in compliance with current OSHA/TOSHA regulations. Each committee member is also assigned and is responsible for performing monthly safety inspections of all properties of the City of Cleveland, which are submitted to the Safety Manager, who maintains safety records. The city reports work-related injuries to OSHA (Occupational Safety and Health Administration) as required on a calendar-year basis. There are eight other committee members, representing departments of the City.

The City of Cleveland's Wellness Committee also meets the third Thursday of each month. The committee's objective is to explore and review programs and incentives to reduce health insurance claims and promote wellness to fellow employees. The committee is made up of six members, representing departments of the City. Each committee member is responsible for gathering and distributing information regarding wellness programs and incentives, to their respective departments and assist in the maintenance of the Wellness Center.

This budget provides funding for the salary and benefits for the Risk, Safety & Wellness Manager as well as funding for some OSHA mandated training, CPR/AED & First Aid training, a funding match for the TML Safety Grant, the TML Driver Safety Grant, the TML Property Conservation Grant, Wellness Center maintenance and equipment and safety supplies. All other needs are the responsibility of the individual departments.

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$77,285	\$102,269	\$106,111	3.7%
Operating Expenditures	\$34,434	\$38,553	\$38,711	0.4%
Capital Outlay & Debt Service	\$0	\$0	\$0	0%
Total Expenditures	\$111,719	\$140,822	\$144,822	2.8%
FTE's	1	1	1	

Goals and Objectives:

- Maintain communication, documentation and renewals with insurance agency, reviewing costs and trends, in order to reduce claims.
- Ensure the City of Cleveland remains in compliance with OSHA and TOSHA mandates and regulation.
- Communicate with departments to ensure a safe workplace for employees and maintain statistical loss information, reducing injuries and lost time accidents by 5%.
- Continue implementation of the safety incentive program to reduce lost time accidents by 5%
- Maintain MSDS inventory.
- Schedule and conduct required safety training for employees.
- Review accidents that occur in order to prevent future accidents of the same nature.
- Conduct CPR/AED & First Aid classes for employees.
- Increase safety training opportunities for employees.
- Continue monthly Safety Inspections of city-owned properties.
- Manage maintenance of Wellness Center & Equipment.
- Communicate Wellness Awareness and provide programs to employees as well as provide Fitness Classes to reduce health insurance costs.

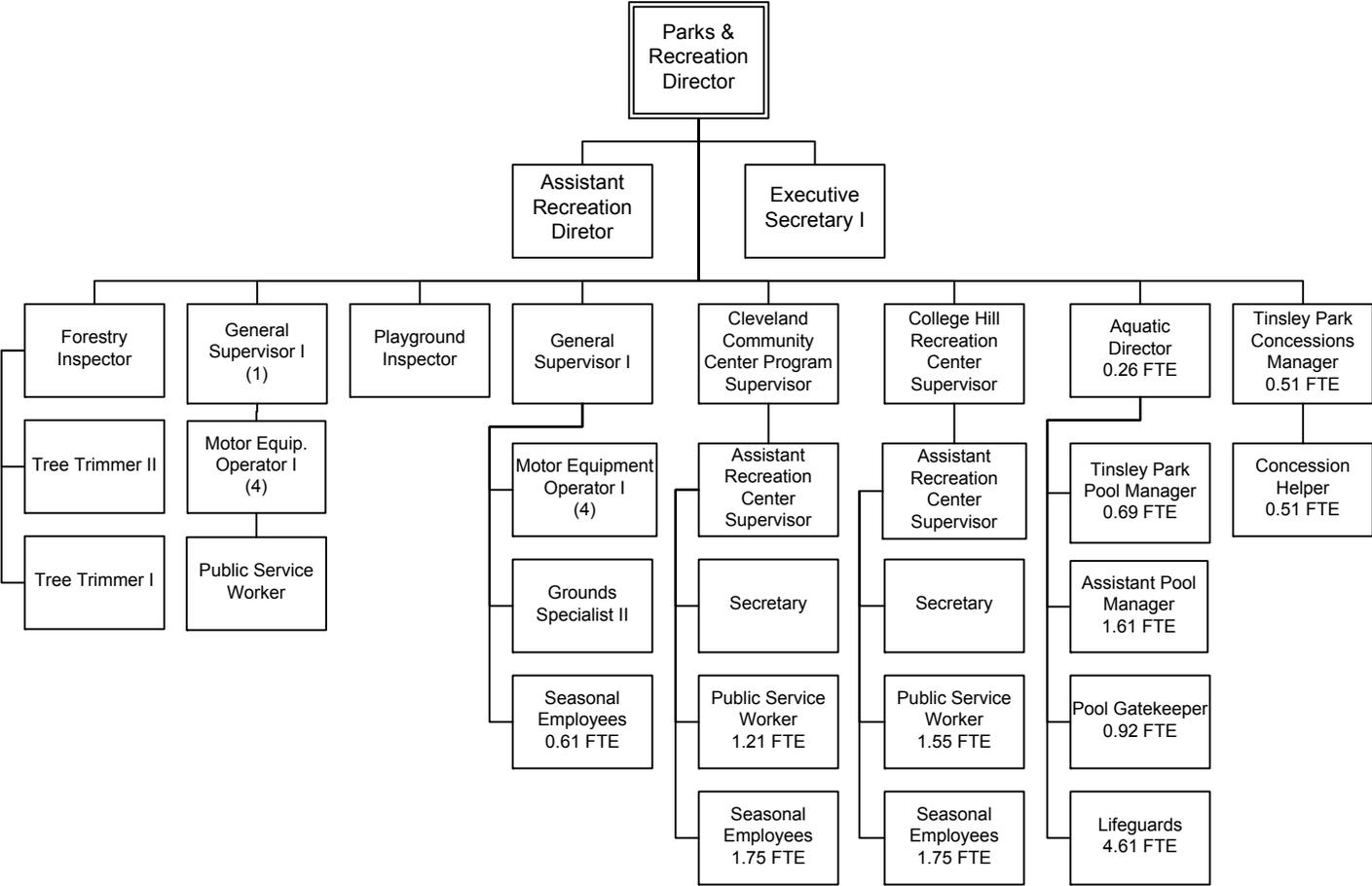
Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
% of Departments with Right-To-Know (RTK) Centers	100%	100%	100%	100%
# of Annual Inspections by TML	2	2	2	2
# of City Buildings/Playgrounds Inspected	32	32	32	32
# of OSHA/TOSHA Citations issued	0	0	0	0
Lost Time Accidents	12	12	5	5
Total number of recordable injuries	14	14	8	8
Wellness Programs offered to employees	2	2	2	2
Fitness Classes provided to employees	156	158	160	150
Safety training sessions provided to employees	6	6	6	6

Parks and Recreation



Parks & Recreation Department



Parks and Recreation Department

Programs, Services, and Functions:

The Parks and Recreation Department is funded through several separate budgets within the General Fund:

- Administration and Maintenance
- Landscape Maintenance
- College Hill Recreation Center
- Cleveland Community Center
- Tinsley Park

The Fletcher Park Trust Fund and Greenway Fund are part of Parks and Recreation (See Tab X for additional information).

The Administration and Maintenance budget covers the costs of the director, assistant director, secretary, and the maintenance personnel.

The other three budgets in the General Fund cover the costs to operate the College Hill Recreation Center; Cleveland Community Center and Tinsley Park, the City's major ball field location.

The department provides a wide range of recreational activities either through direct programming, or working with other organizations indirectly. For example, the City financially supports the following programs:

- Greater Cleveland Soccer Association, which has helped the City develop the Mouse Creek Road soccer complex
- Bradley/Cleveland Youth Football Program
- Aqua Tigers Swim Team
- Cleveland Youth Softball
- Water Dog Swim Team

The City runs several softball leagues and basketball leagues and is host to numerous softball tournaments. Swimming pools are provided at Tinsley Park, Cleveland Community Center, and Mosby Park (which is part of the College Hill Recreation Center). Two community centers provide recreational activities, crafts, and weight lifting and summer camps. A walking trail and exercise stations are provided at Tinsley Park. Playground equipment is provided at neighborhood parks throughout the city, many shared with the City Schools.

Greenways and other open spaces enhance the quality of life in Cleveland by protecting the environment, giving citizens additional venues for recreation, and by providing economic development benefits. Everyday uses include walking, jogging, rollerblading, bicycling, skateboarding, walking pets, observing nature, and more.

In May, 2015 the City Council voted to lease the Waterville Golf Course, an 18-hole public course located on Dalton Pike.

The soccer complex hosts several regional tournaments and has both spring and fall programs. There are currently over 500 participants in the program. City staff maintains the fields at the soccer complex. In FY2009 the complex became home to the CHS Soccer Teams. Improvements completed were stadium fencing, team bleachers, new score boards and sidewalks.

Ongoing investment in Tinsley Park is vital to the community’s economic development and tourism efforts. These tourists fill Cleveland’s hotels, eat in its restaurants and patronize its shops, infuse sales tax and business tax revenues, provide local jobs and benefit small businesses while reducing the tax burden of local property taxpayers. This fiscal year capital projects include replacing the tennis courts, adding a pavilion with restrooms, and adding a new dog park.

The city’s parks are well utilized by City, Bradley County and surrounding area residents, causing equipment to wear and need repairs or replacement. Equipment is inspected regularly so repairs or replacements can be made on a priority basis. The City attempts to replace or upgrade some of its playground equipment annually, reducing the need to repair or replace all equipment simultaneously and spreading the capital investment over a longer timeframe.

In June 2014, Mosby Park opened for the summer with a new pool. The project was funded with a 50/50 grant match and CDBG funds, CDBG funds have been used on most of these projects, leveraging federal funds with local capital budget funds to maximize the impact on recreational opportunities in low-and moderate-income areas of Cleveland.

The Landscape Maintenance Division is responsible for the care and maintenance of any plant material located on city-owned properties. This includes the care and maintenance of all trees along street rights-of-ways, within city parks, Greenway, and on all city owned properties. The Division also handles the mowing and trimming of street rights-of-ways, medians, state-owned routes within the city’s boundaries, and Hardwick Field. Other activities include the planting of new trees along street rights-of-ways, within city parks, Greenway, and flower bed planting and care in street traffic islands, city buildings and Project Pride plantings.

P & R Administration and Maintenance:

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel Expenditures	\$585,250	\$666,225	\$716,859	7.6%
Operating Expenditures	\$233,786	\$264,297	\$275,400	4.2%
Capital Outlay & Debt Service	\$144,252	\$2,500	\$2,500	0%
Total Expenditures	\$963,288	\$933,022	\$994,759	6.6%
FTE's	9.8	10.61	10.61	

Landscape Maintenance:

EXPENDITURE SUMMARY	FY 2015	FY 2016	FY 2017	Percentage Increase
	Actual	Budgeted	Proposed	
Personnel Expenditures	\$371,530	\$463,700	\$517,542	11.6%
Operating Expenditures	\$140,193	\$171,465	\$156,200	-8.9%
Capital Outlay & Debt Service	\$82,545	\$1,000	\$1,000	0%
Total Expenditures	\$594,268	\$636,165	\$674,742	6.0%
FTE's	7	9	10	

College Hill Recreation Center:

EXPENDITURE SUMMARY	FY 2015	FY 2016	FY 2017	Percentage Increase
	Actual	Budgeted	Proposed	
Personnel Expenditures	\$234,023	\$234,250	\$249,769	6.6%
Operating Expenditures	\$150,905	\$167,646	\$165,900	-1.0%
Capital Outlay & Debt Service	\$1,217	\$21,200	\$35,000	65%
Total Expenditures	\$386,145	\$423,096	\$450,669	6.5%
FTE's	5.2	5.3	5.3	

Cleveland Community Center:

EXPENDITURE SUMMARY	FY 2015	FY 2016	FY 2017	Percentage Increase
	Actual	Budgeted	Proposed	
Personnel Expenditures	\$286,453	\$250,300	\$251,983	0.6%
Operating Expenditures	\$87,395	\$111,912	\$131,150	17.2%
Capital Outlay & Debt Service	\$2,538	\$6,200	\$15,000	142%
Total Expenditures	\$376,386	\$368,412	\$398,133	8.1%
FTE's	7.34	5.96	5.96	

Tinsley Park Operations:

EXPENDITURE SUMMARY	FY 2015	FY 2016	FY 2017	Percentage Increase
	Actual	Budgeted	Proposed	
Personnel Expenditures	\$149,655	\$177,100	\$176,300	-0.4%
Operating Expenditures	\$115,125	\$122,400	\$165,200	34.9%
Capital Outlay & Debt Service	\$2,000	\$8,800	\$0	100%
Total Expenditures	\$266,780	\$308,300	\$341,500	10.8%
FTE's	7.34	9.11	9.11	

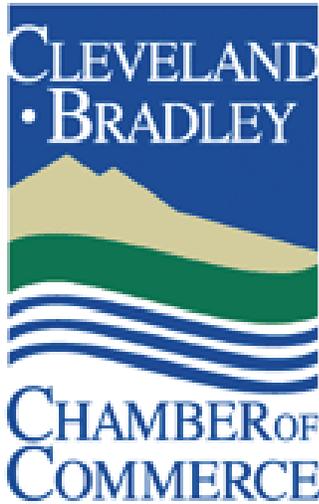
Goals and Objectives:

- Increase recreational opportunities for the entire community.
- Increase basketball participants in the city by 5%.
- Implement a Recreation Long-Range Master Plan.
- Implement the Master Plan for Tinsley Park.
- Implement Phase III of Roadscapes Project on 25th Street.
- Continue to be recognized as a Tree City.
- Increase Cleveland’s green footprint by planting 5% more trees annually.
- Identify trees and place signage for various species living along the greenway.

Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
# of Softball League Participants	500	324	350	400
# of Basketball League Participants	200	210	215	225
# of Soccer League Participants	850	900	900	925
# of Football League Participants	55	70	181	200
# of Aqua Tigers Participants	145	135	135	135
# Mosby Park Water Dogs	124	124	124	130
# of Sports for Youth Participants	2,197	1,000	800	850
# of Softball Tournaments	18	20	20	25
# Acres of Parks and Recreation Facilities	289	289	289	289
Number of Golf Rounds Played	8,000	0	0	0
Dollars per Golf Round	\$25.00	0	0	0
CSGC Memberships	57	0	0	0
Sr/Jr	26	0	0	0
Single	7	0	0	0
Family	2	0	0	0
# of Trees Trimmed Annually	725	650	445	700
# of Trees Planted Annually	296	225	171	191

Grants and Other Agencies



Grants and Other Agency Support

Programs, Services, and Functions:

This budget provides funding to various agencies outside the city organization. By state statute, all must be either a joint agency in which the city participates, or an IRS-qualified tax-exempt organization serving a community purpose.

The City of Cleveland and Bradley County operate under an agreement that sets out percentages each would be responsible for in funding 15 agencies. Keep America Beautiful (KAB), was to be funded from landfill tipping fees. Beginning in fiscal year 2000, the City no longer uses the Bradley County landfill; therefore, the City also funds KAB. These percentages are listed at the end of this section. All of those agencies are shown here, except for the Library, which operates as a Special Revenue Fund of the city.

The City of Cleveland, 911 Board, City of Charleston, and Bradley County entered into a four-year, automatically renewable agreement on January 13, 1995 to combine two separate emergency communication centers into one. The Emergency Communications Center was constructed and placed into operation in 1996. Those costs not covered by the Telephone 911 Service Charge are divided as follows:

City of Charleston	1.0%
City of Cleveland	49.5%
Bradley County	49.5%

The joint funding agreement was amended in FY2016 increasing local government's contributions. The City's share of funding which is \$550,000 for the 911 center is appropriated in this budget.

The first line item shown in this budget is entitled "Jointly Funded". Since the City must by City Charter finish its budget much earlier than Bradley County, the percentage increase for the various jointly funded agencies has not yet been determined. This line item is a contingency to cover those costs once the decisions on funding are made.

The City will continue to fund \$135,000 for the city's transit system to be operated by SETHRA which will include an additional route for East Cleveland. The deviated fixed-route system will provide an affordable transportation alternative. The City also provides funding for the operation of the Cleveland/Bradley Regional Museum.

Youth programs funded include Aqua Tigers swim team, Bradley/Cleveland Football, Cleveland Youth Softball, and the Soccer Association.

**FUNDING PERCENTAGES AND SOURCES
FOR JOINT AGENCIES**

Name of Agency	Percentages & Sources of Funding
1. Chamber of Commerce: Tourism	County's share paid from 25% - Hotel/Motel Tax
2. Chamber of Commerce: EDC	County's share paid from 25% - Hotel/Motel Tax
3. Boys & Girls Club	\$ 2,000; \$5,000 County for Recreation Programs
4. Courts Community Service	50% City / 50% County
5. Keep America Beautiful Program	50% City / 50% County
6. MainStreet Program	50% City / 50% County
7. Fort Hill Cemetery	50% City / 50% County
8. Chamber of Commerce	50% City / 50% County
9. Public Library	50% City / 50% County
10. Emergency Management Agency	20% City / 80% County
11. Veteran's Affairs Office	20% City / 80% County
12. Community Services Agency	50% City / 50% County
13. Developmental Services Agency	20% City / 80% County
14. Department of Human Services	20% City / 80% County
15. 911 Board	49.5% City / 49.5% County / 1.0% Charleston

GENERAL FUND APPROPRIATIONS						
	2014-2015 ACTUAL BUDGET	2015-2016 ORIGINAL BUDGET	2015-2016 AMENDED BUDGET	2016-2017 REQUESTED BUDGET	2016-2017 PROPOSED BUDGET	
General government:						
JOINTLY FUNDED	0	9,321	4,321	9,300	9,300	
CLEVE/BRAD REG MUSEUM	42,300	42,300	42,300	42,300	42,300	
MTAS - BENCHMARKING	3,500	4,000	4,000	4,000	4,000	
MUNICIPAL LEAGUE DUES	9,102	9,200	9,200	9,200	9,200	
CHAMBER-ECONOMIC DEV	45,000	45,000	45,000	45,000	45,000	
SE TN DISTRICT DUES	8,257	8,000	8,000	8,000	8,000	
MAINSTREET CLEVELAND	25,000	25,000	25,000	25,000	25,000	
CEMETERY ASSOCIATION (50%)	10,000	10,000	10,000	10,000	10,000	
COURTS COMMUNITY SVC (50%)	48,365	59,400	59,400	59,400	59,400	
KEEP AMERICA BEAUTIFUL(50%)	28,200	28,200	28,200	28,200	28,200	
JUVENILE COURT MATCH	1,100	1,100	1,100	1,100	1,100	
UNITED WAY SUPPORTERS	1,100	1,000	1,000	1,000	1,000	
SETHRA-TRANSIT	135,000	135,000	140,000	135,000	135,000	
HVAC @ MUSEUM	10,000	12,000	12,000	12,000	12,000	
Total General government	366,924	389,521	389,521	389,500	389,500	
Public safety:						
CLEVE/BRAD COMM CTR (49.5%)	450,000	450,000	450,000	550,000	550,000	
EMERGENCY MGMT (20%)	82,024	87,300	87,300	87,300	87,300	
MAINSTREET PROJECTS	6,107	4,000	4,000	4,000	4,000	
SETDD LEGAL FEES	0	1,000	1,000	1,000	1,000	
Total Public Safety	538,131	542,300	542,300	642,300	642,300	
Health & welfare:						
VETERANS AFFAIRS (20%)	23,693	22,600	22,600	22,600	22,600	
BEHAVIORAL RESEARCH	2,000	2,000	2,000	2,000	2,000	
LIFE BRIDGES (20%)	6,200	6,200	6,200	6,200	6,200	
COMMUNITY SVCS AGCY (50%)	94,376	94,400	94,400	94,400	94,400	
Total Health & welfare	126,269	125,200	125,200	125,200	125,200	
Parks & recreation:						
AQUA TIGER EQUIPMENT	2,000	2,000	2,000	2,000	2,000	
BOYS AND GIRLS CLUB	13,923	14,000	14,000	14,000	14,000	
BRADLEY/CLEV FOOTBALL	3,500	3,500	3,500	3,500	3,500	
YOUTH BASEBALL	5,000	0	0	0	0	
CLEVELAND YOUTH SOFTBALL	4,000	4,000	4,000	4,000	4,000	
SOCCER ASSOCIATION	5,000	5,000	5,000	5,000	5,000	
LAND PAYMENT-SOCCER	5,000	5,000	5,000	5,000	5,000	
Total Parks & recreation	38,423	33,500	33,500	33,500	33,500	
Education:						
VOCATIONAL SCHOOL (20%)	22,236	22,236	22,236	22,236	22,236	
Total Education	22,236	22,236	22,236	22,236	22,236	
TOTAL APPROPRIATIONS	1,091,983	1,112,757	1,112,757	1,212,736	1,212,736	

Transfers to Other Funds



Transfers to other Funds

Organization Chart:

No personnel are funded out of this fund.

Programs, Services, and Functions:

This budget provides for the transfers made from the City's General Fund to other city funds.

The General Fund makes transfers to the School General Fund to support the school system beyond what it receives from the federal, state, and county governments. In FY2015, the latest state statistics available, Bradley County spent \$8,429 per student for total operating costs of the Bradley County School System (BCSS). The State average was \$9,375, which means the BCSS was \$946, or 10% below the State average. In FY2015 Cleveland City Schools spent \$9,239 per pupil on operating costs. This is \$810 more than the BCSS, or 9.6% and 1.4% below the State average. The bulk of this additional operating money comes from the city. This supplement for FY2017 remains the same at \$5,273,600.

In addition to the transfer to the School General Fund, the City also makes a transfer to the Debt Service Fund not only for city debt, but debt for the School System as well. The transfer for schools for debt service for FY2017 is \$2,524,379. The transfer to the Debt Service Fund for the city is \$2,333,421.

The City and County operate the Library as a joint agency, with each entity paying 50% of the cost. The City's share is shown as a transfer to the Library Fund. This year's transfer is \$645,800, which is a 3% increase over FY2016.

The Solid Waste functions (residential and commercial garbage and recycling, brush, bulk goods and leaf collection) are partially paid from user fees. Fees are charged for residential and commercial garbage and recycling. A transfer from the General Fund of \$1,074,100 subsidizes the remaining costs.

The General Fund will transfer \$57,000 to the Metropolitan Planning Organization Fund to match Federal and State grants and \$30,000 to the Community Development Block Grant Fund. In total, the General Fund is budgeted to transfer \$12,402,300 in FY2017 to these other funds.

GENERAL FUND - TRANSFERS TO OTHER FUNDS						
		2014-2015 ACTUAL BUDGET	2015-2016 ORIGINAL BUDGET	2015-2016 AMENDED BUDGET	2016-2017 REQUESTED BUDGET	2016-2017 PROPOSED BUDGET
	TRANSFER TO SCHOOL FUND	5,273,600	5,273,600	5,273,600	5,273,600	5,273,600
	TRANSFER TO DEBT SVC	2,239,359	2,186,688	2,086,688	2,333,421	2,333,421
	TRANSFER TO LIBRARY FUND	614,181	626,700	626,700	645,800	645,800
	TRANS-SOLID WASTE MGMT	1,108,000	1,074,100	1,074,100	1,074,100	1,074,100
	TRANSFER TO CIP NEW GYM	4,787,591	0	0	0	0
	TRANSFER TO CIP	1,591,908	165,500	318,838	274,000	274,000
	TRANS-DEBT SVC-FIRE	187,523	189,990	189,990	190,000	190,000
	TRANS-DEBT SVC-SCHOOLS	2,335,118	2,665,922	2,665,922	2,524,379	2,524,379
	TRANSFER TO DEBT SVC-STMWTR	18,500	0	0	0	0
	TRANSFER TO CIP/STORMWATER	72,400	0	0	0	0
	TRANSFER TO CIP/VETERANS HOME	25,652	0	3,741	0	0
	TRANSFER TO MPO FUND	57,000	57,000	57,000	57,000	57,000
	TRANSFER TO CDBG	20,000	25,000	25,000	30,000	30,000
TOTAL	TRANSFERS	18,330,832	12,264,500	12,321,579	12,402,300	12,402,300

Special Revenue Funds

Special Revenue Funds are funds used to account for the proceeds of specific revenue sources other than major capital projects that are legally restricted to expenditures for specified purposes.

Solid Waste Management Fund: This fund accounts for the revenues and expenditures of the City of Cleveland's Solid Waste Management program.

State Street Aid Fund: This fund accounts for maintenance of all non-State streets in the City. Revenues are provided from a portion of the State of Tennessee gasoline and motor fuels tax.

Library Fund: This fund is used to account for revenues and expenditures of the City's public library.

Drug Enforcement Trust Fund: This fund is used to account for investigations of violations of controlled substance laws and is funded primarily by state statute from the receipt of fines and costs related to drug enforcement cases.

Byrne Memorial Justice Assistance Grants: This fund is used to account for grants received from the United States Department of Justice for the purchase of equipment for the Cleveland Police Department.

Metropolitan Planning Organization Fund: This fund will serve Cleveland and the urbanized portions of Bradley County by transportation planning and the implementation of transportation projects.

Community Development Block Grant: This fund is used to account for a grant received by the United States Department of Housing and Urban Development.

Recycling Grant: This fund is used to account for the "Clean and Green Cleveland" program. It is funded by the TDOT Department of Beautification's Special Litter Project.

E-Ticketing Grant: This fund is used to account for revenues and expenditures of the City of Cleveland's Electronic Ticketing Program.

School Fund: This fund is used to account for the revenues and expenditures of the City of Cleveland public school system.

School Food Services Fund: This fund is used to account for the revenues and expenditures of the City of Cleveland public school cafeterias.

Special Revenue Funds

Special Revenue Funds are funds used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

The City's Special Revenue Funds include the State Street Aid Fund, Solid Waste Management Fund, Drug Enforcement Trust Fund, School Fund, School Food Services, Library Fund, Community Development Block Grant Fund, Metropolitan Planning Organization Fund, Byrne Memorial Grant Funds, E-Ticketing Grant Fund and the Recycling Grant Fund.

The revenues of the Special Revenue Funds can be segregated into five major categories:

- Intergovernmental Revenues
- Charges for Services
- Fines and Forfeitures
- Interest (Investment) Income
- Miscellaneous Revenues

Intergovernmental revenues provide 81% of the funding for Special Revenue Fund budgets. Education funding received from Bradley County, the State of Tennessee, and the Federal government accounts for over 90% of this revenue. Other sources include the state gas tax accounted for in the State Street Aid Fund, and state and federal grants for the Community Development Block Grant program and the Metropolitan Planning Organization program.

Charges for services revenues provide 5.5% of the funding for Special Revenue Fund budgets. Cleveland Utilities bills the majority of this to commercial and residential garbage customers. Additionally, fees are charged for school tuition, community service activities and meals, library fines and fees.

Special Revenue Funds receive 12.9% of their funds as a transfer from other funds. The city's General Fund will transfer more than \$5 million to the School Fund for education, \$1,074,100 to the Solid Waste Management program, \$645,800 to support the Cleveland Public Library, \$57,000 for the Metropolitan Planning program, \$30,000 to the Community Development Block Grant Fund and \$10,000 to the Recycling Grant Fund.

Expenditures in the Special Revenue Funds are budgeted within several major categories, most of which represent individual departments or divisions of the city. These categories are as follows:

- Community Development
- Public Safety
- Public Works
- Culture and Recreation
- Education
- Capital outlay

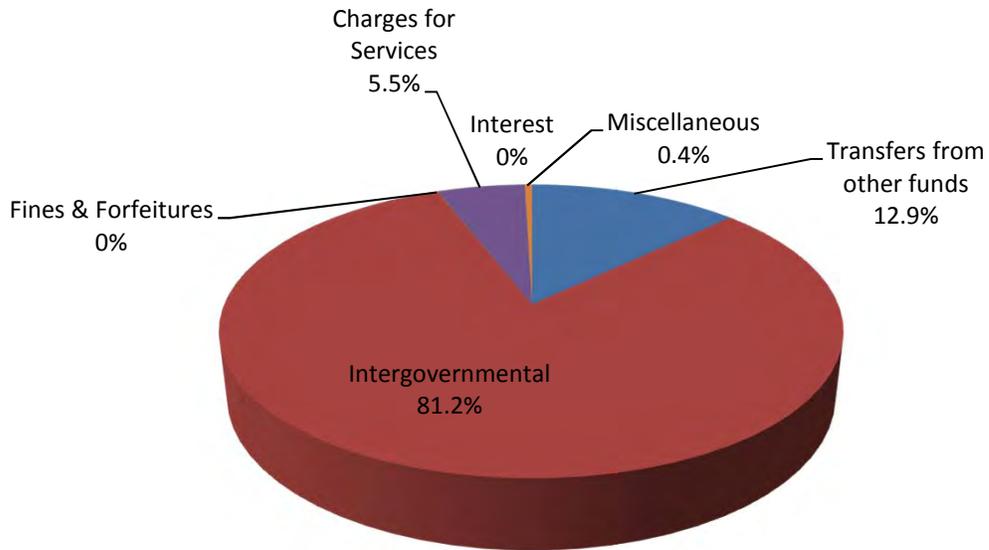
More than 86%, or \$47.3 million, of the \$54.7 million in total expenditures and other financing uses of the Special Revenue Funds is spent on education. Almost 7.7% is spent on public works including projects and programs within the State Street Aid Fund and Solid Waste Management Fund.

Summary information for revenues and other sources and expenditures and other uses is included, followed by the individual funds. The format used in each fund is to present a detailed organization chart; a narrative on the programs, services, and functions provided; a summary of expenditures; the goals and objectives for the year; and the performance measures used.

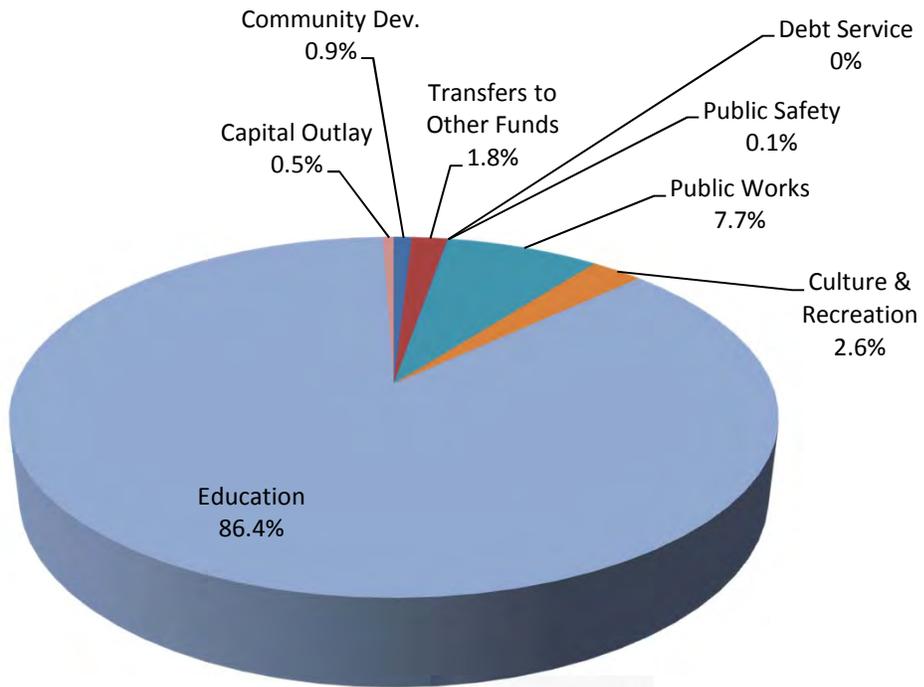
Special Revenue Funds Budget Summary

	FY2015 ACTUAL BUDGET	FY2016 ORIGINAL BUDGET	FY2016 AMENDED BUDGETED	FY2017 PROPOSED BUDGET	% OF TOTAL BUDGET
<i>Revenues and Other</i>					
<i>Financial Resources</i>					
Intergovernmental Revenues	\$44,974,845	\$41,494,415	\$42,911,427	\$44,491,735	81.2%
Charges for Services	\$2,885,888	\$2,905,715	\$2,943,715	\$2,951,715	5.5%
Fines and Forfeitures	\$16,096	\$15,000	\$59,375	\$20,000	0.0%
Interest (Investment) Income	\$8,206	\$7,750	\$9,750	\$7,750	0.0%
Miscellaneous Revenues	\$388,229	\$352,562	\$698,350	\$242,868	0.4%
Transfer from Other Funds	\$7,079,781	\$7,066,400	\$7,066,400	\$7,090,500	12.9%
<i>Total Revenues and Other</i>					
<i>Financial Resources</i>	\$55,353,045	\$51,841,842	\$53,689,017	\$54,804,568	100.0%
<i>Expenditures and Other</i>					
<i>Financing Uses</i>					
Community Development	\$365,378	\$479,973	\$507,308	\$497,570	0.9%
Public Safety	\$61,808	\$37,600	\$70,390	\$27,500	0.1%
Public Works	\$4,095,799	\$4,196,400	\$4,319,796	\$4,235,637	7.7%
Culture and Recreation	\$1,315,686	\$1,385,900	\$1,384,800	\$1,424,100	2.6%
Education	\$46,715,950	\$44,524,948	\$45,549,960	\$47,319,468	86.4%
Capital Outlay	\$201,797	\$218,224	\$1,451,992	\$295,711	0.5%
Debt Service Principal	\$227,311	\$0	\$0	\$0	0.0%
Debt Service Interest & Other	\$24,212	\$22,478	\$22,478	\$1,200	0.0%
Transfers to Other Funds	\$949,319	\$915,119	\$915,119	\$979,119	1.8%
<i>Total Expenditures and</i>					
<i>Other Financing Uses</i>	\$53,957,260	\$51,780,642	\$54,221,843	\$54,780,305	100.0%
<i>Increase (Decrease) in Fund Balance</i>	\$ 1,395,785	\$ 61,200	\$ (532,826)	\$ 24,263	
<i>Fund Balance at Beginning of FY</i>	\$ 5,008,285	\$ 6,404,070	\$ 6,404,070	\$ 5,871,244	
<i>Fund Balance at End of FY</i>	\$ 6,404,070	\$ 6,465,270	\$ 5,871,244	\$ 5,895,507	

City of Cleveland Summary of Special Revenue Funds Revenue and Other Sources - FY2017



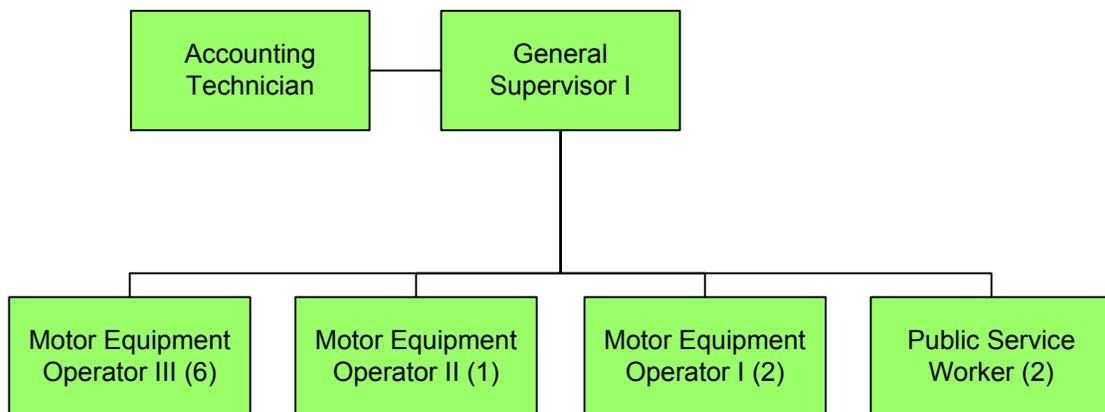
City of Cleveland Summary of Special Revenue Funds Expenditures and Other Uses - FY2017



SOLID WASTE MANAGEMENT



Solid Waste Management



Solid Waste Management Fund

Programs, Services and Functions:

The Solid Waste Fund provides for residential and commercial garbage collection and disposal, commercial recycling, brush collection and disposal, bulk (white goods) collection and disposal, and leaf collection and disposal. The residential and commercial services are contracted with Waste Connections of Tennessee, Inc. Other collections and services are provided “in-house” by the Public Works Department.

The City rebid the contract for solid waste services in 2013. The lowest bidder, Waste Connections, Inc., was awarded the five year contract which began January 1, 2014. The Council felt that in order to keep the rates low for both the City and the citizens, it was necessary to rebid rather than extend the current contract.

Residential garbage collection and disposal is provided once per week with curbside pickup. The City pays Waste Connections \$5.78 per month per household serviced. Landfill costs of \$19.72 per ton are included in this price. The city charges residential customers a sanitation fee of \$6.95 monthly, which is included on their monthly utility bill. Therefore, the residential sanitation fee covers 100% of the actual cost plus the administration cost for billing, uncollectible debt, and reporting incurred by Cleveland Utilities who provides the billing services for the City.

Commercial garbage collection and disposal is provided up to six times per week, using front-end loaders and metal containers from 2 to 8 cubic yards. This service is contracted with Waste Connections. The contractor works with each business to determine the best container location and service requirements for the business, subject to the approval of the public works director. The City pays Waste Connections \$1.51 per cubic yard. Transfer station landfill costs of \$19.72 per ton are included in this price. The City charges commercial customers \$1.83 per cubic yard, which is included on their monthly utility billing.

Commercial recycling service is provided up to six times per week, using metal recycling containers from 4 to 8 cubic yards. Businesses are encouraged to recycle and, in most cases, participation allows them to reduce their commercial garbage collection costs. This service is contracted with Waste Connections under the same contract as commercial garbage service. The City pays Waste Connections \$1.36 per cubic yard and commercial recycling customers pay \$1.60 per cubic yard, using monthly utility bills.

The solid waste ordinance has various requirements regarding the number of containers allowed, times for container placement and removal, types of waste to be collected, procedures for bagging garbage debris, etc. as well as the fee to be billed to each resident. The ordinance gives the Public Works Director the authority to require the owner of the commercial housing facility to provide proper containers to hold household garbage. Both sections of the ordinance included a section with a civil penalty for non-compliance.

Route Collection System – Capital Investment: A loader was added to the solid waste fleet last year. This equipment allows older equipment to essentially be used as spares. Spares are used while similar equipment is down for maintenance. This allows crews to remain on schedule while equipment is being repaired, reducing overtime costs.

Brush collection is provided at each residence weekly, using city employees and knuckleboom loaders and trailers. The collected brush is disposed of at either the City’s old garage site or at the Mouse Creek Road site. The brush is chipped into mulch and used by the Parks and Recreation Department, Cleveland City Schools, and by residents.

Bulk (or white goods) collection is provided weekly on the same residential route schedule as the brush collection, using city employees and one knuckleboom loader and trailer. The collected appliances are recycled if possible.

Leaf collection is provided from October through January (or longer if necessary) using leaf vacuum machines and knuckleboom trailers with canvas canopies attached. This service is provided twice per month. Disposal is at the soccer field, located on Mouse Creek Road, or the former city dumping site located on Hill Street SE. The decaying leaves are turned periodically to ensure decomposition to be used as soil in landscaping or fill-in. This method saves the city \$19.72 per ton (Waste Connections-transfer station) or \$33.00 per ton (Bradley County Landfill) by not having to pay disposal fees. Some of this material is available to citizens upon request to the Public Works Department.

At times routes are delayed and require re-scheduling due to various circumstances, such as 1) inclement weather, 2) heavy periods of leaf collection, 3) excessive amounts of debris (requiring extra collection time), 4) older equipment which breaks down requiring immediate maintenance, and 5) holidays. When extra collection time is required it will result in delay and rescheduling. Although the routes are made up, it affects performance.

Brush, bulk, and leaf collection and disposal services are totally tax supported by a transfer from the general fund.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$3,565,589	\$3,534,800	\$3,540,900	.01%
Personnel Expenditures	\$813,087	\$801,593	\$874,896	9.7%
Operating Expenditures	\$2,483,672	\$2,649,185	\$2,639,400	-0.4%
Capital Outlay & Debt Service	\$153,379	\$176,300	\$20,800	-88%
Total Expenditures	\$3,450,138	\$3,627,078	\$3,535,096	-2.5%
FTE's	13	13	13	

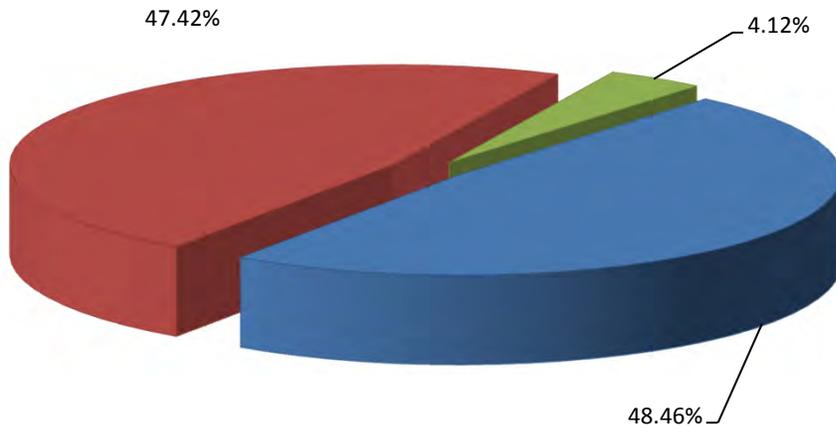
Goals and Objectives:

- Provide consistent, dependable cost-effective services to residential and commercial clients with minimal disruptions in scheduling.
- Handle all complaints on service within 2 working days.
- Reduce the amount of material that has to be landfilled for cost savings.
- Reduce residential (Route System) delayed collections by 5%.
- Sweep all streets in each route every quarter.
- Complete annual leaf collection with less delay time.

Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Solid Waste Contract:				
Number of residential customers	13,739	14,061	14,070	14,090
Number of commercial customers	1,125	1,171	1,166	1,170
Total residential tons collected	12,112	11,849	12,593	12,184
Total commercial tons collected	16,223	15,897	16,424	16,181
Number of residential tons collected per 1,000 population	283	274	288	276
Number of residential tons collected per 1,000 collection points – curbside	881	842	894	865
Cost per ton collected – curbside	\$87.51	\$82.40	\$77.83	\$80.79
Cost per collection point – curbside	\$77.15	\$69.44	\$69.65	\$69.86
Cost to the city per residential unit	\$5.93	\$5.97	\$5.78	\$5.89
Cost to the city per cubic yard for commercial collection	\$1.55	\$1.55	\$1.51	\$1.54
Cost to the city for commercial recycling	\$1.40	\$1.41	\$1.36	\$1.39
Number of lost days due to inclement weather	1	3	0	0
% of CPI increase and gas index on contracts	0	1.05	-3.53	2.0
Brush Chipping:				
Number of days chipped	44	44	46	45
Number of hours chipped	307	344	385	345
Number of tons chipped (collection by PW)	8,644	10,845	12,135	10,876
Average number of hours of run time per day	6.97	7.81	8.36	7.66
Chipping cost per hour	\$340.00	\$345.55	\$350.00	\$357.00
Public Works Route System:				
Number of days loose leaves were collected	26	48	37	37
Number of tons of loose leaves collected	1,745	2,246	2,320	2,103
Landfill tonnage from route collections	5,580	6,255	6,780	6,205
Number of delayed route collection days	25	5	3	0

**Solid Waste Management
2015-16 Service Contract
\$2,024,400**

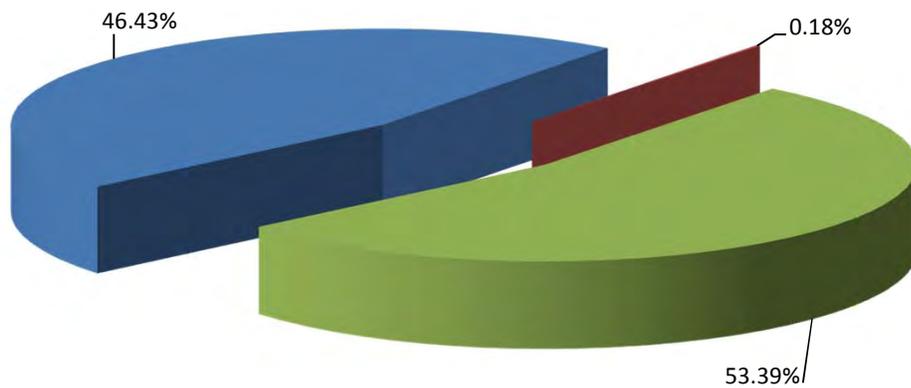


■ Residential Standard \$981,000

■ Commercial Standard \$960,000

■ Commercial Recycle \$83,400

**Solid Waste Management
2015-16 Disposal Expenses
\$336,000**



■ Waste Connections Transfer Station-\$156,000

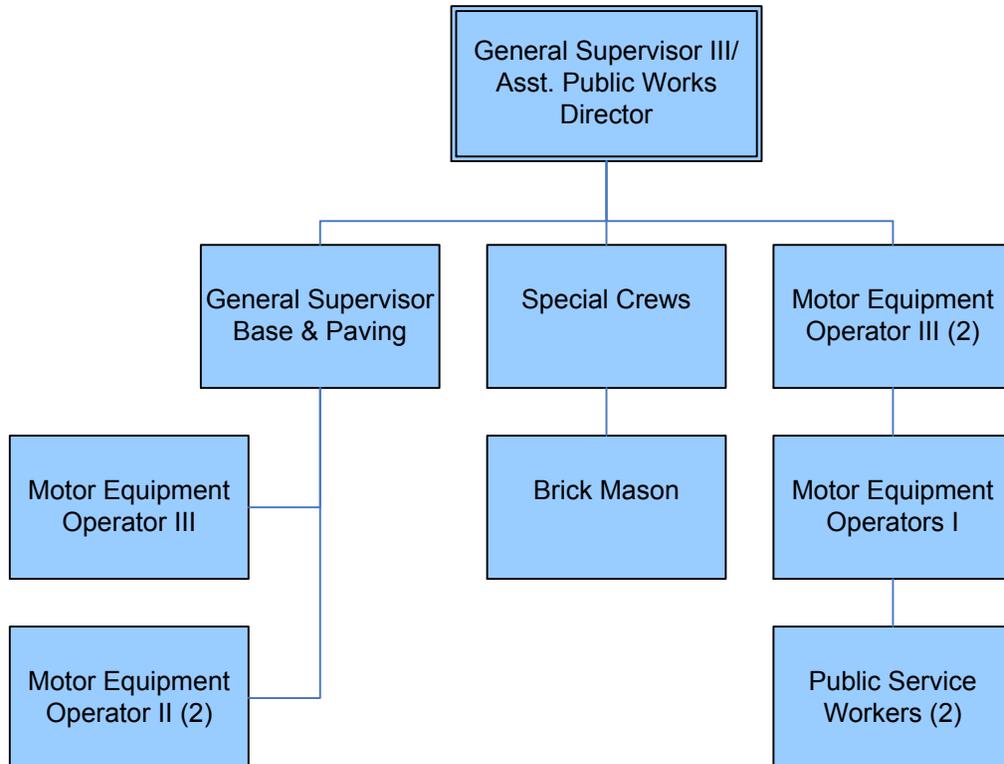
■ Bradley County Landfill-\$600

■ Contracted Brush Chipping-\$179,400

STATE STREET AID



State Street Aid



State Street Aid Fund

Programs, Services, and Functions:

The State Street Aid Fund operates with funding from the state fuel tax. The Tennessee Legislature has authorized the state to distribute a portion of proceeds from the state gasoline and motor vehicle fuel tax to incorporated cities and towns to use for maintaining and improving municipal streets. The state gasoline tax is 20 cents per gallon plus a 1.4 cent per gallon special petroleum fee. These tax amounts include a special privilege tax of 1 cent per gallon on petroleum products and a 0.4 cent petroleum tax for the underground storage tank fund. Each penny is worth approximately \$30.7 million in state revenue and yields approximately \$657.8 million per year. The proceeds from these taxes are paid monthly to local governments on a per capita basis.

How the tax is divided:

- Approximately 7.9 cents, goes to cities and counties
- Approximately .7 cent, goes to the State General Fund
- Approximately 12.8 cents, goes to TDOT

The law requires that gasoline and motor vehicle fuel tax monies be used for street-related purposes and requires that these funds be accounted for separately in a special revenue fund, commonly called the State Street Aid Fund or Gas Tax Fund. Local officials have almost 50 years of experience in using these funds for street improvements and they have seen changes in the activities that can be funded by these taxes.

Valid uses of this fund include construction and street repair and maintenance, equipment, personnel, and certain administration expenses. It can also be used for contracted maintenance.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$1,090,543	\$1,140,500	\$1,142,000	.01%
Personnel Expenditures	\$605,110	\$639,500	\$681,241	6.5%
Operating Expenditures	\$17,363	\$39,218	\$19,300	-51%
Capital Outlay & Debt Service	\$386,000	\$471,000	\$441,200	-6.3%
Total Expenditures	\$1,008,473	\$1,149,718	\$1,141,741	-0.7%
FTE's	11	11	11	

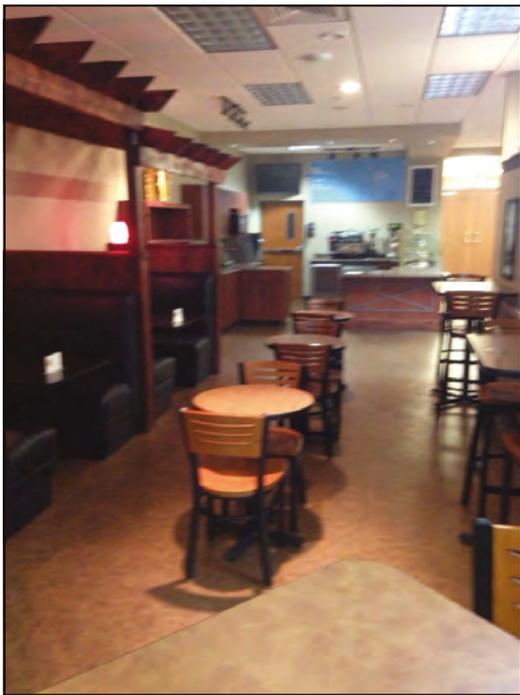
Goals and Objectives:

The goals and objectives of the Public Works Department are listed in the General Fund. As funds are available, this budget provides funding for major drainage, street paving and materials, and sidewalk projects. Therefore, the goal for this fund is to complete as many projects as possible which can include (but is not limited to) minor/major drainage projects, minor/major paving projects, and/or sidewalk construction.

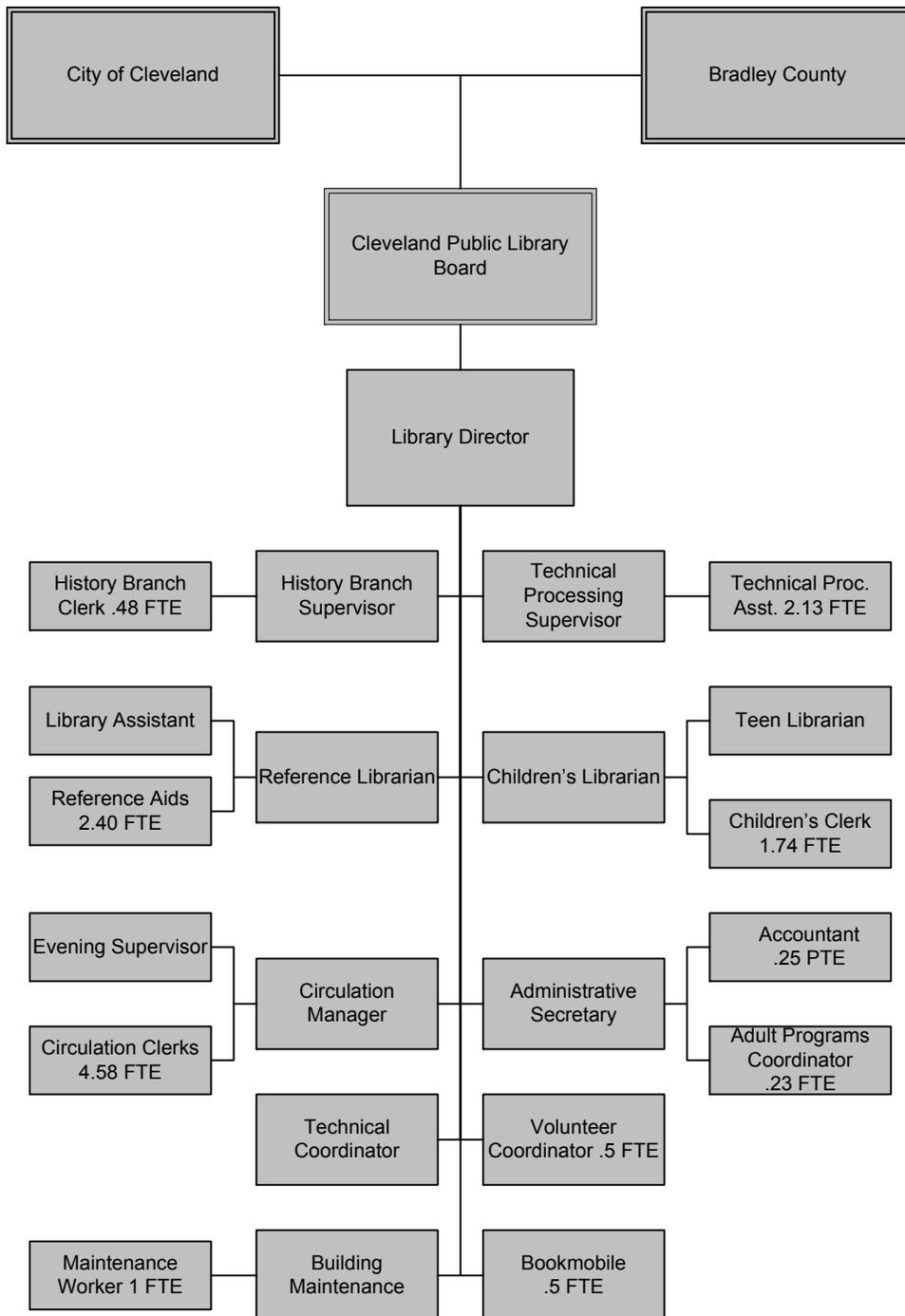
Performance Measures:

This fund pays a portion of the debt service for street equipment and roadway projects as well as providing current funding for equipment and infrastructure improvements. Therefore, this fund has an impact on the performance measures of the Public Works Department, which are located in the General Fund. This fund also provides salaries and benefits for 20% of the Public Works Department employees.

Cleveland / Bradley County Public Library



CLEVELAND/BRADLEY COUNTY PUBLIC LIBRARY



Library General Fund

Programs, Services, and Functions:

This fund finances the operation of the Cleveland Bradley County Public Library (CBCPL), which is operated by the appointed Library Board. By written agreement, the funding is split on a 50-50 basis with the Bradley County government. The other sources of funding include fines and fees, donations, earned interest, and federal and state library service grants.



Exterior renovation work has greatly enhanced the beauty of the History Branch and Archive facility.



New lighting, flooring, and painting has given the Hardwick Wing a fresh feeling.

Service Highlights for 2015-16:

2015-16 has been another exciting year at the Cleveland Bradley County Public Library. Two major projects have continued to take place throughout this fiscal year to meet you and go into 2016-17.

The History Branch renovation project began during the late summer/early fall 2015. Projects taken place include: burying the underground electrical service (it was previously terminated in the right-side entry); building a new handicapped ramp; repairing rotted wood on the outside of the building; repainting the woodwork; repointing the exterior brick; repainting the exterior of the Hardwick Wing; installing new carpeting, lighting, and office furniture; refinishing the first floor doorways; and plastering and repainting the handicapped entrance area. Renovation work will move to the second floor.

The main library exterior improvement project is well underway. Projects have included: repairing and refinishing the iron fence on the Church and 8th Street sides of the library; installing a double gate off of the Ocoee Street to allow for service vehicles; planting new crape myrtles and rosebushes down eighth Street; expanding the Library's irrigation system; removing the plantings along the Church Street facade; replanting landscaping along the Church Street facade; creating a new bike parking area; and installing a new patio outside the community room.

All these projects have been able to be completed due to the generosity of individuals within our community. They believe in the Cleveland Bradley County Public Library and want to be partners together to help improve it.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$1,453,696	\$1,816,831	\$1,425,600	-21.5%
Personnel Expenditures	\$911,262	\$960,700	\$995,700	3.6%
Operating Expenditures	\$400,143	\$424,100	\$428,400	1.0%
Capital Outlay & Debt Service	\$170,392	\$432,031	\$1,500	-99.6%
Total Expenditures	\$1,481,797	\$1,816,831	\$1,425,600	-21.5%

Goals and Objectives:

- Bradley County residents will have the materials they need to support their recreational and cultural needs in a timely manner.
- Bradley County residents will receive a library that has adequate funding resources to meet the demands of city and county residents.
- Bradley County residents will receive a children's department that is inviting and exciting for children, especially of the preschool age, and their parents.
- Bradley County residents will receive a public Library Reference Department that provides relevant, up-to-date information in a variety of formats.
- The Library will continue to provide current computer technology and computer access by adding computers and software and complete the networking phase.
- The Library staff will offer a minimum of two computer-training sessions to help patrons with use of library on-line resources for FY2017.
- The Cleveland Public Library will strive to be a friendly, open place to serve the needs of the Cleveland/Bradley County residents.
- The Cleveland Public Library will seek new grants (2 per year) to aid in operation and services costs.

Performance Measures:

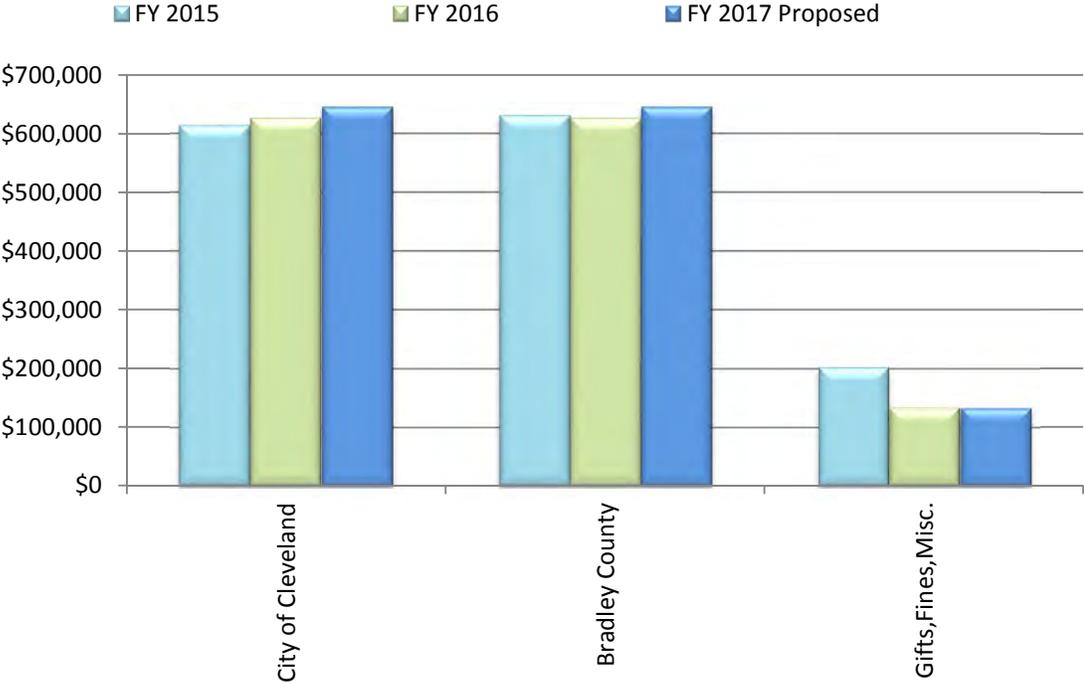
Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Circulation	401,430	402,064	403,000	405,000
Patrons	277,185*	241,778*	246,000	250,000
Reference inquiries	23,017	27,783	29,672	30,500
Meeting Room Usage*	825	985	1,047	1,050
Bradley County population (given by state)	101,134	101,848	102,975	104,100
Staff per capita, Bradley County (1,000)	.255	.253	.251	.248
State public library staff average (1,000)	0.283	0.283	0.281	0.280
Material collection**	318,321	358,901	364,000	370,000
Items per capita***	3.15	3.52	3.54	3.55
Items per capita (w/o Regional Materials)	1.89	1.93	1.96	1.98
State recommended items per capita	2.00	2.00	2.00	2.00
Spending per capita	\$12.03	\$12.06	\$12.17	\$12.41
Number who attended library programs	11,422	12,219	13,450	14,000
Number of grants secured to assist with funding	2	2	3	3

* The library's people counter was out for most of 2013-14. New gates with people counters were installed in August 2014 and represent more accurate information.

**Regional library materials included (including e-books and e-audio)

***Per Capita figures are for Bradley County, not just the City of Cleveland, as this is a county-wide service. Many of the measures are excerpted from the yearly State "Data Collection Form" for the State Library and Archives. Spending per capita is based solely on the fiscal dollars provided by the city and county.

CLEVELAND / BRADLEY COUNTY PUBLIC LIBRARY REVENUE SOURCES



DRUG ENFORCEMENT FUND



Drug Enforcement Trust Fund

Programs, Services, and Functions:

This fund is financed by court fines and seizure of money and/or property obtained in cases involving state statutes on illegal drugs and driving under the influence (DUI). It also includes any federal grants for drug enforcement activities of the police department.

The Drug Enforcement Fund funded Phase I of the Department's Firearms Range. Phase II will include the firearms training center and will be built as funding is available.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$12,678	\$45,100	\$10,000	-78%
Personnel Expenditures	\$0	\$0	\$0	0%
Operating Expenditures	\$14,927	\$16,500	\$17,500	6%
Capital Outlay & Debt Service	\$2,115	\$51,100	\$1,100	-98%
Total Expenditures	\$17,042	\$67,600	\$18,600	-72.5%

Goals and Objectives:

- To supplement and enhance the equipment used within the police department in the fight against illegal drugs and DUI enforcement.
- To maintain full compliance with all state requirements on the proper budgeting, expenditure, and accounting of these funds.

Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Drug seizures (street value)	\$10,908	\$7,001	\$12,973	\$45,450
Number of Seizures: Marijuana	14	9	150	180
Number of Seizures: Cocaine	8	3	3	6
Number of Seizures: Crack Rocks	60	1	39	35
Number of Seizures: Meth	18	4	12	20
Number of Seizures: Other Drugs	15	11	270	306
Number of firearms seized	0	1	45	4
Number of vehicles seized	0	0	48	3
Cash seized	0	\$0	\$2,658	\$2,354
Drug-related arrests	88	13	153	158

BYRNE MEMORIAL JUSTICE ASSISTANCE GRANTS



BJA Bureau of
Justice Assistance

2014-2015 Byrne Memorial Justice Assistance Grants

Programs, Services, and Functions:

Local Law Enforcement Block Grants (The Justice Department changed the name to Byrne Memorial Justice Assistance Grants in 2005) are administered by the United States Department of Justice – Office of Justice Programs. These grants require no local match.

The City filed jointly with Bradley County for the 2014 and 2015 JAG Grants. The 2014 Grant was \$46,881 with \$29,257 available for the City of Cleveland. These funds were used to purchase body cameras. The 2015 Grant was \$39,515 with \$25,789 available for the City of Cleveland. These funds were used to purchase a bomb canine.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$46,881	\$39,515	\$0	-100%
Personnel Expenditures	\$0	\$0	\$0	0%
Operating Expenditures	\$0	\$0	\$0	0%
Capital Outlay & Debt Service	\$46,881	\$39,515	\$0	-100%
Total Expenditures	\$46,881	\$39,515	\$0	-100%

Goals and Objectives:

Goals and objectives are included in the Police Department general fund.

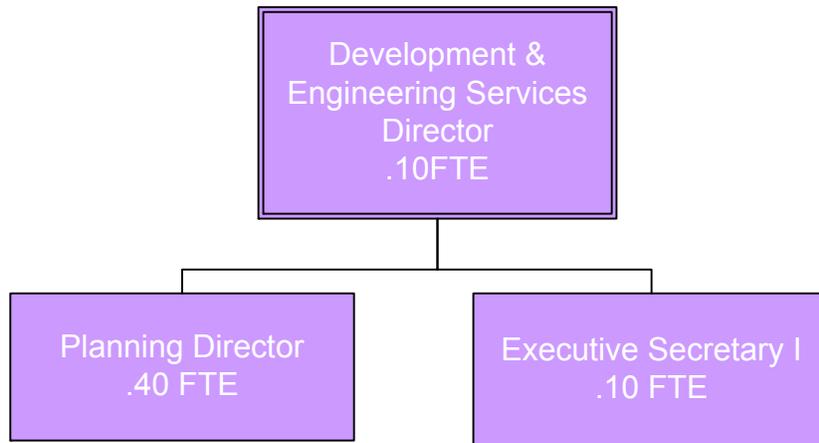
Performance Measures:

Performance measures are discussed in the Police Department general fund.

METROPOLITAN PLANNING ORGANIZATION



Metropolitan Planning Organization



Cleveland Urban Area Metropolitan Transportation Planning Organization Fund

Programs, Services, and Functions

The City of Cleveland, in conjunction with Bradley County formed the Cleveland Urban Area Metropolitan Transportation Planning Organization (MPO) in 2003. The MPO Executive Board is solely responsible for distribution of the Cleveland Urban Area Metropolitan Transportation Planning Organization Fund. The MPO serves the Cleveland Urbanized Area (Cleveland, Charleston, Calhoun, and portions of Bradley County and McMinn County). The MPO Executive Board members include the Governor of Tennessee, (usually represented by a TDOT official), City of Cleveland Mayor, City of Cleveland Vice-Mayor, County Mayor, Executive Director of the South East Tennessee Human Resources Agency, and on an annually rotating basis, the Mayors of Charleston, McMinn County and Calhoun. The MPO's purpose is allocation and distribution of highway and transit project funds and transportation planning within the MPO boundary area. Federal Law mandates that Census-designated Urbanized Areas (areas with more than 50,000 people at 1,000 people or more per square mile) are required to have an MPO. The MPO's focus is the set of roads that are part of the classified road network of interstate highways, arterial streets, and collector streets. The MPO must address all highway-oriented transportation modes including vehicles on the classified street network, transit (buses), and bicycle/pedestrian; as well as the interface with non-highway modes (rail, air, water). The MPO must address both the movement of people (passengers) and goods (freight).

Typical projects include road widening, intersection improvements, traffic signalization, etc. The MPO is also involved in planning for other transportation modes such as air, rail, transit services, bicycle, and pedestrian travel. The MPO is concerned with both passenger and freight traffic. The MPO seeks input from all user groups such as commuters, freight haulers, special needs populations, lower income populations, the traditionally underserved, etc. The MPO focuses on the present and future issues of traffic management and traffic safety. The MPO follows a process defined in federal law including a 25-year long-range transportation plan (LRTP), a short range transportation improvement program (TIP), and an annual unified planning work program (UPWP). The MPO works in close cooperation with officials from the Tennessee Department of Transportation (TDOT), the Federal Highway Administration (FHWA), and the Federal Transit Administration (FTA), as well as other agencies as appropriate.

The MPO has a planning staff that consists of an MPO coordinator. Other staff (planner, engineers, and administrative personnel) and consultants support MPO planning as needed. The staff conducts planning analysis of transportation needs based on existing and projected land use. The staff drafts all documents pertaining to the LRTP, TIP, and UPWP and manages consultants on a project by project basis. Staff schedules and prepares meeting packets and ensures all MPO planning processes are transparent and follow the requirements of the MPO's adopted Public Participation Plan. They also perform GIS data mapping and analysis; update and forecast population and economic factors as well as updating and maintaining the transportation network model.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$178,756	\$257,000	\$257,000	0%
Personnel Expenditures	\$136,833	\$218,600	\$222,800	1.9%
Operating Expenditures	\$9,545	\$15,900	\$15,900	0%
Capital Outlay & Debt Service	\$850	\$4,500	\$4,500	0%
Total Expenditures	\$147,228	\$239,000	\$243,200	1.7%
FTE's	0.70	0.70	0.60	

Goals and Objectives

- Continue training of MPO staff
- Update FY2014-FY2017 transportation improvement plan as needed throughout the year
- Manage 2035 RTP and complete new RTP consistent with MAP-21 legislation
- Develop and implement 2016-2017 Unified Planning Work Program (UPWP)

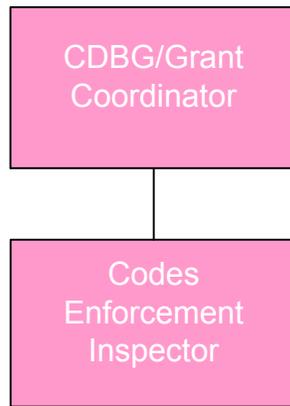
Performance Measures

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Percentage of completion of long range transportation plan	100%	100%	100%	100%
Number of training sessions attended by MPO Staff	5	5	5	6
Number of public meetings	16	16	18	18
Percentage of completion of transportation improvement program	90%	90%	90%	90%
Percentage of completion of bicycle and pedestrian plan	100%	100%	100%	100%
Percentage of completion of freight users study	100%	100%	100%	100%

Community Development Block Grant



Community Development Block Grant



Community Development Block Grant

Programs, Services and Functions:

The City of Cleveland anticipates receiving \$387,511 from the United States Department of Housing and Urban Development (HUD) through the Community Development Block Grant Entitlement Program (CDBG) in FY2017. The City will provide an additional \$25,000 in funding. Funds must be administered to benefit primarily low-income and moderate-income people within the designated target area. Citizen participation is an integral part of the continual planning process to determine the use of these funds. Depending on the outcome of this process, the City Council may elect to fund a variety of public improvements such as drainage, recreation improvements, housing programs, codes enforcement, or other activities meeting CDBG eligibility requirements. The Grants Manager is responsible for carrying out the administration of the CDBG program, ensuring compliance with all applicable laws such as fair housing and other civil rights laws, labor and contracting laws, environmental laws, etc. The manager must ensure that funded projects are carried out in a timely manner and that all HUD requirements for financial and program management are met.

As requested by citizen input and by the City Council, a concentrated codes enforcement program within the CDBG target area was implemented during FY2006 and will continue this year. The codes enforcement officer is currently working on pro-active codes enforcement and educational awareness programs designed to improve the housing and living environment through increased public awareness and enforcement. Over 824 cases were reviewed within the CDBG target area last year.

The city's partnership with Habitat for Humanity of Cleveland, a non-profit affordable housing provider, will continue by providing down payment assistance for five qualifying families purchasing a home within the CDBG target area.

The following activities are recommended to the City Council:

Codes Enforcement	\$ 60,400
Capital Projects	\$ 227,111
Administration	<u>\$ 98,500</u>
TOTAL	\$ 417,511

The Emergency Solutions Grant will provide funds for the local shelter, which provides temporary food and assistance for qualified individuals.

SUMMARY	FY 2015	FY 2016	FY 2017	Percentage
	Actual	Budgeted	Proposed	Increase
Revenues	\$268,418	\$674,231	\$517,481	-23%
Personnel Expenditures	\$137,667	\$142,900	\$142,900	0%
Operating Expenditures	\$81,333	\$129,908	\$115,970	-11%
Capital Outlay & Debt Service	\$32,719	\$415,561	\$258,611	-38%
Total Expenditures	\$251,719	\$688,369	\$517,481	-25%
FTE's	2	2	2	

Goals and Objectives

- Continue implementation of CDBG citizen participation plan
- Conduct agency consultations and public hearings for CDBG action plan
- Continue implementation of a concentrated codes enforcement program to improve housing and living environment within the CDBG Target Area
- Improve public facilities in targeted areas
- Continue planning for CDBG target area
- Provide planning in conjunction with Habitat for Humanity for continued development of affordable, single-family housing within the target area
- Provide funding for recreational improvements within the Target Area
- Complete required CDBG administrative activities
- Continue implementation of 2014-2019 CDBG Consolidated Plan and develop and implement one-year action plan

Performance Measures

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Number of grant years funding remaining at year end	.04	.40	.40	.50
Percentage of low and moderate income expenditures	100%	100%	100%	100%
CDBG funds spent	\$557,814	251,719	345,924	387,511
Number of target area code enforcement contacts	789	824	500	500
Number of LMI families assisted into homeownership	5	0	0	6

RECYCLING GRANT



Recycling Grant

Organization Chart:

No personnel are funded out of this fund.

Programs, Services, and Functions:

The “Clean and Green Cleveland” Program, funded by the TDOT Department of Beautification’s Special Litter Project fund, which seek to raise public awareness and activity to support litter reduction and increased recycling in Cleveland. Through a multi-faceted approach, including marketing, education, local activities, and product supplication, Cleveland’s residents will become better informed about the necessity to act more responsibly with regards to waste, and will be given opportunities to take action. Even though the grant program expired in June 2016 the City of Cleveland will continue its commitment to encourage recycling within the City.

Goals and Objectives:

- Inform Cleveland residents about the current state of littering and recycling, including costs associated with litter pickup and damage to the environment and local ecosystems caused by littering and non-recycling.
- Inform residents of ways to reduce litter and ways to recycle in Cleveland.
- Purchase and distribute items to residents that will encourage recycling, such as distributing reusable shopping bags and recycle tubs.
- Place recycle bins in city parks and along the Greenway.
- Host events and activities to encourage recycling/litter reduction and raise awareness of the campaign, such as recycling events, school contests, and 5K races.
- Collaborate and coordinate with Cleveland Associated Industries to promote sustainable practices within the industrial community.
- Increase recycling participation among households.
- Survey the community to understand how recycling is viewed and perceived.
- Decrease the amount of refuse sent to the landfill from previous fiscal year.

SUMMARY	FY 2015	FY 2016	FY 2017	Percentage
	Actual	Budgeted	Proposed	Increase
Revenues	\$30,840	\$24,000	\$24,000	0%
Personnel Expenditures	\$0	\$0	\$0	0%
Operating Expenditures	\$30,187	\$24,000	\$24,000	0%
Capital Outlay & Debt Service	\$0	\$0	\$0	0%
Total Expenditures	\$30,187	\$24,000	\$24,000	0%

Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY 2016 (Estimated)	FY 2017 (Projected)
Number of residential tons of garbage collected per 1,000 people	283	274	288	276
Average commercial tons of garbage collected per customer	14.42	13.57	14.09	13.83
Total tonnage taken to the landfill on route collections	5,580	6,255	7,119	6,318
Total number of commercial recycling customers	91	91	92	92
Number of recycling bins placed at city parks and greenway	0	26	0	0
Number of reusable grocery totes distributed	0	800	500	600
Number of events attended	0	3	5	7
Number of participants at annual recycle race	0	150	300	400
Pounds of recyclables collected at annual recycle race	0	1,500	2,000	2,500

E-TICKETING GRANT



E-Ticketing Grant

Programs, Services, and Functions:

E-Ticketing is software and hardware that streamlines the process of completing police citations. The Police Department began implementing this system in fiscal year 2015. The State of Tennessee allows the City to collect an additional five dollar fee to support electronic ticketing for the first five years of implementation. Four dollars of the fee goes to the Police Department and the Court Clerk receives one dollar.

The fees collected for the Police Department will be used to underwrite costs associated with electronic traffic citation hardware devices, the maintenance of the citation software, and any reoccurring costs attributed to our e-ticketing system.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$3,520	\$14,375	\$10,000	-30%
Personnel Expenditures	\$0	\$0	\$0	0%
Operating Expenditures	\$0	\$14,375	\$10,000	-30%
Capital Outlay & Debt Service	\$0	\$0	\$0	0%
Total Expenditures	\$0	\$14,375	\$10,000	-30%

Goals and Objectives:

Goals and objectives are included in the Police Department general fund.

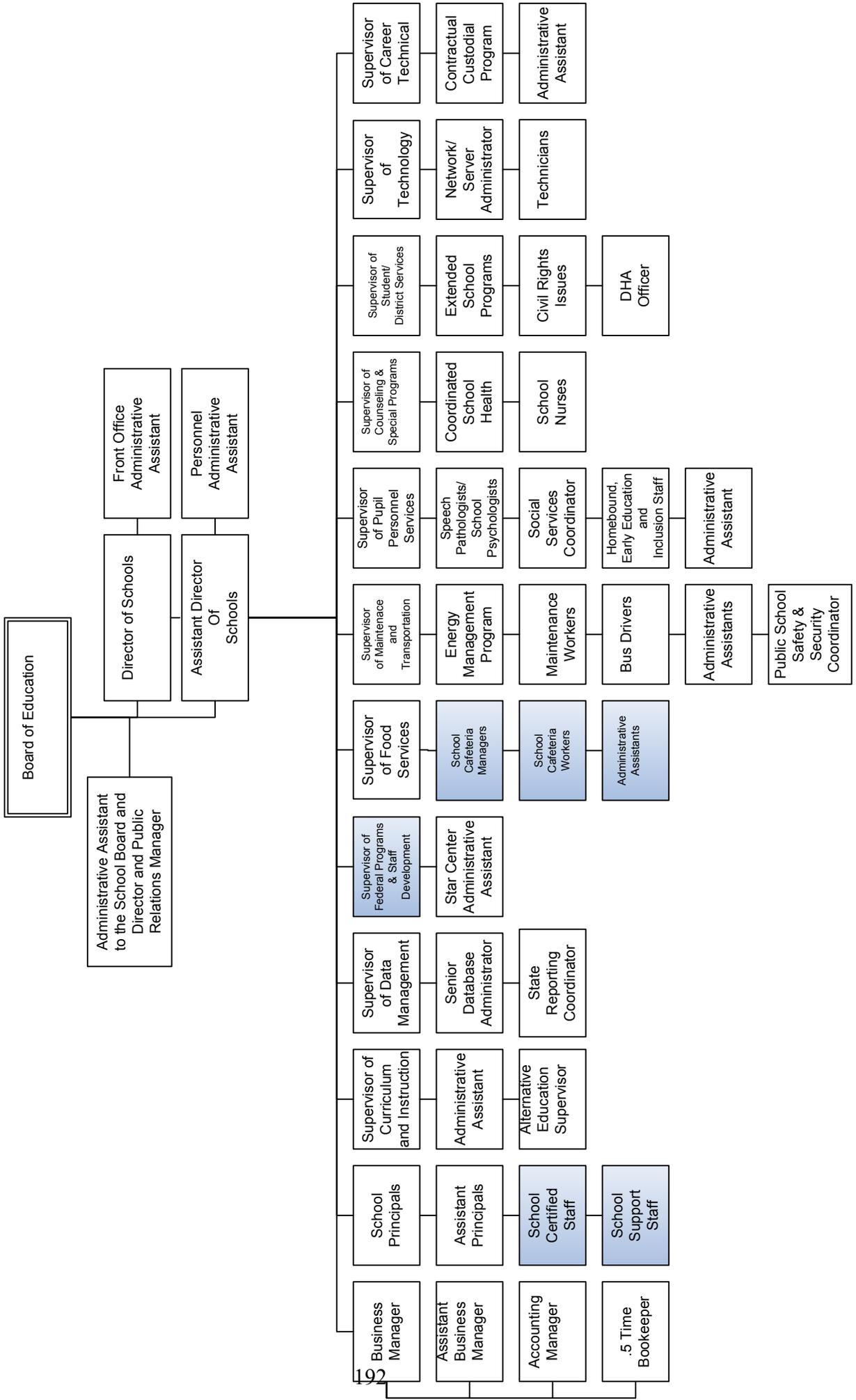
Performance Measures:

Performance measures are discussed in the Police Department general fund.

Cleveland City Schools



CLEVELAND CITY SCHOOLS



School General Fund

Programs, Services, and Functions:

This fund finances all of the Cleveland City School’s K-12 operations with the exception of the food service functions, which is financed by a separate fund. Under Tennessee law, each county is to fund a school system with State aid and some Federal assistance. In a case where a city elects to establish its own school system, as Cleveland has, State law requires that the County split the money appropriated for educational operating expenditures based on the ADA (average daily attendance) percentages in the separate school systems. State law also requires that the County split any money appropriated for capital outlay as well. In other words, the money goes with the child, whether he attends a county school or a city school. State money is based on the Basic Education Program (BEP) formula using average daily membership (ADM) student counts.

This fund receives its revenue from five sources: the Federal government, the State government, Bradley County government, Cleveland City government, and Other Sources (fees, charges, earned interest, etc.). State and County revenues combined represent approximately 87% of the funding for the School General Fund.

Capital Outlay expenditures are funded as necessary by note or bond proceeds from Bradley County and from the City of Cleveland. Beginning in May 2009, the schools began receiving a portion of a ½ cent increase in the local option sales tax. These proceeds will be used to pay for capital projects in the City School System.

EXPENDITURE SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Personnel & Operating Expenditures	\$39,759,223	\$42,176,366	\$43,790,745	3.8%
Capital Outlay & Debt Service	\$251,523	\$447,478	\$1,200	-99.7%
Transfers to Other Funds	\$556,319	\$557,919	\$557,919	0%
Total Expenditures	\$40,567,065	\$43,181,763	\$44,349,864	2.7%

Goals and Objectives

- Plan for a new elementary school.
- Continue Capital Improvement Program with use of sales tax proceeds.
- Design and deliver a rigorous and relevant curriculum that supports student learning.
- Operate a system that attracts, retains, and supports all staff for continuous improvement.
- Foster positive and effective school and community relations.
- Provide adequate resources to support the education program.
- Continue upgrade of technology equipment in the classrooms.
- Continue to rank among the top school districts statewide on the ACT and on other measures of student performance.
- Provide major maintenance improvements including roofs and HVAC improvements.
- Purchase mobile carts equipped with 30 laptops each.
- Increase the number of wireless access points in each school.
- Update long-range capital replacement plan.

Performance Measures

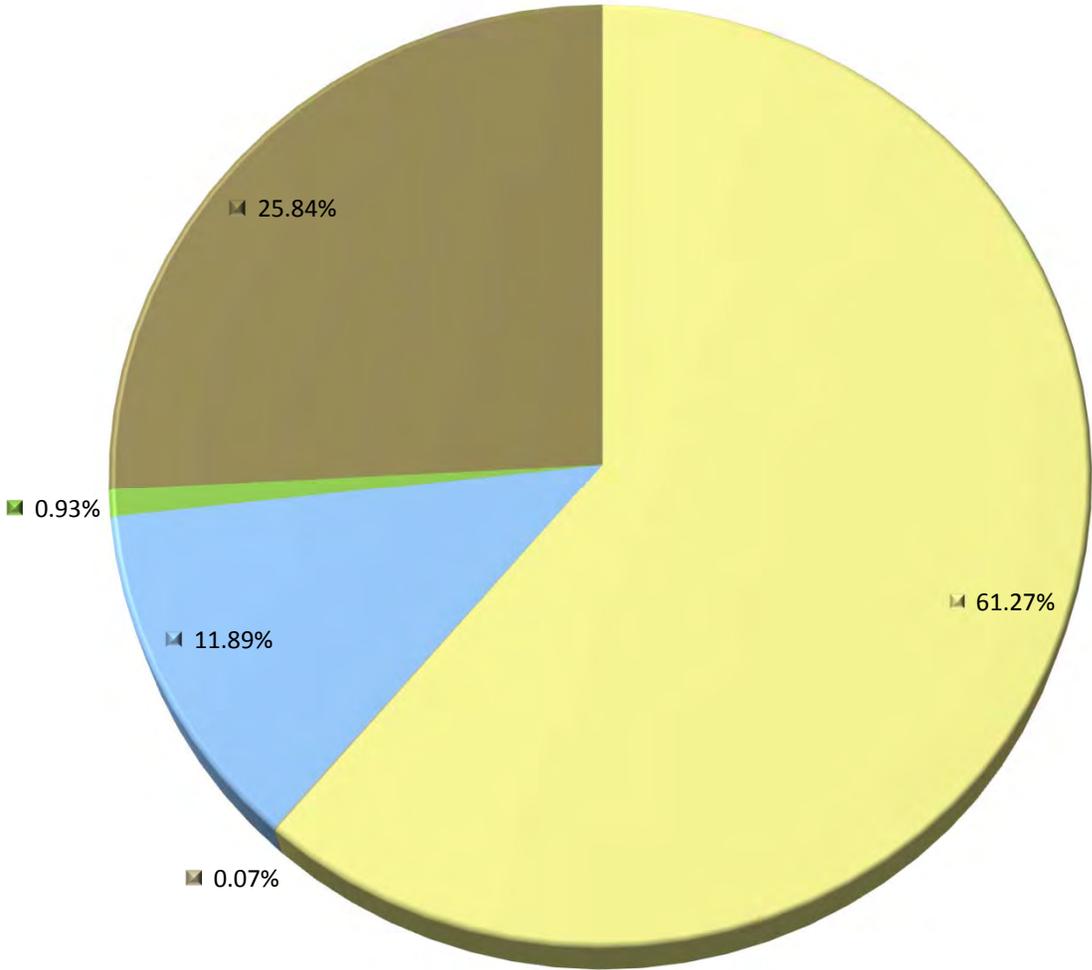
The Tennessee Department of Education provides excellent performance measures as part of its State Report Card. Anyone wishing to see more information on those measures can do so on the Internet by using the following steps:

Go to the State's web site at www.tn.gov
click on Government,
click on Departments & Agencies,
click on E, Education,
click on Report Card

School General Fund Budget Summary

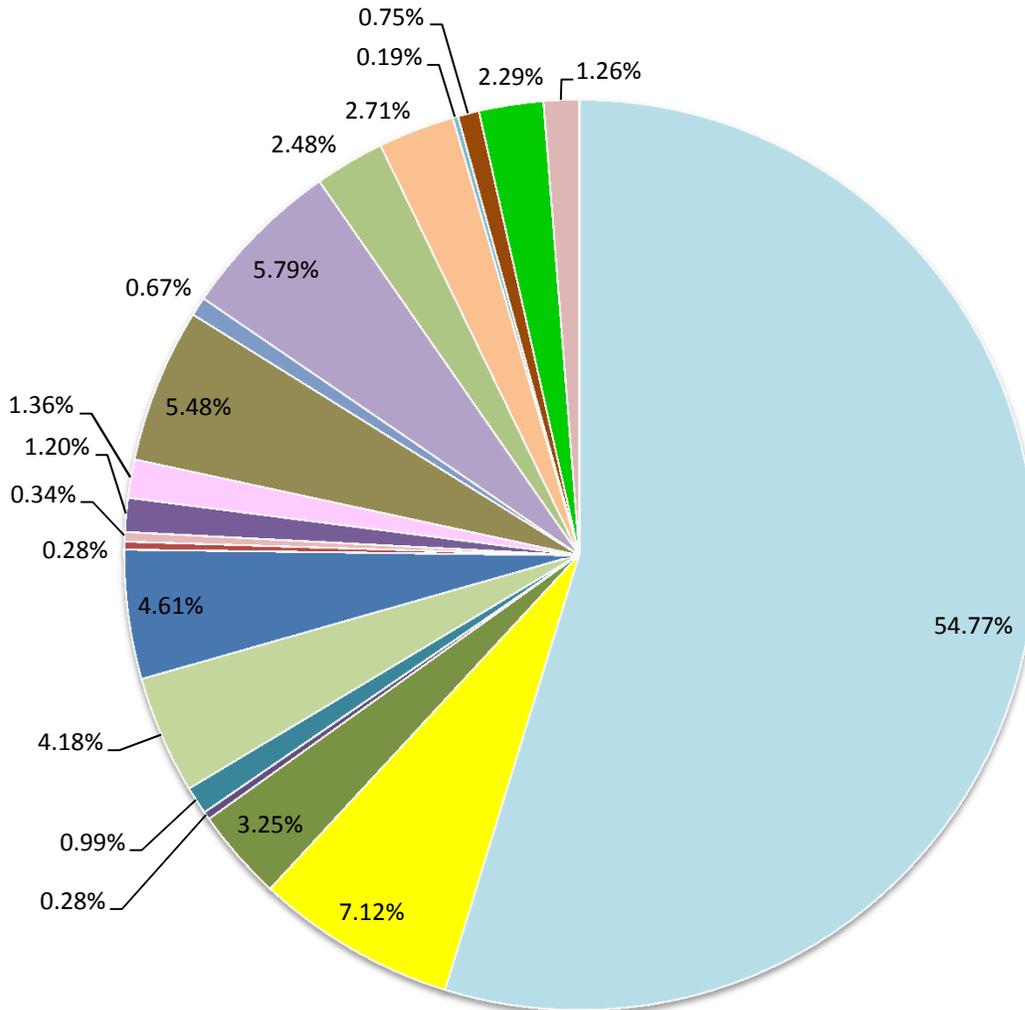
	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 AMENDED	FY 2017 PROPOSED	% OF TOTAL
<i>Revenues and Other</i>					
<i>Financial Sources</i>					
Federal Government	\$36,462	\$3,347	\$73,340	\$30,000	0.1%
State of Tennessee	\$24,450,015	\$24,908,114	\$25,762,342	\$27,173,432	61.3%
Bradley County	\$9,814,586	\$11,108,185	\$11,196,974	\$11,458,499	25.8%
Other Revenues	\$457,393	\$442,434	\$449,815	\$414,333	0.9%
Other Financing Sources:					
Transfers from Other Funds	\$5,120,035	\$5,273,600	\$5,286,600	\$5,286,600	11.9%
<i>Total Revenues and Other</i>					
<i>Financial Sources</i>	\$39,878,491	\$41,735,680	\$42,769,071	\$44,362,864	100.0%
<i>Expenditures and Other</i>					
<i>Financing uses</i>					
Regular Instruction	\$21,698,832	\$21,739,727	\$23,008,169	\$24,292,041	54.8%
Special Education	\$2,856,121	\$2,936,153	\$3,108,453	\$3,158,053	7.1%
Vocational Education	\$1,199,199	\$1,223,028	\$1,390,829	\$1,443,309	3.3%
Attendance	\$106,127	\$117,993	\$121,533	\$125,636	0.3%
Health Services	\$233,453	\$237,589	\$388,216	\$437,982	1.0%
Other Student Support	\$1,671,725	\$1,702,582	\$1,807,442	\$1,855,665	4.2%
Instructional Staff	\$1,812,834	\$1,762,865	\$1,975,832	\$2,043,115	4.6%
Special Education Program	\$113,658	\$113,088	\$118,917	\$122,213	0.3%
Vocational Education Program	\$150,436	\$138,388	\$146,179	\$150,434	0.3%
General Administration	\$500,134	\$531,450	\$530,930	\$530,930	1.2%
Office of the Superintendent	\$512,776	\$565,476	\$567,206	\$601,051	1.4%
Office of the Principal	\$2,146,037	\$2,198,598	\$2,344,803	\$2,429,463	5.5%
Business Administration	\$259,382	\$277,153	\$304,052	\$297,653	0.7%
Operation of Plant	\$2,507,109	\$2,386,569	\$2,653,775	\$2,566,608	5.8%
Maintenance of Plant	\$1,084,098	\$1,202,822	\$1,101,862	\$1,100,958	2.5%
Transportation	\$1,066,991	\$1,013,537	\$1,177,132	\$1,202,189	2.7%
Food Service	\$75,042	\$76,660	\$82,900	\$86,361	0.2%
Community Services	\$303,636	\$309,777	\$334,532	\$333,480	0.8%
Early Childhood Education	\$1,013,604	\$1,013,604	\$1,013,604	\$1,013,604	2.3%
Other Programs	\$211,060	\$212,164	\$0	\$0	0.0%
Capital Outlay	\$162,608	\$0	\$425,000	\$0	0.0%
Debt Service	\$322,952	\$251,523	\$22,478	\$1,200	0.0%
Other Financing Uses:					
Transfers to other Funds	\$486,719	\$556,319	\$557,919	\$557,919	1.3%
<i>Total Expenditures and</i>					
<i>Other Financing uses</i>	\$40,494,533	\$40,567,065	\$43,181,763	\$44,349,864	100.0%
<i>Increase (Decrease) in Fund Balance</i>	(\$616,042)	\$1,168,615	(\$412,692)	\$13,000	
<i>Fund Balance at Beginning of FY</i>	\$3,301,106	\$2,685,064	\$3,853,679	\$3,440,987	
<i>Fund Balance at End of FY</i>	\$2,685,064	\$3,853,679	\$3,440,987	\$3,453,987	

2016-2017 REVENUES SUMMARY



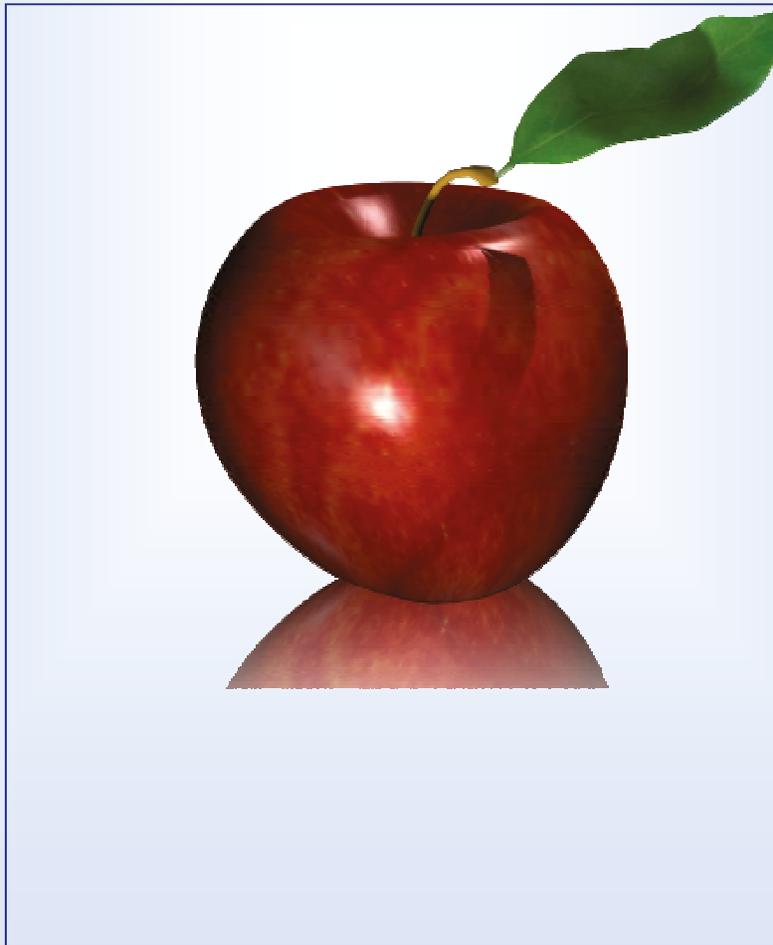
- State of Tennessee
- City General Fund Trans.
- Bradley County
- Federal Government
- Other Local Revenues

Summary of Expenditures by Category



- | | |
|------------------------------|-------------------------|
| Regular Instruction | Special Education |
| Vocational Education | Attendance |
| Health Services | Other Student Support |
| Regular Instruction | Special Education |
| Vocational Education | Board of Education |
| Office of the Superintendent | Office of the Principal |
| Fiscal Services | Operation of Plant |
| Maintenance of Plant | Transportation |
| Food Service | Community Service |
| Early Childhood Education | Debt Service |

SCHOOL FOOD SERVICES



School Food Service Fund
Programs, Services, and Functions:

This fund accounts for the monies to manage the food service functions within all schools. The revenues come from the fees for breakfast, lunch, and from subsidies for breakfast and lunch paid by the US Department of Agriculture.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$2,957,893	\$3,373,594	\$3,528,723	4.6%
Personnel Expenditures	\$1,386,323	\$1,506,800	\$1,627,500	8%
Operating Expenditures	\$1,566,527	\$1,866,794	\$1,901,223	1.8%
Capital Outlay & Debt Service	\$0	\$0	\$0	0%
Total Expenditures	\$2,952,850	\$3,373,594	\$3,528,723	4.6%

Goals and Objectives:

- Provide quality meals that meet federal and state nutritional guidelines for students.
- Assure that these funds are appropriated and spent in accordance with all regulations.
- Provide nutrition educational material to encourage healthy eating habits at home.

Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 Estimated)	FY2017 (Projected)
Number of breakfasts served	280,616	448,286	572,127	589,290
Number of lunches served	585,475	695,584	735,896	757,972
Number of total meals served	866,099	1,143,870	1,308,023	1,347,262
Number of personnel in food service	66	77	81	83
Number of meals served per personnel	13,122	14,855	16,148	16,232
Cost of breakfast	\$1.25	\$1.50*	\$1.50*	\$1.50*
Cost of reduced breakfast	\$0.30	\$0.30*	\$0.30*	\$0.30*
Cost of lunch-elementary	\$2.25	\$2.50*	\$2.50*	\$2.50*
Cost of lunch-Cleveland Middle School	\$2.25	\$2.50*	\$2.50*	\$2.50*
Cost of lunch-Cleveland High School	\$2.50	\$2.75*	\$2.75*	\$2.75*
Cost of reduced lunch	\$0.40	\$0.40*	\$0.40*	\$0.40*
Average grade on state inspections	97%	99%	99%	99%

*Cleveland City Schools implemented the Community Eligibility Provision for all schools effective FY2015 which provides breakfast and lunch at no cost to all students.

Debt Service Fund

The Debt Service Fund is used for the accumulation of resources for, and the payment of, principal and interest on general long-term debt.

Debt Service

The wise use of debt is essential to prudent financial planning and management. No city has adequate current revenues to purchase major capital improvements such as buildings, land, utility plants and extensions, and some large equipment. Therefore, it is essential that they borrow additional money to finance these items, and pay for them over a period of years. The City Council must establish clear policies to assure that only the debt which is absolutely essential to the community is issued, that adequate revenues are budgeted and collected to make the debt service (principal and interest) payments, and that the City's credit rating of "AA" with Standard and Poor's Corporation and an "Aa3" rating from Moody's Investor Service is not adversely affected. The revenue bonds of Cleveland Utilities carry the same ratings. The City of Cleveland has established Debt Policies as part of its Financial Policies (See the Financial Policies under Tab V). There are no state statutes or City Charter requirements which limit the amount of general obligation debt. However, the city has followed a policy limiting outstanding general government and school debt (not including Cleveland Utilities' debt) to no more than ten (10%) percent of the assessed valuation of property, or \$110,901,082. The City currently has \$41,974,417 available for future projects. Cleveland has a diverse tax base as evidenced by the listing of Cleveland's principal taxpayers (See Appendices under Tab XIV). Since the assessed valuation averages about thirty (30%) percent of the appraised (fair market) valuation, this limits debt to about three (3%) percent of the appraised valuation of all property within the City. (See the estimated City's Legal Debt Margin also located behind Tab XIV).

The Debt Service Fund is used to pay all the general government debt service payments on general obligation bonds, capital outlay notes, or other debt instruments. The revenues are derived from the entity for which the debt was issued. A transfer from the General Fund pays for debt issued for the city departments. All debt issued by the city to fund new school construction is financed by transfers from the General Fund and the Schools General Fund. The State Street Aid Fund transfer finances several road projects and major street equipment. The Stormwater Management Operation will transfer annually the amount necessary to finance equipment for the storm water operation.

Debt service payments for enterprise operations such as Cleveland Utilities' electric and water/wastewater systems are paid directly from the Electric and Water/Wastewater funds of Cleveland Utilities respectively. Debt service payments for internal service operations such as the Fleet Management are paid directly from this fund. They are accounted for using full accrual accounting.

The city uses "double-barrel" bonds to finance the debt of Cleveland Utilities (CU). This means that the city issues general obligation bonds, which pledge the full faith and credit (taxing authority) of the city in addition to the revenues of either the Water/Wastewater Fund or the Electric Fund of Cleveland Utilities. Bonds, which pledge the city's taxing authority, are usually sold at a lower interest rate than revenue bonds, which pledge only the revenues from the particular enterprise fund. This saves the city

ratepayers on interest costs. However, even though the taxing authority of the city has been pledged for repayment if necessary, the city and CU make sure that the utility rates are always adequate to cover the debt service payments. Therefore, the utility debt should have no effect on the city's general revenues and operations. CU receives no subsidy from the city, and is supported solely from its fees and charges. The city's General Fund also receives no subsidies from CU, with the only revenue being a required Payment in Lieu of Taxes from their water division and a tax equivalency payment from their electric division.

At June 30, 2015, the City of Cleveland had total bonded debt outstanding of \$137,314,074. Of this amount, \$57,550,480 comprises debt backed solely by the full faith and credit of the city. The city also issues bonds secured by specified revenue sources (i.e. revenue bonds); however, in the event of default, the full faith and credit of the city are irrevocably pledged. The city had \$47,210,000 in revenue bonds outstanding at the end of the fiscal year. The city also finances capital projects through loans from bond proceeds issued by the Public Building Authority of Sevier and Blount Counties, Tennessee, including \$16,897,283 for city general projects and \$14,925,752 for Cleveland Utilities. The city also has a capital lease on lighting upgrades for the City Schools and mowing equipment for the recreation department in the amount of \$488,653.

During fiscal year 2017, the City Council will authorize the issuance of a new bond issue totaling \$7,700,000 for the Spring Branch Industrial Park Infrastructure; the building and equipping of a new fire hall to serve the southern portion of the city; upgrading the city-wide computer/email and GIS system; purchasing a mobile police command post; refurbishing the Tinsley Park Tennis Courts; and paving of the Tinsley Park and Soccer Complex Parking Lots.

General Government and School Debt

Because Cleveland Utilities' debt has no effect on the City's general revenues, the discussion of debt will be separated into General Government and School Debt, and Cleveland Utilities Debt. This section first will list the outstanding bond issues and capital outlay notes for general government and school purposes along with individual debt service schedules. (Capital outlay notes are similar to bonds, with a shorter duration.)

Outstanding Bond Issues

2009C Refunding Bonds:

In August 2009, the city refinanced the 1996 Series E-5, 1997 Series II-C, 2002 Series A-7-B, portions of the 2005 Series D-4-A, and the 2008 TMBF in order to convert variable rate debt to fixed rate debt. \$16,335,000 of the bonds was refunded at a 4.15% net interest cost to the City. The fixed rate loan will mature June 1, 2031.

2009D Refunding Bonds:

In August 2009, the city refinanced the 2005 Series VI-E-4, portions of the 2005 Series

2009D Refunding Bonds (cont.):

D-4-A, and the 2008 TMBF in order to convert variable rate debt to fixed rate debt. \$8,625,000 of the bonds was refunded at a 3.46% net interest cost to the City. The fixed rate loan will mature June 1, 2022.

2014 Refunding Bonds:

In April 2014, the city refinanced Series E-9-A in order to convert two interest swap agreements from variable rate debt to fixed rate debt. \$25,500,000 of the bonds was refunded to a 2.51% net interest cost to the City. The fixed rate loan will mature June 1, 2030.

2015 Refunding Bonds:

In July 2015, the city refinanced the 2007-A Series in order to take advantage of the low variable rate offered to the city. \$8,470,520 of the bonds was refunded to a 2.80% net interest cost to the City. The fixed rate loan will mature June 1, 2024.

Outstanding Capital Outlay Notes and Long-Term Variable Rate Notes:

2008 TMBF (County Portion):

In 2007, the city borrowed \$1,812,700 in general obligation notes from the Public Building Authority of the City of Clarksville, Tennessee. Proceeds of this loan are being used to repay Bradley County's portion of the Cleveland/Bradley Public Library addition. The variable rate loan will mature June 1, 2028.

2010 Qualified School Construction Bond-QSCB:

In 2010, the City approved borrowing funds from the State of Tennessee through the Qualified School Construction Bond Program. These bonds were issued by the State of Tennessee and were used to pay for a portion of the Science Wing Addition at Cleveland High School. The debt service payments are made by the Cleveland City School System.

The Cleveland City Schools also makes payments on a non-interest bearing local government energy loan. Funds were used to pay for geothermal units at Mayfield Elementary. In June 2010, a separate energy loan in the amount of \$312,203 was obtained for 3%. This loan is to assist the city schools in installing energy efficient lighting at various facilities. These loans mature July 1, 2014 and October 1, 2015 respectively.

2012 TMBF Notes:

In January 2012, the city approved borrowing \$1,006,000 through the Tennessee Municipal Bond Fund (TMBF) to be used for road improvements on Durkee Road, Benton Pike and Michigan Avenue Road as a result of the relocation of the Whirlpool facility. The variable rate loan will mature May 2027.

2012 TMBF Notes (cont.):

In 2012, the city borrowed \$1,710,200 through the TMBF to be used for constructing the two local interstate connectors on APD 40 near Exit 20 on I-75. The debt service payments are being made by the Cleveland City School System based upon an agreement between the City and the school system for repayment of the Arnold Elementary School Renovation Project. The variable rate loan will mature April 2032.

Also, in 2012, the city authorized the variable rate note of \$1,509,000 for constructing a terminal building at the new jetport. Proceeds of this loan are to be repaid by donated funds for the terminal building. The variable rate loan will mature May 2027.

2013 TMBF Note:

In December 2012, the City Council approved the issuance of \$6,000,000 for the purchase of property for an industrial park to be named Spring Branch Industrial Park located off of Exit 20. This is a jointly funded venture with Bradley County and Cleveland Utilities. This note is for 15 years and will mature May 2028.

2014 TMBF Note:

In June 2014, the City Council approved the issuance of \$4,300,000 for repayment of the new jetport construction less the proceeds from the sale of the city's former airport at Hardwick Field. This note is for 20 years and will mature June 2034.

2015 TMBF Note:

In August 2015, the City Council approved the issuance of \$5,734,200 for constructing the new Raider Arena at the Cleveland High School. This note is for 20 years and will mature May 2035.

2016 TMBF Note:

In February 2016, the City Council approved the issuance of \$1,000,000 for constructing an additional twenty hangars at the Cleveland Regional Jetport. This note is for 20 years and will mature May 2036.

Debt Service Fund

Organization Chart:

No personnel are funded out of this fund.

Programs, Services, and Functions:

As stated in the Debt Administration overview, this fund is used to pay all the general government debt service payments on general obligation bonds, capital outlay notes, or other debt instruments. The revenues are derived from the entity for whom the debt was issued. Generally, all debt issued for the City departments is paid for by a transfer from the General Fund. All debt issued by the city to fund new school construction is financed by transfers from the General Fund and the Schools General Fund. An additional source of revenue is interest income.

Goals and Objectives:

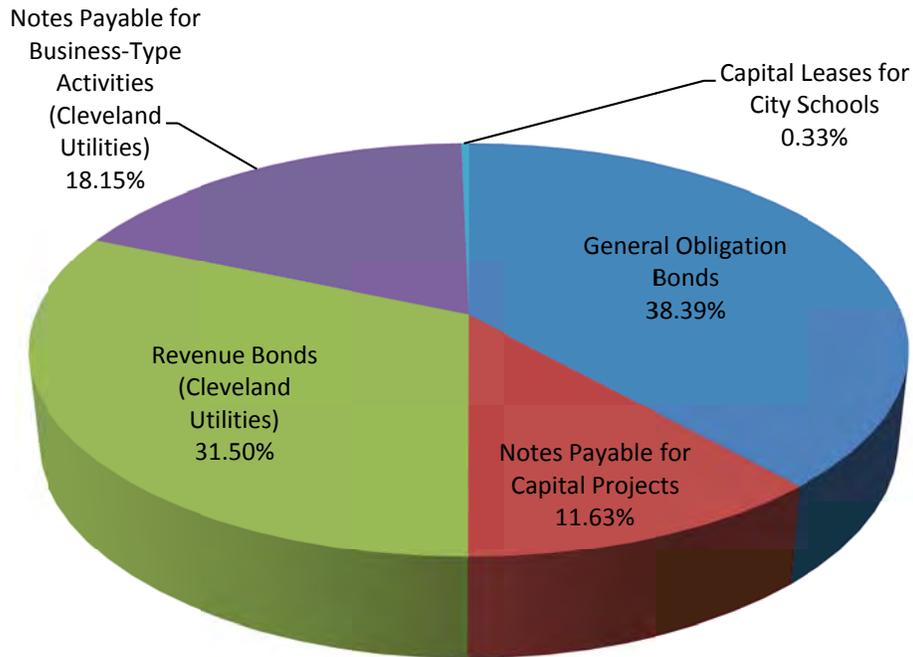
- Issue bonds and capital outlay notes only for capital improvements and moral obligations.
- Issue no bonds or capital outlay notes to purchase a fixed asset, which has a shorter useful life than the term of the debt instrument.
- Issue no bonds or capital outlay notes if the outstanding indebtedness (not including debt for Cleveland Utilities) would exceed 10% of the total assessed valuation of property within the City.
- Identify a firm source of revenue before the issuance of any long-term debt.
- Annually review the City's debt management policy and implement revisions as necessary to protect the City's financial stability.
- Increase the fund balance of the Debt Service Fund to 70% of the fund's annual expenditures.

Performance Measures:

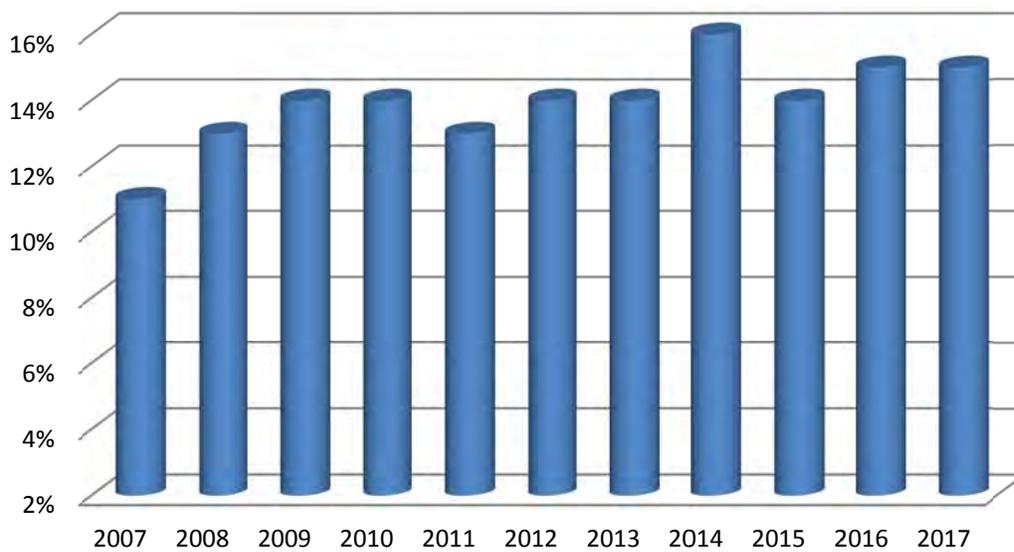
Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
Debt Limit Policy % (Outstanding Net Bonded Debt/Total Assessed Valuation)	70.10%	65.51%	62.15%	60.93%
Debt Margin per Policy	\$32,171,433	37,478,691	\$41,974,417	\$44,192,438
General Government Net Bonded Debt per Capita	\$1,763	\$1,648	\$1,580	\$1,565

DEBT SERVICE FUND						
REVENUES						
		2014-2015 ACTUAL BUDGET	2015-2016 ORIGINAL BUDGET	2015-2016 AMENDED BUDGET	2016-2017 REQUESTED BUDGET	2016-2017 PROPOSED BUDGET
	INTEREST INCOME	6,709	5,000	6,000	5,000	5,000
	INTERGOVERNMENTAL	94,676	234,450	234,450	146,900	146,900
	TRANSFERS	5,921,581	6,145,452	6,009,452	6,165,319	6,165,319
	PROCEEDS OF REFUNDING BONDS	0	0	8,420,000	0	0
	MISCELLANEOUS REVENUE	75	0	77,716	0	0
	TOTAL REVENUES	6,023,041	6,384,902	14,747,618	6,317,219	6,317,219
EXPENDITURES						
		2014-2015 ACTUAL BUDGET	2015-2016 ORIGINAL BUDGET	2015-2016 AMENDED BUDGET	2016-2017 REQUESTED BUDGET	2016-2017 PROPOSED BUDGET
	DEBT SERVICE - PRINCIPAL PAYMENTS	3,403,000	3,791,600	12,250,710	4,021,560	4,021,560
	DEBT SERVICE - INTEREST PAYMENTS	2,250,493	2,588,700	2,480,900	2,290,952	2,290,952
	BOND PAYING AGENTS FEES	4,105	4,600	4,600	4,600	4,600
	TOTAL EXPENDITURES	5,657,598	6,384,900	14,736,210	6,317,112	6,317,112

Long Term Debt by Category



Ratio of Debt Service to General Fund Expenditures



Cleveland Utilities Debt

Outstanding Issues Projected

As of June 30, 2016, the following represents all bonds/loans payable as well as a State Revolving Loan Fund.

<u>Description Bond Issues</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
(1) 2007B Series Revenue and Tax Issue	880,000	2,935,000	3,625,000
(2) 2009C Series Revenue and Tax Refunding Issue	-	4,165,000	3,975,000
(3) 2009D Series Revenue and Tax Refunding Issue	4,180,000	6,415,000	3,455,000
(4) 2010 Series Revenue and Tax Issue (BAB)	4,875,000	1,825,000	-
(5) 2014 Series Revenue and Tax Refunding Issue	-	655,385	6,259,615
Total Bonds Payable	<u>9,935,000</u>	<u>15,995,385</u>	<u>17,314,615</u>

<u>Description Loan Issues</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
(6) State Revolving Loan	-	-	627,322
(7) 2012 TMBF Loan	-	3,000,000	-
(8) 2012 TMBF Spring Branch Industrial Park	1,524,692	-	-
(9) 2014 TMBF - EL	3,262,500	-	-
(10) 2014 TMBF _WT	-	2,475,000	-
(11) 2014 SRF DG2 14-151 - WT	-	1,949,754	-
(12) 2015 SRF CG4 15-349 WT	-	2,325,000	-
(13) 2015 TMBF - EL	2,627,000	-	-
(14) 2015 TMBF - WT	-	2,866,000	-
(15) State Revolving Loan CWO 13-319 - SW	-	-	806,572
(16) State Revolving Loan CWO 13-320 - SW	-	-	4,397,703
Total Loans Payable	<u>7,414,192</u>	<u>12,615,754</u>	<u>5,831,597</u>
Total Bonds & Loans Payable	<u>17,349,192</u>	<u>28,611,139</u>	<u>23,146,212</u>

Pertinent information on each issue follows:

(1) Issue Date: 2/15/2007
 Amount: 8,750,000
 Maturity: 6/1/2037
 Average Rate: 4.37
 Purpose: To fund capital improvements as detailed below:
 Electric 1,500,000
 Water 3,250,000
 Sewer 4,000,000

(2) Issue Date: 8/12/2009
 Amount: 12,540,000
 Maturity: 6/1/2028
 Average Rate: 3.74
 Purpose: To refinance outstanding variable rate loans

(3) Issue Date: 8/26/2009
 Amount: 19,525,000
 Maturity: 6/1/2024
 Average Rate: 3.59
 Purpose: To refinance outstanding variable rate loans

(4) Issue Date: 12/15/2010
 Amount: 8,750,000
 Maturity: 6/1/2031
 Average Rate: 3.03
 Purpose: To fund capital improvements as detailed below:
 Electric 6,500,000
 Water 2,250,000

(5) Issue Date: 3/18/2014
 Amount: 8,835,000
 Maturity: 9/1/2028
 Average Rate: 3.45
 Purpose: To refinance 2004 Refunding Water and Sewer Revenue and Tax Bonds
 Water 804,615
 Sewer 8,030,385

(6) Issue Date: 5/1/2010 325,881
 6/1/2010 281,113
 11/1/2010 198,724
 11/1/2011 9,682
 Total Issue 815,400

Amount: 815,400
 Maturity: 6/1/2031
 Average Rate: 2.08
 Purpose: To fund capital projects in Sewer Division

(7) Issue Date: 9/12/2012
 Amount: 3,750,000
 Maturity: 6/1/2032
 Average Var Rate: 4.00
 Purpose: To fund capital improvements in Water Division

(8) Issue Date: 12/19/2012
 Amount: 1,836,962
 Maturity: 5/25/2028
 Average Var Rate: 4.00
 Purpose: To fund portion of Spring Branch Industrial Park in the Electric Division

(9) Issue Date: 2/27/2014
 Total Amount: 3,625,000
 Maturity: 5/25/2034
 Average Var Rate: 4.00
 Purpose: To fund capital projects in the Electric Division

- (10) Issue Date: 5/1/2014
 Total Amount: 2,750,000
 Maturity: 5/25/2034
 Average Var Rate: 4.00
 Purpose: To fund capital projects in the Water Division
- (11) Issue Date: 10/21/2014
 Total Amount: 2,500,000
 Forgiveness: 500,000
 Total 2,000,000
 Maturity: 6/1/2036
 Average Var Rate: 1.50
 Purpose: To fund capital projects in the Water Division (AMI Meters)
 Fund Includes a debt forgiveness of \$500,000.
- (12) Issue Date: 2/26/2015
 Total Amount: 2,500,000
 Forgiveness: 175,000
 Total 2,325,000
 Maturity: 6/1/2036
 Average Var Rate: 1.38
 Purpose: To fund capital projects in the Water Division (AMI Meters)
 Fund Includes a debt forgiveness of \$175,000.
- (13) Issue Date: 12/30/2014
 Total Amount: 2,750,000
 Maturity: 5/25/2035
 Average Var Rate: 0.01
 Purpose: To fund capital projects in the Electric Division
- (14) Issue Date: 12/30/2014
 Total Amount: 3,000,000
 Maturity: 5/25/2035
 Average Var Rate: 3.00
 Purpose: To fund capital projects in the Water Division
- (15) Issue Date: 12/5/2013
 Total Amount: 1,826,000
 Forgiveness: 451,022
 Total 1,374,978
 Maturity: 6/20/2035
 Average Var Rate: 1.15
 Purpose: To fund capital projects in the Sewer Division
- (16) Issue Date: 12/5/2013
 Total Amount: 8,174,000
 Maturity: 6/20/2035
 Average Var Rate: 1.15
 Purpose: To fund capital projects in the Sewer Division

All bonds are collateralized as to payment of principal and interest by a pledge of sufficient revenues, after deduction of all current operating expenses, to meet principal and interest payments when due. In the event of a deficiency of revenues, the full faith, credit and resources of the City of Cleveland are irrevocably pledged for the prompt payment of principal and interest when due.

Future Issues

The following represents all projected (as of June 30, 2016) bond and/or note issues for Cleveland Utilities by fiscal year.

<u>Fiscal Year</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
2017	3,000,000	1,500,000	1,000,000
2018	2,500,000	1,500,000	5,500,000
2019	2,000,000	2,500,000	4,500,000
2020	2,000,000	1,750,000	1,500,000
2021	2,500,000	2,000,000	1,000,000
2022	2,500,000	1,500,000	1,000,000
2023	2,500,000	1,500,000	1,000,000
2024	2,500,000	1,000,000	1,000,000
2025	2,500,000	1,000,000	-
2026	2,500,000	1,000,000	-

These issues will be necessary (projected) to complete the capital projects identified in the long-term capital improvements plan included in the fiscal year 2017 budget.

CLEVELAND UTILITIES

EXISTING DEBT (PRINCIPAL)
PAYMENT SCHEDULE AS OF 06/30/16

	ELECTRIC	WATER	SEWER	TOTAL
2017	1,367,583	1,863,153	2,380,847	5,611,583
2018	1,299,250	1,916,353	2,357,143	5,572,746
2019	1,299,917	1,955,624	1,783,528	5,039,069
2020	1,306,583	2,022,753	1,766,120	5,095,456
2021	1,332,583	2,077,096	1,807,647	5,217,326
2022	1,274,917	2,116,463	1,834,253	5,225,633
2023	1,281,250	1,845,391	1,820,436	4,947,077
2024	1,308,917	1,569,855	1,652,186	4,530,958
2025	1,330,917	1,604,366	1,409,040	4,344,323
2026	879,250	1,688,913	1,420,950	3,989,113
2027	862,583	1,697,496	1,377,963	3,938,042
2028	706,942	1,607,139	1,360,057	3,674,138
2029	649,250	1,041,818	1,097,231	2,788,299
2030	651,250	1,020,520	745,524	2,417,294
2031	652,250	1,030,820	741,457	2,424,527
2032	329,250	895,156	728,360	1,952,766
2033	331,250	718,028	744,288	1,793,566
2034	332,250	733,472	755,288	1,821,010
2035	153,000	606,452	771,482	1,530,934
2036		385,270	250,000	635,270
2037		215,000	260,000	475,000
	<u>17,349,192</u>	<u>28,611,138</u>	<u>27,063,800</u>	<u>73,024,130</u>

CLEVELAND UTILITIES

PROJECTED ADDITIONAL DEBT (PRINCIPAL)
PAYMENT SCHEDULE AS OF 06/30/16

	ELECTRIC	WATER	SEWER	TOTAL
2017	-	-	-	-
2018	150,000	75,000	50,000	275,000
2019	275,000	150,000	325,000	750,000
2020	375,000	275,000	550,000	1,200,000
2021	475,000	362,500	625,000	1,462,500
2022	600,000	462,500	675,000	1,737,500
2023	725,000	537,500	725,000	1,987,500
2024	850,000	612,500	775,000	2,237,500
2025	975,000	662,500	825,000	2,462,500
2026	1,100,000	712,500	825,000	2,637,500
2027	1,225,000	762,500	825,000	2,812,500
2028	1,225,000	762,500	825,000	2,812,500
2029	1,225,000	762,500	825,000	2,812,500
2030	1,225,000	762,500	825,000	2,812,500
2031	1,225,000	762,500	825,000	2,812,500
2032	1,225,000	762,500	825,000	2,812,500
2033	1,225,000	762,500	825,000	2,812,500
2034	1,225,000	762,500	825,000	2,812,500
2035	1,225,000	762,500	825,000	2,812,500
2036	1,225,000	762,500	825,000	2,812,500
2037	1,225,000	762,500	825,000	2,812,500
2038	1,075,000	687,500	775,000	2,537,500
2039	950,000	612,500	500,000	2,062,500
2040	850,000	487,500	275,000	1,612,500
2041	750,000	400,000	200,000	1,350,000
2042	625,000	300,000	150,000	1,075,000
2043	500,000	225,000	100,000	825,000
2044	375,000	150,000	50,000	575,000
2045	250,000	100,000	-	350,000
2046	125,000	50,000	-	175,000
	<u>24,500,000</u>	<u>15,250,000</u>	<u>16,500,000</u>	<u>56,250,000</u>

CLEVELAND UTILITIES

TOTAL DEBT (CURRENT & PROJECTED)
PAYMENT SCHEDULE AS OF 06/30/16

	ELECTRIC	WATER	SEWER	TOTAL
2017	1,367,583	1,863,153	2,380,847	5,611,583
2018	1,449,250	1,991,353	2,407,143	5,847,746
2019	1,574,917	2,105,624	2,108,528	5,789,069
2020	1,681,583	2,297,753	2,316,120	6,295,456
2021	1,807,583	2,439,596	2,432,647	6,679,826
2022	1,874,917	2,578,963	2,509,253	6,963,133
2023	2,006,250	2,382,891	2,545,436	6,934,577
2024	2,158,917	2,182,355	2,427,186	6,768,458
2025	2,305,917	2,266,866	2,234,040	6,806,823
2026	1,979,250	2,401,413	2,245,950	6,626,613
2027	2,087,583	2,459,996	2,202,963	6,750,542
2028	1,931,942	2,369,639	2,185,057	6,486,638
2029	1,874,250	1,804,318	1,922,231	5,600,799
2030	1,876,250	1,783,020	1,570,524	5,229,794
2031	1,877,250	1,793,320	1,566,457	5,237,027
2032	1,554,250	1,657,656	1,553,360	4,765,266
2033	1,556,250	1,480,528	1,569,288	4,606,066
2034	1,557,250	1,495,972	1,580,288	4,633,510
2035	1,378,000	1,368,952	1,596,482	4,343,434
2036	1,225,000	1,147,770	1,075,000	3,447,770
2037	1,225,000	977,500	1,085,000	3,287,500
2038	1,075,000	687,500	775,000	2,537,500
2039	950,000	612,500	500,000	2,062,500
2040	850,000	487,500	275,000	1,612,500
2041	750,000	400,000	200,000	1,350,000
2042	625,000	300,000	150,000	1,075,000
2043	500,000	225,000	100,000	825,000
2044	375,000	150,000	50,000	575,000
2045	250,000	100,000	-	350,000
2046	125,000	50,000	-	175,000
	<u>41,849,192</u>	<u>43,861,138</u>	<u>43,563,800</u>	<u>129,274,130</u>

CLEVELAND UTILITIES ELECTRIC DIVISION BOND COVERAGE 2016 - 2026

Target Ratios

Rating Agencies (1.25)
CU Minimum (1.40)



Debt Service Ratio CU Minimum Rating Agency

CLEVELAND UTILITIES WATER / WASTEWATER DIVISION BOND COVERAGE 2016 - 2026

Target Ratios

Rating Agencies (1.25)
CU Minimum (1.40)



Debt Service Ratio Rating Agency CU Minimum

Capital Projects Funds

The Capital Projects Funds are used to account for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Improvement Program Fund: This fund accounts for city-wide capital projects funded mainly by a transfer from the city's General Fund.

Sales Tax Capital Projects Fund: This fund accounts for the proceeds of a one-half cent sales tax approved by the voters on March 10, 2009. All monies accumulated in this fund are designated for capital projects.

Greenway Fund: This fund accounts for the development of the Greenway Trail and is funded primarily by a Federal Grant administered through the Tennessee Department of Transportation.

Fletcher Park Trust Fund: This fund is used to account for funds bequeathed to the City of Cleveland by Leonard G. and Agnes W. Fletcher for the development of the Fletcher Park. It also accounts for grants received from the State and matching funds from the City for improvements to the park.

Spring Branch Industrial Park Fund: This fund accounts for the purchase and for the development of an industrial park located off of Exit 20.

CAPITAL IMPROVEMENTS PROJECTS

Planning for the financing and acquisition of major capital improvements is the most difficult aspect of municipal budgeting. Capital expenditures include the acquisition, expansion or rehabilitation of city buildings, equipment, land and infrastructure improvements. They also include vehicle and equipment replacement or acquisition. The sources of revenue used to acquire capital assets can be current revenues, fees and charges, general obligation bonds, revenue bonds, capital outlay notes, lease/purchase agreements, federal and state grants, intergovernmental revenues, proceeds from the sale of fixed assets, and net income and depreciation in proprietary funds. The issuance of debt requires additional revenues to pay the increased debt service (principal and interest payments) either from the Debt Service Fund, or from enterprise and internal service funds such as Cleveland Utilities' Electric Fund and Water/Wastewater Fund and the Fleet Management Fund.

Planning capital improvement projects begins at the Fall Planning session which is attended by the City Council, Department Heads, Cleveland Utilities, and City Schools. The council's priorities are established at the end of this planning session. In December, department heads submit detailed project sheets for the CINI (Capital Improvements Needs Inventory) which includes the cost of the project and any impact upon the city's operating budget. The city's budget planning session is held in late March or early April and proposed capital projects are presented by staff to the City Council. The City Manager submits the proposed capital budget along with a proposed funding plan.

Cleveland Utilities' (CU) capital improvements are financed from their fees and charges within each enterprise fund, and therefore do not require a separate fund. Cleveland Utilities develops a separate Capital Improvements Program with ten years of planned improvements. That document is available from either the City Clerk's Office, or the Office of CU's General Manager. Those projects are not included in this document due to their volume and the fact they do not impact the city's budget in any way.

Capital improvement projects for departments or functions financed by the General Fund are financed in the Capital Improvements Program Fund or the Sales Tax Capital Projects Fund. Since the passage of the ½ cent sales tax increase in 2009, the Sales Tax Capital Projects Fund has provided the majority of funding for capital equipment or projects. The Solid Waste Management Fund is able to provide some funding for equipment, though not on a recurring basis. The city issues bonds for large capital projects. The Spring Branch Industrial Park Fund was established in FY2013 for the purchase of a new industrial park off of Exit 20.

Capital improvement projects for the Cleveland City Schools are financed in three ways. The schools' current revenues finance smaller capital improvements for the school system. Major school projects funded by general obligation bonds or capital outlay notes are accounted for in individual capital project funds. The third funding source is the Sales Tax Capital Projects Fund.

Capital improvement projects for the Library are funded within the Library General Fund. The Library is a joint agency of the City and County, governed by an appointed Library Board.

Small capital improvement projects for the Fleet Department are funded within the internal service fund entitled Fleet Management Fund.

The city prepares a separate six-year Capital Improvement Needs Inventory (CINI) which includes all capital projects requested by departments. Cleveland Utilities prepares a separate document for its water, wastewater, and electric capital improvements. The CINI is available from the City Clerk’s Office.

SOURCE OF CAPITAL PROJECT FUNDS FOR FY2017

The capital projects funded in FY2017 total \$4,164,800. Major capital funds are summarized below.

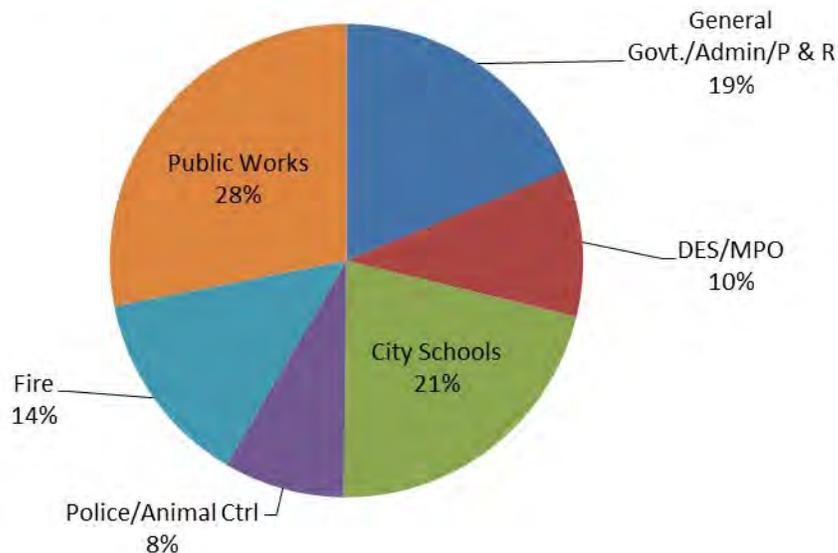
Sales Tax Capital Projects Fund:

This fund is used to account for the proceeds of a one-half cent sales tax approved by the voters on March 10, 2009. The sales tax is designated for capital projects for the City and City Schools. A total of \$2,861,962 has been budgeted in FY2017 for city projects and \$925,000 for school projects.

Below is a listing of other funding sources for capital projects:

Capital Improvement Program Fund \$374,000

FY2017 Major Uses of Capital Project Funds



**FY 2017 MAJOR USES OF CAPITAL PROJECT FUNDS AND
THEIR IMPACT ON THE OPERATING BUDGET**

Capital Improvement Program Fund

City-Wide Cptr Info Systems

Computer software maintenance cost \$ 200,000

This supplies additional funding to assist the city's Information Technology with our computers and servers.

Public Works

Adkisson Road Project \$ 167,275

The \$167,275 is the remaining twenty percent match for paving of Adkisson Dr. and Norman Chapel Road in the city.

Sunset Drive Signal \$ 100,000

This funding will allow for a possible installation of a signal at Sunset Drive if the city meets the state signal qualifications.

Parks & Recreation

Equipment Replacement \$ 44,000

This funding will allow for beginning a phased-in replacement program for equipment needs in this department.

Sales Tax Capital Projects Fund

Public Safety

Police – Patrol Cars \$ 285,000

This funding will allow for the replacement of patrol cars that have over 125,000 miles and high maintenance costs.

E-Ticketing Equipment \$ 74,000

This funding will allow for the field reporting purchase of the software package that will assist the officers in completing police reports and citations.

Fire-Apparatus Replacement Program \$ 400,000

This program will assist in providing new equipment and transportation needs for medical and rescue incidents.

Fire Inspector Vehicle \$ 32,000

Replacing an older inspector vehicle that has high mileage and maintenance costs.

SCBA Cylinder Replacement \$ 150,000

This funding will replace 150 air cylinders that are reaching their 15-year life span expiration period.

General Government

Inman Street Building \$ 50,000

In November 2015, the City Council voted to purchase a building from Ben Moore located at 266 Inman Street. The city intends to tear down the building and construct a much needed parking lot to enhance development in this area. The lot will be named in memory of Mr. Moore's father, Joe Moore.

Downtown Redevelopment \$ 100,000

Beginning in FY 2017, the city will set aside this funding annually to further redevelopment efforts in the downtown area. The city's intends to focus on the area near the old Whirlpool site.

Administration & Finance

Risk Manager Vehicle \$ 28,000

Replacing a 2004 Ford Explorer for a more efficient vehicle.

Development & Engineering Services

One Inspector vehicle \$ 24,000

Replacing the 2005 Chevrolet K2500 Truck with a smaller utility vehicle that offers standard equipment and better fuel economy.

City-Wide Computer Info Systems

Computer software and hardware	
Computer and replacement costs	\$ <u>274,000</u>

Replacing older computer equipment improves the efficiency of the employees. It also allows the IT employees to be more efficient in concentrating on the highest priorities in the computer needs.

Public Works Transportation and Drainage Costs

Street Paving	\$ 1,000,000
Sidewalk Projects	<u>65,000</u>
	\$ <u>1,065,000</u>

The projects listed above are related projects. The annual paving list is submitted to the City Council, based upon the condition of the pavement and allocated to the five Council districts. The sidewalks projects are deemed necessary for the safety and welfare of our citizens.

Public Works Transportation Matching Funds

MPO – Adkisson Dr. and Norman Chapel	\$ 130,000
MPO – Paul Huff Extension Match	\$ 12,000

These funds are being used in conjunction with Federal and State grants to fund the remaining twenty percent match for paving of Adkisson Dr and Norman Chapel Road in the city. The \$12,000 will assist in the city's match for the Paul Huff Extension.

Public Works Equipment and Grant

Case Skid Steer	\$ 32,500
GMC Dump Truck	\$ <u>117,500</u>
	\$ <u>150,000</u>

This supplies the funds to replace a skid steer and dump truck in the public works department, which have high mileage and maintenance costs.

Multi-Modal Access Grant	\$ <u>2,962</u>
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The city's remaining match for this grant that will provide sidewalks and sidewalk repair and three bus shelters. The project area is from Wildwood Avenue down 9th Street to the Blythe Avenue Neighborhood Services Center and on Wildwood Avenue/Dalton Pike from 9th Street to Treasury Drive.

Parks and Recreation

Greenway Parking Lot @ Keith Street \$ 60,000

The second installment on the purchase of a parcel of land to provide our citizens with parking for the greenway located on Keith Street.

Playground Equipment \$ 25,000

This funding will allow for a phased in replacement plan for playground equipment in our parks on an annual basis.

LONG-RANGE FINANCIAL PLANNING						
6 Year Capital Funding Summary						
DEPARTMENT	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Funding Use:						
Administration/Finance	1,752,000	503,400	486,800	546,200	534,600	550,000
Development & Engineering	24,000	24,000	1,740,000	24,000	24,000	24,000
City Schools	-	8,000,000	-	-	-	-
Fire	3,182,000	360,000	640,000	-	360,000	1,200,000
Parks & Recreation	893,000	69,000	319,000	69,000	69,000	69,000
Police	550,000	315,000	285,000	315,000	285,000	285,000
Public Works	4,357,000	150,000	150,000	150,000	150,000	150,000
Total:	10,758,000	9,421,400	3,620,800	1,104,200	1,422,600	2,278,000
IMPACT ON OPERATIONS:						
Administration/Finance	-	-	-	-	-	-
Development & Engineering	-	(7,361)	7,361	(7,361)	-	(7,361)
Fire	-	850,000	850,000	879,750	879,750	910,500
Parks & Recreation	-	-	-	-	-	-
Police	(5,000)	-	(5,000)	(5,000)	(5,000)	(5,000)
Public Works	(3,500)	-	(3,500)	-	(3,500)	-
Required Funding:	10,749,500	10,264,039	4,469,661	1,971,589	2,293,850	3,176,139
Funding Source:						
<i>Sales Tax & CIP Funds</i>						
Administration/Finance	(652,000)	(503,400)	(486,800)	(546,200)	(534,600)	(550,000)
Development & Engineering	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Fire	(582,000)	(360,000)	(340,000)	(180,000)	(360,000)	(360,000)
Parks & Recreation	(129,000)	(74,000)	(69,000)	(69,000)	(69,000)	(69,000)
Police	(359,000)	(315,000)	(285,000)	(315,000)	(285,000)	(285,000)
Public Works	(1,359,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Subtotal:	(3,105,000)	(1,426,400)	(1,354,800)	(1,284,200)	(1,422,600)	(1,438,000)
<i>Bond Issues</i>	<i>(7,700,000)</i>	<i>(8,000,000)</i>	<i>(2,300,000)</i>	<i>-</i>	<i>-</i>	<i>(1,200,000)</i>
<i>Tax Growth from Development</i>	<i>-</i>	<i>(850,000)</i>	<i>(885,000)</i>	<i>(895,000)</i>	<i>(915,000)</i>	<i>(985,000)</i>
Total Funding:	(10,805,000)	(10,276,400)	(4,539,800)	(2,179,200)	(2,337,600)	(3,623,000)
Use (Source) of Fund Balance:	(55,500)	(12,361)	(70,139)	(207,611)	(43,750)	(446,861)

Long-Range Financial Planning

In FY2017, the City of Cleveland will issue \$7.7 million in bonds to fund infrastructure, equipment and technology needs. With the opening of the Mayor Tom Rowland Interchange, the City will invest \$3 million to complete infrastructure work at Spring Branch Industrial Park. This 350 acre development will house light manufacturing and distribution centers. To meet the needs of the growth from this area, \$2.6 million will be used to construct and equip Fire Station 6. When completed in September 2017, this station will service the new development at Exit 20 on I-75 as well as the Spring Branch Industrial Park. Also included in the bond issue is \$1.1 million to upgrade the city's ERP, email and GIS systems. The remaining balance will be used to enhance recreational facilities within the city. The annual debt service for the bond issue will be approximately \$500,000 and will be funded from general revenues of the city.

In FY2018, the City will issue \$8 million in bonds to construct the new Candy's Creek Cherokee Elementary School. This \$15 million facility located on Highway 60 will accommodate 450 students with additional room for up to 700 students. The balance of the construction costs is expected to come from the city school's share of a bond to be issued by Bradley County for construction of the Lake Forest Middle School. The annual debt service for the City's bond issue will be approximately \$520,000.

The City will start a number of transportation projects in FY2019 and will issue \$2.3 million in bonds to fund this progress. In addition, the city hopes to acquire land for a future fire station and construct a new fire training facility. The debt service on the bond issue will cost \$150,000 annually and will be funded from growth in tax revenue.

The equipment replacement program started in 1999 will continue for all departments in FY2020 and FY2021. This program provides much needed equipment for all departments so they can meet the level of service city residents have come to expect. This program is funded from tax growth in the City's Sales Tax Fund and no bond issue is expected in these years.

In FY2022, the City will issue a \$1.2 million bond for the construction of Fire Station 7. This station will serve the Northwest section of the city as well as the Cleveland Regional Jetport and will greatly improve response time for this area. Debt service on this issue is estimated to be \$80,000 annually.

Capital Improvement Program Fund

Organization Chart:

No personnel are funded out of this fund.

Programs, Services, and Functions:

This fund accounts for the major capital improvement projects of the City not funded by notes or bonds. Capital projects for Cleveland Utilities, City Schools, Fleet Management, and the Library are funded either within their individual fund or the note or bond fund used to finance the capital project.

The city's Information Technology will receive \$200,000 transfer from the General Fund to cover some of the City's maintenance cost related to our computers and servers. The remaining \$74,000 will assist with other capital projects. The city will also seek a state grant for \$100,000 to install a signal at Sunset Drive if the intersection meets the state's guidelines.

Goals and Objectives:

- Prioritize the necessary capital improvements in a planned, systematic fashion.
- Assure City Council and management staff review at least annually the City's ability or inability to finance those major capital improvements deemed necessary to continue to provide highest quality municipal services.
- Assure the City Council's priorities for improvements are budgeted and acquired.

CAPITAL IMPROVEMENTS PROGRAM FUND						
REVENUES						
		2014-2015 ACTUAL BUDGET	2015-2016 ORIGINAL BUDGET	2015-2016 AMENDED BUDGET	2016-2017 REQUESTED BUDGET	2016-2017 PROPOSED BUDGET
	GRANTS	1,746,819	6,475,157	10,247,913	100,000	100,000
	INTEREST INCOME	3,844	1,000	2,500	0	0
	ASSET DISPOSAL	1,047,348	0	33,691	0	0
	TRANSFERS	6,477,551	165,500	322,579	274,000	274,000
	NOTE PROCEEDS	0	6,734,200	6,835,065	0	0
	INTERGOVERNMENTAL	3,096	0	1,665,879	0	0
	MISCELLANEOUS	35,879	0	59,780	0	0
	TOTAL REVENUES	9,314,537	13,375,857	19,167,407	374,000	374,000
EXPENDITURES						
		2014-2015 ACTUAL BUDGET	2015-2016 ORIGINAL BUDGET	2015-2016 AMENDED BUDGET	2016-2017 REQUESTED BUDGET	2016-2017 PROPOSED BUDGET
	GENERAL GOVERNMENT	115,850	0	1,067,371	30,000	30,000
	ADMINISTRATION & FINANCE	0	0	35,925	0	0
	DEVELOPMENT & ENGINEERING	0	0	80,000	0	0
	CITY-WIDE COMPUTER INFO SYSTEMS	161,432	165,500	198,177	200,000	200,000
	POLICE DEPARTMENT	60,694	0	128,025	0	0
	FIRE DEPARTMENT	123,500	0	0	0	0
	PUBLIC WORKS-OPERATIONS	159,611	3,406,001	8,821,296	267,275	267,275
	STORMWATER	23,700	0	0	0	0
	PUBLIC WORKS-STATE STREET AID	0	0	103,187	0	0
	ANIMAL SHELTER	9,200	0	16,800	0	0
	PARKS & RECREATION	119,881	0	314,876	44,000	44,000
	EDUCATION	5,195,979	5,700,000	5,775,000	0	0
	ISSUANCE COSTS	0	40,200	40,200	0	0
	TRANSFERS	39,057	0	85,636	0	0
	REGIONAL JETPORT	848,955	2,681,181	4,667,046	0	0
	TOTAL EXPENDITURES	6,857,859	11,992,882	21,333,539	541,275	541,275

Sales Tax Capital Projects Fund

Organization Chart:

No personnel are funded out of this fund.

Programs, Services, and Functions:

This fund is used to account for the proceeds of a one-half cent sales tax approved by the voters on March 10, 2009. In May 2009, Bradley County voters approved a similar referendum making the tax increase county-wide. The proceeds received by the City and City Schools are restricted for Capital projects of each entity. In November 2012, the appeals court rendered their decision regarding the sales tax issue with Bradley County. In the decision, the city was successful with the effective date of the county's tax being July 1, 2010 and received \$1,422,683.58 from Bradley County. The county was successful in keeping the 45-year contract in place for the 1967 agreement, the 1972 amendment and the 1982 sales tax increase. Chancellor Bryant had already ruled that the 2009 tax would be situs based, which added approximately \$500,000 to the Sales Tax Fund annually.

SALES TAX CAPITAL PROJECTS FUND						
REVENUES						
		2014-2015 ACTUAL BUDGET	2015-2016 ORIGINAL BUDGET	2015-2016 AMENDED BUDGET	2016-2017 REQUESTED BUDGET	2016-2017 PROPOSED BUDGET
	LOCAL SALES TAX	2,677,653	2,657,100	2,687,100	2,847,000	2,847,000
	SCHOOLS 1/2 CENT SALES TAX	967,558	925,000	925,000	925,000	925,000
	INTEREST	2,353	1,800	1,800	1,800	1,800
	INTEREST-SCHOOLS SINKING FUND	44,113	17,000	17,000	17,000	17,000
	LAWSUIT-CITY'S SHARE (BRAD CO)	340,132	170,064	170,064	0	0
	LAWSUIT-SCHOOL'S SHARE (BRAD CO)	228,941	114,468	114,468	0	0
	TOTAL REVENUES	4,260,750	3,885,432	3,915,432	3,790,800	3,790,800
EXPENDITURES						
		2014-2015 ACTUAL BUDGET	2015-2016 ORIGINAL BUDGET	2015-2016 AMENDED BUDGET	2016-2017 REQUESTED BUDGET	2016-2017 PROPOSED BUDGET
	DEVELOPMENT & ENGINEERING	23,645	24,000	29,966	24,000	24,000
	GENERAL GOVERNMENT	23,645	20,000	27,000	178,000	178,000
	CITY-WIDE CPTR INFO SYSTEMS	292,456	280,000	340,878	274,000	274,000
	POLICE DEPARTMENT	299,723	285,000	330,227	359,000	359,000
	FIRE DEPARTMENT	678,095	294,500	294,500	582,000	582,000
	PUBLIC WORKS	1,611,878	1,897,442	3,463,768	1,359,962	1,359,962
	PARKS & RECREATION	45,482	70,000	444,629	85,000	85,000
	CITY SCHOOLS	770,890	925,000	1,357,626	925,000	925,000
	TOTAL EXPENDITURES	3,745,814	3,795,942	6,288,594	3,786,962	3,786,962

Greenway Fund

Organization Chart:

No personnel are funded out of this fund.

Programs, Services, and Functions:

This fund was established to construct the City/County Greenway project. The Greenway is a multi-use paved trail that creates a corridor along South Mouse Creek for the citizens' use. The Greenway concept will connect downtown Cleveland through the city sidewalk system. As the extension of the Greenway path occurs, a goal is to provide trailhead/parking areas and access walkway paths to adjacent neighborhoods.

South Mouse Creek Greenway:

Phase I of the Greenway was completed during FY2002. This section is located near South Mouse Creek from 20th Street NW to 25th Street NW and includes ornate lamp posts, benches, and a bridge across Mouse Creek. The City and County each contributed \$12,000 annually for the first phase of the Greenway in order to maximize its leverage for the development.

Greenway Phase II was completed during FY2006. This section follows along South Mouse Creek from 25th Street NW to Raider Drive and includes additional ornate lamp posts, benches, a pedestrian bridge across Mouse Creek, a cross walk under 25th Street, and a cross walk under Keith Street. Construction of this phase consists of a ten-foot wide Greenway path with a length of about 4,300 feet. A trailhead/parking area is located at the north end of Harris Circle about 2,000 feet north of 25th Street. Eighty (80) percent of the cost was funded by a Federal grant that is administered through the Tennessee Department of Transportation (TDOT) and the City provided a twenty (20) percent match.

The Greenway path along the west side of South Mouse Creek from Paul Huff Parkway to Mohawk Drive was also completed during FY2006. Home Depot provided \$111,000 to the City of Cleveland for the cost to construct this section of Greenway path. This section includes a ten-foot wide path that is 1,250 feet in length and a five-foot wide concrete walkway providing access from Mohawk Drive to the main walking path.

Phase III of the Greenway was completed in FY2009 and runs from 20th Street NW to Willow Street. The project provides a walkway connector from Willow Street near the east side of South Mouse Creek to the Highland Avenue at 8th Street NW intersection. This section of walkway links the Greenway system to Arnold School and to the downtown sidewalk system. An Enhancement grant administered through the Tennessee Department of Transportation provided \$496,000 of funding and the City of Cleveland provided approximately \$260,000 of funding for this phase.

Greenway Phase IV connects the existing Greenway path at Raider Drive and continues north along South Mouse Creek behind the Cleveland High School Football stadium to the northern property line of Cleveland High School. The path then crosses South Mouse Creek with a pedestrian bridge, and connects the south end of the Tinsley Park trail for a length of 1,550 feet. From this point on the Tinsley trail, the Greenway follows the existing Tinsley trail for about 4,200 feet to the existing Greenway pedestrian bridge that crosses South Mouse Creek at Tinsley Park.

A six feet wide access path was constructed to connect the Northwood Subdivision to the Greenway path and a spur from the Northwood Subdivision access path provides path access to the Creekside Office Park (900 feet of access path).

The City of Cleveland received a TDOT Enhancement grant (TDOT 80% / City 20% match) with the maximum share from TDOT being \$564,685 and the local match of \$146,171. The TDOT grant and local funds covered construction and lighting costs for this Greenway phase. This phase was completed in May 2012.

Greenway Phase V is complete and includes about 3,600 feet of path from the northern end of the Mouse Creek Road to Paul Huff Parkway. Bradley County obtained grant money and matched the grant to fund the northern section from Paul Huff Parkway to 900 feet to the south of Paul Huff Parkway. This section was completed in January 2009 at a cost of \$80,969. The City of Cleveland provided the survey, design, bidding, and project management services.

A Bradley County Healthy Community Initiative grant (HCI) of \$123,000 funded the remaining 2,700 feet section on this phase. This section included path from 2,200 feet north of Mouse Creek Road and approximately 400 feet south of Mouse Creek Road along the west side of South Mouse Creek. The City of Cleveland Public Works Department surveyed, designed, and constructed this section of the Greenway and it was completed in November 2010.

The City received a Bradley County HCI grant for \$50,000 to fund the pedestrian bridge crossing South Mouse Creek to connect Tinsley Park with the northern section of the Greenway described in the above paragraph. The City's Public Works crews completed installation of the bridge abutments and set the pedestrian bridge in November 2010.

A Greenway restroom was completed in January 2011 with ARRA funds. It is located near the Harris Circle parking area.

Phase VI will connect the existing Greenway near Willow Street and continue south for about 2,500 feet of path and connect the Village Green. This section of Greenway has shown to be the most challenging to complete, due to the proximity of existing homes to South Mouse Creek and providing accessibility from the Inman Street culvert to the Village Green property. The current cost estimate is \$1.1 million and includes construction and potential property buyouts. The estimate can be reduced to

about \$900,000; however, this option contains an alternate route not consistent with the existing Greenway but would avoid the purchase of homes.

Fillauer Branch Greenway:

Phase 1 of the Fillauer Branch Greenway was completed in August 2011. This section included a total of about 2,700 linear feet of ten feet wide asphalt and concrete path from 20th Street to the proposed Veterans' Park just north of 25th Street. Developer Tom Cate installed a concrete path through the box culvert under 25th Street to connect the Spring Creek Development and completed about 1,000 linear feet of gravel path. TDK Construction Company paved about 1,000 feet of path from 25th Street to the Retreat at Spring Creek's south property line. The City of Cleveland constructed and paved the path from 20th Street to the south property line of The Retreat at Spring Creek.

Ocoee Middle School received a \$25,000 HCI grant to construct a walkway along the west side of Fillauer Branch and to connect the school's existing running track with the proposed trail. Ocoee Middle School transferred the grant to the City of Cleveland and the trail work was completed in FY2011. The plan is to extend this section of Greenway north along Fillauer Branch from Schimmel's Park to connect with the Mouse Creek Greenway at Tinsley Park.

Mohawk Greenway Extension:

The City of Cleveland received a \$35,000 HCI grant and utilized \$60,000 from the Sales Tax Fund to extend the Mouse Creek Greenway to the north in FY 2014. This section of the Greenway crosses under Mohawk Drive at South Mouse Creek and continues north along South Mouse Creek on property donated by Judge Andrew Bennett and wife, Nancy to the City of Cleveland. This Greenway section includes 1,200 linear feet of ten feet wide path and about 300 linear feet of six feet wide access path that connects Village Green Drive residents to the greenway.

Ocoee Greenway Connector:

The City of Cleveland received a Transportation Alternative Grant from TDOT for the Ocoee Greenway Connector in August 2013. The Ocoee Greenway Connector will connect the existing Mouse Creek Greenway in Tinsley Park near the existing ten feet wide Pedestrian Bridge crossing over South Mouse Creek. The path will continue north along Mouse Creek for about 400 feet, and then along Fillauer Branch to Keith Street. The path will cross under Keith Street and continue south along the west side of Fillauer Branch, crossing over the existing road bridge that connects Royal Drive and the Athens Federal building. This path will continue along the east side of Fillauer Branch to Ocoee Street. At Ocoee Street, it is proposed to construct curb, gutter, and sidewalk to the Ocoee Street and Blythe Ferry/Ocoee Crossing intersection to connect the existing sidewalk system. The proposed project will consist of approximately 4,200 linear feet of ten feet wide Greenway path, approximately 200 linear feet of curb, gutter, and sidewalk, and approximately 200 linear feet of six feet wide access path.

Ocoee Greenway Connector (cont.):

When the Ocoee Greenway Connector is complete; the greenway will connect the Ocoee Street sidewalk system, numerous neighborhoods, businesses, schools, and the downtown area. The proposed path will connect an existing parking lot area in Tinsley Park that will serve as a focal point of where the Mouse Creek Greenway and the Ocoee Greenway Connector intersect. The total construction cost estimate for the project is \$929,973 and the cost estimate for preliminary engineering and design is \$78,000. The Federal construction match is \$495,978, the local City match is \$201,600 and the Urban STP fund match is \$310,400.

Greenway South of Willow Street:

The City Council has approved \$70,000 for Greenway construction along the East side of Mouse Creek beginning at Willow Street and continuing in a southerly direction. This section will consist of constructing about 900 linear feet of ten feet wide path and 150 feet of six feet wide path that will continue from Willow Street to the South end of the large apartment complex located on Brown Avenue. The Public Works Department has scheduled construction of this Greenway section.

Greenways and other open spaces enhance the quality of life in Cleveland by protecting the environment, giving citizens additional venues for recreation, and by providing economic development benefits.

Goals and Objectives:

- Complete a continuous Greenway path along South Mouse Creek from Willow Street to the Village Green at Inman Street.
- Continue the Greenway path north of Mohawk drive to the Greater Cleveland Soccer Fields.
- Continue the Greenway path along Fillauer Branch to provide Greenway connection to the North Ocoee Street corridor.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$7,209	\$3,100	\$0	-100%
Personnel Expenditures	\$0	\$0	\$0	0%
Operating Expenditures	\$0	\$0	\$0	0%
Capital Outlay & Debt Service	\$5,783	\$7,662	\$4,000	-48%
Total Expenditures	\$5,783	\$7,662	\$4,000	-48%

Fletcher Park Trust Fund

Organization Chart:

No personnel are funded out of this fund.

Programs, Services, and Functions:

The City established this fund to develop a 70-acre tract of land bequeathed to the City by Leonard and Agnes Fletcher. They also bequeathed more than \$350,000, which was used to create the Fletcher Park Fund, to help develop this area into a passive park. The City appointed an advisory committee, which has overseen the design of the park and made recommendations to staff and the City Council about improvements.

Phase I was completed in FY1998, with the help of a 50/50 matching State grant for \$100,000. The City received an \$88,000 State grant for Phase II. Phase III was completed with a \$35,000 grant, a \$7,100 donation by the Cleveland Civitan Club and matching funds from the Fletcher Park Fund. Phase IV was completed in September 2005 with a \$47,000 grant through the Recreation Trails Program (RTP) from the Federal Highway Administration administered by the Tennessee Department of Environment and Conservation, Division of Recreation Services. Following the completion of Phase IV, the City used a portion of a forestry grant and matching funds to plant 17 trees to shade the parking lot and improve the aesthetic appeal of the entrance to Fletcher Park.

Construction on Phase V was completed in April, 2008. Phase V included a flower garden walkway system and a second pavilion. This phase was funded by a \$50,000 State Grant that was matched with funds from the Fletcher Park Trust Fund. Phase VI was completed in FY2010 with funds provided by a RTP grant. This phase consisted of a trail around the perimeter of the back meadow. The spring house at Fletcher was also renovated with donations from a local citizen. The City will continue to apply for grants in the future as monies are available from the State of Tennessee.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$0	\$0	\$0	0%
Personnel Expenditures	\$0	\$0	\$0	0%
Operating Expenditures	\$0	\$0	\$0	0%
Capital Outlay & Debt Service	\$0	\$5,403	\$0	0%
Total Expenditures	\$0	\$5,403	\$0	-100%

Spring Branch Industrial Park Fund

Organization Chart:

No personnel are funded out of this fund.

Programs, Services, and Functions:

This fund was established to purchase and develop a 350 acre tract of land for the purpose of an industrial park located off of Exit 20.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$18,783	\$451,925	\$0	-100%
Personnel Expenditures	\$0	\$0	\$0	0%
Operating Expenditures	\$0	\$0	\$0	0%
Capital Outlay & Debt Service	\$135,828	\$643,554	\$147,000	-77%
Total Expenditures	\$135,828	\$643,554	\$147,000	-77%

Enterprise Funds

Enterprise Funds are used to account for the acquisition, operation and maintenance of governmental facilities and services that are entirely or predominantly self-supporting by user charges. The operations of Enterprise Funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

Stormwater Management Fund: This fund is used to meet the National Pollutant Discharge Elimination System requirements.

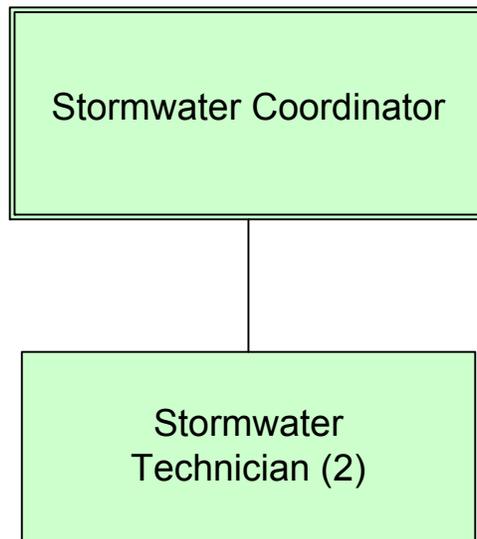
Cleveland Utilities-Electric System: This fund is used to account for the provision of electric service to the residents of the City. All activities necessary to provide such service are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing, billing and collection.

Cleveland Utilities-Water System: This fund is used to account for the provision of water and wastewater service to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing and collection.

STORMWATER MANAGEMENT



Stormwater Management



Stormwater Management Fund

Programs, Services, and Functions:

The Stormwater Management Fund was established in FY2003 to implement mandated stormwater quality functions of the National Pollutant Discharge Elimination System (NPDES) MS4 Phase II. The primary function of the fund is to satisfy components of the MS4 Phase II Stormwater Clean Water Act, with a secondary function of addressing water quantity problems, such as flooding and minor drainage improvements.

In July, 2015, the Stormwater Management Fund was accounted for as an Enterprise Fund as it began assessing a stormwater utility fee. The revenue generated by the stormwater utility fee will be used to implement the mandated stormwater quality functions of the National Pollutant Discharge Elimination System (NPDES), and fund the flood reduction projects proposed by the Army Corp of Engineers.

The City's stormwater program is guided by the NPDES permit, National Pollutant Discharge Elimination System, submitted by the City to the Tennessee Department of Environment and Conservation, TDEC. In the past, the City has purchased modeling and design data for two foot contours for stormwater functions. City staff utilizes this data for watershed modeling necessary to do studies on flooding in areas within the City. City staff partners with the community for stream clean up and continues to provide water quality education.

The City's MS4 Phase II program has completed the first phase of the NPDES permit, and is now under the second phase. As prescribed by Cleveland's NPDES permit, the program is a phase-in approach and was fully operational by February 2008. In keeping with the intent of the NPDES permit, Cleveland's stormwater program will be a continuum of improving local water quality to preserve the designated uses of the public waters, drinking water, and recreation through the six program areas established by the Environmental Protection Agency (EPA):

1. Public education and outreach
2. Public participation and involvement
3. Illicit discharge detection and elimination
4. Construction site run-off program
5. Post-construction run-off control
6. Pollution prevention and good housekeeping

The primary emphasis of the stormwater mandate for FY2016 was to revise the current Stormwater Ordinance to meet the new MS4 Phase II permit requirements. Staff will continue to enter collected Total Daily Maximum Loads (TDML) data along with stormwater infrastructure into the City's geographic information system (GIS). Minor capital improvement drainage projects to address stormwater quantity will continue to be a priority of the engineering division with in-house engineering and construction material purchases from the stormwater fund.

Stormwater management will also cover the debt service for the hydraulic excavator (track hoe) and trailer that were purchased for the Public Works Department fleet in 2005.

Adding this equipment enables more drainage and roadway projects to be completed “in-house”, thus eliminating the need for rental equipment.

In FY2015, the City implemented a stormwater fee to Cleveland Utilities Sewer inside the city limits. The monthly fee for residential property is based on a three tire system with set rates for multi-family dwellings based on type, and a monthly fee for non-residential properties is based on square feet of impervious area of each site. The fee is expected to generate approximately \$1,500,000 which will be used to fund Stormwater projects the projects identified by the Army Corp of Engineers flood study scheduled to be completed in May 2016.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$231,919	\$745,736	\$1,500,000	101%
Personnel Expenditures	\$118,200	\$199,900	\$215,000	7.5%
Operating Expenditures	\$151,867	\$214,349	\$631,000	194%
Capital Outlay & Debt Service	\$6,299	\$283,109	\$578,600	178%
Total Expenditures	\$276,366	\$697,358	\$1,424,600	104%
FTE's	2	3	3	

Goals and Objectives

- Continue utilizing the MS4 software to maintain city stormwater record for annual state audit and generate reports for water quality inspections.
- Achieve permit compliance required by the city’s NPDES permit in each year of the five year permit.
- Continue partnership with Project Wet, Hamilton County, and Bradley County Water Quality as part of our program’s Public Education and Outreach.
- Construct the minor drainage projects identified by the Public Works Department as needed to solve the highest priority drainage problems.
- Continue TDML testing on all impaired streams inside the city.
- Continue to collect and place stormwater infrastructure into the Geographical Information System (GIS) for watershed analysis.
- Continue to provide water quality education training for Public Works and Parks & Recreation staff in FY2017.
- Through partnerships, hold fall and spring stream clean-ups along the Greenway path and South Mouse Creek.
- Apply to become a Qualified Local Program with TDEC. This will provide for one review of plans and developers not having to submit to TDEC and the City. Plans review and approval will take less time for developers.

- Maintain the Stormwater Utility program to ensure that the funds necessary to fund Cleveland’s Stormwater program including the projects identified by the Army Corp of Engineers flood study are collected.

Stormwater Performance Measures

Measure Description	FY2014 (Actual)	FY2015 (Estimated)	FY2016 (Projected)	FY2017 (Projected)
Number of Drainage Projects Completed	4	3	3	7
Public Education and Outreach	7	6	6	7
Contractor and Developer Training Classes	1	1	1	2
Percentage of Storm Sewer Outfall Inspected	100%	100%	100%	100%
Project Wet Programs	2	2	2	2
Stream Clean-Ups	2	2	2	2
Water Quality Education for Public Works and Parks & Recreation Staff	1	1	1	1

“Honoring the Past and Preparing for the Future”

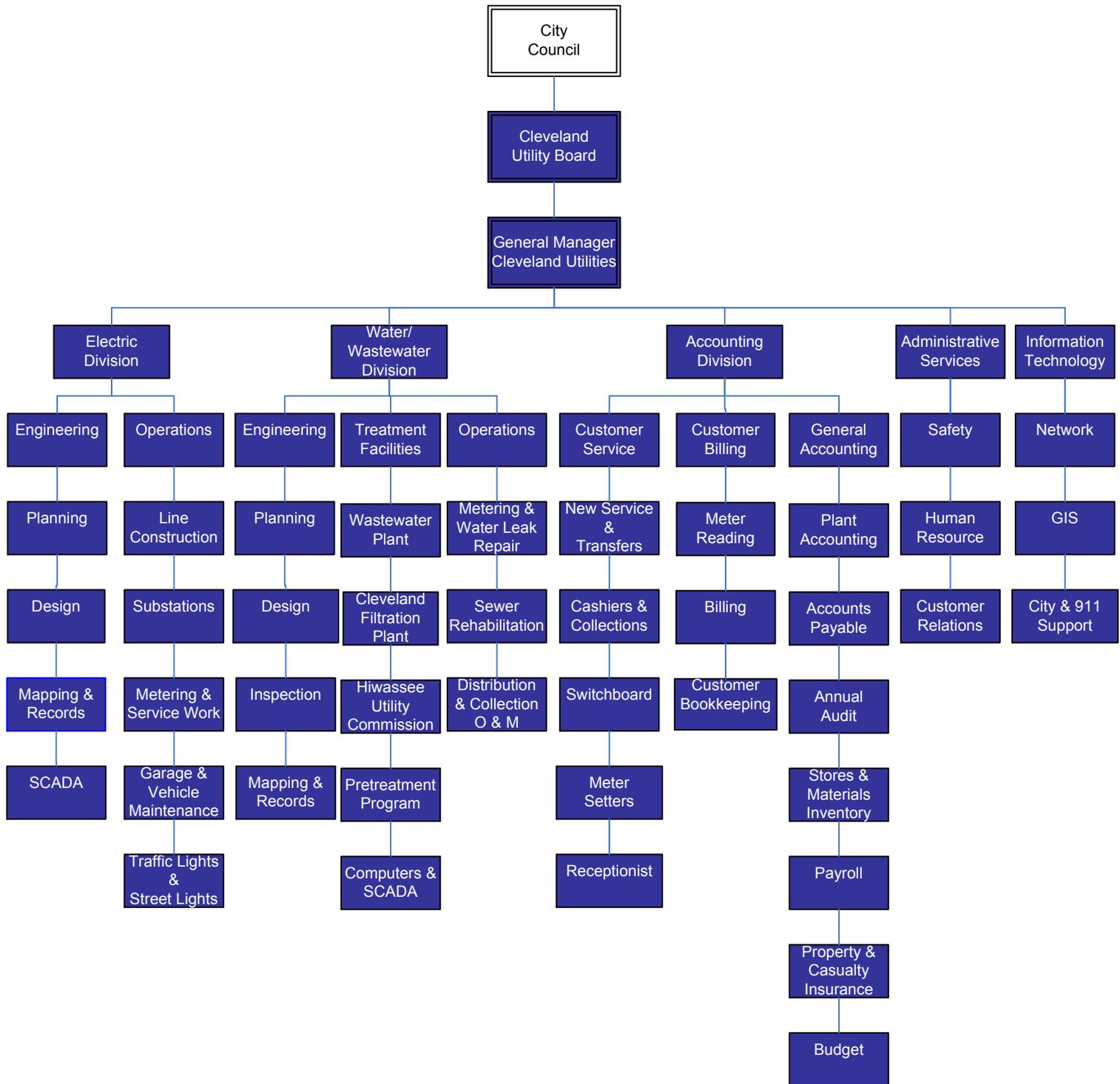


Your Hometown Connection

Budget FY 2017



Cleveland Utilities



Cleveland Utilities

History and Current Operations

The City of Cleveland, Board of Mayor and Commissioners, acquired the properties of the Tennessee Electric Power Company on August 16, 1939, and on this date established Cleveland Electric System.

Cleveland Water Works began its operation in 1895 under the direction of Commissioners of the Cleveland Water System. In 1959, the Board of Mayor and Commissioners instructed the Cleveland Water System to be under the direction of the Board of Mayor and Commissioners.

In March of 1976, the Board of Mayor and Commissioners directed the Cleveland Water System and Cleveland Electric System to merge operations after years of research. The new organization adopted the name of Cleveland Utilities. A Board of Public Utilities for the City of Cleveland was established in 1981. The Board consists of five members appointed by the City Council. The Board of Public Utilities meets the fourth Thursday of each month in the Tom Wheeler Training Center at 3:00 p.m.

Cleveland Utilities now serves approximately 31,000 electric customers, 31,000 water customers, and 19,000 sewer customers in the City of Cleveland and a large portion of Bradley County.

All financial transactions of Cleveland Utilities take place in one of two enterprise funds. The transactions of the electric division are recorded in the "electric" fund and those of the water/wastewater operations are recorded in the "water/wastewater" fund. Entries in the water/wastewater fund are maintained individually throughout the year for rate-setting and monitoring purposes and combined at year-end for audit reporting purposes.

Cleveland Utilities is operated by the Board of Public Utilities for the City of Cleveland. The Board appoints a General Manager with the responsibility of managing the daily operation of the utility. The rates, annual budget, and long-term bonded debt of the utility require the approval of the City Council. In addition, the electric rates require the approval of the Tennessee Valley Authority.

The annual budget for Cleveland Utilities is prepared individually for the electric, water and wastewater operating departments of the utility. The budget for Cleveland Utilities is not an appropriated budget. Other than for the purchase of goods and services in the normal course of business, no transfers are made from any fund of the City of Cleveland to the enterprise funds of Cleveland Utilities. Transfers are made to the City general fund from the electric and water funds for in lieu of tax payments. The budgets are flexible operating budgets. The accuracy of the

revenues and expenses in the budgets will be determined in a large part by the demand for the goods and services provided by Cleveland Utilities. The demand for those goods and services will be determined by uncontrollable weather and economic factors. An increase in demand will not only increase revenues but will also increase expenses. Historical averages, along with known changes, are used in the preparation of the budgets, but averages can be subject to significant variances from year to year.

Selected FY 2017 budget highlights are presented in the following table.

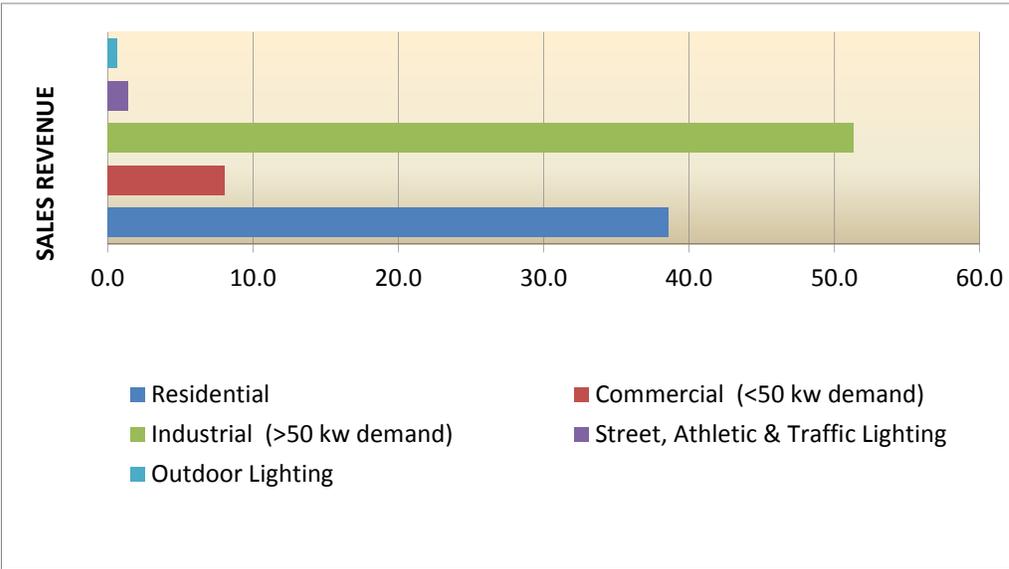
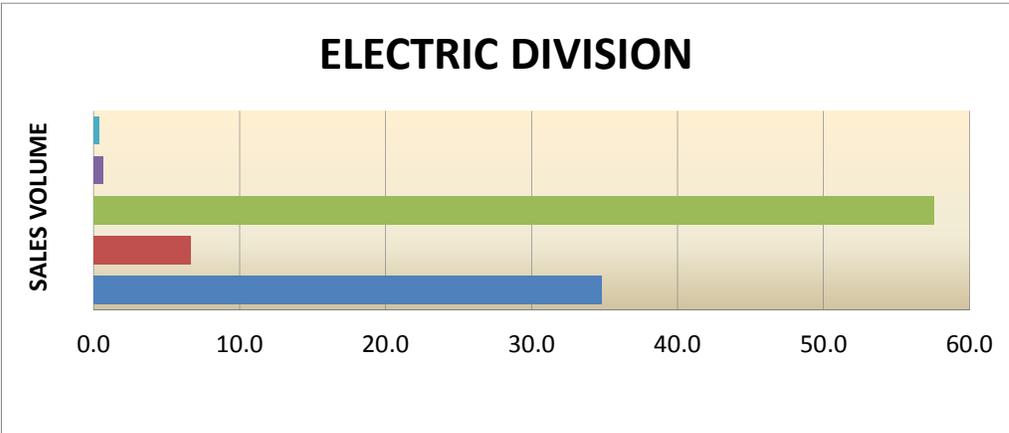
		Electric	Water	Sewer
Volume	KWH's	1,081,412,995		
Volume	Gallons		2,820,336,551	1,834,464,670
Avg Revenue	KWH	\$ 0.093		
Avg Revenue	1000 Gallons		\$5.06	\$6.48
Rate Adjustments		4.50%	5.13%	4.50%
Revenue (Sales and Other)		102,225,950	15,380,981	12,904,879
Expenses		99,730,420	14,271,014	10,853,323
Net Income		2,495,530	1,109,967	2,051,556
Tax Equivalents		1,912,477	225,146	206,000
Depreciation (Expensed)		4,691,440	2,516,310	3,242,177
Cash Generated		7,489,111	3,809,117	5,383,888
Additions to Plant		6,914,000	7,896,500	9,732,104
Beginning Bond Balance		15,869,200	29,082,776	25,555,790
Additional Bonds		3,000,000	5,225,500	5,652,305
Bond Payments		1,380,250	1,863,153	2,380,847
Ending Bond Balance		17,488,950	32,445,123	28,827,247
Bond Coverage		4.26	1.60	1.90

FY 17 Budget Details

Electric

The electric budget for FY 17 is based on the assumption 1,081,412,995 kilowatt hours of electricity will be sold at an average price of 9.31 cents per kilowatt hour. This volume represents a 0.480% increase over the anticipated FY 16 volume. Kilowatt hour sales are expected to be made to five specific classes of customers in the following percentages.

<u>Type of Customer</u>	<u>Volume</u>	<u>Revenue</u>
	%	%
Residential	34.80	38.57
Commercial (<50 kw demand)	6.62	8.07
Industrial (>50 kw demand)	57.57	51.30
Street, Athletic & Traffic Lighting	0.62	1.40
Outdoor Lighting	0.39	0.66



All of the electricity sold will be purchased from the Tennessee Valley Authority, a federal agency, under an all requirements multi-year contract. The budgeted cost of the electricity purchased is 7.530 cents per kilowatt hour. The margin expected to be generated between the sale of electricity and the cost of electricity is \$19,225,776. It is from this amount, plus other sources of revenue, all other operating expenses of the electric department will be funded. In addition to operating and maintenance expenses, the electric department will record depreciation expense of \$4,691,440 and a transfer to the city general fund for tax equivalents of \$1,912,477.

The expected net income in the electric department for FY 17 is \$2,495,530. This level of net income will produce a net cash generation amount of \$7,489,111 when adjusted for non-cash items. When added to the anticipated cash balance of \$8,620,543 at the beginning of the year, \$18,415,408 of cash will be available for reinvestment in plant assets and for debt retirement. The demands on this anticipated cash reserve will come from the anticipated cost of capital requirements of \$6,914,000 and debt retirement of \$1,534,820.

The major categories of plant additions and their respective amounts are summarized in the following table.

CLEVELAND UTILITIES-ELECTRIC
CAPITAL EXPENDITURES - 2017

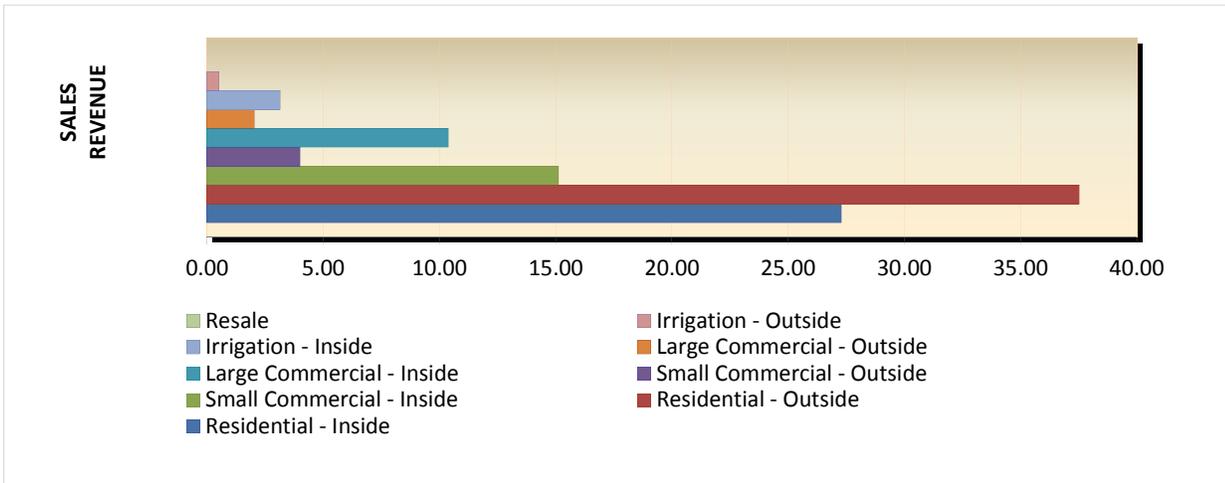
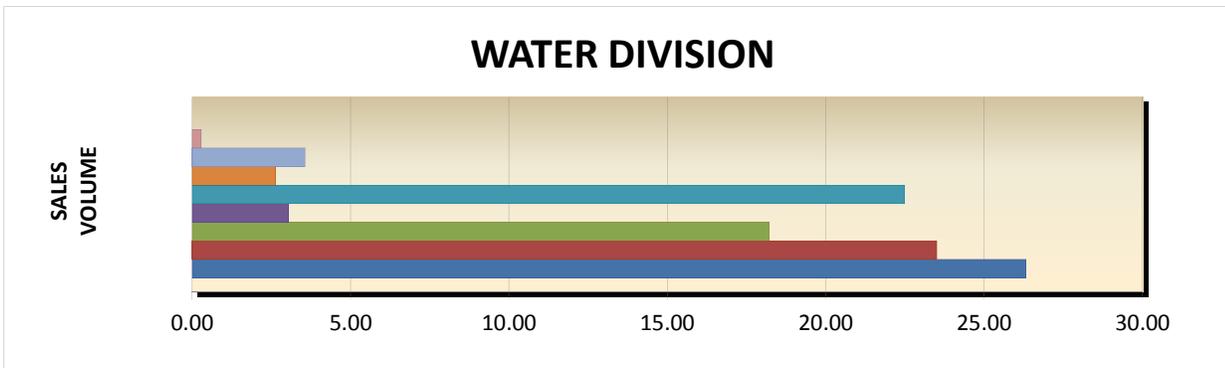
BUILDINGS AND GROUNDS	\$	739,000
COMPUTERS		108,000
SUPERVISORY CONTROL SYSTEM		50,000
ENGINEERING		50,000
TRANSPORTATION AND GARAGE		1,367,000
GEOGRAPHIC INFORMATION SYSTEM		67,000
COMMERCIAL		175,000
INDUSTRIAL		150,000
RESIDENTIAL-OVERHEAD		30,000
RESIDENTIAL-UNDERGROUND		650,000
LINE		1,433,100
METER LAB		197,000
SUBSTATIONS		1,082,300
OFFICE		15,000
METER READING		7,000
ELECTRONICS & COMMUNICATIONS		56,000
STOREROOM		-
TRAFFIC LIGHTING		345,600
STREET LIGHTING		102,000
SECURITY LIGHTING		150,000
FIBER OPTICS		140,000
TOTAL	<u>\$</u>	<u>6,914,000</u>

The anticipated cash balance at year end is \$9,966,588 of which \$3,372,060 represents the balance on hand from deposits paid by customers to guarantee payment of utility bills.

Water

The water department budget for FY 17 is based on the assumption 2,820,336,000 gallons of water will be sold at an average retail price of \$5.06 per 1,000 gallons. The rate charged for water will increase 5.13% from FY 16. This volume represents a 0.485% change over the anticipated FY 16 volume. Water sales are expected to be made to eight specific classes of customers in the following percentages.

<u>Type of Customer</u>	<u>Volume</u> %	<u>Revenue</u> %
Residential - Inside	26.31	27.28
Residential - Outside	23.50	37.52
Small Commercial - Inside	18.21	15.11
Small Commercial - Outside	3.04	4.01
Large Commercial - Inside	22.48	10.38
Large Commercial - Outside	2.62	2.03
Irrigation - Inside	3.56	3.15
Irrigation - Outside	0.28	0.52
Resale	0.00	0.00



The expected revenue from the sale of the water, plus revenue from other sources, is \$15,380,981 for FY 17. Anticipated expenses, including depreciation of \$2,516,310 and tax equivalents of \$225,146, total \$14,271,014 leaving revenue in excess of expenses of \$1,109,967. These results will produce a net cash generation amount of \$3,809,117 when adjusted for non-cash items. When added to the anticipated cash balance of \$3,232,311 at the beginning of the year, \$12,018,901 of cash will be available for reinvestment in plant assets and for debt retirement. In addition, a \$5,225,500 bond issue is planned for FY 17. The demands on this anticipated cash reserve will come from the anticipated cost of capital requirements of \$7,896,500 and debt retirement of \$1,863,153. The anticipated cash balance at year end is \$2,259,248 of which \$790,558 will be escrow requirements for the future payment of debt service. The major categories of plant additions and their respective amounts are summarized in the following table.

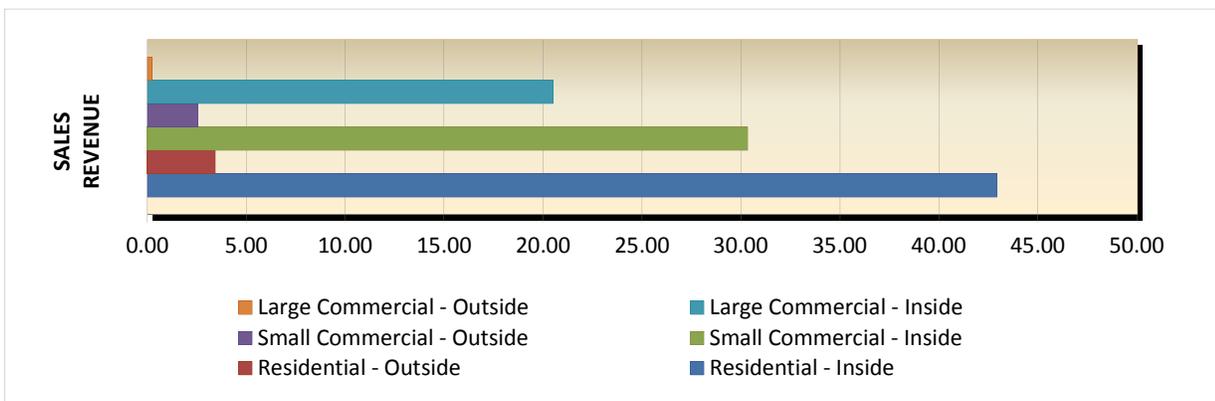
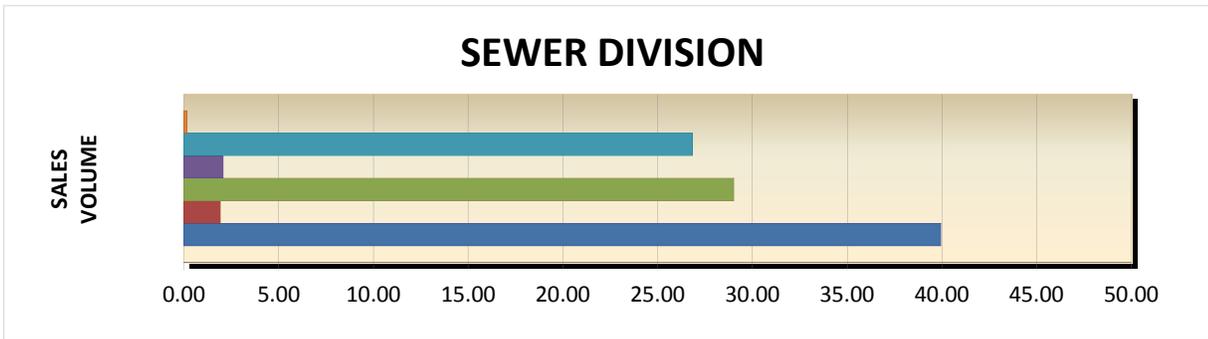
CLEVELAND UTILITIES-WATER
CAPITAL EXPENDITURES - 2017

ENGINEERING - DISTRIBUTION	\$ 4,396,000
WATER - DISTRIBUTION	835,000
FACILITIES MAINTENANCE DEPARTMENT	82,000
WATER TREATMENT FACILITIES	2,236,000
ENGINEERING - OFFICE	2,000
INFORMATION SYSTEMS (Includes AMI)	143,000
OFFICE EQUIPMENT	2,500
TRANSPORTATION	180,000
BUILDINGS AND GROUNDS	20,000
TOTAL	<u><u>\$ 7,896,500</u></u>

Wastewater

The wastewater department budget for FY 17 is based on the assumption 1,834,465,000 gallons of wastewater will be billed for treatment by Cleveland Utilities. The average price paid by these customers will be \$6.48 per 1,000 gallons. The rate charged will increase 4.32% from FY 16. This volume represents a .680% change over the anticipated FY 16 volume. Charges for the treatment of wastewater are expected to be made to five specific classes of customers in the following percentages.

<u>Type of Customer</u>	<u>Volume</u> %	<u>Revenue</u> %
Residential - Inside	39.96	42.92
Residential - Outside	1.94	3.44
Small Commercial - Inside	29.03	30.33
Small Commercial - Outside	2.07	2.56
Large Commercial - Inside	26.84	20.51
Large Commercial - Outside	0.16	0.24



The expected revenue from this volume, plus revenue from other sources, is \$12,904,881 for FY 17. Anticipated expenses, including depreciation of \$3,242,177 and tax equivalents of \$206,000 total \$10,853,323 leaving revenue in excess of expenses totaling \$2,051,556. These results will produce a net cash generation amount of \$5,383,888 when adjusted for other items. When added to the anticipated cash balance of \$4,024,494 at the beginning of the year, \$15,123,554 of cash will be available for reinvestment in plant assets and for debt retirement. In addition, a \$5,652,305 bond issue is planned for FY 17. The demands on this anticipated cash reserve will come from the anticipated cost of capital requirements of \$9,732,104 and debt retirement of \$2,380,847. The anticipated balance at year end is \$3,010,603 of which \$1,429,577 will be escrow requirements for the future payment of debt service. The major categories of plant additions and their respective amounts are summarized in the following table.

CLEVELAND UTILITIES-WASTEWATER
CAPITAL EXPENDITURES - 2017

ENGINEERING - COLLECTION	\$ 2,006,000
WASTEWATER REHABILITATION DEPARTMENT	4,061,775
FACILITIES MAINTENANCE DEPARTMENT	624,000
WASTEWATER COLLECTION	104,000
WASTEWATER TREATMENT PLANT	2,565,329
MACHINERY & EQUIPMENT	10,000
INFORMATION SYSTEMS	121,000
ENGINEERING - OFFICE	10,000
TRANSPORTATION	210,000
ADMINISTRATION - BUILDINGS AND GROUNDS	20,000
TOTAL	<u><u>\$ 9,732,104</u></u>

In addition to preparing a budget for the upcoming fiscal year, Cleveland Utilities prepares an estimated budget for nine years beyond the upcoming budget year. The long-range plan included with the FY 17 budget covers fiscal year 2018 through 2026. This is believed to be worthwhile for several reasons.

1. Providing utility services is a capital intensive undertaking and plans must be in place to meet capital financing requirements.
2. Because of the tremendous capital requirements of the utility, a significant debt load is required, and there must be assurance that debt service requirements are being met in a timely manner.
3. Future plans must be made for rate adjustments in order to avoid unexpected increases.
4. Sound financial planning helps prevent financial surprises.

Several assumptions must be made in order to prepare the long-term projections.

1. Volumes must be projected. Historical averages along with statistical modeling assist in creating these projections.
2. Rates must be adjusted. Rates must "match" the demands put on the systems by expenses, capital, and debt-service requirements.
3. Expenses must be projected beyond the next fiscal year. Inflation assumptions are used, in addition to known future changes in project expenses in the future.
4. Capital requirements must be developed. Changing demands for services, new environmental regulations, and the repair and replacement of existing facilities require long range planning and timing. Some projects cover several fiscal years from the time they are designed to the time the construction on them is complete, and they must be designed financially as well as physically.
5. Interest rates and payback periods must be estimated for new bond issues. Interest rate assumptions are subject to many different factors, and only time will determine if the assumptions are reasonably accurate.
6. Cash balances must be maintained to meet all payment obligations. All assumption results are "fine-tuned" to prevent periods of time when available cash levels are not present to meet the obligations of the utility.

Looking Forward – FY 2017 & Beyond

As Cleveland Utilities begins to look into the near and far future, we must be reminded of where we have come from and where we are going. With these two items in mind the task of projecting the next ten years becomes slightly easier. Although the budgeting process is nothing new in the history of Cleveland Utilities, we are always striving to innovate and be on the cutting edge of technology. To reach these goals we must keep in the mind the fiscal and financial impacts that will be felt by the entire community of Cleveland, TN. All of these items are kept in mind on a daily basis as we follow our budget and prepare our future budgets.

As a method of comparison we look back at the history of Cleveland Utilities by looking at the growth of our customer base, division assets, and revenue volumes. All of these factors give an indication towards the direction of the utility and its progression. Presented below is a comparison of this information for FY 1997 and FY 2015 as of June 30.

FY 1997 v FY 2015 Comparison (*in 000s)

	<u>Electric</u>		<u>Water</u>		<u>Wastewater</u>	
	<u>1997</u>	<u>2015</u>	<u>1997</u>	<u>2015</u>	<u>1997</u>	<u>2015</u>
Customers	25,537	30,808	24,053	30,928	13,536	18,440
Total Assets*	\$49,568	98,239	\$22,875	58,542	\$39,648	69,455
Volume*	929,037	1,093,702	2,683,031	2,733,382	1,766,033	1,826,262

The first step in the budgeting process is to look at where you have come from and compare that to where you are going. Presented below are the fiscal year (FY) 2015 results compared to that of the FY 2015 budget. This information assists in evaluating where we are, and where we would like to be in fiscal year 2017 and beyond.

Fiscal Year 2015 Comparison (in 000s)

	<u>Electric</u>		<u>Water</u>		<u>Wastewater</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Volume	1,100,820	1,093,702	2,731,640	2,733,382	1,848,660	1,826,261
Revenue	\$99,653	\$99,417	\$14,351	\$14,239	\$11,664	\$11,603
Expense	\$99,005	\$99,072	\$13,589	\$12,703	\$10,772	\$9,617
Net Inc.	\$648	\$345	\$762	\$1,711	\$892	\$1,986
Capital Inv.	\$5,127	\$4,433	\$6,517	\$6,885	\$7,044	\$3,912

From analyzing FY 2015, it can be seen that budgeted revenues were overestimated for all of the three divisions. However, the most important factor in looking at this information is comparing expense amounts to that of budget. You can see that two of the three divisions operated at an expense amount less than budget. This is extremely important, as it must be remembered that Cleveland Utilities' revenue is driven by temperatures, rain fall, and social impacts. These three factors can be extremely difficult to estimate. With all of that said, it is important to mention that capital investments matched very closely to budget and actual growth measures. This is extremely important for the community as Cleveland Utilities strives to provide the most up to date infrastructure to aid in the economic development of the entire Cleveland community. This is one of our community's strongest assets, and Cleveland Utilities must plan far into the future to meet these growing needs.

As we continue to look forward into the future we must continue to focus our attention on the immediate and future infrastructure needs of our community. Presented below are a list of the top priority capital investments in each of the three divisions, these projects will be directly financed through operating income and debt service. Each of these items has been included in the budgets for FY 2017 and beyond. A detailed breakdown of expected completion years is provided within the FY 2016 Cleveland Utilities Budget.

<u>Electric Capital Investments – FY 2017</u>	<u>Investment (\$)</u>
• Replace Power Transformer at Wildwood Substation:	\$700,000
• Install Underground Primary Facilities:	\$650,000
• Maintenance Building Expansion:	\$375,000
• Construct New 3 Phase Line for New South Industrial Park Phase 1:	\$350,000
• Line Truck Terex “Commander” Digger Derrick:	\$324,000
<u>Water Capital Investments – FY 2017</u>	
• North South Water Main – Phase 3:	\$3,300,000
• High Service Pump Facility:	\$750,000
• Flocculation and Sedimentation Improvements:	\$600,000
• Flouride Feed Improvements at CFP:	\$230,000
• Repaint Bryant Drive Tank:	\$190,000
<u>Wastewater Capital Investments – FY 2017</u>	
• Sewer Rehabilitation Basin 10-36 & Basin 31-45:	\$3,081,612
• North and South Parshall Flume Rehabilitation Project:	\$1,850,000
• Sewer Rehabilitation Basin 10A-8:	\$748,856
• 2010 Annexation Area 2 North of APD 40	\$700,000
• Sanitary Wastewater Improvements:	\$600,000

CLEVELAND UTILITIES ELECTRIC FUND

Programs, Services, and Functions:

This enterprise fund accounts for the revenues and expenses (including depreciation) recorded by the Electric Division of Cleveland Utilities. Cleveland Utilities is operated by the Board of Public Utilities for the City of Cleveland. The rates, annual budget, and long-term debt of the Board require the approval of the City Council. The policies and operating procedures, including daily operations, are not under the direct control of the City Council.

Utility rates are presented in the Appendix. There are five major rate categories of charges: residential; commercial; industrial; street, athletic & traffic lighting; and outdoor lighting.

This Electric Division of Cleveland Utilities buys power wholesale from the Tennessee Valley Authority, a federal agency, under an all-requirements multi-year contract. The wholesale power is distributed at the retail level through a distribution system owned and maintained by Cleveland Utilities.

Summary of Expenses:

A Summary of Expenses can be found following the Performance Measures.

Mission and Vision:

Mission: The mission of Cleveland Utilities is to provide our customers with excellent and reliable water, wastewater, electric, and supporting services through innovative business practices, a process of continual improvement, and a demonstrated commitment to our community and Core Principles.

Vision: Cleveland Utilities aspires to be an organization of the highest quality, working collaboratively and responsibly to meet the evolving utility needs of our community into the foreseeable future.

CLEVELAND UTILITIES
Electric
Performance Measures

	FY 2015 Actual	FY 2016 Projected	FY 2017 Projected
KWH Purchased	1,124,645,838	1,112,663,580	1,113,137,411
KWH Sold	1,093,701,541	1,081,509,000	1,081,412,995
KWH Unsold (line loss)	30,944,297	31,154,580	31,724,416
% KWH in Line Loss	2.75%	2.80%	2.85%
Average Retail Price of KWH (Based on kwh's Sold)	8.95	9.25	9.31
Number of Customers			
Residential	26,190	26,425	26,557
Commercial	3,809	3,800	3,795
Industrial	624	619	617
Other	185	118	120
Total	30,808	30,962	31,089
Total Revenues	99,416,702	101,552,351	102,225,950
Net Income	345,199	2,629,761	2,495,530
Additional Investment in Plant	4,432,772	3,470,756	6,914,000
Long-term Debt	15,115,834	15,869,200	17,488,950
Number of Customers per Employee	371	373	398

Cleveland Utilities-Electric Fund Budget Summary

	FY 2015 ACTUAL	FY 2016 BUDGETED	FY 2017 PROPOSED
Revenues for Electric System			
Residential	\$ 38,076,457	\$ 39,670,362	\$ 38,820,364
Commercial	8,385,785	8,604,985	8,122,779
Industrial	49,103,278	51,064,483	51,634,015
Street, Athletic, & Traffic	1,415,571	1,436,656	1,410,340
Outdoor Lighting	625,341	627,201	671,018
Change in Accrued Revenue	250,086		
Total Electric Sales Revenue	\$ 97,856,518	\$ 101,403,687	\$ 100,658,516
Other Operating Revenue	\$ 1,517,530	\$ 1,570,476	\$ 1,530,031
Interest	42,654	32,350	37,401
Total Other Revenues	\$ 1,560,184	\$ 1,602,826	\$ 1,567,432
Total Revenues	\$ 99,416,702	\$ 103,006,513	\$ 102,225,948
Operating Expense			
Purchased Power	\$ 81,846,712	\$ 83,994,604	\$ 81,432,741
Other Operating Expenses	5,350,868	5,696,753	5,754,171
Maintenance	2,901,817	2,860,802	3,046,215
Depreciation and Amortization	4,385,804	4,574,933	4,715,332
Tax Equivalents & FICA	4,119,805	4,397,373	4,271,040
Total Operating Expenses	\$ 98,605,006	\$ 101,524,465	\$ 99,219,499
Interest Expense	\$ 466,497	\$ 527,581	\$ 510,921
Total Other Expenses	\$ 466,497	\$ 527,581	\$ 510,921
Total Expenses	\$ 99,071,503	\$ 102,052,046	\$ 99,730,420
Net Revenues	\$ 345,199	\$ 954,467	\$ 2,495,528

**CLEVELAND UTILITIES
ELECTRIC DIVISION
CAPITAL BUDGET FY 2017**

DESCRIPTION	FY 2017
B Buildings & Grounds	
1. Install a walk thru door into the stormroom on the east side of the building	100,000
2. Architectural plans to upgrade the main buildings exterior, to include drive thru plans	10,000
3. Architectural Plans to upgrade the main buildings exterior, to include drive thru plans	40,000
4. Hardscaping Site Fencing of lower storage lot	8,000
5. Purchase and install metal shelving and drum rack for substation department	25,000
6. Office renovation in the operations building	16,000
7. Construct new parking area east of the main building (require fence to be relocated)	20,000
8. Replace existing fence from the stormroom to the corner with new fencing that includes base	20,000
9. Snow storage area for the system	375,000
10. Snow storage area for the system	375,000
11. Maintenance building expansion	375,000
Total	750,000
C Computers	
1. Network components and upgrades IS dept.	15,000
2. VM-Ware, V-Sphere	20,000
3. Virtualization servers, memory, and components	15,000
4. Scanner replacements	3,000
5. Network storage devices	20,000
6. Network storage devices	20,000
7. Network server replacements / upgrades	15,000
8. AMI Equipment replacements / new	10,000
Total	108,000
D Supervisory Control	
1. Replace NTU at East Cleveland JBX with a SEL RTAC	30,000
2. Replace NTU at Lang Street Substation with a SEL RTAC	20,000
Total	50,000
E Engineering	
1. Replacement color plotter / scanner for Engineering Department	15,000
2. Replacement for laser equipment	20,000
3. Microsoft Wlp	35,000
Total	70,000
F Transportation	
1. Electric pressure washer for garage	14,000
2. Drill press for garage	2,000
3. Unit #15 line truck "Commanche" Digger Derrick [WO15081BERGX, PO#1744, \$123,496.00]	324,000
4. Metal band saw for garage	2,000
5. Purchase of large Capacity P-Line Puller	150,000
6. Purchase used dump truck for operations department (possible water division unit 73)	60,000
7. Rent/roll back-up elements for large operations vehicles - safety related (e \$3,500/ash)	15,000
8. Unit #14 - 41" Bucket Truck	32,000
9. Unit #14 - 41" Bucket Truck "Commanche" Digger Derrick	32,000
10. Unit #1485 - line department pick up	30,000
11. Unit #1017 - 65' Bucket Truck	230,000
Total	1,267,000
G Geographical Information System	
1. ESRI Software	22,000
2. ESRI Conversion	21,000
3. Aerial Imagery	18,000
4. Planimetric Updates	3,000
5. GIS-P1 additions/replacements	3,000
6. GIS-P1 management additions	2,000
Total	67,000
H Commercial Load Additions	
1. Install primary, transformers, meters and other necessary facilities to serve new commercial customers	175,000
Total	175,000
I Industrial Load Additions	
1. Install primary, transformers, meters and other necessary facilities to serve new industrial customers	150,000
Total	150,000
J Residential - Overhead Load Additions	
1. Install overhead primary facilities, transformers, meters and service conductors	30,000
Total	30,000
K Residential - Underground Load Additions	
1. Install underground primary facilities, pad mounted transformers, meters, underground service and control systems	650,000
Total	650,000
L Line Construction	
1. Copper to AAC conversion projects	25,000
2. Install 4 new gang operated toppler switches 13KV	50,000
3. Construct New 3-Phase Line for New South Industrial Park Phase I	350,000
4. Replace VISTA switchgear at CSCC	75,000
5. Push Orchard Hill Rd Tie Circuit from Benton Pike to Existing 3-Phase Dead-end off Michigan Ave [WO1506371 RGX]	200,000
6. Tie phase of District to Lang Street reconductor [WO15002H1 RGX]	300,000
7. Purchase and installation of equipment for Distribution Automation Project	150,000
8. Purchase of 4 - capacitor banks	100,000
9. Purchase of 4 - capacitor banks	100,000
10. Purchase and install new 2 - 69KV gang operated switches to include interrupters	100,000

DESCRIPTION	FY 2017
1. Purchase and install fault indicators	15,000
2. Purchase of 100' Concrete Drill	3,000
3. Purchase of 100' Concrete Drill	3,000
4. Purchase of Handheld Meter (SST 500 00/each)	9,000
5. Purchase of Handheld Meter (SST 500 00/each)	9,000
6. Purchase of Handheld Meter (SST 500 00/each)	9,000
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CLEVELAND UTILITIES ELECTRIC DIVISION 5YR PROJECTED CAPITAL BUDGET FY 2018 - FY 2022						
DESCRIPTION	FY 2018	FY 2019	FY 2020	FY2021	FY2022	TOTAL
MAJOR PROJECTS PLAN						
1 Industrial, Commercial, Residential oh & ug service, line construction projects, substation projects	2,613,000	2,700,000	2,500,000	2,700,000	2,800,000	13,313,000
2 Garage, GIS, Computers, Engineering, SCADA, Meter Lab, Electronics, Fiber, Office Furn.	296,000	236,000	295,000	300,000	310,000	1,437,000
3 Street Lighting, security lighting and traffic lighting (LED lighting projects)	530,000	545,000	560,000	600,000	520,000	2,755,000
4 Buildings and Grounds	120,000	100,000	80,000	80,000	100,000	480,000
Annexation Projects:						
5 Future annexation cost in building new facilities and paying revenue cost to local co-op.	25,000	25,000	40,000	50,000	50,000	190,000
Major Line Projects (69KV & 13 KV):						
6 Install 4 new gang operated topper switches 13kV						-
7 Construct New 3-Phase Line for New South Industrial Park Phase I						-
8 Replace VISTA switchgear at CSCC						-
9 Peach Orchard Hill Rd. Tie Circuit from Benton Pike to Existing 3-Phase Dead-end off Michigan Ave.						-
10 1st phase of District to Lang Street reconductor[WO 150021LRGX]						-
11 Purchase and installation of equipment for Distribution Automation Project						-
12 Construct new 3-phase line from Chatata Creek to Durkee Rd to include two reclosers	100,000					100,000
13 Purchase and install new 2- 69kV gang operated switches to include interrupters	100,000					100,000
14 South Cleveland 69KV S-614 Parallel Conductor - Line Construction						-
15 East Cleveland 69KV addition of 4th circuit Phase I - Line Design & R.O.W. acquisition	150,000					150,000
16 East Cleveland 69KV addition of 4th circuit Phase II - Line Construction		250,000	200,000			450,000
17 Reconstruct 69KV line from District Sub to Lang Street Sub -Phase I			450,000			450,000
18 Construct 69KV tie circuit from Freewill Rd. to Keith St. Phase I Design & R.O.W. acquisition	300,000					300,000
19 Construct 69KV tie circuit from Freewill Rd. to Keith St. Phase II Line Construction		200,000	150,000			350,000
20 Install and/or replace 69KV switches and upgrade with arc suppressor vacuum bottles	57,000	59,000	61,000			177,000
21 New South Industrial Park Underbuild Phase I and Phase II						-
22 Construct new 13KV circuit out of Sequoia substation to serve North Lee Hwy.						-
23 Construct Solar Farm on Old Chattanooga Pike - Phase I				400,000		400,000
24 Construct Solar Farm on Old Chattanooga Pike - Phase II					300,000	300,000
Smart Grid and AMI projects:						
25 Fiber Optics/New Smart Grid Equipment/Distribution Automation	200,000	200,000	200,000	200,000	200,000	1,000,000
26 AMI Metering (software, meters, communications, etc.)	75,000	75,000	75,000	75,000	75,000	375,000
Substation Projects:						
27 Install new control house, relaying, ground switch, batteries & charger @ Springbrook Substation	250,000					250,000
28 Install new control house, relaying, ground switch, batteries & charger @ Payne Gap substation			250,000			250,000
29 Install new control house, relaying, ground switch, batteries & charger @ Wildwood substation		250,000				250,000
30 Install new control house, relaying, ground switch, batteries & charger @ Ocoee Substation				250,000		250,000
31 Install new control house, relaying, ground switch, batteries & charger @ Burlington Substation					250,000	250,000
32 Expand Ocoee Substation to include additional transformer				1,000,000		1,000,000
33 Site work at Burlington Substation					100,000	100,000
34 Replace power transformer at Wildwood Substation						-
35 Construct new Exit 20 Industrial Park Substation (Phase I)			1,500,000			1,500,000
36 Construct new Exit 20 Industrial Park Substation (Phase II)				1,500,000	1,500,000	3,000,000
37 Repair work at Payne Gap Substation						-
38 Fill work for South Cleveland Driveway						-
39 Replace 69KV air operated breaker @ South Cleveland SS						-
40 Lang St Substation - Construction (Phase I)	1,500,000					1,500,000
41 Lang St Substation - Construction (Phase II)		1,500,000				1,500,000
42 Purchase and install privacy/security fence on three sides of Mouse Creek Substation			200,000			200,000
43 Purchase property for future substation site					250,000	250,000
Large Utility Truck Replacements:						
44 Replace bucket truck #107						-
45 Purchase Used Dump Truck						-
46 Replace line truck #115						-
47 Replace bucket truck #144	165,000					165,000
48 Replace line truck #175						-
49 Replace bucket truck #112		275,000				275,000
50 Replace large flatbed truck #106	75,000					75,000
51 Replace bucket truck #138						-
52 Purchase of Large Capacity P-Line Puller						-
53 Replace pickup truck #185						-
54 Replace pickup truck #125	30,000					30,000
55 Replace pickup truck #133	30,000					30,000
56 Replace pickup truck #101				30,000	30,000	60,000
57 Replace truck #119				30,000	30,000	60,000
58 Replace bucket truck #118		275,000				275,000
59 Replace four door pickup truck #113	30,000					30,000
60 Replace bucket truck #179		275,000				275,000
61 Replace truck #176				30,000	30,000	60,000
62 Replace Unit #181			300,000			300,000
63 Replace Unit #182			50,000			50,000
64 Replace Unit #149			60,000			60,000
65 Replace Unit #114						-
66 Replace Unit #118						-
67 Replace Unit #110					40,000	40,000
68 Replace Unit #116					40,000	40,000
69 Replace Unit #143					270,000	270,000
70 Replace Unit #169					60,000	60,000
Miscellaneous Projects:						
71 Harrison Building Roof Replacement						-
72 Maintenance Building Expansion						-
73 Architectural Plans to upgrade the main building's exterior, to include drive thru plans						-
74 Harrison Site Fencing of lower storage lot						-
75 Remote customer service office on south end of service area					250,000	250,000
76 Construct new drive thru in front of building and front building renovations	300,000		200,000			500,000
77 Remaining window replacement	100,000					100,000
TOTAL	7,046,000	6,965,000	7,171,000	7,245,000	7,205,000	35,632,000

CLEVELAND UTILITIES WATER/WASTEWATER FUND

Programs, Services, and Functions:

This enterprise fund accounts for the revenues and expenses (including depreciation) recorded in the Water and Wastewater Divisions of Cleveland Utilities. Cleveland Utilities is operated by the Board of Public Utilities for the City of Cleveland. The rates, annual budget, and long-term debt require the approval of the City Council. The policies and operating procedures, including daily operations, are not under the direct control of the City Council.

Utility rates are presented in the Appendix. There are three major rate categories for water charges: residential; small commercial and large commercial. Sewer charges are tied to these water categories and consumption.

Cleveland Utilities owns and operates one water filtration plant drawing from the Hiwassee River, which has a capacity of eight million gallons per day (8 mgd). The operations of the Hiwassee Utilities Commission water filtration plant, also drawing from the Hiwassee River, is the responsibility of Cleveland Utilities. Cleveland Utilities contracts to receive up to 9.7 million gallons per day from this supplier. Other sources include Waterville Springs and connections with the Eastside Utilities District and Savannah Valley Utility District.

The distribution system consists of 766 miles of water mains and 10 storage facilities with a capacity of 15.3 million gallons. The average daily consumption for the most recently completed year was 7.3 mgd.

This FY 2017 Budget calls for improvement in the water system totaling \$7,896,500.

Cleveland Utilities owns and operates one wastewater treatment plant which discharges into the Hiwassee River. The plant is an Intermittent Cycle Extended Aeration System (ICEAS) plant and has a current average daily capacity of 21.6 mgd.

The wastewater collection system includes 360 miles of wastewater mains, and a number of sewer pumping stations. Work continues on the collection system to correct inflow/infiltration problems. This occurrence takes place during periods of wet weather and can cause overloading conditions in the system. Additionally, this added flow increases the costs of operating the wastewater plant.

Summary of Expenses:

A Summary of Expenses can be found following the Performance Measures.

Mission and Vision:

Mission: The mission of Cleveland Utilities is to provide our customers with excellent and reliable water, wastewater, electric, and supporting services through innovative business practices, a process of continual improvement, and a demonstrated commitment to our community and Core Principles.

Vision: Cleveland Utilities aspires to be an organization of the highest quality, working collaboratively and responsibly to meet the evolving utility needs of our community into the foreseeable future.

**CLEVELAND UTILITIES
Water and Wastewater
Performance Measures**

	FY 2015 Actual	FY 2016 Projected	FY 2017 Projected
MG of Treated Water Pumped	3,657,319,401	3,720,123,134	3,801,584,470
MG of Treated Water Sold	2,733,381,750	2,790,000,000	2,832,180,430
% of Treated Water Loss	25.26%	25.00%	25.50%
MG of Treated Wastewater	3,285,830,000	1,822,100,000	1,829,944,581
% Inflow/Infiltration	44.42%	45.00%	45.50%
Number of Water Customers			
Residential	27,200	27,381	27,518
Commercial	3,164	3,144	3,139
Irrigation	562	532	522
Total	30,926	31,057	31,179
Number of Wastewater Customers			
Residential	15,785	15,899	15,979
Commercial	2,595	2,572	2,564
Industrial	60	61	62
Total	18,440	18,532	18,605
Total Revenues (Combined)	25,841,882	27,079,843	28,285,860
Net Income (Combined)	3,855,664	2,881,090	3,161,523
*Investment in Plant and Equipment	10,797,505	15,463,373	17,628,604
Long-term Debt	46,461,952	55,556,252	61,272,370
# of Customers per W/WW Employee	441	454	426

*Funded from revenue and debt

Cleveland Utilities-Water/Wastewater System Budget Summary

	FY 2015 ACTUAL	FY 2016 BUDGETED	FY 2017 PROPOSED
Revenues for Water System			
Residential	\$ 8,536,663	\$ 8,740,245	\$ 9,097,354
Commercial	4,011,507	4,129,071	4,427,884
Irrigation	465,877	454,438	515,716
Change in Accrued Revenue	16,870	-	-
Total Water Revenue	\$ 13,030,917	\$ 13,323,754	\$ 14,040,953
Sewer Revenues	\$ 10,678,843	\$ 11,493,339	\$ 11,886,580
Other Operating Revenue	2,092,602	2,226,418	2,318,659
Interest	39,520	36,330	39,667
Total Other Revenues	\$ 12,810,965	\$ 13,756,087	\$ 14,244,906
Total Revenues	\$ 25,841,882	\$ 27,079,841	\$ 28,285,859
Operating Expense			
Operations	\$ 10,625,294	\$ 11,270,667	\$ 11,777,389
Maintenance	2,148,103	2,346,129	2,252,743
Depreciation and Amortization	5,441,808	5,649,216	5,823,754
Tax Equivalent & FICA	2,575,795	3,318,708	3,553,891
Total Operating Expenses	\$ 20,791,000	\$ 22,584,720	\$ 23,407,777
Interest Expense	\$ 1,528,453	\$ 1,614,034	\$ 1,716,560
Total Other Expenses	\$ 1,528,453	\$ 1,614,034	\$ 1,716,560
Total Expenses	\$ 22,319,453	\$ 24,198,754	\$ 25,124,337
Operating Income (Loss)	\$ 3,522,429	\$ 2,881,087	\$ 3,161,522
Contribution In Aid of Construction	\$ 333,235	\$ -	\$ -
Net Revenues	\$ 3,855,664	\$ 2,881,087	\$ 3,161,522

Internal Service Funds

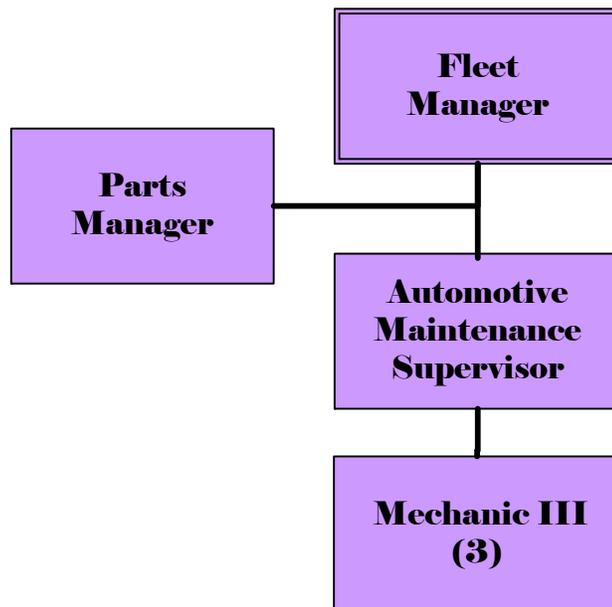
Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The City currently maintains one Internal Service Fund outlined below:

Fleet Management Fund: This fund is used to account for the maintenance of all vehicles owned by the City of Cleveland. The City also maintains vehicles for other governmental agencies.

FLEET MANAGEMENT



PUBLIC WORKS FLEET MANAGEMENT



Fleet Management Fund

Programs, Services, and Functions:

Fleet Management is an internal service fund, which provides the revenues, expenses, and depreciation costs for fleet management services. Vehicles and equipment are owned by fifteen different departments and/or divisions of the city. In addition, fleet personnel provide fuel services for nine outside agencies, including Bradley County Emergency Management, Cleveland Housing Authority, Southeast Tennessee Community Corrections, Bradley-Cleveland Community Services Agency, Bradley County Courts Community Services, Cleveland State Community College, Charleston Police Department, Bradley County Medical Examiner, and the Ronald McDonald Care Mobile.

Monthly billings are submitted to each department for repair parts, labor charges and fuel usage. Rates are reviewed annually during budget preparation. A 33% surcharge is added to parts and contracted services to cover costs of ordering, storage, and overhead. The budget contains a \$.25 per gallon markup on fuel over the City's actual cost. The current labor charge is \$77.00 per hour, which covers a portion of the Fleet indirect overhead.

Fleet management provides recommendations to department managers regarding vehicle and equipment repair and replacement. The preventive maintenance program is critical for maintaining full operations and prolonging vehicle and equipment life.

The fleet facility is located at 3055 Fulbright Road. There are twelve bay doors and each mechanic has his own work bay, with a vehicle lift to speed service and repair work. Each mechanic also has a computer at his work station and has access to online shop repair services. This allows access to factory and aftermarket repair and maintenance information at the speed of the internet. This facility has enhanced mechanics' productivity due to space and accessibility.

The fleet facility also houses a fully stocked parts room, which is very spacious and easily accessible. Eighty percent of the parts needed, for preventive maintenance type work, are available with no waiting. Equipment and diagnostic tools enable the mechanics to diagnose repairs, which eliminates much of the need to send vehicles out to private companies. The department endeavors to increase the in-house productivity and services while decreasing contracted services to outside companies. There is also equipment for parts fabrication which, in the past, had to be sent to outside vendors. Therefore, many parts can be prepared in-house without the prior downtime, expense of shipping, and inconvenience.

It is important that continual training be provided for the staff to remain certified technicians. ACDelco has a web based internet training format which offers instruction in various technical and business courses (75 courses each, with 60 being web-based and 15 providing hands-on training in an Alpharetta, GA facility). This service is provided nation-wide, at no cost to fleet management facilities, through ACDelco. When areas of

training are completed, certificates are provided by the company, and these are recorded in employee's personnel files. These are equivalent to ASE certification. The time spent in training by each mechanic is also documented through the Fleet CFA program. This type of training is convenient, less expensive, and reduces time spent in travel and away from the job. Presently, there are three employees participating in this training program. Each mechanic is required to complete forty hours of training annually. The department's Automotive Maintenance Supervisor is also certified as an ASE technician. Staff training has also increased in other areas, such as welding and fabrication. This will enable mechanics to provide more services in house rather than using contracted vendors.

During the last few years, the city has experienced some notable changes within the fleet department that have impacted Fleet's budget. City departments have received new equipment and vehicles which affect Fleet services since the equipment and vehicles are in good condition and require less service.

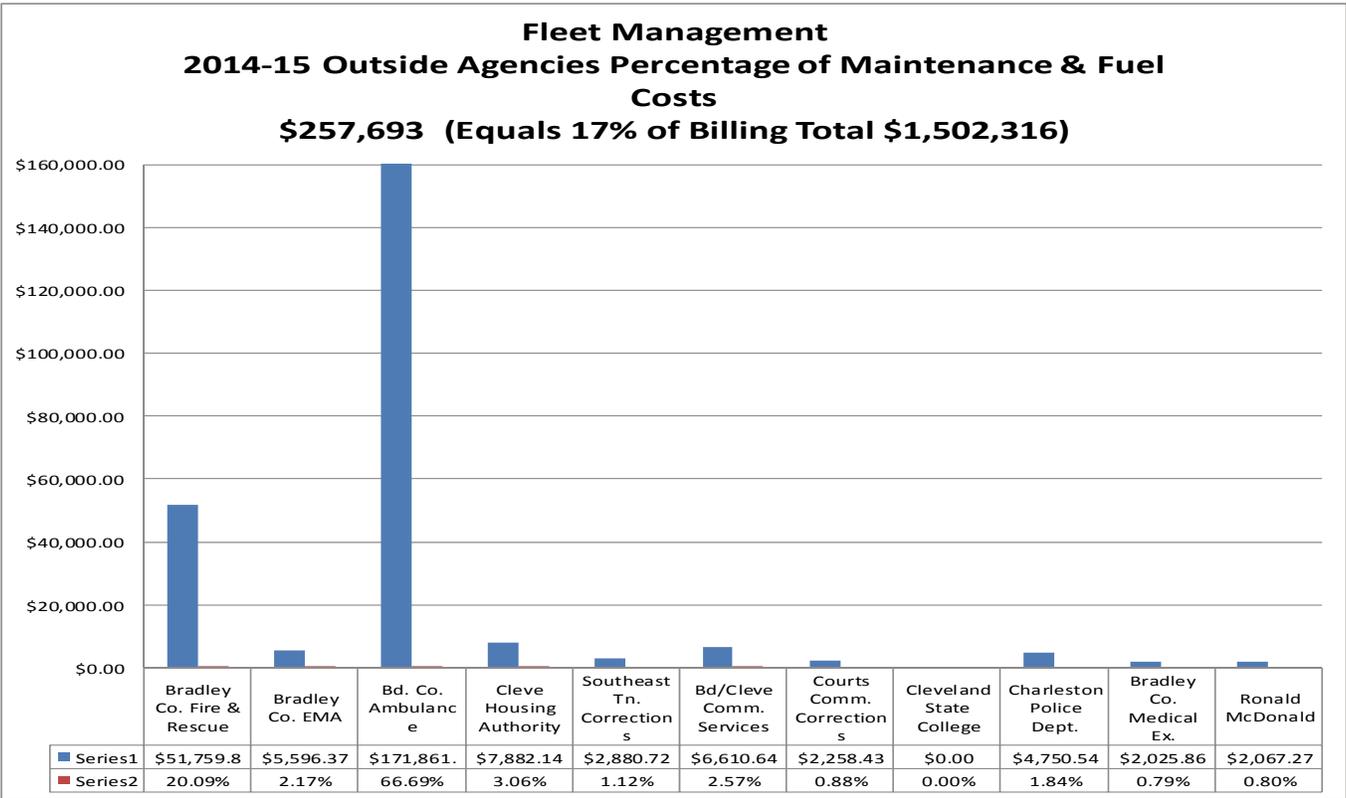
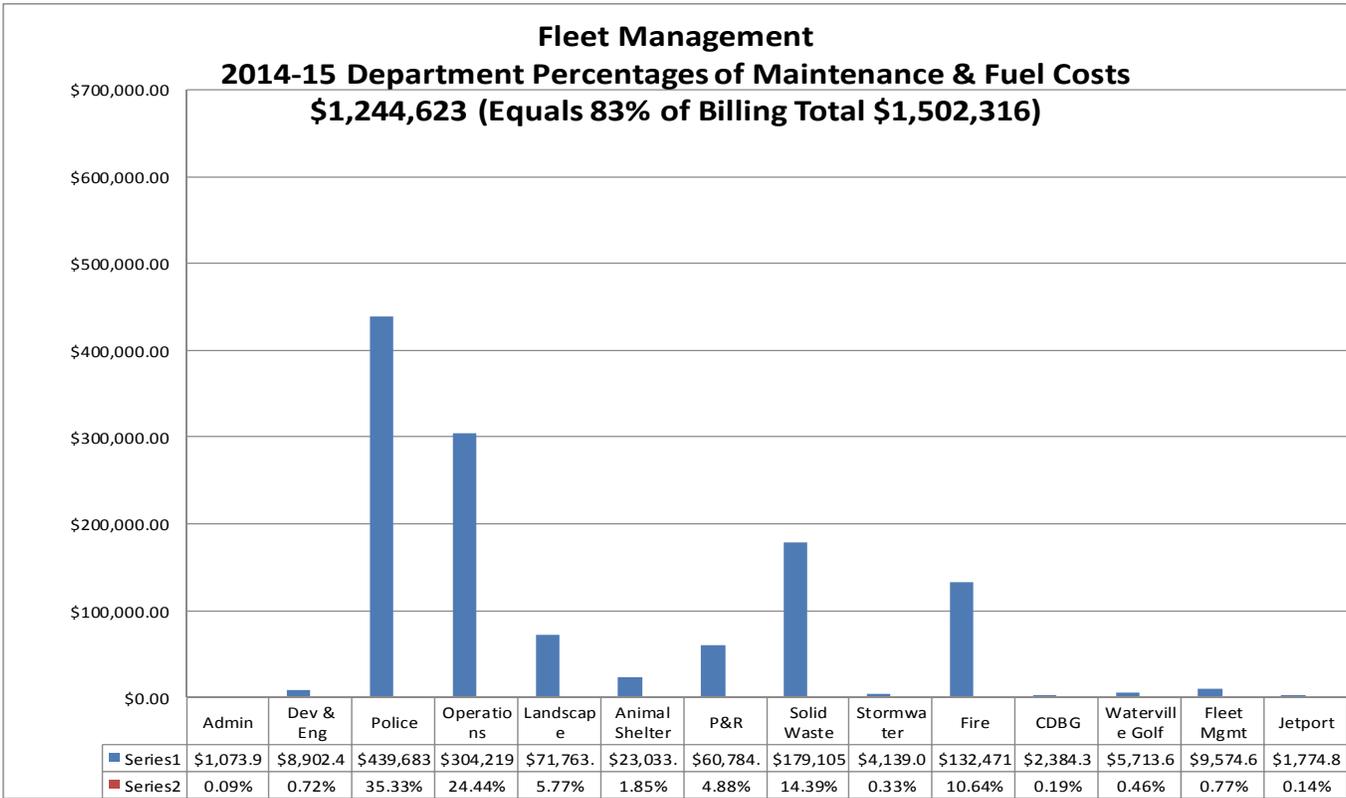
SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$563,242	\$608,164	\$715,692	18%
Personnel Expenditures	\$416,332	\$441,200	\$460,752	4%
Operating Expenditures	\$184,599	\$232,261	\$247,056	6%
Capital Outlay & Debt Service	\$823	\$3,700	\$7,500	103%
Total Expenditures	\$601,754	\$677,161	\$715,308	6%
FTE's	6	6	6	

Goals and Objectives:

- Provide a quality preventive maintenance program for all City vehicles and equipment in a cost-effective manner.
- Reduce the number of emergency repairs, and therefore unexpected operational downtime by 5%.
- Decrease contracted services to outside vendors by increasing internal service performance by 2%.
- Increase billable hours by 5%.
- Improve the training and certification levels of all staff.

Performance Measures:

Measure Description	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Estimated)	FY2017 (Projected)
# of Vehicles and Heavy Equipment	319	318	318	318
# of Mechanics	4	3	3	3
# of Other Garage Personnel	3	3	3	3
# of Training Hours	119.5	74	75	75
Vehicles per Mechanic	80	106	106	106
# of Repair Orders (Scheduled & Non-scheduled)	1,974	1,919	1,950	1,950
# of Repair Orders per Mechanic	493	640	650	663
# of Jobs Completed from Repair Orders	7,629	6,885	7,250	7,250
# of Emergency Repairs	117	113	115	110
Labor Rate	\$67	\$67	\$67	\$77
% of Operating Budget for Contracted Svcs.	32%	35%	37%	43%
% of Mechanic Hours Billed (Billable Hrs.)	59%	71.7%	80%	85%



Trust Funds

Trust funds are used to account for assets held by the City in a trustee capacity. A “non-expendable” trust fund stipulates that only earnings and not principal may be spent. The City currently maintains two Trust Funds as outlined below:

Health Insurance Trust Fund: This fund is used to account for the medical claims and administrative costs of the city employees.

Meiler Estate Trust Fund: This fund is used to account for funds bequeathed to the City of Cleveland Animal Control by John and Elizabeth Meiler. The Meilers were described as a quiet couple who had a great love for their poodles and friends in the Cleveland area. With their generous gifts, the City has been able to improve the building and equipment needed to operate this division of the City.

Health Insurance Trust Fund

Organization Chart:

No Personnel are funded out of this fund.

Programs, Services, and Functions:

This fund was established to account for the medical claims and administrative costs of the city employees other than those under the authority of the Cleveland Utilities Board and the Cleveland City Board of Education.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$0	\$3,362,105	\$3,537,484	5%
Personnel Expenditures	\$0	\$0	\$0	0%
Operating Expenditures	\$0	\$3,343,134	\$3,475,278	4%
Capital Outlay & Debt Service	\$0	\$0	\$0	0%
Total Expenditures	\$0	\$3,343,134	\$3,475,278	4%

MEILER ESTATE TRUST FUND



Meiler Estate Trust Fund

Organization Chart:

No Personnel are funded out of this fund.

Programs, Services, and Functions:

This fund was established by a contribution in the amount of \$141,159 to the Cleveland Animal Control from the estate of Elizabeth Jean Meiler. The department received an additional \$125,634 from the estate of Elizabeth Jean Meiler in FY2002 and \$191,440 from the estate of John Meiler in FY2003. Interest from these gifts will be used to support the animal shelter when enough funds have been generated.

SUMMARY	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Proposed	Percentage Increase
Revenues	\$655	\$1,000	\$1,000	0%
Personnel Expenditures	\$0	\$0	\$0	0%
Operating Expenditures	\$0	\$0	\$0	0%
Capital Outlay & Debt Service	\$0	\$0	\$0	0%
Total Expenditures	\$0	\$0	\$0	0%

Goals and Objectives:

The goals and objectives of the Cleveland Animal Control are listed in that portion of the General Fund.

Performance Measures:

This fund will help support the Animal Control operation by purchasing equipment or by paying the debt service on needed equipment. Therefore, this fund will impact the performance measures of the Cleveland Animal Control listed in the General Fund when a capital item is purchased from this fund.

Glossary of Terms

Accrual Basis - A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

Activity - Departmental efforts which contribute to the achievement of a specific set of program objectives; the smallest unit of the program budget.

Ad Valorem Taxes - Commonly referred to as property taxes, are levied on both real and personal property according to the property's valuation and the tax rate.

Allot - To divide an appropriation into amounts, which may be encumbered or expended during an allotment period.

Amortization - A method of measuring the consumption of the value of long-term assets in regular installments over a period of time.

Annualize - Taking changes that occurred mid-year and calculating their cost for a full year, for the purpose of preparing an annual budget.

Appropriation - A legal authorization to incur obligations and to make expenditures for specific purposes.

Assessed Valuation - The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

Assessment Ratio - The ratio at which the tax rate is applied to the tax base.

Asset - Resources owned or held by a government which have monetary value.

Attrition - A method of achieving reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

Authorized Positions - Employee positions, which are authorized in the adopted budget, to be filled during the year.

Available (Undesignated) Fund Balance - This refers to the funds remaining from the prior year which are available for appropriation and expenditure in the current year.

Balanced Budget - The sum of estimated net revenues is equal to planned expenditures.

Base Budget - Cost of continuing the existing levels of service in the current budget year.

Bond - A long-term I.O.U. or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

General Obligation (G.O.) Bond - This type of bond is backed by the full faith, credit and taxing power of the government.

Revenue Bond - This type of bond is backed only by the revenues from a specific enterprise or project, such as a hospital or toll road.

Bond Refinancing - The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Budget - A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.

Budgetary Basis - This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar - The schedule of key dates that a government follows in preparation and adoption of the budget.

Budgetary Control - The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Assets - Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets. The City of Cleveland defines them as assets costing at least \$500 and a useful life of two or more years.

Capital Budget - The appropriation of bonds or operating revenue for improvements to facilities, and other infrastructure.

Capital Improvements - Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure. It also includes vehicle and equipment replacement.

Capital Improvements Program (CIP) - A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

Capital Outlay - Fixed assets which have a value of \$500 or more and have a useful economic lifetime of more than one year; or, assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.

Capital Project - Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

Capital Project Funds - Funds used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by enterprise operations.

Capital Reserve - An account used to segregate a portion of the government's equity to be used for future capital program expenditures. The amount of capital reserve is roughly equal to the government's annual equipment depreciation and an amount identified as being needed for future capital acquisition.

Commodities - Expendable items that are consumable or have a short life span. Examples include office supplies, gasoline, minor equipment, and asphalt.

Constant or Real Dollars - The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point in time in the past.

Consumer Price Index (CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The index issued as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency - A budgetary reserve set-aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services - Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

Cost-of-living Adjustment (COLA) - An increase in salaries to offset the adverse effect of inflation on compensation.

Debt Service - The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

Debt Service Fund - Fund used to account for the accumulation of resources for, and payment of, general long-term principal, interest, and related costs.

Dedicated Tax - A tax levied to support a specific government program or purpose.

Deficit - The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department - The basic organizational unit of government which is functionally unique in its delivery of services.

Depreciation - Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Development-related Fees - Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees and zoning, platting and subdivision fees.

Disbursement - The expenditure of monies from an account.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Employee (or Fringe) Benefits - Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pensions, medical and life insurance plans.

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Funds - Funds used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

Entitlements - Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.

Expenditure - The payment of Cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Fiscal Policy - A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City's fiscal year is July 1st through June 30th.

Fixed Assets - Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Full Faith and Credit - A pledge of a government's taxing power to repay debt obligations.

Full-time Equivalent Position (FTE) - A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to .5 of a full-time position.

Function - A group of related activities aimed at accomplishing a major service of regulatory program for which a government is responsible (e.g., public safety).

Fund - A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance - The excess of the assets of a fund over its liabilities, reserves, and carryover.

GAAP - Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

GASB - Governmental Accounting Standards Board. Ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

General Fund - The principal fund of the city and is used to account for all activities of the City not included in other specified funds. The General Fund accounts for the normal recurring activities of the City (i.e., public safety, recreation, public works, general government, etc.)

Goal - A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Governmental Funds - Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Grants - A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Infrastructure - The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).

Interfund Transfers - The movement of monies between funds of the same governmental entity.

Intergovernmental Revenue - Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Charges - The charges to user departments for internal services provided by another government agency, such as data processing, or insurance funded from a central pool.

Internal Service Funds - Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Kilowatt-hour - A unit of work or energy equal to that expended by one kilowatt in one hour.

Lapsing Appropriation - An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.

Levy - To impose taxes for the support of government activities.

Line-item Budget - A budget prepared along departmental lines that focuses on what is to be bought.

Long-term Debt - Debt with a maturity of more than one year after the date of issuance.

Major Fund - Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report. The general fund is always a major fund. Otherwise, major funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other government or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

Materials and Supplies - Expendable materials and operating supplies necessary to conduct departmental operations.

Mill - The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property valuation.

Net Budget - The legally adopted budget less all interfund transfers and interdepartmental charges.

Nominal Dollars - The presentation of dollar amounts not adjusted for inflation. Adjusting for inflation would be done to reflect the real purchasing power of money today.

Non-major Fund - All funds not meeting the requirements for being a major fund. See Major Fund definition for criteria.

Object of Expenditure - An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt, and furniture.

Objective - Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Expenses - The cost of personnel, materials and equipment required for a department to function.

Operating Revenue - Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Output Indicator - A unit of work accomplished, without reference to the resources required to do the work (e.g., number of permits issued, number of refuse collections made, or number of burglary arrests made). Output indicators do not reflect the effectiveness or efficiency of the work performed.

Pay-as-you-go-Basis - A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Performance Budget - A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

Performance Indicators - Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measure - Data collected to determine how effective or efficient a program is in achieving its objectives.

Personal Services - Expenditures for salaries, wages, and fringe benefits of a government's employees.

Prior-Year Encumbrances - Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. The cease to be encumbrances when the obligations are paid or otherwise terminated.

Program - A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Program Budget - A budget which allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.

Program Performance Budget - A method of budgeting whereby the services provided to the residents are broken down in identifiable service programs or performance units. A unit can be a department, a division, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service. The effectiveness and efficiency of providing the service by the program is measured by performance indicators.

Program Revenue (Income) - Revenues earned by a program, including fees for services, license and permit fees, and fines.

Proprietary Funds - Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Purpose - A broad statement of the goals, in terms of meeting public service needs that a department is organized to meet.

Reserve - An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources - Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Retained Earnings - The accumulated earnings of an Enterprise or Internal Service Fund which have been retained or held in the fund and which are not reserved for any specific purpose.

Revenue - Sources of income financing the operations of government.

Service Level - Services or products which comprise actual or expected out-put of a given program. Focus is on results, not measures of workload.

Source of Revenue - Revenues are classified according to their source or point of origin.

Special Revenue Funds - Funds used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Supplemental Appropriation - An additional appropriation made by the governing body after the budget year or biennium has started.

Supplemental Requests - Programs and services which departments would like to have added (in priority order) over their target budget, or if revenue received is greater than anticipated.

Target Budget - Desirable expenditure levels provided to departments in developing the coming year's recommended budget. Based on the prior year's adopted budget, excluding one-time expenditures, projected revenues and reserve requirements.

Tax Levy - The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out - Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Trust Funds - Funds used to account for assets held by the city in a trustee capacity. A "non-expendable" trust fund stipulates that only earnings and not principal may be spent.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges - The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Variable Cost - A cost that increases/decreases with increases/decreases in the amount of service provided such as the payment of a salary.

Working Capital - Excess of current assets over current liabilities.

Workload Indicator - A unit of work to be done (e.g., number of permit applications received, the number of households receiving refuse collection service, or the number of burglaries to be investigated).

Work Years - The amount of personnel resources required for a program expressed in terms of the "full-time equivalent" number of employees. One "work year" is equal to one full-time, year round employee. For most categories, this equals 2,080 hours year (40 hours per week times 52 weeks). The number of hours a part-time employee is budgeted to work during the year is divided by 2,080 to arrive at the equivalent number of "work years" for the position.

Source: The Best of Government Budgeting:
A Guide to Preparing Budget Documents
By: Dennis Strachota
Government Finance Officers Association, 1994
And Miscellaneous Sources

Acronyms

ACCRA	American Chamber of Commerce Research Assoc. aka Council for Comm. and Econ. Research	EDC	Economic Development Council
ACT	American College Test	ERU	Equivalent Residential Unit
ADA	American with Disabilities Act	ESOL	English as a Second or Other Language
ADA	Average Daily Attendance	FAA	Federal Aviation Administration
ADM	Average Daily Membership	FASB	Financial Accounting Standards Board
AED	Automated External Defibrillator	FBO	Fixed Base Operator
AMI	Advanced Metering Infrastructure	FHWA	Federal Highway Administration
BCEMS	Bradley County Emergency Medical Service	FLSA	Fair Labor Standards Act
BCRS	Bradley County Rescue Squad	FMLA	Family Medical Leave Act
BCVFD	Bradley County Volunteer Fire Department	FOLA	Friends of the Library Association
BEP	Basic Education Program	FTA	Federal Transit Administration
BFI	Browning-Ferris Industries	FTE	Full Time Equivalency
CAFR	Comprehensive Annual Financial Report	GAAP	Generally Accepted Accounting Principles
CALEA	Communications Assistance in Law Enforcement Act	GASB	Governmental Accounting Standards Board
CBCPL	Cleveland Bradley County Public Library	GED	General Equivalency Diploma
CCS	Cleveland City Schools	GFOA	Government Finance Officer Association
CDBG	Community Development Block Grant	GIS	Geographic Information System
CFD	Cleveland Fire Department	GLTDAG	General Long Term Debt Accounting Group
CHS	Cleveland High School	GO	General Obligation
CID	Criminal Investigations Division	GPS	Global Positioning System
CINI	Capital Improvement Needs Inventory	HCI	Healthy Community Initiative
CIP	Capital Improvements Program	HUD	Housing and Urban Development
COLA	Cost of Living Adjustment	ICEAS	Intermittent Cycle Extended Aeration System
CPI	Consumer Price Index	ISO	Insurance Services Office
CPR	Cardiopulmonary Resuscitation	KRZR	Cleveland Regional Jetport
CRJ	Cleveland Regional Jetport	KWH	Kilowatt-Hour
CSA	Central Service Association	LEAF	Law Enforcement Academic and Fitness Academy
CUAMPO	Cleveland Urban Area Metro Planning Org.	LGIP	Local Government Investment Pool
CUB	Cleveland Utilities Board	LIC	Local Interstate Connector
DARE	Drug Awareness and Resistance Education	LMI	Low and Moderate Income
DEFY	Drug Education for Youth	LRTP	Long Range Transportation Plan
ECD	Bradley County E 911 ECD	MPO	Metropolitan Planning Organization
NCIC	National Crime Information Center	MSDS	Material Safety Data Sheets
NDB	Non-Directional Beacon	SR-2	Soil Restoration and Recycling
		STP	Surface Transportation Program

Acronyms

NPDES	National Pollutant Discharge Elimination System	TAMP	Traffic Access Management Program
OPEB	Other Post-Employment Benefits	TCA	Tennessee Code Annotated
OSHA	Occupational Safety and Health Administration	TCC	Technical Coordinating Committee
PARTAS	Parks and Recreation Technical Assistance Svc.	TCRS	Tennessee Consolidated Retirement System
PHA	Public Housing Authority	TDEC	Tennessee Department of Environment & Conservation
PILOT	Payment in Lieu of Taxes	TDML	Total Daily Maximum Loads
PSPP	Political Subdivision Pension Plan	TDOT	Tennessee Department of Transportation
RFID	Radio Frequency Identification	THDA	Tennessee Housing Development Agency
RPO	Rural Planning Organization	TIP	Transportation Improvement Plan
RTP	Recreation Trails Program	TMBF	Tennessee Municipal Bond Fund
SBCCI	Southern Building Code Congress International	TML	Tennessee Municipal League
SCI	Smart Communities Initiative	TOSHA	Tennessee Occupational Safety and Health Act
SETHEPP	State Employees, Teachers, and Higher Education Employee Pension Plan	TRAC	Total Resources Against Crime
SETHRA	Southeast Tennessee Human Resource Agency	TVA	Tennessee Valley Authority
SFU	Single Family Unit	UA	US Census Urban Area
SRF	TN State Revolving Loan Fund	UPWP	Unified Planning Work Program
SRT	Special Response Team	VISTA	Volunteers in Service to America

Authorized Employees By Fund, Department, and Position Classification

Position Classification by Fund and Department	Position Grade	FY 2014 ORIGINAL BUDGET		FY2015 ORIGINAL BUDGET		FY 2016 ORIGINAL BUDGET		FY2017 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
		General Fund:							
GENERAL GOVERNMENT AND LEGISLATIVE									
Asst. to the Mayor/Legislative Liaison	29	1	0	1	0	1	0	1	0
ADMINISTRATION & FINANCE									
		14	0.58	14	0.58	23	0.58	24	0.58
City Manager	34	1	0	1	0	1	0	1	0
Assistant City Manager/Purch.Agent	33	1	0	1	0	1	0	1	0
Finance Director/City Clerk	32	1	0	1	0	1	0	1	0
Human Resources Director	31	1	0	1	0	1	0	1	0
IT Director	31	1	0	1	0	1	0	1	0
GIS Administrator	29	0	0	0	0	0	0	1	0
Risk/Safety/Wellness Manager	29	1	0	1	0	1	0	1	0
Sr. Accountant	28	1	0	1	0	1	0	1	0
HR/Purchasing Administrator	27	1	0	1	0	1	0	1	0
Network Administrator II	27	0	0	0	0	1	0	1	0
Support Services Manager	27	1	0	1	0	1	0	1	0
Executive Secretary II	26	1	0	1	0	1	0	1	0
Codes Enforcement Officer	26	0	0	0	0	1	0	1	0
Network Administrator I	26	0	0	0	0	1	0	1	0
Social Media Relations/Grants Coord.	26	0	0	0	0	1	0	1	0
Codes Inspector	25	0	0	0	0	2	0	2	0
Computer Technician	25	0	0	0	0	1	0	1	1
Accounts Payable Clerk	23	1	0	1	0	1	0	1	0
Accounting Clerk	22	2	0	2	0	2	0	2	0
Codes Clerk	22	0	0	0	0	1	0	1	0
Municipal Court Clerk	22	1	0	1	0	1	0	1	0
Central Receptionist	21	1	0	1	0	1	0	1	0
PT Janitorial	N/A	0	0.38	0	0.38	0	0.38	0	0.38
MIS Director	N/A	Contract w/CU		Contract w/CU		Contract w/CU		Contract w/CU	
Part-time, by FTE	N/A	0	0.2	0	0.2	0	0.2	0	0.2
FIRE DEPARTMENT									
		92	0	92	0	92	0	92	0
Fire Chief	32	1	0	1	0	1	0	1	0
Deputy Fire Chief	30	0	0	0	0	0	0	0	0
Battalion Commander	29	3	0	3	0	3	0	3	0
Fire Marshall	28	1	0	1	0	1	0	1	0
Captain	28	5	0	5	0	5	0	5	0
Training Captain	28	0	0	1	0	1	0	1	0
Lieutenant	27	13	0	16	0	16	0	16	0
Fire Inspector	27	3	0	3	0	3	0	3	0
Driver/Engineer	26	24	0	21	0	21	0	21	0
Executive Secretary I	25	1	0	1	0	1	0	1	0
Firefighter	25	41	0	40	0	40	0	40	0

Authorized Employees By Fund, Department, and Position Classification

Position Classification by Fund and Department	Position Grade	FY 2014 ORIGINAL BUDGET		FY 2015 ORIGINAL BUDGET		FY 2016 ORIGINAL BUDGET		FY 2017 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
DEVELOPMENT & ENGINEERING SERVICES		14	0.38	14	0.38	15	0.38	15	0.38
DES Director	32	1	0	1	0	1	0	1	0
City Engineer	31	1	0	1	0	1	0	1	0
Planning Director	30	1	0	1	0	1	0	1	0
Transportation Project Manager	30	0	0	0	0	1	0	1	0
Chief Building Official	29	1	0	1	0	1	0	1	0
Staff Engineer	28	1	0	1	0	1	0	1	0
Senior Planner	28	1	0	0	0	0	0	1	0
Planner	27	1	0	1	0	1	0	0	0
Plans Examiner/Inspector	27	1	0	1	0	1	0	1	0
Property Maintenance Official	27	0	0	1	0	0	0	0	0
Building Inspector	26	1	0	1	0	2	0	2	0
Site Plan Coord./Engineering Technician	26	1	0	1	0	1	0	1	0
Construction Inspector	26	1	0	1	0	1	0	1	0
Business Tax Inspector/Permit Clerk	25	1	0	1	0	1	0	1	0
Executive Secretary I	25	1	0	1	0	1	0	1	0
Secretary/Permit Clerk	23	1	0	1	0	1	0	1	0
Part-time Janitorial, by FTE	N/A	0	0.38	0	0.38	0	0.38	0	0.38
POLICE DEPARTMENT		103	2.92	103	2.92	104	2.92	103	2.92
Police Chief	32	1	0	1	0	1	0	1	0
Captain	30	2	0	2	0	2	0	2	0
Lieutenant	28	9	0	9	0	9	0	9	0
Sergeant	27	9	0	9	0	9	0	9	0
Detective	27	9	0	9	0	9	0	9	0
Support Services Manager	27	1	0	1	0	1	0	1	0
Crime Scene Technician	26	2	0	2	0	2	0	0	0
Codes Enforcement Officer*	26	1	0	1	0	1	0	0	0
Master Police Officer (2 SRO)	25+1	3	0	3	0	2	0	8	0
Police Officer/CST	25+1	0	0	0	0	0	0	2	0
Police Officer/K-9 (SRO)	25+1	2	0	2	0	2	0	3	0
Police Officer/Bomb Tech/SRT(-3 SRO)	25+1	15	0	15	0	15	0	15	0
Community Police Officers	25+1	2	0	2	0	2	0	2	0
Executive Secretary I	25	1	0	1	0	1	0	1	0
Police Officer (3 SRO)	25	36	0	36	0	37	0	30	0
COPS Grant**	25	0	0	0	0	0	0	0	0
Housing Officer***	25	1	0	1	0	1	0	1	0
Quartermaster	24	1	0	1	0	1	0	1	0
Property/Evidence Clerk	23	1	0	1	0	1	0	1	0
Secretary	23	3	0	3	0	3	0	3	0
Records Clerk	22	4	0	4	0	4	0	4	0
Receptionist	21	0	0	0	0	1	0	1	0
PT Court Liaison by FTE	22	0	0.46	0	0.46	0	0.46	0	0.46
PT School Crossing Guards by FTE (13)	N/A	0	2.46	0	2.46	0	2.46	0	2.46

* Moved to A & F in FY 2016**COPS Grant-This position is funded by COPS ARRA Grant through 6/30/2013 ***Housing Officer-This position is funded by Cleveland Housing Authority

Authorized Employees By Fund, Department, and Position Classification

Position Classification by Fund and Department	Position Grade	FY 2014 ORIGINAL BUDGET		FY2015 ORIGINAL BUDGET		FY 2016 ORIGINAL BUDGET		FY2017 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
		PUBLIC WORKS-OPERATIONS							
		21	0.375	21	0.375	21	0.375	21	0.5
Director of Public Works	32	1	0	1	0	1	0	1	0
General Supervisor II	27	1	0	1	0	1	0	1	0
Construction Inspector/Safety Coord.	27	1	0	1	0	1	0	1	0
Support Services Manager	27	1	0	1	0	1	0	1	0
General Supervisor I	26	1	0	1	0	1	0	1	0
Building Maint. Supervisor	26	1	0	1	0	1	0	1	0
Sign & Marking Supervisor	26	1	0	1	0	1	0	1	0
Brick Mason	24	1	0	1	0	1	0	1	0
Motor Equip. Operator III	24	2	0	2	0	2	0	2	0
Accounting Technician	23	1	0	1	0	1	0	1	0
Motor Equip. Operator II	23	1	0	0	0	0	0	0	0
Sign Technician	22	2	0	2	0	2	0	1	0
Motor Equip. Operator I	22	2	0	3	0	3	0	4	0
Public Service Worker	21	5	0	5	0	5	0	5	0
P.T. Janitorial	N/A	0	0.375	0	0.375	0	0.375	0	0.5
CLEVELAND REGIONAL JETPORT									
		1	0	1	0	1	0	1	0
Airport Manager	31	1	0	1	0	1	0	1	0
ANIMAL CONTROL									
		8	0	8	0	6	0	6	0
Animal Control Director	27	1	0	1	0	1	0	1	0
Senior Animal Control Officer	24	2	0	2	0	2	0	2	0
Animal Control Officer	23	2	0	2	0	2	0	2	0
Records Clerk	22	1	0	1	0	1	0	1	0
Animal Control Attendant	21	2	0	2	0	0	0	0	0
COLLEGE HILL RECREATION CENTER									
		3	2.2	3	2.2	4	1.3	4	1.3
Recreation Center Supervisor	26	1	0	1	0	1	0	1	0
Asst. Rec. Center Supervisor	23	1	0	1	0	1	0	1	0
Recreation Asst.	21	1	0	1	0	1	0	1	0
Public Service Worker	21	0	1	0	1	1	0	1	0
P.T. Janitorial	N/A	0	0.45	0	0.45	0	0.55	0	0.55
Seasonal, by FTE	N/A	0	0.75	0	0.75	0	0.75	0	0.75

Authorized Employees By Fund, Department, and Position Classification

Position Classification by Fund and Department	Position Grade	FY 2014 ORIGINAL BUDGET		FY2015 ORIGINAL BUDGET		FY 2016 ORIGINAL BUDGET		FY2017 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
PARKS & RECREATION DEPT.									
		9	4	9	0.8	10	0.61	10	0.61
Director of Parks & Recreation	32	1	0	1	0	1	0	1	0
Assistant Director of Parks & Rec.	30	1	0	1	0	1	0	1	0
Playground Inspector	26	0	0	0	0	1	0	1	0
General Supervisor I	26	1	0	1	0	1	0	1	0
Executive Secretary I	25	1	0	1	0	1	0	1	0
Grounds Specialist II	25	0	0	0	0	0	0	1	0
Motor Equip. Operator I	22	1	0	5	0	4	0	4	0
Seasonal, by FTE	N/A	0	4	0	0.8	0	0.61	0	0.61
CLEVELAND COMMUNITY CENTER									
		4	3.34	4	3.34	4	1.96	4	1.96
Rec. Ctr./Program Supervisor	26	1	0	1	0	1	0	1	0
Asst. Rec. Center Supervisor	23	1	0	1	0	1	0	1	0
Secretary	23	1	0	1	0	1	0	1	0
Public Service Worker	21	1	0	1	0	1	0	1	0
P.T. Janitorial	N/A	0	0.45	0	0.45	0	0.21	0	0.21
Seasonal, by FTE	N/A	0	2.89	0	2.89	0	1.75	0	1.75
LANDSCAPING MAINTENANCE									
		7	0	7	0	9	0	10	0
Forestry Inspector	26	1	0	1	0	1	0	1	0
General Supervisor I	26	1	0	1	0	2	0	1	0
Tree Trimmer II	24	1	0	1	0	1	0	1	0
Tree Trimmer I	23	1	0	1	0	1	0	1	0
Motor Eq. Operator I	22	3	0	3	0	4	0	4	0
Public Service Worker	21	4	0	0	0	0	0	2	0
TINSLEY PARK									
		0	7.34	0	7.34	0	9.11	0	9.11
Aquatic Director	N/A	0	0.3	0	0.30	0	0.26	0	0.26
Manager-Concession	N/A	0	0.52	0	0.52	0	0.51	0	0.51
Concession Helper	N/A	0	1.04	0	1.04	0	0.51	0	0.51
Custodian	N/A	0	0.40	0	0.40	0	0.00	0	0
Laborer	N/A	0	0.42	0	0.42	0	0	0	0
Park Gatekeeper	N/A	0	0.08	0	0.08	0	0	0	0
Pool Manager	N/A	0	0.27	0	0.27	0	0.69	0	0.69
Assistant Pool Manager	N/A	0	0.27	0	0.27	0	1.61	0	1.61
Pool Gatekeeper	N/A	0	0.27	0	0.27	0	0.92	0	0.92
Lifeguard	N/A	0	3.77	0	3.77	0	4.61	0	4.61

*Includes all pool staff for FY2016.

Authorized Employees By Fund, Department, and Position Classification

Position Classification by Fund and Department	Position Grade	FY 2014 ORIGINAL BUDGET		FY2015 ORIGINAL BUDGET		FY 2016 ORIGINAL BUDGET		FY2017 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
WATERVILLE GOLF COURSE:									
		6	3.85	6	3.85	0	0	0	0
Golf Course Mgr./Superintendent	29	1	0	1	0	0	0	0	0
Golf Course Mgr./Supervisor	27	0	0	0	0	0	0	0	0
Golf Course Superintendent	26	0	0	0	0	0	0	0	0
Crew Supervisor	23	1	0	1	0	0	0	0	0
Mechanic I	23	1	0	1	0	0	0	0	0
Senior Greenskeeper	23	0	0	0	0	0	0	0	0
Greenskeeper	22	1	0	1	0	0	0	0	0
MEO I	22	0	0	0	0	0	0	0	0
Public Service Worker	21	1	0	1	0	0	0	0	0
Recreation Assistant	21	1	1	1	1	0	0	0	0
Seasonal, by FTE	N/A	0	2.85	0	2.85	0	0	0	0
STORMWATER*									
		2	0	2	0	0	0	0	0
Storm Water Coordinator	26	1	0	1	0	0	0	0	0
Storm Water Technician	25	1	0	1	0	0	0	0	0
<i>*Stormwater moved to a separate fund in FY2016</i>									

Authorized Employees By Fund, Department, and Position Classification

Position Classification by Fund and Department	Position Grade	FY 2014 ORIGINAL BUDGET		FY2015 ORIGINAL BUDGET		FY 2016 ORIGINAL BUDGET		FY2017 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Other Funds:									
SOLID WASTE MANAGEMENT FUND:		13	0	13	0	13	0	13	0
General Supervisor	26	1	0	1	0	1	0	1	0
Motor Eq. Operator III	24	6	0	6	0	6	0	6	0
Accounting Technician	23	1	0	1	0	1	0	1	0
Motor Equipment Operator II	23	1	0	1	0	1	0	1	0
Motor Equipment Operator I	22	2	0	2	0	2	0	2	0
Public Service Worker	21	2	0	2	0	2	0	2	0
STATE STREET AID FUND:									
Asst PW Director/Gen Supervisor III	29	1	0	1	0	1	0	1	0
General Supervisor	26	1	0	1	0	1	0	1	0
Motor Equip. Operator III	24	3	0	3	0	3	0	3	0
Brick Mason	24	1	0	1	0	1	0	1	0
Motor Equip. Operator II	23	1	0	1	0	1	0	2	0
Motor Equip. Operator I	22	2	0	2	0	2	0	1	0
Public Service Worker	21	2	0	2	0	2	0	2	0
COMMUNITY DEV. BLOCK GRANT:									
CDBG/Grant Coordinator	28	1	0	1	0	1	0	1	0
Codes Enforcement Inspector	25	1	0	1	0	1	0	1	0
FLEET MANAGEMENT FUND:									
Fleet Manager	28	1	0	1	0	1	0	1	0
Maint. Supervisor (auto)	26	1	0	1	0	1	0	1	0
Mechanic III	26	4	0	4	0	3	0	3	0
Parts Manager	25	1	0	1	0	1	0	1	0
STORMWATER MANAGEMENT FUND:									
Storm Water Coordinator	27	0	0	0	0	0	0	1	0
Storm Water Coordinator	26	0	0	0	0	1	0	0	0
Storm Water Technician	25	0	0	0	0	2	0	2	0
TOTALS		318	21.78	316	21.78	324	18.23	326	17.36

City of Cleveland, Tennessee
Schematic List of Classes Grouped by Grade
FY 17 Salary Ranges

Salary Grade 21

\$22,811.01 - \$36,923.95

Animal Control Attendant
Central Receptionist
Customer Service Tech
Public Service Worker
Recreation Assistant

Salary Grade 22

\$25,548.33 - \$41,355.11

Accounting Clerk
Animal Control Records Clerk
Codes Enforcement Clerk
Court Clerk
Court Liaison
MEO I
Records Clerk
Sign Technician

Salary Grade 23

\$28,613.10 - \$46,315.87

Accounting Technician
Accounts Payable Clerk
Animal Control Officer
MEO II
Property/Evidence Clerk
Recreation Center Assistant Supervisor
Secretary
Tree Trimmer 1

Salary Grade 24

\$32,048.85 - \$51,877.29

Brick Mason
Grounds Specialist I
Mechanic I
MEO III
Quartermaster
Senior Animal Control Officer
Tree Trimmer II

City of Cleveland, Tennessee
Schematic List of Classes Grouped by Grade
FY 17 Salary Ranges

Salary Grade 25

\$35,892.06 - \$58,098.29

Business Tax Inspector/Permit Clerk
Codes Enforcement Inspector
Computer Technician
Drafting Technician
Executive Secretary I
Firefighter
Grounds Specialist II
Mechanic II
Parts Manager
Police Officer/MPO
Stormwater Technician

Salary Grade 26

\$40,199.74 – \$65,071.11

Auto Maintenance Supervisor
Building Inspector
Building Maintenance Supervisor
Code Enforcement Officer
Construction Inspector
Driver/Engineer-Fire
Site Plan Coord./Eng. Technician
Executive Secretary II
Forestry Inspector
General Supervisor I
Mechanic III
Mechanical Inspector
Network Administrator I
Playground Inspector
Plumbing Inspector
Recreation Center Supervisor
Sign/Marking Supervisor
Social Media Relations/Grants Coordinator

City of Cleveland, Tennessee
Schematic List of Classes Grouped by Grade
FY 17 Salary Ranges

Salary Grade 27

\$45,024.93 - \$72,881.60

Animal Shelter Director
Arson Investigator
Construction Inspector/Safety Coordinator
Detective
Fire Inspector
Fire Lieutenant
General Supervisor II
HR/Purchasing Administrator
Network Administrator II
Planner
Plans Examiner/Inspector
Police Sergeant
Stormwater Coordinator
Support Services Manager

Salary Grade 28

\$50,427.73 – \$81,627.09

Fire Training Captain
Fire Captain
Fire Marshall
Fleet Manager
CDBG/Grant Coordinator
Police Lieutenant
Senior Accountant
Senior Planner
Staff Engineer

Salary Grade 29

\$56,478.86 - \$91,422.03

Asst.to the Mayor/Legislative Liaison
Chief Building Official
Fire Battalion Commander
General Supervisor III/Asst. Public Works Dir.
GIS Administrator
Risk/Safety/Wellness Manager
Senior Staff Engineer

City of Cleveland, Tennessee
Schematic List of Classes Grouped by Grade
FY 17 Salary Ranges

Salary Grade 30

\$63,255.71 - \$102,391.67

Deputy Fire Chief
Parks and Recreation Asst. Director
Planning Director
Police Captain
Transportation Project Manager

Salary Grade 31

\$70,846.67 - \$114,679.12

Airport Manager
City Engineer
Human Resources Director
IT Director

Salary Grade 32

\$79,348.05 - \$128,440.25

Development and Engineering Services Director
Finance Director/City Clerk
Fire Chief
Parks and Recreation Director
Police Chief
Public Works Director

Salary Grade 33

\$89,916.67 - \$143,928.93

Assistant City Manager/Purchasing Agent

Salary Grade 34

\$99,534.86 - \$161,116.54

City Manager

CITY OF CLEVELAND
FY17 Salary Schedule
40 Hour Workweek

Salary Grade	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
20 Annual	20,366.78	21,079.57	21,817.36	22,580.96	23,371.30	24,189.29	25,035.92	25,912.18	26,819.10	27,757.77	28,729.29	29,734.82	30,775.54	31,852.68	32,967.52
Monthly	1,697.20	1,756.60	1,818.08	1,881.71	1,947.57	2,015.74	2,086.29	2,159.31	2,234.88	2,313.10	2,394.06	2,477.85	2,564.58	2,654.34	2,747.24
Hourly	9.7917	10.1344	10.4891	10.8562	11.2362	11.6295	12.0365	12.4578	12.8938	13.3451	13.8122	14.2956	14.7959	15.3138	15.8498
21 Annual	22,811.01	23,609.33	24,435.65	25,290.90	26,176.08	27,092.25	28,040.47	29,021.89	30,037.66	31,088.98	32,177.09	33,303.29	34,468.90	35,675.31	36,923.95
Monthly	1,900.88	1,967.41	2,036.27	2,107.53	2,181.30	2,257.64	2,336.66	2,418.44	2,503.09	2,590.70	2,681.37	2,775.22	2,872.35	2,972.89	3,076.94
Hourly	10.9668	11.3506	11.7479	12.1591	12.5847	13.0251	13.4810	13.9528	14.4412	14.9466	15.4698	16.0112	16.5716	17.1516	17.7519
22 Annual	25,548.43	26,442.63	27,368.12	28,326.00	29,317.41	30,343.52	31,405.55	32,504.74	33,642.41	34,819.89	36,038.59	37,299.94	38,605.43	39,956.63	41,355.11
Monthly	2,129.00	2,203.51	2,280.63	2,360.45	2,443.07	2,528.58	2,617.08	2,708.68	2,803.48	2,901.60	3,003.16	3,108.27	3,217.06	3,329.65	3,446.19
Hourly	12.2829	12.7128	13.1577	13.6183	14.0949	14.5882	15.0988	15.6273	16.1742	16.7403	17.3262	17.9327	18.5603	19.2099	19.8823
23 Annual	28,613.10	29,614.56	30,651.07	31,723.86	32,834.19	33,983.39	35,172.81	36,403.86	37,677.99	38,996.72	40,361.61	41,774.27	43,236.36	44,749.64	46,315.87
Monthly	2,384.38	2,467.83	2,554.21	2,643.60	2,736.13	2,831.89	2,931.01	3,033.60	3,139.77	3,249.66	3,363.40	3,481.12	3,602.96	3,729.06	3,859.58
Hourly	13.7563	14.2378	14.7361	15.2519	15.7857	16.3382	16.9100	17.5019	18.1144	18.7484	19.4046	20.0838	20.7867	21.5142	22.2672
24 Annual	32,048.85	33,170.56	34,331.53	35,533.13	36,776.79	38,063.98	39,396.22	40,775.08	42,202.21	43,679.29	45,208.07	46,790.35	48,428.01	50,122.99	51,877.29
Monthly	2,670.69	2,764.16	2,860.91	2,961.04	3,064.67	3,171.94	3,282.95	3,397.86	3,516.78	3,639.87	3,767.27	3,899.12	4,035.59	4,176.84	4,323.02
Hourly	15.4081	15.9474	16.5055	17.0832	17.6811	18.3000	18.9405	19.6034	20.2895	20.9997	21.7346	22.4954	23.2827	24.0976	24.9410
25 Annual	35,892.06	37,148.29	38,448.48	39,794.17	41,186.97	42,628.51	44,120.51	45,664.73	47,262.99	48,917.20	50,629.30	52,401.33	54,235.37	56,133.61	58,098.29
Monthly	2,990.95	3,095.63	3,203.98	3,316.12	3,432.18	3,552.31	3,676.64	3,805.32	3,938.51	4,076.35	4,219.03	4,366.69	4,519.53	4,677.71	4,841.43
Hourly	17.2558	17.8598	18.4848	19.1318	19.8014	20.4945	21.2118	21.9542	22.7226	23.5179	24.3410	25.1929	26.0747	26.9873	27.9319
26 Annual	40,199.74	41,606.74	43,062.97	44,570.17	46,130.13	47,744.69	49,415.75	51,145.30	52,935.39	54,788.12	56,705.71	58,690.41	60,744.57	62,870.63	65,071.11
Monthly	3,349.91	3,467.16	3,588.51	3,714.11	3,844.10	3,978.65	4,117.90	4,262.03	4,411.20	4,565.59	4,725.38	4,890.77	5,061.95	5,239.12	5,422.49
Hourly	19.3268	20.0032	20.7034	21.4280	22.1779	22.9542	23.7576	24.5891	25.4497	26.3404	27.2624	28.2165	29.2041	30.2263	31.2842
27 Annual	45,024.93	46,600.80	48,231.83	49,919.94	51,667.14	53,475.49	55,347.13	57,284.28	59,289.23	61,364.36	63,512.11	65,735.03	68,035.76	70,417.01	72,881.60
Monthly	3,752.01	3,883.33	4,019.24	4,159.92	4,305.51	4,456.21	4,612.17	4,773.60	4,940.67	5,113.60	5,292.57	5,477.81	5,669.54	5,867.97	6,073.35
Hourly	21.6466	22.4042	23.1884	24.0000	24.8400	25.7094	26.6092	27.5405	28.5044	29.5021	30.5347	31.6034	32.7095	33.8543	35.0392
28 Annual	50,427.73	52,192.70	54,019.44	55,910.12	57,866.98	59,892.32	61,988.55	64,158.15	66,403.69	68,727.82	71,133.29	73,622.96	76,199.76	78,866.75	81,627.09
Monthly	4,202.23	4,349.31	4,501.53	4,659.09	4,822.16	4,990.93	5,165.61	5,346.41	5,533.53	5,727.21	5,927.66	6,135.13	6,349.86	6,572.10	6,802.13
Hourly	24.2441	25.0926	25.9709	26.8799	27.8207	28.7944	29.8022	30.8453	31.9248	33.0422	34.1987	35.3957	36.6345	37.9167	39.2438
29 Annual	56,478.86	58,455.62	60,501.57	62,619.13	64,810.80	67,079.17	69,426.94	71,856.89	74,371.88	76,974.89	79,669.02	82,457.43	85,343.44	88,330.46	91,422.03
Monthly	4,706.48	4,871.21	5,041.70	5,218.16	5,400.80	5,589.82	5,785.47	5,987.96	6,197.54	6,414.45	6,638.96	6,871.32	7,111.82	7,360.73	7,618.36
Hourly	27.1533	28.1037	29.0873	30.1053	31.1590	32.2496	33.3783	34.5466	35.7557	37.0072	38.3024	39.6430	41.0305	42.4666	43.9529

CITY OF CLEVELAND
FY17 Salary Schedule
40 Hour Workweek

Salary Grade	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
30 Annual	63,255.71	65,469.66	67,761.10	70,132.74	72,587.38	75,127.94	77,757.42	80,478.93	83,295.69	86,211.04	89,228.43	92,351.42	95,583.72	98,929.15	102,391.67
Monthly	5,271.21	5,455.70	5,646.65	5,844.28	6,048.83	6,260.54	6,479.66	6,706.45	6,941.17	7,184.12	7,435.56	7,695.80	7,965.16	8,243.94	8,532.48
Hourly	30.4114	31.4758	32.5775	33.7177	34.8978	36.1192	37.3834	38.6918	40.0460	41.4476	42.8983	44.3997	45.9537	47.5621	49.2268
31 Annual	70,846.67	73,326.31	75,892.73	78,548.97	81,298.19	84,143.62	87,088.65	90,136.75	93,291.54	96,556.74	99,936.23	103,434.00	107,054.19	110,801.08	114,679.12
Monthly	5,903.78	6,110.41	6,324.27	6,545.62	6,774.72	7,011.83	7,257.25	7,511.25	7,774.15	8,046.24	8,327.86	8,619.33	8,921.01	9,233.25	9,556.41
Hourly	34.0609	35.2530	36.4869	37.7639	39.0857	40.4637	41.8695	43.3350	44.8517	46.4215	48.0463	49.7279	51.4684	53.2698	55.1342
32 Annual	79,348.05	82,125.23	84,999.61	87,974.60	91,053.71	94,240.59	97,539.01	100,952.88	104,486.23	108,143.24	111,928.26	115,845.75	119,900.35	124,096.86	128,440.25
Monthly	6,612.21	6,843.64	7,083.16	7,331.08	7,587.66	7,853.23	8,128.09	8,412.58	8,707.02	9,011.76	9,327.18	9,653.63	9,991.50	10,341.21	10,703.15
Hourly	38.1481	39.4833	40.8652	42.2955	43.7758	45.3080	46.8938	48.5350	50.2338	51.9919	53.8117	55.6951	57.6444	59.6620	61.7501
33 Annual	88,916.67	92,028.76	95,249.76	98,583.50	102,033.93	105,605.11	109,301.29	113,126.84	117,086.28	121,184.30	125,425.75	129,815.65	134,359.20	139,061.77	143,928.93
Monthly	7,409.58	7,668.92	7,937.33	8,215.13	8,502.66	8,800.26	9,108.27	9,427.06	9,757.00	10,098.50	10,451.94	10,817.76	11,196.38	11,588.26	11,993.85
Hourly	42.7484	44.2446	45.7932	47.3959	49.0548	50.7717	52.5487	54.3879	56.2915	58.2617	60.3008	62.4114	64.5958	66.8566	69.1966
34 Annual	99,534.86	#####	106,624.23	110,356.08	114,218.55	118,216.19	122,353.76	126,636.14	131,068.41	135,655.80	140,403.76	145,317.89	150,404.01	155,668.15	161,116.54
Monthly	8,294.41	8,584.72	8,885.18	9,196.16	9,518.03	9,851.16	10,195.95	10,552.81	10,922.16	11,304.43	11,700.09	12,109.59	12,533.43	12,972.10	13,426.12
Hourly	47.8533	49.5282	51.2617	53.0558	54.9128	56.8347	58.8239	60.8828	63.0137	65.2191	67.5018	69.8644	72.3096	74.8405	77.4599

CITY OF CLEVELAND
 FY17 Salary Schedule
 28-Day including O.T.

Salary Grade	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
25 Annual	35,892.61	37,148.85	38,449.06	39,794.78	41,187.60	42,629.16	44,121.18	45,665.42	47,263.71	48,917.94	50,630.07	52,402.12	54,236.20	56,134.46	58,099.17
Hourly	12.6650	13.1083	13.5671	14.0419	14.5334	15.0420	15.5685	16.1134	16.6774	17.2611	17.8652	18.4905	19.1377	19.8075	20.5008
26 Annual	40,199.72	41,606.71	43,062.95	44,570.15	46,130.11	47,744.66	49,415.72	51,145.27	52,935.36	54,788.10	56,705.68	58,690.38	60,744.54	62,870.60	65,071.07
Hourly	14.1848	14.6813	15.1951	15.7269	16.2774	16.8471	17.4367	18.0470	18.6787	19.3324	20.0091	20.7094	21.4342	22.1844	22.9609
27 Annual	45,024.61	46,600.47	48,231.49	49,919.59	51,666.77	53,475.11	55,346.74	57,283.88	59,288.81	61,363.92	63,511.66	65,734.56	68,035.27	70,416.51	72,881.09
Hourly	15.8873	16.4434	17.0189	17.6145	18.2310	18.8691	19.5295	20.2131	20.9205	21.6528	22.4106	23.1950	24.0068	24.8470	25.7167
28 Annual	50,427.63	52,192.60	54,019.34	55,910.01	57,866.86	59,892.20	61,988.43	64,158.03	66,403.56	68,727.68	71,133.15	73,622.81	76,199.61	78,866.60	81,626.93
Hourly	17.7938	18.4166	19.0612	19.7283	20.4188	21.1335	21.8731	22.6387	23.4310	24.2511	25.0999	25.9784	26.8877	27.8287	28.8027

City of Cleveland

Fringe Benefits Summary

The City provides a comprehensive package of fringe benefits for employees. All employee benefits are contingent upon the City of Cleveland’s financial capacity and benefits may be amended by the City Council. The package includes the following:

Health/Dental/Vision Insurance Coverage

City employees are covered by the City of Cleveland Health, Dental and Vision Insurance Plans. Health and dental benefits currently are with Blue Cross and Blue Shield and the vision coverage is with Guardian. Details of the coverage are available in the employee insurance benefit handbooks. The City and its employees currently pay the following rates for insurance coverage:

	Employee		City		Total Cost	
	Ind	Family	Ind	Family	Ind	Family
Medical	0	\$370.34	\$545.48	\$1,068.35	\$545.48	\$1,438.69
Dental	0	\$ 18.06	\$ 25.65	\$ 48.31	\$ 25.65	\$ 66.37
Vision	0	\$ 6.30	\$ 8.00	\$ 14.30	\$ 8.00	\$ 20.60

The City’s insurance coverage renews at August 1st of each year. The City’s agent of record is Ed Jacob’s and Associates. Andy Fighlestahler along with Dena Hunt and Dana Cole are the City’s primary representatives with Ed Jacobs. Andy coordinates the city’s renewal each year and every effort is made to ensure employees are receiving the best coverage possible with the funds available. Dena provides employees with assistance with claims, enrollment of dependents, changes in coverage, etc.

Open enrollment is held each year beginning in June. This is the period that changes can be made without a “qualifying event” such as marriage, divorce, birth of a child, change in spouse’s employment status, etc. Employees who elect dependent coverage will have deductions from their paychecks during the month prior to the coverage’s effective date.

Flexible Spending Account Program

The Flexible Spending Account Program is a plan that allows employees to save on their annual tax liability by the of use pre-tax dollars to pay for certain out-of-pocket expenses such as un-reimbursed medical and dental expenses including co-pays and deductibles, dependent care expenses, over-the-counter medications, eyeglasses, etc. Employees elect an annual amount up to \$2,500 that is deducted from payroll **before taxes** in equal amounts out of 24 payrolls each year and deposited in their Flexible Spending Account. As claims are incurred, the employee can use a debit card to pay the expense with no out of pocket cash required, or can file for reimbursement if the debit card is not used. Effective with the 2013 plan year, a roll over option was included to prevent the loss of funds that remain in accounts at the end of the plan year. Up to \$500 may be unused at the end of each year and will roll over to the following year. The Flexible Spending Account year begins August 1st and ends July 31st. Contributions from payroll to employee’s Spending Accounts begin with the first payroll in August. Both the City and the

employee save on federal taxes. The City pays for all expenses related to administration of the plan.

Life Insurance Coverage

City employees are provided with two times their base annual salary for life insurance and accidental death and dismemberment insurance. Dependent coverage is provided in the amount of \$2,000 for a spouse and \$1,000 for dependent children. Employees must inform the HR Department in the event of a change in their beneficiary, and of the change in marital status so dependent coverage can be updated. There is no cost to employees for this coverage.

Long-Term Disability

City employees are provided with long-term disability insurance that pays a minimum of 60% of the employee’s regular earnings up to a maximum of \$5,000 per month in the event of disability. The benefit will be provided for disability from the employee’s current occupation for two years, then would convert to disability from any occupation. This benefit begins after the exhaustion of sick leave or 90 days, whichever is greater. There is no cost to the employee for this coverage.

Paid Sick Leave

Employees are credited with sick leave each month at the rate of 8 hours per month for 40 hour per week employees and 24 hours per month for 28 day Fire employees. Sick leave is to be used for an employee’s personal illness or injury off the job, and may also be used for the necessary care and attendance of a member of the employee’s immediate family. Unlimited accumulation is allowed. Unused sick leave is not paid for at termination of employment, however, credit is given for unused sick leave for employees retiring under the City’s retirement plan. Twenty days of unused sick leave will provide the employee with one additional month of service credit in the TCRS. Employees are encouraged not to abuse the paid sick leave benefit so that paid time will be available in the event of an extended absence (paid sick leave serves as short term disability provided by the City), and for the additional service credit at retirement. Sick leave is accrued on approximately the 15th of each month and the leave balance is provided to employees on check stubs every two weeks.

Paid Vacation Leave

Employees earn vacation leave on a monthly accrual basis based on length of service. The list below shows the amount of vacation that is earned on a monthly and annual basis. 24 hour shift Fire personnel earn vacation time at 1.4 times the rate of a regular 40 hour per week employee. There is a maximum carryover allowed each year at January 1st of 240 hours of vacation for all employees except 28 day Fire who have a maximum carryover of 720 hours. Any vacation over the allowed maximums will convert to sick time. Any unused vacation leave is paid to the employee at termination of employment. Vacation leave is accrued on approximately the 15th of each month and the leave balance is provided to employees on check stubs every two weeks.

<u>Years of Service</u>	<u>Accrual Rates per Month</u>		<u>Hours Earned per Year</u>	
	<u>40 hr wk</u>	<u>28 day Fire</u>	<u>40 hr wk</u>	<u>28 day Fire</u>
0 - 1	3.33	4.67	40	56
1 - 4	6.67	9.34	80	112
5 - 14	10.00	14.00	120	168
15 - 19	13.33	18.67	160	224
20+	16.67	23.34	200	280

Paid Holidays

Employees other than 28 day Fire employees are paid for 12 holidays (96 hours) annually either with time off or additional compensation. Any holiday time that remains on an employee's balance at the end of the year will convert to vacation time. Holiday time is posted to the employees leave balance at the beginning of each calendar year and the balance is reduced as holiday time is taken. The holiday leave balance is provided to employees on each pay stub. The paid holidays are:

New Year's Day	Labor Day
Veterans Day	M.L. King Birthday
President's Day	Columbus Day
Good Friday	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Eve
	Christmas Day

Special Leave

Employees are granted time off from work with or without pay at the discretion of the Department Head for various occasions. Bereavement leave is granted with pay for a maximum of three days for the death of a member of the immediate family. Jury service is granted with pay provided the jury service pay is turned in to the City. Military leave is granted with pay for a period not to exceed 20 calendar days in a 12 month period. Special leave with or without pay can be provided at the discretion of the Department Head with the City Manager's approval. Inclement weather leave is provided for all employees in the event the City Offices are closed due to severe weather conditions.

Retirement Plan

City employees are covered by the Tennessee Consolidated Retirement System, a statewide retirement program that covers state employees and numerous city and county local government agencies and school system employees. In 1982 the City initiated non-contributory status which means that the City pays the full cost of membership for employees. Employees do not pay any of the cost of membership in TCRS. The current contribution rate paid by the City is 16.62% of gross wages for general government employees. For certified police and fire employees who qualify, an additional 3.5% is paid for the Public Safety Officer Supplemental Bridge Option. Other current options include probationary period buyback, sick leave credit, option I in service death benefit, 25 year retirement, 5 year vesting, 3.6% indexing, prior service buyback, and military service credit, among others.

The TCRS is a defined benefit pension plan which means that the benefit provided at retirement is based entirely on years of service and the employees highest consecutive 60 months of salary. Full retirement benefits are received at 30 years of service or age 60 for general government employees, and 25 years of service or age 55 for Public Safety employees covered by the Supplemental Bridge Option. A 30 year general government employee would draw approximately 48% of their salary at retirement, a 30 year Public Safety Officer with the Supplemental Bridge benefit would draw approximately 71% of their salary. The 25 year early service retirement option for general government employees allows employees with 25 years of service to retire at any age (under 60) with a reduction in benefit. Employees age 55 who are vested (5 years of service) may also retire at any time prior to age 60 with a reduction in benefit. Full details of the TCRS are available in the HR Department or online at www.tcrs.tn.gov.

Retiree Premium Reduction Plan/Medicare Supplement

In June 2006, the City implemented a program that allows retirees who qualify to remain on the City's health, dental and vision insurance coverage for life. Retirees under age 65 remain in the City's group plans that are provided for active employees. At age 65 the retiree is covered by a Medicare Advantage Plan. The retiree may also elect to cover spouses after retirement. Spouses may remain in the City's coverage for up to three years in the event of the death of the retiree. Retirees under 65 pay the same for dependent coverage as do active employees. Retirees must have 10 years of creditable service in TCRS to remain in the City's group coverage. A percentage of the retiree's individual premium is paid by the City, based on the employee's years of service. The premium reduction for both the health, dental and vision insurance and Medicare supplement starts at 15 years of service. The City pays 50% of the retiree's individual premium at 15 years of service and the percentage paid by the City increases 3.33% each year up to 100% paid at 30 or more years of service (5 % each year and 100% for 25 or more years of service for public safety employees).

Deferred Compensation Plan

City employees are eligible for a 457 Deferred Compensation Program administered by Nationwide Retirement Solutions. This is a voluntary tax-favored program that allows public employees to contribute a portion of their salary before federal taxes into a supplemental retirement account. This is a long range retirement option designed to allow employees to contribute to an account that will supplement the benefits received from the State Retirement System and Social Security, and provide a more secure standard of living in their retirement years. The plan is very flexible, employees may enroll at any time, can make changes to their plan design, change contribution amounts, stop contributions if necessary and then resume contributions at a later date, and make other changes whenever needed. Various options are available including fixed rate annuities, publicly available mutual funds and life insurance. Employees are not able to access the funds while employed unless for certain unforeseen emergencies as defined by the IRS. Funds become available upon separation from employment and are taxable as income in the year of separation.

Workers Compensation and Occupational Disability Salary Supplement Plan

City employees are covered for occupational injury and illness according to the state worker's compensation laws, with coverage administered by the Tennessee Municipal League Risk Management Pool. The City in addition has adopted an Occupational Disability Policy that will supplement the worker's compensation weekly benefit amount to insure that employees receive an amount equal to their full regular earnings for a period of 30 calendar days. After 30 days if the employee remains unable to return to work, they would receive the temporary total disability benefit from TML (66.67% of regular pre-disability earnings). Employees are encouraged to work safely, and report any accident or injury immediately, even if minor in nature so that appropriate medical attention can be provided.

Educational Reimbursement and Career Training

City employees are eligible for up to \$2,388 per fiscal year for reimbursement of expenses for continuing education with a regionally accredited institution. Employees who have not completed high school are eligible for a \$250 bonus for obtaining a GED. Employees are provided with job related training and certifications as needed such as Police POST certification, Firefighter certification, Building Inspector certification, SCBA certification for Firefighters, etc., and various other types of supervisory training and job-related courses and seminars.

Electronic Direct Deposit

City employees hired prior to February 1, 2013 have the option of having their payroll check electronically deposited directly to any financial institution. Effective February 1, 2013 all new employees are paid by direct deposit.

Payroll Deduction YMCA Membership Fees

Employees can join the local YMCA without a joining fee and are eligible for payroll deduction of the monthly membership dues.

Optional Accident, Cancer, Intensive Care, etc. Insurance Coverage

Employees have available at their own expense through payroll deduction group rate coverage through AFLAC and Colonial Insurance Companies. Various types of coverage are offered through both companies such as cancer plans, accident plans, short term disability plans, among others. Eligibility for these coverages is at employment or at open enrollment each year.

Cafeteria Plan (Premium Conversion Only)

Employees are eligible to purchase dependent health coverage, dental coverage and other insurance policies with pre-tax dollars saving on their tax liability each pay period.

Longevity Pay

Upon completion of their 5th year of service as of June 30th, all employees will receive longevity pay in the amount of \$375, with \$75 added annually for each additional year of service completed. The longevity bonus is paid in November each year.

Service Awards

City employees are provided with service awards for total years of service as of December 31st of each year. Service time includes all current and any prior periods of service combined. Employees may choose to receive cash or cash and a service pin. Retiring employees who reach a qualifying number of years in the year they retire will receive the award payment upon retirement. Awards are provided for the following years:

5 years	\$ 75
10 years	\$100
15 years	\$150
20 years	\$200
25 years and above	\$250

Christmas Bonus

All full-time City employees receive a \$100 bonus in December of each year.

FICA Taxes

The City pays 7.65% of wages for each employee for Social Security and Medicare.

Competitive Wages, Overtime Pay, and Compensatory Time

City employees are paid competitive wages which are evaluated periodically to insure they are comparable to wages paid for similar duties in both the public and private sectors. Employees receive annual pay increases if job performance is satisfactory, subject to the approval of the City Council and the availability of funds. The current compensation plan gives

employees with a good evaluation a 3.5% step in pay each year in addition to any cost of living increase that is given (if funds are available and subject to Council approval), normally on July 1st of each year. Employees are compensated for any overtime worked according to the Fair Labor Standards Act, either with pay at time and one half or compensatory time off. Certified Police and Fire personnel are subject to special provisions of the FLSA that allows for extended work periods and an increased number of hours worked before overtime is paid.

Annual Physicals

Annual physical examinations are provided in October each year at no cost to any employee who wishes to participate.

Flu Shots

Flu shots are provided annually at no cost to the employee.

Annual City Picnic and Employee Appreciation Day

Employees are honored annually with a city-wide picnic in May and a luncheon in December, providing funds are available. Food and gift cards are provided entirely by the City.

Sold Vacation

Employees who qualify are allowed to receive pay in lieu of time off for up to two weeks of vacation time per fiscal year.

Advanced Sick and Vacation Time

Under certain conditions, if an employee exhausts all earned sick and vacation time, they may be advanced up to two weeks of sick leave and two weeks of vacation leave.

Uniforms and Cleaning Services

Uniforms are provided for city employees, other than clerical and others wearing normal street clothes, for Public Works, Police, Fire, Parks and Recreation, and the Animal Shelter. Clothing allowances are provided for police detectives, building, plumbing and mechanical inspectors, and department heads as well as reasonable amounts for laundry and dry cleaning.

Death of an Employee

Upon the death of a full-time employee, his/her beneficiary shall receive pay for all accrued vacation time, plus an additional two weeks full pay.

RETIREMENT COMMITMENTS

THE TCRS PENSION PLAN

Plan Description. Certain employees of the City of Cleveland are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits are early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	349
Inactive employees entitled to but not yet receiving benefits	347
Active employees	692
	<u>1,388</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The City of Cleveland makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions were 5,207,352 based on a rate of 20.12 percent of covered payroll for public safety employees and 16.62 percent of covered payroll for all other employees under the plan. By law, employer contributions are required to be paid. The TCRS may intercept Cleveland City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

TCRS PENSION PLAN (Cont.)

Net Pension Liability

Cleveland City's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

TCRS PENSION PLAN (Cont.)

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Cleveland City will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 6/30/13	\$ 112,744,286	\$ 90,319,171	\$ 22,425,115
Changes for the year:			
Service cost	2,222,760	0	2,222,760
Interest	8,465,079	0	8,465,079
Difference between expected and actual experience	(254,944)	0	(254,944)
Contributions - employer	0	5,089,188	(5,089,188)
Contributions - employees	0	165	(165)
Net Investment income	0	15,038,653	(15,038,653)
Benefit payments	(4,198,654)	(4,198,654)	0
Administrative expenses	0	(29,562)	29,562
Net changes	<u>\$ 6,234,241</u>	<u>\$ 15,899,790</u>	<u>\$ (9,665,549)</u>
Balance at 6/30/14	<u>\$ 118,978,527</u>	<u>\$ 106,218,961</u>	<u>\$ 12,759,566</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of Cleveland City calculated using the discount rate of 7.5 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Cleveland City's net pension liability	\$ 28,751,757	\$ 12,759,566	\$ (584,672)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Pension expense. For the year ended June 30, 2015, Cleveland City recognized pension expense of \$2,222,030.

TCRS PENSION PLAN (Cont.)

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, the City of Cleveland reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	0	\$ 212,453
Net difference between projected and actual earnings on pension plan investments	0	6,585,938
Contributions subsequent to the measurement date of June 30, 2014	<u>5,207,352</u>	<u>0</u>
Total	<u>\$ 5,207,352</u>	<u>\$ 6,798,391</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2014," will be recognized as a reduction to net pension liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (1,688,976)
2017	(1,688,976)
2018	(1,688,976)
2019	(1,688,976)
2020	(42,491)
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to Pension Plan

At June 30, 2015, the City of Cleveland reported a payable of \$213,115, for the outstanding amount of contributions to the TCRS pension plan required at the year ended June 30, 2015.

POSTEMPLOYMENT BENEFITS

CITY EMPLOYEES

PLAN DESCRIPTION

The City provides postretirement medical, dental and life insurance benefits to employees who retire from the City with 30 years of service, public safety employees 25 years or age 55 with 10 years of service. Medical benefits are provided using a point of service (POS) single-employer plan through Blue Cross. Dental benefits are provided using a preferred provider organization (PPO) through Blue Cross/Blue Shield. Lincoln National provides life insurance benefits. The following schedule applies to employees with over 10 years of service. If the retiree has family coverage the City will pay half the difference between the cost of the family plan and the cost of the individual plan. No separate report is issued for this plan.

Years of Service At Retirement	Percentage of Premium Paid by Participant
<15	100.00%
15	50.00%
16	46.67%
17	43.33%
18	40.00%
19	36.67%
20	33.33%
21	30.00%
22	26.67%
23	23.33%
24	20.00%
25	16.67%
26	13.33%
27	10.00%
28	6.67%
29	3.33%
30+	0.00%

FUNDING POLICY AND ANNUAL OPEB COST

The City's annual other postemployment benefit (OPEB) cost (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of government accounting standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for the current year are as follows:

Annual Required Contribution (ARC)	\$ 2,534,614
Interest on net OPEB obligation	395,897
Adjustment to annual required contribution	<u>(481,764)</u>
Annual OPEB cost (expense)	\$ 2,448,747
Contributions made	<u>(601,824)</u>
Increase in net OPEB obligation	\$ 1,846,923
Net OPEB obligation - June 30, 2014	9,897,431
Net OPEB obligation - June 30, 2015	<u>\$ 11,744,354</u>

POSTEMPLOYMENT BENEFITS (Cont.)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 1,934,205	24.40%	\$ 8,100,871
6/30/2014	2,335,316	23.07%	9,987,431
6/30/2015	2,448,747	24.58%	11,744,354

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plan as of July 1, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 25,049,806
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	<u>\$ 25,049,806</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 15,125,362
UAAL as a percentage of covered payroll	165.6%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

ACTUARIAL METHODS AND ASSUMPTIONS

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2013 actuarial valuation, the projected unit credit method was used. The actuarial assumptions include a 4.00% funding interest rate and no post retirement benefit increases. A 3% inflation rate is being assumed by the plan. The 2013 medical cost trend rate used was 9% with an ultimate medical cost trend rate of 5% projected to be reached in 2017. The annual payroll growth rate is assumed to be 2.5%. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30 year period beginning with June 30, 2008.

Cleveland Utilities and the Cleveland City School System Pension Plan and Postemployment Benefits are available for viewing in the Comprehensive Annual Financial Report for City of Cleveland, TN at www.clevelandtn.gov

CITY OF CLEVELAND, TENNESSEE
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Tax Year	Bradley County, Tennessee		
	City	County	Total
2007	\$ 1.65	\$ 2.02	\$ 3.67
2008	\$ 1.65	\$ 2.02	\$ 3.67
2009	Revaluation \$ 1.49	\$ 1.79	\$ 3.28
2010	\$ 1.49	\$ 1.79	\$ 3.28
2011	\$ 1.49	\$ 1.79	\$ 3.28
2012	\$ 1.49	\$ 1.79	\$ 3.28
2013	Revaluation \$1.58	\$ 1.8254	\$ 3.59
2014	\$ 1.7655	\$ 1.8721	\$ 3.64
2015	\$ 1.7655	\$ 1.8721	\$ 3.64
2016	\$ 1.7655	Not available	Not available

CITY OF CLEVELAND, TENNESSEE

PRINCIPAL TAXPAYERS

6/30/2016 Estimated

<u>Assessed Taxpayer</u>	<u>Type of Business</u>	<u>2015 Assessed Valuation</u>	<u>Percentage of total Valuation</u>
Ocoee Hospital Corporation	Health Care	\$35,716,816	3.29%
Life Care Centers of America	Health Care	\$22,356,016	2.06%
Mars Snackfoods	Candy Manufacture	\$20,594,667	1.90%
Merck & Co., Inc.	Distribution Company	\$18,945,222	1.75%
Duracell Company	Battery Manufacture	\$18,169,421	1.67%
Whirlpool	Appliance Manufacture	\$15,396,069	1.42%
Wal-Mart	Retail	\$9,759,003	0.90%
Peyton's Southeastern	Distribution Company	\$8,128,605	0.75%
Southeastern Container	Bottling Manufacture	\$7,585,506	0.70%
Johnston Coca-Cola	Beverage & Bottling Manufacture	\$7,236,402	0.66%
TOTALS		\$163,887,727	15.10%

***Source: From official records of Assessor of Property and Office of City Clerk.**

***Note: An Equalization Factor has been placed on some personal property taxes by the State of Tennessee and affects the tax levy.**

CITY OF CLEVELAND, TENNESSEE
PRINCIPAL EMPLOYERS

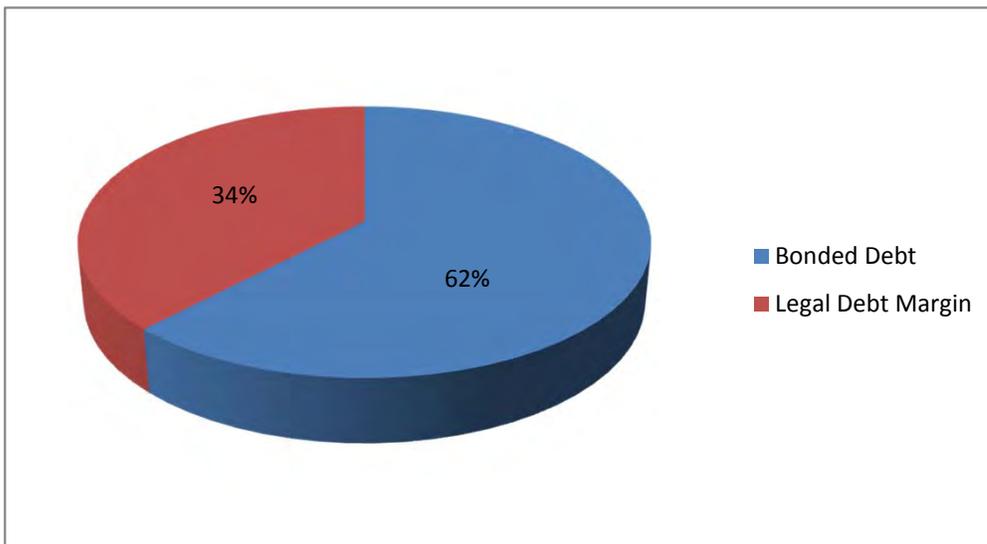
Employer	2015		
	Employees	Rank	Percentage of Total Labor Force Bradley County
Whirlpool/Maytag	1,503	1	2.78%
City Government	1,215	2	2.25%
Bradley County Schools	1,200	3	2.22%
SkyRidge Medical Center	1,157	4	2.14%
Peyton's Southeastern	950	5	1.76%
Lee University	815	6	1.51%
Jackson Furniture Industries	800	7	1.48%
Amazon	753	8	1.39%
Wal-Mart	640	9	1.18%
Bradley County Government	620	10	1.15%
Mars Chocolate	575	N/A	1.06%
Bayer (Merck & Co., Inc)	537	N/A	0.99%
Duracell	350	N/A	0.65%
Total	11,115		20.56%

Source: Cleveland/Bradley Chamber of Commerce and Tennessee Department of Labor & Workforce Development.

This schedule should include the ten largest employers, unless fewer are required to reach 50% of total employment.

CITY OF CLEVELAND, TENNESSEE
 ESTIMATED COMPUTATION OF LEGAL DEBT MARGIN
 6/30/2016 (estimated)

Total assessed value		\$1,109,010,816
Legal debt margin:		
Debt limitation--10 percent of total assessed value as adopted by local resolution		\$110,901,082
Debt applicable to limitation:		
Total bonded debt	\$124,546,293	
Less: Revenue bonds	52,046,916	
Amount available for repayment of general obligation bonds	<u>3,572,712</u>	
Total debt applicable to limitation		<u>68,926,665</u>
Legal debt margin		<u>\$41,974,417</u>
Per Capita Debt as of June 30, 2016 (estimated)		\$1,580



**THE BOARD OF PUBLIC UTILITIES OF
THE CITY OF CLEVELAND, TENNESSEE - ELECTRIC DIVISION**

*Schedule of Electric Rates in Force
(Including the Number of Customers Being Served)
For the Years Ended June 30, 2015*

Season		Retail Rates Effective June 2015					
Schedule	Summer	Revenue Adjustment		Base Plus Zero TVA Revenue Adjustment [3] = [1]+[2]	Environmental Adjustment [4]	FCA [5]	June '15 Effective Rate [6] = [3]+[4]+[5]
		Base [1]	N/A [2]				
Residential	Customer Charge (Net)	\$9.69		\$9.69			\$9.69
	Surcharge	0.00		0.00			0.00
	All kWh	0.06425	0.00492	0.06917	0.00298	0.02227	0.09442
Alternate Usage Blocks	Block1 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Block2 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Block3 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
GSA1	Customer #1	15.41		15.41			15.41
	Customer #2	0.00		0.00			0.00
	Customer #3	0.00		0.00			0.00
	Customer #4	0.00		0.00			0.00
	Surcharge	0.00		0.00			0.00
	All kWh	0.07501	0.00529	0.08030	0.00347	0.02200	0.10577
Alternate Usage Blocks	Block1 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Block2 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Block3 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
GSA2	Customer #1	46.22		46.22			46.22
	Customer #2	0.00		0.00			0.00
	Customer #3	0.00		0.00			0.00
	Customer #4	0.00		0.00			0.00
	Surcharge	0.00		0.00			0.00
	kW, 0-50	0.00	0.00	0.00	0.00		0.00
	kW, 51-1,000	11.49	0.82	12.31	0.47		12.78
	1st 15,000 kWh	0.07434	0.00530	0.07964	0.00194	0.02200	0.10358
	Additional kWh	0.03471	0.00270	0.03741	0.00191	0.02170	0.06102
GSA3	Customer #1	154.05		154.05			154.05
	Customer #2	0.00		0.00			0.00
	Surcharge	0.00		0.00			0.00
	Block 1 kW	10.33	0.82	11.15	0.59		11.74
	Block 2 kW	10.20	0.82	11.02	0.59		11.61
Alternate Usage Blocks	Block 3 kW	0.00	0.00	0.00	0.00		0.00
	Block 4 kW	0.00	0.00	0.00	0.00		0.00
	All kWh	0.03740	0.00287	0.04027	0.00197	0.02170	0.06394
Alternate Usage Blocks	Block 1 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Block 2 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Outdoor Lighting	Surcharge	0.00		0.00			0.00
	All kWh	0.04	0.00233	0.04	0.00201	0.02227	0.07
Drainage Pumping	Customer	0.00		0.00			0.00
	Surcharge	0.00		0.00			0.00
	All kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
TRS	Customer Charge (Gross)	0.00		0.00			0.00
	Surcharge	0.00		0.00			0.00
	Onpeak kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Offpeak kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Alternative Season Summer							
TGSA1	Customer #1	15.41		15.41			15.41
	Customer #2	0.00		0.00			0.00
	Customer #3	0.00		0.00			0.00
	Customer #4	0.00		0.00			0.00
	Surcharge	0.00		0.00			0.00
	OnPeak kWh	0.13705	0.01066	0.14771	0.00347	0.02200	0.17318
	OffPeak kWh	0.04025	0.00249	0.04274	0.00347	0.02200	0.06821
Alternative Season Summer							
TGSA2	Customer #1	46.22		46.22			46.22
	Customer #2	0.00		0.00			0.00
	Customer #3	0.00		0.00			0.00
	Customer #4	0.00		0.00			0.00
	Surcharge	0.00		0.00			0.00
	OnPeak kW	11.58	0.82	12.40	0.47		12.87000
	OffPeak Excess kW	2.38	0.00	2.38	0.00		2.38
	DCC	0.00	0.00	0.00	0.00		0.00
	OnPeak kWh	0.06378	0.00435	0.06813	0.00194	0.02200	0.09207
	OffPeak kWh	0.04178	0.00249	0.04427	0.00194	0.02200	0.06821

**THE BOARD OF PUBLIC UTILITIES OF
THE CITY OF CLEVELAND, TENNESSEE - ELECTRIC DIVISION**
Schedule of Electric Rates in Force- (Continued)
(Including the Number of Customers Being Served)
For the Years Ended June 30, 2015

		Retail Rates Effective June 2015					
		Revenue		Base Plus Zero TVA	Environmental	FCA	June '15
Alternative Season	Summer	Base	Adjustment	Revenue Adjustment	Adjustment	[5]	Effective Rate
		[1]	N/A [2]	[3] = [1]+[2]	[4]		[6] = [3]+[4]+[5]
TGSA3	Customer #1	154.05		154.05			154.05
	Customer #2	0.00		0.00			0.00
	Surcharge	0.00		0.00			0.00
	Block 1 kW	0.00	0.00	0.00	0.00		0.00
	Block 2 kW	0.00	0.00	0.00	0.00		0.00
	Block 3 kW	0.00	0.00	0.00	0.00		0.00
	OnPeak kW	10.41	0.82	11.23	0.59		11.82
	OffPeak Excess kW	1.34	0.00	1.34	0.00		1.34
	DCC	0.00	0.00	0.00	0.00		0.00
	OnPeak kWh	0.05473	0.00430	0.05903	0.00197	0.02170	0.08270
	OffPeak kWh	0.03273	0.00245	0.03518	0.00197	0.02170	0.05885
TDGSA	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	15.44	1.24	16.68	0.56		17.24
	Summer Season OffPeak kW	3.81	0.22	4.03	0.11		4.14
	Summer Season OnPeak kWh	0.07	0.01	0.08	0.00000	0.02	0.10
	Summer Season OffPeak kWh - First 425 HUD	0.03471	0.00306	0.03777	0.00211	0.02175	0.06163
	Summer Season OffPeak kWh - Next 195 HUD	0.01728	0.00152	0.01880	0.00143	0.02175	0.04198
	Summer Season OffPeak kWh - Over 620 HUD	0.00250	0.00020	0.00270	0.00084	0.02175	0.02529
TDMSA	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	15.44	1.24	16.68	0.56		17.24
	Summer Season OffPeak kW	3.81	0.22	4.03	0.11		4.14
	Summer Season OnPeak kWh	0.05290	0.00469	0.05759	0.00284	0.02175	0.08218
	Summer Season OffPeak kWh - First 425 HUD	0.02090	0.00183	0.02273	0.00158	0.02175	0.04606
	Summer Season OffPeak kWh - Next 195 HUD	0.00348	0.00029	0.00377	0.00089	0.02175	0.02641
	Summer Season OffPeak kWh - Over 620 HUD	-0.01131	-0.00102	-0.01233	0.00031	0.02175	0.00973
TOU GSB	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	15.44	1.24	16.68	0.56		17.24
	Summer Season OffPeak kW	3.81	0.22	4.03	0.11		4.14
	Summer Season OnPeak kWh	0.06707	0.00594	0.07301	0.00339	0.02175	0.09815
	Summer Season OffPeak kWh - First 425 HUD	0.03471	0.00306	0.03777	0.00211	0.02175	0.06163
	Summer Season OffPeak kWh - Next 195 HUD	0.01728	0.00152	0.01880	0.00143	0.02175	0.04198
	Summer Season OffPeak kWh - Over 620 HUD	0.00250	0.00020	0.00270	0.00084	0.02175	0.02529
TOU GSC	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	14.93	1.24	16.17	0.56		16.73
	Summer Season OffPeak kW	3.30	0.22	3.52	0.11		3.63
	Summer Season OnPeak kWh	0.06372	0.00564	0.06936	0.00325	0.02175	0.09436
	Summer Season OffPeak kWh - First 425 HUD	0.03226	0.00285	0.03511	0.00202	0.02175	0.05888
	Summer Season OffPeak kWh - Next 195 HUD	0.01482	0.00130	0.01612	0.00134	0.02175	0.03921
	Summer Season OffPeak kWh - Over 620 HUD	0.00004	-0.00001	0.00003	0.00075	0.02175	0.02253
TOU GSD	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	14.82	1.24	16.06	0.56		16.62
	Summer Season OffPeak kW	3.19	0.22	3.41	0.11		3.52
	Summer Season OnPeak kWh	0.06229	0.00552	0.06781	0.00319	0.02175	0.09275
	Summer Season OffPeak kWh - First 425 HUD	0.02986	0.00264	0.03250	0.00192	0.02175	0.05617
	Summer Season OffPeak kWh - Next 195 HUD	0.01243	0.00108	0.01351	0.00124	0.02175	0.03650
	Summer Season OffPeak kWh - Over 620 HUD	-0.00237	0.00022	-0.00215	0.00066	0.02175	0.02026
TOU MSB	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	15.44	1.24	16.68	0.56		17.24
	Summer Season OffPeak kW	3.81	0.22	4.03	0.11		4.14
	Summer Season OnPeak kWh	0.05290	0.00469	0.05759	0.00284	0.02175	0.08218
	Summer Season OffPeak kWh - First 425 HUD	0.02090	0.00183	0.02273	0.00158	0.02175	0.04606
	Summer Season OffPeak kWh - Next 195 HUD	0.00348	0.00029	0.00377	0.00089	0.02175	0.02641
	Summer Season OffPeak kWh - Over 620 HUD	-0.01131	-0.00102	-0.01233	0.00031	0.02175	0.00973

**THE BOARD OF PUBLIC UTILITIES OF
THE CITY OF CLEVELAND, TENNESSEE - ELECTRIC DIVISION**
Schedule of Electric Rates in Force - (Continued)
(Including the Number of Customers Being Served)
For the Years Ended June 30, 2015

		Retail Rates Effective June 2015					
		Revenue		Base Plus Zero TVA	Environmental	FCA	June '15
		Adjustment	N/A	Revenue Adjustment	Adjustment		Effective Rate
		Base		[3] = [1]+[2]	[4]	[5]	[6] = [3]+[4]+[5]
		[1]	[2]				
TOU MSC	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	14.93	1.24	16.17	0.56		16.73
	Summer Season OffPeak kW	3.30	0.15	3.45	0.11		3.56
	Summer Season OnPeak kWh	0.05367	0.00475	0.05842	0.00287	0.02175	0.08304
	Summer Season OffPeak kWh - First 425 HUD	0.02076	0.00183	0.02259	0.00158	0.02175	0.04592
	Summer Season OffPeak kWh - Next 195 HUD	0.00335	0.00028	0.00363	0.00089	0.02175	0.02627
	Summer Season OffPeak kWh - Over 620 HUD	-0.01143	-0.00103	-0.01246	0.00030	0.02175	0.00959
TOU MSD	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	14.82	1.24	16.06	0.56		16.62
	Summer Season OffPeak kW	3.19	0.22	3.41	0.11		3.52
	Summer Season OnPeak kWh	0.05212	0.00461	0.05673	0.00279	0.02175	0.08127
	Summer Season OffPeak kWh - First 425 HUD	0.01924	0.00170	0.02094	0.00150	0.02175	0.04419
	Summer Season OffPeak kWh - Next 195 HUD	0.00181	0.00015	0.00196	0.00082	0.02175	0.02453
	Summer Season OffPeak kWh - Over 620 HUD	-0.01297	-0.00117	-0.01414	0.00024	0.02175	0.00785
SDE SGSB	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	20.19	1.67	21.86	0.84		22.70
	Summer Season kWh Charge	0.02291	0.00204	0.02495	0.00185	0.02175	0.04855
SDE SGSC	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	19.68	1.67	21.35	0.84		22.19
	Summer Season kWh Charge	0.02302	0.00205	0.02507	0.00186	0.02175	0.04868
SDE SGSD	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	22.88	1.97	24.85	0.99		25.84
	Summer Season kWh Charge	0.01646	0.00146	0.01792	0.00157	0.02175	0.04124
SDE SMSB	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	17.49	1.43	18.92	0.73		19.65
	Summer Season kWh Charge	0.01578	0.00139	0.01717	0.00155	0.02175	0.04047
SDE SMSC	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	16.98	1.43	18.41	0.73		19.14
	Summer Season kWh Charge	0.01550	0.00137	0.01687	0.00153	0.02175	0.04015
SDE SMSD	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	19.57	1.13	20.70	0.84		21.54
	Summer Season kWh Charge	0.00888	0.00078	0.00966	0.00124	0.02175	0.03265
	Customers @ June 30:						
	Residential	26,190					
	General	4,433					
	Outdoor Lighting	185					

**THE BOARD OF PUBLIC UTILITIES OF
THE CITY OF CLEVELAND, TENNESSEE - WATER DIVISION**
*Schedule of Water and Wastewater Rates in Force
(Including the Number of Customers Being Served)
For the Years Ended June 30, 2015*



Water and Wastewater Rates in Effect on June 30, 2015		
Water Rates	Inside City	Outside City
<u>RESIDENTIAL (Class 201, 202)</u>		
Customer charge	\$7.44	\$13.40
First 1,400 cu. ft.	\$2.21/100 cu. ft.	\$3.46/100 cu. ft.
Additional	\$2.29/100 cu. ft.	\$3.63/100 cu. ft.
<u>NON-RESIDENTIAL (Small Commercial) (Class 204, 205)</u>		
Customer charge	\$12.17	\$18.12
First 15,000 cu. ft.	\$2.21/100 cu. ft.	\$3.46/100 cu. ft.
Next 85,000 cu. ft.	\$1.82/100 cu. ft.	\$2.86/100 cu. ft.
Additional	\$1.33/100 cu. ft.	\$2.14/100 cu. ft.
<u>NON-RESIDENTIAL (Large Commercial) (Class 208, 209)</u>		
Customer charge	\$29.91	\$35.86
First 15,000 cu. ft.	\$2.21/100 cu. ft.	\$3.46/100 cu. ft.
Next 85,000 cu. ft.	\$1.82/100 cu. ft.	\$2.86/100 cu. ft.
Additional	\$1.33/100 cu. ft.	\$2.14/100 cu. ft.
<u>IRRIGATION ONLY (Class 211, 213)</u>		
Customer charge	\$7.44	\$13.40
All usage	\$2.29/100 cu. ft.	\$3.63/100 cu. ft.
<u>RESALE (Class 203)</u>		
Customer Charge	\$29.91	\$29.91
All usage	\$1.33/100 cu. ft.	\$1.33/100 cu. ft.
Wastewater Rates	Inside City	Outside City
<u>RESIDENTIAL (Class 301, 302) (April - November)</u>		
Customer charge	\$7.28	\$10.35
First 1,400 cu. ft.	\$3.59/100 cu. ft.	\$5.42/100 cu. Ft.
Additional	\$0.00/100 cu. ft.	\$0.00/100 cu. ft.
<u>RESIDENTIAL (Class 301, 302) (December - March)</u>		
Customer charge	\$7.28	\$10.35
All usage	\$3.59/100 cu. ft.	\$5.42/100 cu. Ft.
<u>NON-RESIDENTIAL (Small Commercial) (Class 304, 305) (Meter Less Than 3")</u>		
Customer charge	\$11.82	\$14.89
First 100,000 cu. ft.	\$3.59/100 cu. ft.	\$5.42/100 cu. ft.
Additional	\$3.03/100 cu. ft.	\$4.51/100 cu. ft.
<u>NON-RESIDENTIAL (Large Commercial) (Class 308, 309) (Meter 3" or Larger)</u>		
Customer charge	\$28.85	\$31.93
First 100,000 cu. ft.	\$3.59/100 cu. ft.	\$5.42/100 cu. ft.
Additional	\$3.03/100 cu. ft.	\$4.51/100 cu. ft.
<u>WASTEWATER SURCHARGE</u>		
CBOD	.1064/pound/day	.1064/pound/day
TSS	.1261/pound/day	.1261/pound/day
TKN	.1862/pound/day	.1862/pound/day

Rates are subject to rules and regulations of Cleveland Utilities.
Rates will be subject to adjustment as rate adjustments are received from water suppliers.

**THE BOARD OF PUBLIC UTILITIES OF
THE CITY OF CLEVELAND, TENNESSEE - WATER DIVISION**

*Schedule of Water and Wastewater Rates in Force
(Including the Number of Customers Being Served)
For the Years Ended June 30, 2015*

MINIMUM BILLS

in Effect on June 30, 2015
(Based on installed meter size)

RESIDENTIAL (Class 201, 202, 301, 302)

Size	Code	Minimum Usage	Inside Rates			Outside Rates		
			Water	Wastewater		Water	Wastewater	
				Dec-Mar/Apr-Nov			Dec-Mar/Apr-Nov	
5/8"	000	200 cu. ft.	\$11.86	\$14.46	\$14.46	\$20.32	\$21.19	\$21.19
3/4"	002	600 cu. ft.	\$20.70	\$28.82	\$28.82	\$34.16	\$42.87	\$42.87
1"	003	800 cu. ft.	\$25.12	\$36.00	\$36.00	\$41.08	\$53.71	\$53.71
1 1/2"	005	2,000 cu. ft.	\$52.12	\$79.08	\$57.54	\$83.62	\$118.75	\$86.23
2"	006	4,000 cu. ft.	\$97.92	\$150.88	\$57.54	\$156.22	\$227.15	\$86.23

IRRIGATION (Class 211, 213)

5/8"	000	200 cu. ft.	\$12.02	N/A	\$20.66	N/A
3/4"	002	600 cu. ft.	\$21.18	N/A	\$35.18	N/A
1"	003	800 cu. ft.	\$25.76	N/A	\$42.44	N/A
1 1/2"	005	2,000 cu. ft.	\$53.24	N/A	\$86.00	N/A
2"	006	4,000 cu. ft.	\$99.04	N/A	\$158.60	N/A
3"	008	10,000 cu. ft.	\$236.44	N/A	\$376.40	N/A
4"	009	17,000 cu. ft.	\$396.74	N/A	\$630.50	N/A
6"	010	44,000 cu. ft.	\$1,015.04	N/A	\$1,610.60	N/A
8"	011	82,000 cu. ft.	\$1,885.24	N/A	\$2,990.00	N/A

NONRESIDENTIAL - SMALL COMMERCIAL (Class 204, 205, 304, 305)

Size	Code	Minimum Usage	Inside Rates		Outside Rates	
			Water	Wastewater	Water	Wastewater
5/8"	000	200 cu. ft.	\$16.59	\$19.00	\$25.04	\$25.73
3/4"	002	600 cu. ft.	\$25.43	\$33.36	\$38.88	\$47.41
1"	003	800 cu. ft.	\$29.85	\$40.54	\$45.80	\$58.25
1 1/2"	005	2,000 cu. ft.	\$56.37	\$83.62	\$87.32	\$123.29
2"	006	4,000 cu. ft.	\$100.57	\$155.42	\$156.52	\$231.69

NONRESIDENTIAL - LARGE COMMERCIAL (Class 208, 209, 308, 309)

3"	008	10,000 cu. ft.	\$250.91	\$387.85	\$381.86	\$573.93
4"	009	17,000 cu. ft.	\$397.81	\$639.15	\$612.06	\$953.33
6"	010	44,000 cu. ft.	\$889.21	\$1,608.45	\$1,384.26	\$2,416.73
8"	011	82,000 cu. ft.	\$1,580.81	\$2,972.65	\$2,471.06	\$4,476.33
10"	012	115,000 cu. ft.	\$2,107.91	\$4,073.35	\$3,306.86	\$6,128.43

**THE BOARD OF PUBLIC UTILITIES OF
THE CITY OF CLEVELAND, TENNESSEE - WATER DIVISION**
*Schedule of Water and Wastewater Rates in Force
(Including the Number of Customers Being Served)
For the Years Ended June 30, 2015*

RESALE/FIRE SPRINKLER SYSTEM METER

3"	008	10,000 cu. ft.	\$162.91	N/A	\$162.91	N/A
4"	009	17,000 cu. ft.	\$256.01	N/A	\$256.01	N/A
6"	010	44,000 cu. ft.	\$615.11	N/A	\$615.11	N/A
8"	011	82,000 cu. ft.	\$1,120.51	N/A	\$1,120.51	N/A
10"	012	115,000 cu. ft.	\$1,559.41	N/A	\$1,559.41	N/A

Number of Customers at June 30, 2015:	Water	Wastewater
	30,928	18,440

Rates are subject to rules and regulations of Cleveland Utilities.
Rates will be subject to adjustment as rate adjustments are received from water suppliers.

Click to access definition
Click to add a comment

Water Audit Report for: Cleveland Utilities (TN0000117)
Reporting Year: 2015 7/2014 - 6/2015

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

WATER SUPPLIED

----- Enter grading in column 'E' and 'J' ----->

Volume from own sources:	+ ? 8	2,070.773	MG/Yr
Water imported:	+ ? 8	1,697.459	MG/Yr
Water exported:	+ ? 8	0.419	MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	Value:	MG/Yr
<input type="radio"/>	<input type="radio"/>	
<input type="radio"/>	<input type="radio"/>	
<input type="radio"/>	<input type="radio"/>	

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 3,767.812 MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	+ ? 9	2,734.419	MG/Yr
Billed unmetered:	+ ? 8		MG/Yr
Unbilled metered:	+ ? 10	81.140	MG/Yr
Unbilled unmetered:	+ ? 8	28.665	MG/Yr

Click here: ? for help using option buttons below

Pcnt: Value: 28.665 MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt: 0.25% Value: MG/Yr

5.00%

0.25%

AUTHORIZED CONSUMPTION: 2,844.224 MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption) 923.588 MG/Yr

Apparent Losses

Unauthorized consumption:	+ ?	9.420	MG/Yr
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed			
Customer metering inaccuracies:	+ ? 8	148.187	MG/Yr
Systematic data handling errors:	+ ?	6.836	MG/Yr
Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed			
Apparent Losses:	+ ?	164.443	MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 759.146 MG/Yr

WATER LOSSES: 923.588 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 1,033.393 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ? 9	766.5	miles
Number of active AND inactive service connections:	+ ? 8	30,928	
Service connection density:	+ ?	40	conn./mile main

Are customer meters typically located at the curbstop or property line? Yes (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line: **Average length of customer service line has been set to zero and a data grading score of 10 has been applied**

Average operating pressure: 90.0 psi

COST DATA

Total annual cost of operating water system:	+ ? 10	\$12,702,860	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ? 8	\$4.76	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+ ? 9	\$1,012.00	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 82 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Volume from own sources
- 2: Water imported
- 3: Unauthorized consumption

**CITY OF CLEVELAND, TENNESSEE
OTHER STATISTICAL DATA
June 30, 2015**

Population (Estimated) 43,182

Date of Incorporation 1903

Form of Government Council - Manager
(August 1993)

Number of Members of Board of Mayor and City Council
(elected for four-year terms) 8

Mayor and two Council members elected at large

Five council members - elected from five districts

City employees:	Cleveland				
	City	Schools	Library	Utilities	
Regular Full-time	315	615	11	182	1,123
Regular Part-time	0	202	35	0	237
Seasonal Part-time	67	0	0	0	67
Total	382	817	46	182	1,427

Area of City 29.69

Miles of roads and streets:
Asphalt 350

Miles of sidewalks 43.71

Fire Protection:

Classification 3

Number of stations 5

Number of full-time employees 92

Number of fire trucks (pumpers and ladders and tankers), radio equipped 11

Number of sedans/suvs- radio equipped 6

Number of Fire Specialists pickup trucks - radio equipped 1

Number of fire hydrants 2,657

Per-capita fire loss \$30.65 (inside city)

Police Protection:

Number of stations 1

Number of substations 0

Number of full-time sworn officers 91

Number of police reserves 0

Number of civilian personnel including Animal Control

Regular full-time 18

Regular part-time 15

Number of public service officers 12

**CITY OF CLEVELAND, TENNESSEE
OTHER STATISTICAL DATA - (Continued)
June 30, 2015**

Police Protection:

Criminal offenses:

TIBRS - Part A 5,630

TIBRS - Part B 1,520

Number of vehicles - all radio equipped

Motorola 800 74

EDUCATION - PUBLIC SCHOOL SYSTEM

	Number	ADM	ADA
High School (Grades 9, 10, 11 and 12)	1	1,399	1,315
Middle School (Grades 6 through 8)	1	1,244	1,174
Elementary Schools (Grades K through 5)	6	2,540	2,405
Ungraded - Special Education		91	84
Total Students		5,274	4,978
Certificated Staff	432		
Non-Certificated Personnel	290		
Total Personnel	722		

RECREATION AND CULTURE:

Parks (total acres)	290
Number developed	15
Number of swimming pools	3
Number of tennis courts	8
Number of softball parks	2
Number of gymnasiums	2
Number of multi-purpose fields	1
Number of soccer parks	1
Number of libraries	1city/county
Number of volumes	171,061
Number of e-books	27,634
Number of e-Audiobooks	564
Number of e-Videos	184
Number of bookmobiles	1

UTILITIES:

- Electric - City-owned (statements and statistics are included in this report).
- Water - City-owned (statements and statistics are included in this report).
- Sewer - City-owned (statements and statistics are included in this report).
- Gas - Natural gas system owned and operated by Chattanooga Gas Company.
- Telephone - Cleveland is served by AT&T and Charter Communications.
- Railroads - Cleveland is served by Norfolk and Southern (freight only).
- Bus Service - Cleveland is served by Greyhound Bus Lines.
- Jetport-Cleveland owns Regional Jetport; runway 5,500 feet.