



# CITY OF CLEVELAND

TENNESSEE



ANNUAL BUDGET

2017-2018

*City of Cleveland,  
Tennessee*



*Annual Budget  
FY 2018*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Cleveland**

**Tennessee**

For the Fiscal Year Beginning

**July 1, 2016**

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, 2016. 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 2017-2018***

### ***City Officials:***

<b><i>Mayor:</i></b>	Tom Rowland
<b><i>City Council:</i></b>	Avery Johnson, Sr., Vice Mayor (at large) Richard Banks, (at large) Charlie McKenzie, District 1 William Estes, District 2 Tom Cassada, District 3 David May, Jr., District 4 Dale Hughes, District 5
<b><i>City Attorney:</i></b>	John F. Kimball
<b><i>City Judge:</i></b>	Barrett Painter
<b><i>City Manager:</i></b>	Joe Fivas
<b><i>Asst. City Manager/CFO:</i></b>	Shawn McKay
<b><i>Asst. City Manager/Operations:</i></b>	Melinda B. Carroll

### ***Department Heads:***

<b><i>Development and Engineering Services Director:</i></b>	Jonathan Jobe
<b><i>Fire Chief:</i></b>	Ron Harrison
<b><i>Human Resource Director:</i></b>	Jeff Davis
<b><i>Information Technology Director:</i></b>	Kris Miller
<b><i>Library Director:</i></b>	Andrew Hunt
<b><i>Parks &amp; Recreation Director:</i></b>	Patti Petitt
<b><i>Police Chief:</i></b>	Mark Gibson
<b><i>Public Works Director:</i></b>	Tommy Myers
<b><i>Airport Manager:</i></b>	Mark Fidler
<b><i>Cleveland Utilities General Manager:</i></b>	Tim Henderson
<b><i>Director of Schools:</i></b>	Dr. Russell Dyer

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## *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 2017 was 4.7%. The unemployment rate for Bradley County was 4.6%, the rate of Tennessee was 5.3% and the national average was 4.7%. The cost of living is 85.8%, which is 14.2% 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](http://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](http://www.clevelandtn.gov).



In Cleveland, utilities are provided by the following companies:

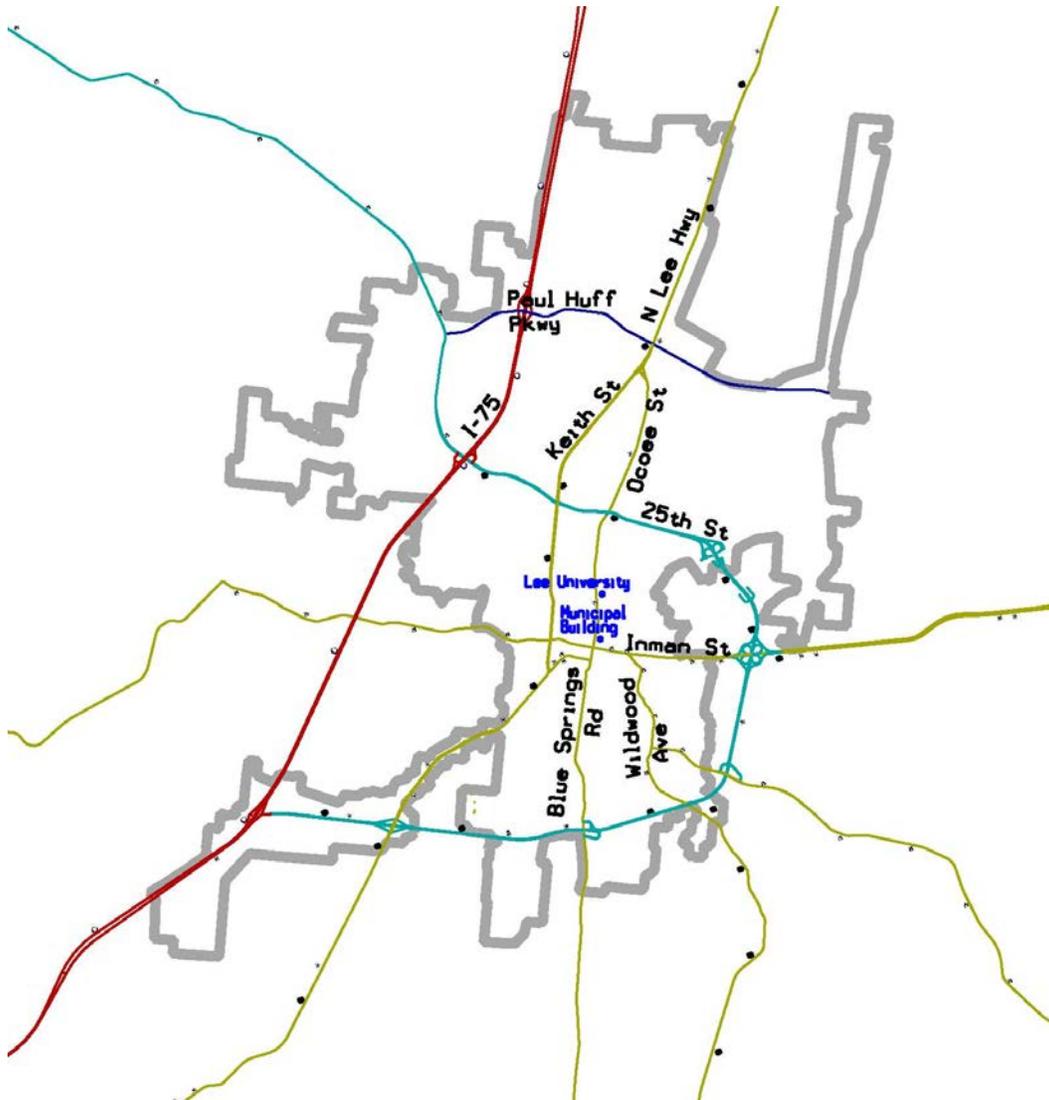
Cleveland Utilities	Electricity, water, and wastewater
Volunteer Energy MC	Electricity in some annexed areas
Chattanooga Gas	Natural Gas
AT&T	Telecommunications
Charter Communications	Cable Television

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 FY2018.

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
Light Blue	State Street Aid Fund
Gray	Library Fund
Navy Blue	Cleveland Utilities
Rose	Community Development Block Grant
Purple	Metropolitan Planning Organization 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, Assistant City Manager/CFO, P.O. Box 1519, Cleveland, TN 37364-1519, or phone him at (423) 472-4551.

Follow us on social media to stay up to date on City Government news updates!



Cleveland, TN Government

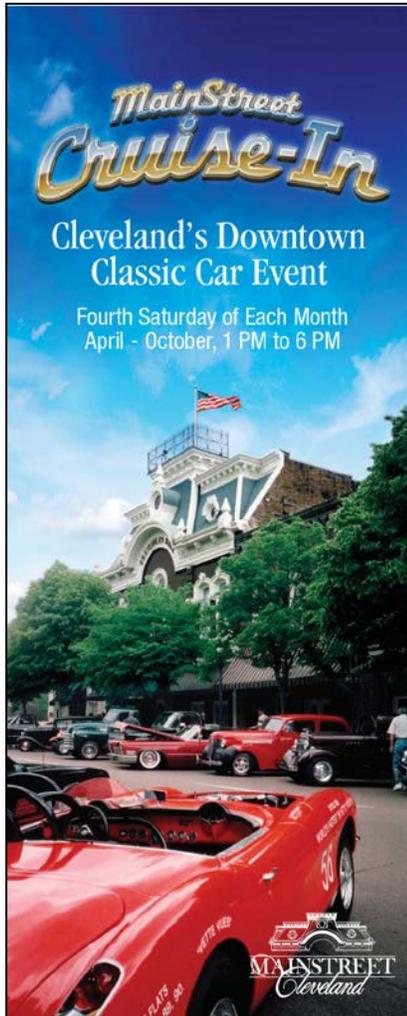


Cleveland\_TN



cityofclevelandtn

*"The City with Spirit"*  
*Cleveland, Tennessee*



# *City of Cleveland*

## *Office of the City Manager*

*Joe Fivas, City Manager*  
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*Cleveland Municipal Building*  
*190 Church Street N.E.*  
*P.O. Box 1519*  
*Cleveland, Tennessee 37364-1519*

May 8, 2017

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 2018

Honorable Mayor Rowland & City Council

The FY 2018 Budget for the City of Cleveland is submitted for your consideration. The document includes the revenues and expenditures that are essential to maintain our current levels of municipal services, to increase service levels for the Fire Department and the Police Department, address traffic congestion issues, increase street paving, downtown redevelopment, and additional sidewalk maintenance.

### **CITY GROWTH:**

The FY 2018 Budget addresses needs of the City of Cleveland. It is a challenge to keep up with the demand for services and facilities in 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.

Since 1960 Cleveland's population has grown from 16,196 to approximately 46,000. Cleveland has grown at a rate of approximately 20.58% per decade since 1960. This trend will likely continue which will make our population approximately 50,000 in 2020, and 60,000 in 2030. The City also has approximately 250,000 persons using our infrastructure and services every day. Currently, Cleveland/Bradley County is ranked at number one in job growth within the United States per the U.S. Bureau of Labor Statistics.

This growth has impacted the City in the following ways:

- 1) Increased traffic congestion due to aged infrastructure;
- 2) Increased traffic congestion due to additional traffic;
- 3) Increase in street miles which leads to a 27.5 year paving cycle rate;

- 4) Increased need for sidewalks and walkability due to higher population;
- 5) Increased police services due to higher populations and commuter traffic;
- 6) Increased fire /first responder services due to increased daily populations;
- 7) Increased downtown redevelopment due to aging infrastructure and Whirlpool relocation.

## **COMMUNITY MEETINGS & SURVEY RESULTS:**

The Mayor and City Council established six ‘Community Meetings’ to hear about resident priorities. These meetings took place in every council district and allowed residents to have direct communications with elected officials and City staff.

This Spring the city conducted a comprehensive survey of community residents to get a sense of community priorities and what services should be emphasized. The City had 1,076 completed surveys. The survey results revealed the following:

### **Core Services that Should be Emphasized over the Next Two Years?**

- 1) 1<sup>st</sup> Priority- Traffic Flow & Traffic Congestion
- 2) 2<sup>nd</sup> Priority- Maintenance of Streets & Sidewalks
- 3) 3<sup>rd</sup> Priority- Quality of Public Safety Services

### **Project Priorities for the City to Pursue over the Next 3 Years?**

- 1) 1<sup>st</sup> Priority- Traffic Flow & Congestion
- 2) 2<sup>nd</sup> Priority- Downtown Redevelopment
- 3) 3<sup>rd</sup> Priority- Downtown Entertainment
- 4) 4<sup>th</sup> Priority- Redevelopment of South Cleveland Neighborhoods

## **MAYOR & CITY COUNCIL PRIORITIES:**

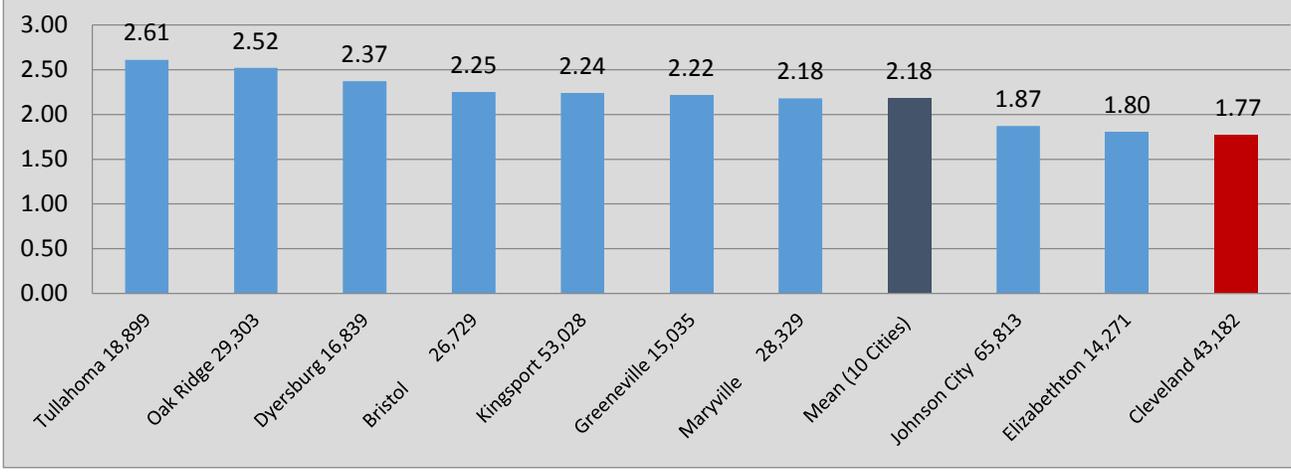
The Mayor and City Council have established (7) seven key priorities for the FY 2018 budget. These priorities have been incorporated within this budget document. The priorities are listed below:

- 1) Funding for construction of the New Candy’s Creek Cherokee Elementary School
- 2) Construction of new Fire Station #6 & Funding for Staffing and Operations.
- 3) Implementation of the 2016 Police Department Study Recommendations.
- 4) Improvements to Decrease Paving Cycle from 27.5 years to approx. 20 years.
- 5) Improvements to Traffic Congestion, Street Safety, and Intersections.
- 6) Funding for Downtown Redevelopment & Whirlpool Site redevelopment.
- 7) Implementation of City Compensation Plan for employees

## **TAX RATE & FEE ASSESSMENTS:**

The FY 2018 budget includes a proposed property tax increase. Due to this being a revaluation year for the County, the City will not adopt the final tax rate until July 2017. The new tax rate will be based on the need for funding based on the level of services approved by the City Council in this budget proposal. See the chart on the next page for a comparison of Cleveland’s current tax rate to other similarly-sized cities with K-12 school systems.

**2016 Property Tax Rate Comparison  
for Tennessee Cities with K-12 Schools**  
\* All Cities Except **Cleveland** Receive 100% of Sales Tax  
**Dollars**



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 is mandated by Congress and 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 City’s street cut permit fee will remain \$265 per 48 square feet of patch. This fee was last increased in August 2015.

**EDUCATION:**

**Construction of Candy’s Creek Cherokee Elementary School:** The City will fund the construction of the new Candy’s Creek Cherokee Elementary School. The new school will likely not be completed until the Summer of 2019. Cleveland City Schools will manage the construction of this project.

In 2016, city staff met with school staff to discuss the financing of the Candy’s Creek Cherokee Elementary School. The construction cost was estimated to be approximately \$13.7 million, plus architectural fee costs. This amount would likely be reflected in the original architectural agreement between the City Schools and the architect. Last year, during the budget process the City Manager anticipated the required debt service to be approximately \$6 to \$8 million. The City has proactively budgeted up to \$9.0 million in debt funding for this construction of this project. The County will likely

transfer approximately \$5.9 million for this project. We will not know the actual amount of debt funding until bids are received.

Part of the agreement with City Schools indicates they will provide all operational costs for the new elementary school, any new staff required, and will use approximately \$300,000 of their sales tax funds for furnishings.

Bradley County Mayor Davis has indicated to City officials that they will bond for approximately \$12 million in FY 2018. Under state law, this would obligate the County to provide the City with approximately \$5.9 million in bond debt proceeds for the new school. Our understanding is the County will not sell these bond funds until the Fall of 2017. This would mean the elementary school would already be under construction before the receipt of these payments.

**City School Positions:** The City Schools' budget includes a 3% salary increase for all employees and a step increase for all employees who qualify. Also included are 6.5 additional teaching positions.

**City School Funding/Debt Service:** The total operational funding for the Cleveland City Schools System equals \$5.27 million. The City will pay \$2,686,519 for debt service for school capital projects. City Schools will also receive approximately \$950,000 for its capital projects from the sales tax referendum.

## **INFRASTRUCTURE:**

**City Street Paving:** The City will allocate \$1.3 million for the repaving of streets within the City. The City will fund \$1 million in paving from the Sales Tax Capital Projects Fund, and \$300,000 from the CIP. A list of proposed street projects is included in your notebook for your review. This allocation will allow the City to gradually reduce our 27.5 year 'Paving Cycle' to an approximately 20.0 year 'Paving Cycle'.

**Public Works Sidewalk/ Stormwater Crew:** With the approval of the budget, the City will add an additional four public works employees to focus full time on sidewalk/stormwater related projects. These positions will be funded by approximately 60% of general funds and approximately 40% of stormwater funds. This budget will also increase the available amount of funds for sidewalk projects from the previous year.

**Public Works Equipment Replacement:** The Public Works Department has been allocated \$150,000 for routine equipment replacement.

**Mouse Creek Road/Paul Huff Intersection:** The City will allocate approximately \$250,000 for a widening project at the intersection at Mouse Creek/Paul Huff Parkway. Staff has had previous discussions with the potential developers of this area who would donate right-of-way for the development of this property. The funds used for this project are from the CIP.

**Peerless Road/Paul Huff Parkway Intersection Widening:** The City will allocate approximately \$300,000 for a widening project at the intersection at Peerless Road/Paul Huff Parkway. The funds used for this project are from the CIP.

**Peerless Road/25<sup>th</sup> Street Widening:** The City will allocate approximately \$250,000 for a widening project at the intersection at Peerless Road/25th Street. The funds used for this project are from the CIP.

**Norman Chapel/Peerless/Adkisson Widening & Walkability Improvements:** The City will have an 80/20 grant match of approximately \$160,000 to facilitate construction on Norman Chapel Road between Adkisson Road and Peerless Road. The project will also facilitate walkability improvements for area residents and Cleveland State Community College students. The funds used for this project are from the CIP and from the Sales Tax Capital Projects Fund.

**Inman Street Diet Project:** The City will have a 20% grant match of approximately \$24,000 to complete a planning study to possibility reduce the lanes on Inman Street to make this corridor more walkable. This is an 80/20 grant between the State and City. The City funds used for this project are from the CIP and from the Sales Tax Capital Projects Fund.

**Georgetown Road & 25th Street Intersection Widening Improvements:** The City will have a grant match of \$117,000 for the widening of Georgetown Road and Westside Drive. This will assist in creating more effective traffic controls in this area. The funds used for this project are from the CIP and from the Sales Tax Capital Projects Fund.

**20th Street & 17th Street Sidewalk Project:** The City will begin Right-of-Way acquisition and potential construction of sidewalks on 20th Street and 17th Street. The funds used for this project are from the CIP and from the Sales Tax Capital Projects Fund.

**Central Avenue Walkability Project:** The City will begin design and possible Right-of-Way acquisition for walkability improvements along Central Avenue from Broad Street to Gaut Street. The City's intent is to coordinate this project with stormwater improvements and streetscape projects along Parker Street. The funds used for this project are from the CIP and from the Sales Tax Capital Projects Fund.

**Candies Creek Culvert Replacement Stormwater Project:** The City will begin the process to replace the large culvert at Candies Creek on Candies Lane. In FY 2018 the City will complete the design and environmental review of this project, and likely would not begin construction until FY 2019. This project will be funded from our Stormwater Fees.

**11th Street & Poplar Street:** The City will make drainage improvements at 11th Street and Poplar Street. This project will be funded from our Stormwater Fees.

## **PUBLIC SAFETY:**

**Additional Firefighter Positions:** Due to expanding city borders and population growth, the City has initiated the construction of Fire Station #6. This budget proposal includes future funding for (12) twelve new firefighter positions beginning in FY 2019. These new positions will staff the new Fire Station #6.

**Additional Police Officer Positions:** This budget proposals includes (6) six new full-time police officers with two starting at second quarter, two starting at the third quarter, and two starting in the fourth quarter. The proposal will also include funding for (6) six new full-time police in FY 2019. The Police Department will also implement a Crime Suppression Unit. Per CPD, in 2004, the City of

Cleveland had 90 approved sworn police officers, and in 2016 the Police Department has 91 police officers. The City of Cleveland averages 20 officers per 10,000 residents. The Department of Justice staffing standards for Police Departments is 22.2 per 10,000. Individual officers answer an estimated 2,100 calls annually. Adding one officer per team reduces call load by 14%.

**New Fire Training Center:** The City will allocate \$200,000 for the construction of a new Fire Training Center for our public safety services. This is partial funding and the remainder of funds will come from selling the property at the current Fire Training Center.

**Construction of Fire Station #6:** The City will begin the construction of Fire Station #6 in the Summer of 2017. The budget for this station is approximately \$1.7 million. This station follows the Fire Department's comprehensive plan and will allow for more effective service to this area of our City, including future construction at Exit 20 on I-75. 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.

**Fire Department Equipment Replacement:** The Fire Department has been allocated \$400,000 to assist the purchase of a 2000 Pierce Engine.

**Police Department Equipment Replacement:** The Police Department has been allocated \$285,000 for the purchase of approximately (6) six fully equipped new police cars.

## **QUALITY OF LIFE:**

**Construction of new Blythe/Oldfield Park:** The City's CDBG program, Impact Cleveland, the United Way, and other private contributors have formed a partnership for the redevelopment of the Blythe/Oldfield Park. This Park should be completed in the Summer of 2017.

**Construction of Tinsley Park Tennis Complex:** The City has received a \$500,000 state parks and recreation grant and will contribute \$500,000 towards a new Tennis Complex at Tinsley Park. The City's intent is to have the project open before the end of Spring of 2018.

**Deer Park Renovation:** The City will allocate approximately \$200,000 for a partial renovation of Deer Park. This will likely add new and additional playground equipment.

**Blythe-Bower School Park Development:** The City will allocate approximately \$100,000 in General Fund for Blythe-Bower School Park development, and some additional funds from the CDBG program. This will likely add some quality of life amenities for the surrounding neighborhoods.

**Greenway-Inman Street Connector Project:** This budget allocates \$60,000 for the construction of an addition to the Greenway with the Inman Street Connector Project.

**Parks & Recreation Planning:** The City will complete the Parks & Recreation Master Plan which will give us a pathway to move forward in the future. The City will also analyze our staffing needs, quality control of our services provided, create clear expectations for our community landscaping, and create an inventory of this departments strengths, weaknesses, and opportunities. This process will lay the foundation for a more successful sports tourism program for the City of Cleveland.

**Maintenance Facility Upgrades:** The City will fund \$20,000 to paint and upgrade the storage facility at the Parks and Recreation Maintenance Facility on Tennessee Nursery Road.

**LIC North:** The Local Interstate Connector (LIC)-South project at the new APD-40 Interchange was completed in 2014 on the south side and construction of the LIC-North will likely be completed in 2017. The City and County have each contributed \$2 million and the state is funding \$4 million for the LIC projects.

**Veteran's Home:** The City and County have each agreed to invest \$2 million in a proposed veterans' home to be located off APD-40. Land has been donated for the veterans' home, the design has been completed, and the city has budgeted \$150,000 for road improvements to Westland Dr. which will be the entrance to the Veterans home.

**Whirlpool Redevelopment Revolving Fund:** With the approval of this budget, the City will create a Whirlpool Redevelopment Revolving Fund by earmarking \$0.06 per year to complete Whirlpool and Downtown redevelopment projects.

#### **ADMINISTRATIVE:**

**Corridor Aesthetics & Appearance Initiative:** The City will develop a Corridor Aesthetics & Appearance Plan to address landscaping, site plan design, infrastructure improvements, additional tree planting, and wayfinding signs.

**Project Management:** Beginning in FY 2018, the City will implement new mechanisms to measure project completion timelines. This will also allow community stakeholders and our elected officials to get frequent updates on our projects.

**Community Branding:** The City will develop a cohesive community brand. Once a brand has been identified by the City, we will then begin the implementation of this brand.

**Facility Analysis & Implementation of Customer Service Improvements:** The City will complete a plan on future facility improvements and develop a strategy to provide a higher level of customer service for City residents and businesses. This will likely include creating a 'One-Stop Shop' for City residents doing business.

**Employee Compensation Plan & Healthcare:** City employees will receive no Cost of Living Adjustment (COLA). In order to implement the city's recent Classification/Compensation survey employees who qualify will receive a 3.5% step increase in FY2018. The City will also maintain its current healthcare benefits for all of our employees. There is no increase to employees for healthcare benefits. The City will also develop a Healthcare Task Force made up of employees from all departments to review our current benefits and plan design.

**Fleet Management:** In the past, the Fleet Management Fund has been a stand alone Fund. In this budget, the Fleet Management will become a separate division of the Public Works Department. The function and staffing will remain the same.

## **COMPONENT UNITS/PARTNERSHIPS:**

**Cleveland Bradley County Library:** 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 FY 2018 budget includes \$645,800 for the Cleveland Public Library.

**Cleveland Utilities:** Cleveland Utilities' budget is an enterprise fund 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 budget included a local rate increase of 2.5% for water customers a pass through from the HUC; no increase for their wastewater customers; and no increase for electric customers. Cleveland Utilities has funded a 3.5% step increase for their employees, and the Cleveland Utilities' budget includes 3 additional positions.

Cleveland Utilities Budget is also projecting \$3.5 million in new debt for their Electric Division, \$3.995 million in new debt for their Water Division, and \$8.236 million for their Sewer Division for various capital projects.

**Bradley County Emergency Communication District/911:** This budget also increases the funding for the Bradley County Emergency Communication District (9-1-1 service) from \$550,000 to \$650,000 annually.

## **SUMMARY:**

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 budget 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 Shawn McKay, Assistant City Manager/CFO; Amy Newman, City Accountant; Christy Bryant, Support Services Manager; 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.

First reading of the Budget Ordinance is scheduled for May 8<sup>th</sup>. The final reading and public hearing of the Budget Ordinance will be held on May 22<sup>th</sup>. This Budget with any revisions you the Mayor and City Council recommend will go into effect on July 1, 2017. Please contact me if you have any questions or would like to discuss the Budget in detail.

Respectfully Submitted,



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 upgrades of technology equipment for 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 Candy’s Creek Cherokee 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 \$1.3 million annually for street resurfacing 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 \$130,000 annually in new sidewalk construction and sidewalk maintenance.
- 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 Cleveland Regional Jetport.**
- 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 25<sup>th</sup> 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 Needs Inventory (CNI).**
  - 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 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.
- 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 the 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 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 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.).

**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. 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.

**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

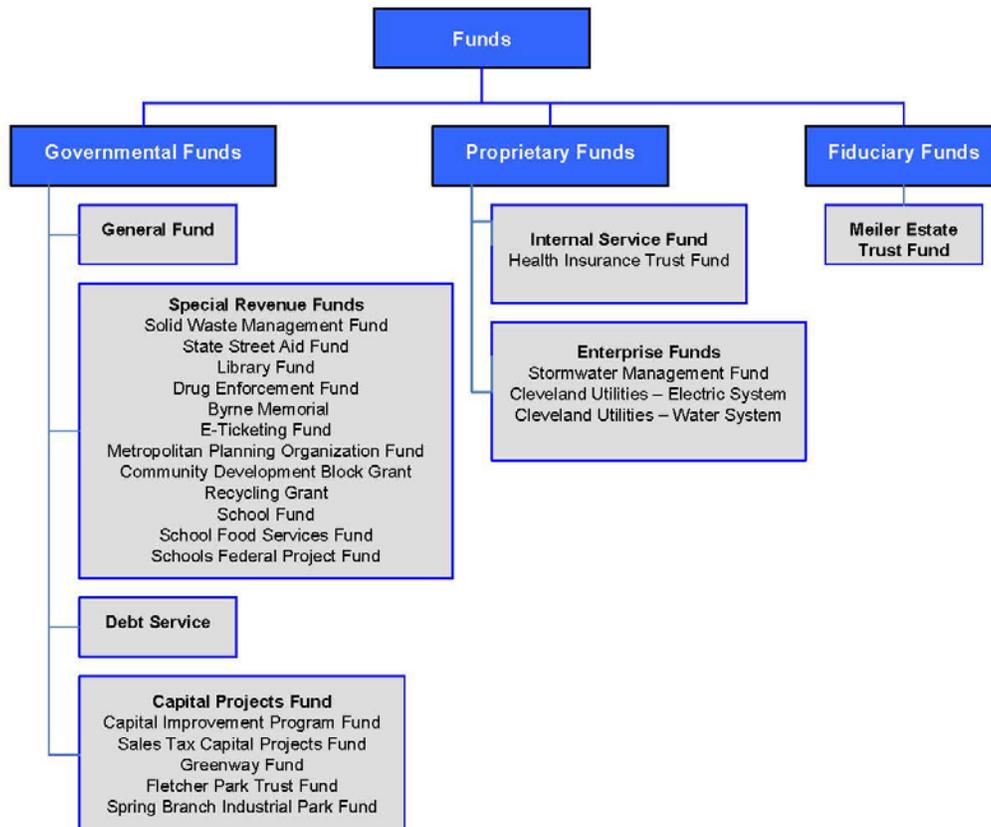
Electric Division and Water/Wastewater Division are considered major funds of the City.

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 Health Insurance Trust Fund is the City’s only Internal Service Fund and is used to account for expenses related to the City’s self-insured medical program.

(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 99.2% of the total revenues received by the City of Cleveland.

Charges for services revenues provide 59.5% 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 22.0% 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.

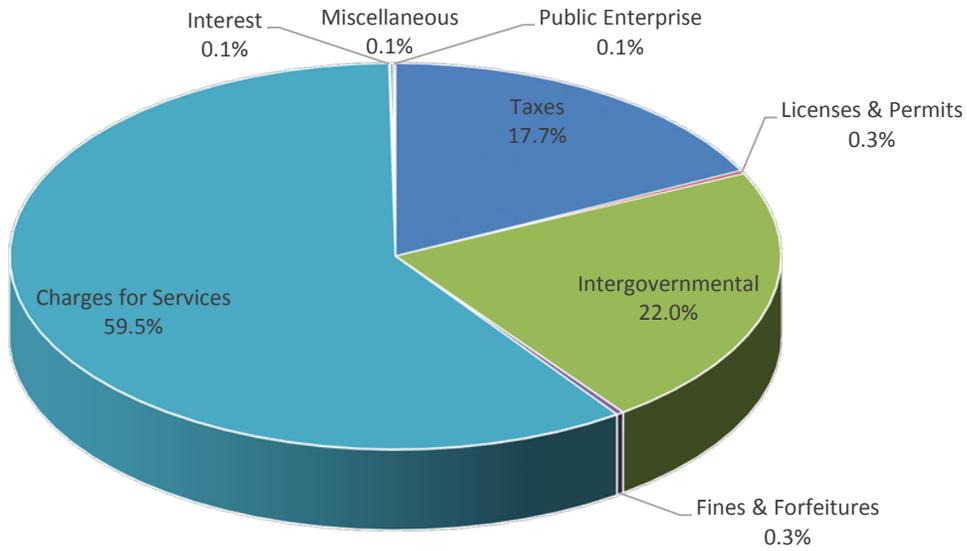
Tax revenues account for 17.7% of the total funding sources received to fund city services. Property tax and sales tax are the largest sources of tax revenues. Combined they provide 89.4% of total taxes collected. The City will adopt a new property tax rate after the State sets the certified rate in July. 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 34.1% and education funding at 20.5%. Other significant expenditures and expenses include Cleveland Utilities' operation expenses at 10.8% and Public Safety at 7.9%.

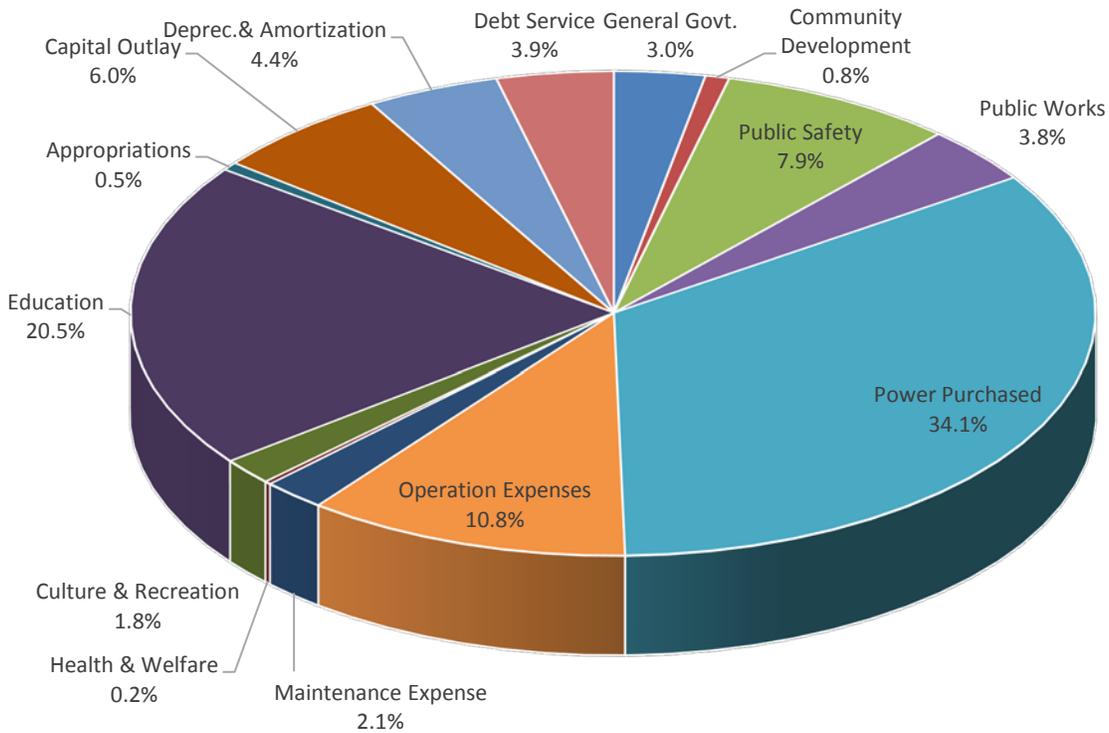
The revenue sources and expenditures of the City of Cleveland may be more easily understood by reviewing the following pie charts. Also included in this section are three-year budget spreadsheets (FY2016 actual, FY2017 budgeted, and FY2018 recommended budgets) for each of the fund categories.

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 - FY2018



## Expenditures and Expenses By Use - FY2018



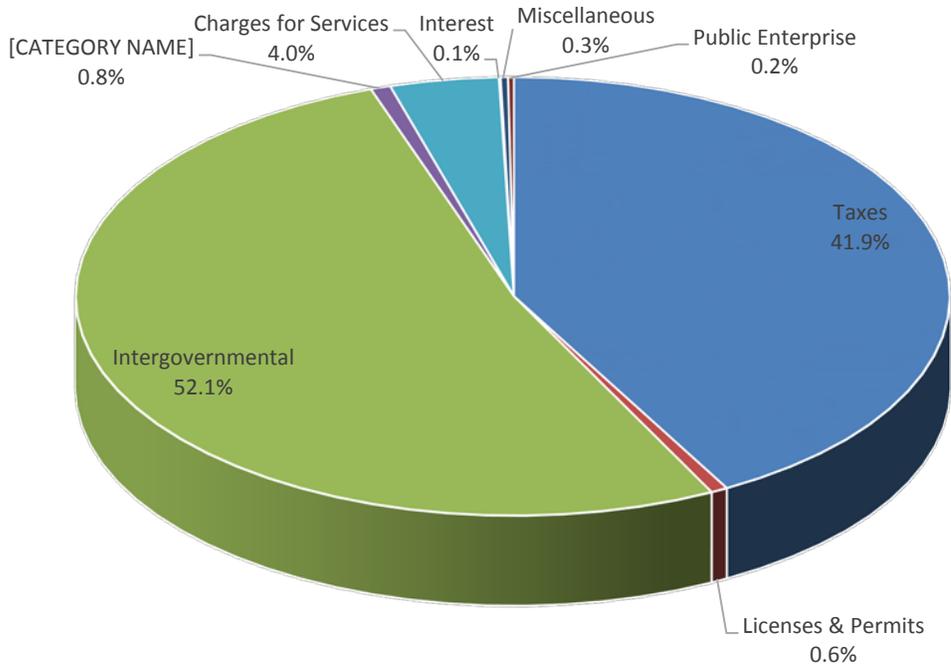
City of Cleveland, Tennessee  
2016-2018 Summary of All Funds

	Governmental Funds			Proprietary Funds		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Revenues:</b>						
Taxes	\$ 37,144,740	\$ 37,809,936	\$ 42,455,200	\$0	\$0	\$0
Licenses & permits	490,234	609,850	630,700	0	0	0
Intergovernmental	57,474,854	61,455,341	52,792,766	0	0	0
Fines & forfeitures	565,843	713,900	743,100	0	0	0
Charges for services	3,739,322	3,681,865	4,066,015	129,639,115	136,217,924	138,580,318
Interest	136,009	78,750	58,850	104,360	81,018	79,449
Miscellaneous	759,952	1,100,849	275,368	4,971	6,026	0
Public Enterprise	721,751	237,333	218,800	0	0	0
<b>Subtotal:</b>	<b>\$101,032,705</b>	<b>\$105,687,824</b>	<b>\$101,240,799</b>	<b>\$129,748,446</b>	<b>\$136,304,968</b>	<b>\$138,659,767</b>
<b>Other financial sources:</b>						
Operating transfers in	15,751,495	16,324,768	19,437,515	85,636	0	0
Capital contributions	0	0	0	945,811	0	0
Proceeds from debt	19,098,080	8,934,790	9,054,000	0	0	0
<b>Total Financial Sources</b>	<b>\$135,882,280</b>	<b>\$130,947,382</b>	<b>\$129,732,314</b>	<b>\$130,779,893</b>	<b>\$136,304,968</b>	<b>\$138,659,767</b>
<b>Expenditures and Expenses</b>						
General government	\$ 3,088,818	\$ 3,278,169	\$ 3,777,380	\$4,170,799	\$4,133,587	\$3,614,289
Community development	1,841,234	1,968,983	1,950,855	0	0	0
Public safety	17,561,134	18,730,449	19,189,443	0	0	0
Public works	8,460,640	8,477,907	9,249,150	0	0	0
Power purchased	0	0	0	77,822,947	81,432,741	82,867,178
Operation expenses	0	0	0	22,442,138	24,551,702	26,312,819
Maintenance expense	0	0	0	5,190,204	5,298,958	5,146,965
Health and welfare	501,236	555,001	528,797	0	0	0
Culture and recreation	4,100,764	4,503,190	4,329,761	0	0	0
Education	48,423,074	47,811,729	49,883,480	0	0	0
Appropriations	1,098,651	1,212,736	1,317,236	0	0	0
Capital outlay	14,438,272	29,770,790	14,601,538	0	0	0
Depreciation and amortization expense	0	0	0	10,384,127	10,602,885	10,796,329
Debt service principal	17,144,564	4,356,560	4,776,480	0	0	0
Debt service interest and other	2,254,979	2,437,552	2,735,310	1,982,257	2,227,481	2,016,063
<b>Subtotal:</b>	<b>\$118,913,366</b>	<b>\$123,103,066</b>	<b>\$112,339,430</b>	<b>\$121,992,472</b>	<b>\$128,247,354</b>	<b>\$130,753,643</b>
<b>Other financing uses:</b>						
Pymt. to ref. bond escrow	3,577	4,600	5,000	0	0	0
Operating transfers out	13,429,155	13,979,745	16,928,193	2,407,976	2,345,023	2,509,322
<b>Total Use of Resources:</b>	<b>\$132,346,098</b>	<b>\$137,087,411</b>	<b>\$129,272,623</b>	<b>\$124,400,448</b>	<b>\$130,592,377</b>	<b>\$133,262,965</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$3,536,182</b>	<b>(\$6,140,029)</b>	<b>\$459,691</b>	<b>\$6,379,445</b>	<b>\$5,712,591</b>	<b>\$5,396,802</b>
<b>Fund Balance or Net Assets - July 1</b>	<b>26,852,635</b>	<b>30,388,817</b>	<b>24,248,788</b>	<b>124,033,697</b>	<b>130,413,142</b>	<b>136,125,733</b>
<b>Fund Balance or Net Assets-June 30</b>	<b>\$30,388,817</b>	<b>\$24,248,788</b>	<b>\$24,708,479</b>	<b>\$130,413,142</b>	<b>\$136,125,733</b>	<b>\$141,522,535</b>

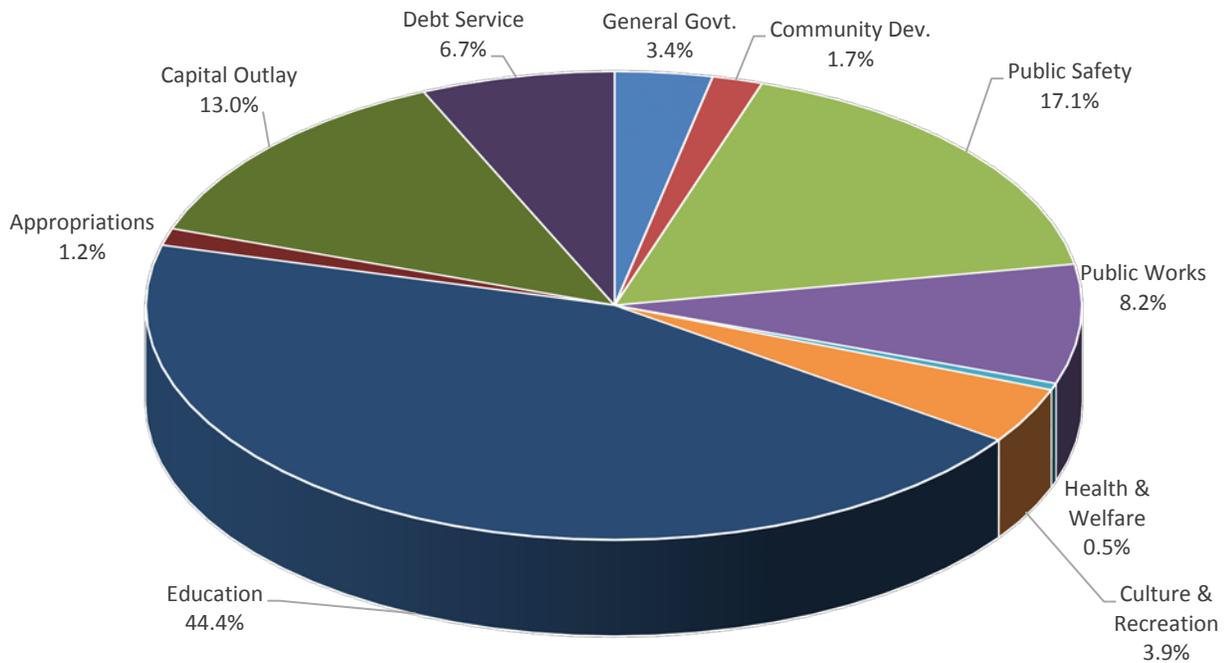
City of Cleveland, Tennessee  
2016-2018 Summary of All Funds

	Fiduciary Funds			Total		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Revenues:</b>						
Taxes	\$0	\$0	\$0	\$37,144,740	\$37,809,936	\$42,455,200
Licenses & permits	0	0	0	490,234	609,850	630,700
Intergovernmental	0	0	0	57,474,854	61,455,341	52,792,766
Fines & forfeitures	0	0	0	565,843	713,900	743,100
Charges for services	0	0	0	133,378,437	139,899,789	142,646,333
Interest	1,216	1,500	1,500	241,585	161,268	139,799
Miscellaneous				764,923	1,106,875	275,368
Public Enterprise	0	0	0	721,751	237,333	218,800
<b>Subtotal:</b>	<b>\$1,216</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>\$230,782,367</b>	<b>\$241,994,292</b>	<b>\$239,902,066</b>
<b>Other financial sources:</b>						
Operating transfers in	0	0	0	15,837,131	16,324,768	19,437,515
Capital contributions	0	0	0	945,811	0	0
Proceeds from debt	0	0	0	19,098,080	8,934,790	9,054,000
<b>Total Financial Sources</b>	<b>\$1,216</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>\$266,663,389</b>	<b>\$267,253,850</b>	<b>\$268,393,581</b>
<b>Expenditures and Expenses</b>						
General government	\$0	\$0	\$0	\$7,259,617	\$7,411,756	\$7,391,669
Community development	0	0	0	1,841,234	1,968,983	1,950,855
Public safety	0	0	0	17,561,134	18,730,449	19,189,443
Public works	0	0	0	8,460,640	8,477,907	9,249,150
Power purchased	0	0	0	77,822,947	81,432,741	82,867,178
Operation expenses	0	0	0	22,442,138	24,551,702	26,312,819
Maintenance expense	0	0	0	5,190,204	5,298,958	5,146,965
Health and welfare	0	0	0	501,236	555,001	528,797
Culture and recreation	0	0	0	4,100,764	4,503,190	4,329,761
Education	0	0	0	48,423,074	47,811,729	49,883,480
Appropriations	0	0	0	1,098,651	1,212,736	1,317,236
Capital outlay	0	0	0	14,438,272	29,770,790	14,601,538
Depreciation and amortization expense	0	0	0	10,384,127	10,602,885	10,796,329
Debt service principal	0	0	0	17,144,564	4,356,560	4,776,480
Debt service interest and other	0	0	0	4,237,236	4,665,033	4,751,373
<b>Subtotal:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$240,905,838</b>	<b>\$251,350,420</b>	<b>\$243,093,073</b>
Other financing uses:						
Pymt. to ref. bond escrow	0	0	0	3,577	4,600	5,000
Operating transfers out	0	0	0	15,837,131	16,324,768	19,437,515
<b>Total Use of Resources:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$256,746,546</b>	<b>\$267,679,788</b>	<b>\$262,535,588</b>
Net Increase (Decrease)						
in Fund Balance	\$1,216	\$1,500	\$1,500	\$9,916,843	(\$425,938)	\$5,857,993
Fund Balance or Net Assets - July 1	466,030	467,246	468,746	151,352,362	158,782,604	158,356,666
<b>Fund Balance or Net Assets-June 30</b>	<b>\$467,246</b>	<b>\$468,746</b>	<b>\$470,246</b>	<b>\$161,269,205</b>	<b>\$158,356,666</b>	<b>\$164,214,659</b>

## City of Cleveland Summary of Governmental Funds Revenues By Source - FY2018



## Expenditures By Source - FY2018



City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds

	General Fund			Special Revenue Funds		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Financial Sources:</b>						
Taxes	\$33,197,149	\$34,032,936	\$38,580,000	\$0	\$0	\$0
Licenses & permits	490,234	609,850	630,700	0	0	0
Intergovernmental	5,682,539	5,817,033	5,696,800	47,294,995	45,672,704	46,949,066
Fines & forfeitures	535,319	693,900	733,100	30,524	20,000	10,000
Charges for services	859,449	756,850	1,108,000	2,879,873	2,925,015	2,958,015
Interest	28,874	15,000	17,500	16,768	17,850	17,550
Miscellaneous	152,837	287,996	32,500	511,454	676,260	242,868
Public Enterprise	721,751	237,333	218,800	0	0	0
<b>Subtotal:</b>	<b>\$41,668,152</b>	<b>\$42,450,898</b>	<b>\$47,017,400</b>	<b>\$50,733,614</b>	<b>\$49,311,829</b>	<b>\$50,177,499</b>
Other financial sources:						
Operating transfers in	2,390,243	2,343,623	2,981,085	\$7,066,400	\$7,052,108	\$7,095,500
Capital lease	0	0	0	0	0	0
Proceeds from debt	0	0	0	0	0	0
<b>Total Financial Sources</b>	<b>\$44,058,395</b>	<b>\$44,794,521</b>	<b>\$49,998,485</b>	<b>\$57,800,014</b>	<b>\$56,363,937</b>	<b>\$57,272,999</b>
<b>Expenditures:</b>						
General government	\$3,088,818	\$3,278,169	\$3,777,380	\$0	\$0	\$0
Development & Engineering	1,329,879	1,501,885	1,532,900	511,355	467,098	417,955
Public safety	17,513,834	18,644,909	19,171,943	47,300	85,540	17,500
Public works	4,331,397	4,059,619	4,982,750	4,129,243	4,418,288	4,266,400
Health and welfare	501,236	555,001	528,797	0	0	0
Culture and recreation	2,770,746	3,088,090	2,905,661	1,330,018	1,415,100	1,424,100
Education	0	0	0	48,423,074	47,811,729	49,883,480
Appropriations	1,098,651	1,212,736	1,317,236	0	0	0
Capital outlay	0	0	0	847,950	1,848,080	224,645
Debt service principal	0	0	0	191,587	0	0
Debt service int. & other	0	0	0	15,015	0	0
<b>Subtotal:</b>	<b>\$30,634,561</b>	<b>\$32,340,409</b>	<b>\$34,216,667</b>	<b>\$55,495,542</b>	<b>\$56,045,835</b>	<b>\$56,234,080</b>
Other financing uses:						
Pymt to ref. bond escrow	0	0	0	0	0	0
Operating transfers out	12,301,579	12,852,426	15,285,131	915,119	980,319	991,272
<b>Total Use of Resources:</b>	<b>\$42,936,140</b>	<b>\$45,192,835</b>	<b>\$49,501,798</b>	<b>\$56,410,661</b>	<b>\$57,026,154</b>	<b>\$57,225,352</b>
Net Increase(Decrease) in Fund Balance	1,122,255	(398,314)	496,687	1,389,353	(662,217)	47,647
Fund Balance - July 1	\$9,724,807	\$10,847,062	\$10,448,748	\$6,396,786	\$7,786,139	\$7,123,922
<b>Fund Balance - June 30</b>	<b>\$10,847,062</b>	<b>\$10,448,748</b>	<b>\$10,945,435</b>	<b>\$7,786,139</b>	<b>\$7,123,922</b>	<b>\$7,171,569</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds

Debt Service Funds			Capital Project Funds			Total Governmental Funds		
2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
\$0	\$0	\$0	\$3,947,591	\$3,777,000	\$3,875,200	\$37,144,740	\$37,809,936	\$42,455,200
0	0	0	0	0	0	490,234	609,850	630,700
251,452	159,950	146,900	4,245,868	9,805,654	0	57,474,854	61,455,341	52,792,766
0	0	0	0	0	0	565,843	713,900	743,100
0	0	0	0	0	0	3,739,322	3,681,865	4,066,015
14,321	5,000	5,000	76,046	40,900	18,800	136,009	78,750	58,850
4,111	0	0	91,550	136,593	0	759,952	1,100,849	275,368
0	0	0	0	0	0	721,751	237,333	218,800
<b>\$269,884</b>	<b>\$164,950</b>	<b>\$151,900</b>	<b>\$8,361,055</b>	<b>\$13,760,147</b>	<b>\$3,894,000</b>	<b>\$101,032,705</b>	<b>\$105,687,824</b>	<b>\$101,240,799</b>
5,992,273	6,166,519	6,875,930	302,579	762,518	2,485,000	15,751,495	16,324,768	19,437,515
0	0	0	0	0	0	0	0	0
<b>13,057,880</b>	<b>0</b>	<b>0</b>	<b>6,040,200</b>	<b>8,934,790</b>	<b>9,054,000</b>	<b>19,098,080</b>	<b>8,934,790</b>	<b>9,054,000</b>
<b>\$19,320,037</b>	<b>\$6,331,469</b>	<b>\$7,027,830</b>	<b>\$14,703,834</b>	<b>\$23,457,455</b>	<b>\$15,433,000</b>	<b>\$135,882,280</b>	<b>\$130,947,382</b>	<b>\$129,732,314</b>
\$0	\$0	\$0	\$0	\$0	\$0	\$3,088,818	\$3,278,169	\$3,777,380
0	0	0	0	0	0	1,841,234	1,968,983	1,950,855
0	0	0	0	0	0	17,561,134	18,730,449	19,189,443
0	0	0	0	0	0	8,460,640	8,477,907	9,249,150
0	0	0	0	0	0	501,236	555,001	528,797
0	0	0	0	0	0	4,100,764	4,503,190	4,329,761
0	0	0	0	0	0	48,423,074	47,811,729	49,883,480
0	0	0	0	0	0	1,098,651	1,212,736	1,317,236
0	0	0	13,590,322	27,922,710	14,376,893	14,438,272	29,770,790	14,601,538
16,620,400	4,021,560	4,439,480	332,577	335,000	337,000	17,144,564	4,356,560	4,776,480
2,097,734	2,290,952	2,582,550	142,230	146,600	152,760	2,254,979	2,437,552	2,735,310
<b>\$18,718,134</b>	<b>\$6,312,512</b>	<b>\$7,022,030</b>	<b>\$14,065,129</b>	<b>\$28,404,310</b>	<b>\$14,866,653</b>	<b>\$118,913,366</b>	<b>\$123,103,066</b>	<b>\$112,339,430</b>
3,577	4,600	5,000	0	0	0	3,577	4,600	5,000
0	0	0	212,457	147,000	651,790	13,429,155	13,979,745	16,928,193
<b>\$18,721,711</b>	<b>\$6,317,112</b>	<b>\$7,027,030</b>	<b>\$14,277,586</b>	<b>\$28,551,310</b>	<b>\$15,518,443</b>	<b>\$132,346,098</b>	<b>\$137,087,411</b>	<b>\$129,272,623</b>
598,326	14,357	800	426,248	(5,093,855)	(85,443)	3,536,182	(6,140,029)	459,691
<b>\$3,761,984</b>	<b>\$4,360,310</b>	<b>\$4,374,667</b>	<b>\$6,969,058</b>	<b>\$7,395,306</b>	<b>\$2,301,451</b>	<b>\$26,852,635</b>	<b>\$30,388,817</b>	<b>\$24,248,788</b>
<b>\$4,360,310</b>	<b>\$4,374,667</b>	<b>\$4,375,467</b>	<b>\$7,395,306</b>	<b>\$2,301,451</b>	<b>\$2,216,008</b>	<b>\$30,388,817</b>	<b>\$24,248,788</b>	<b>\$24,708,479</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds by Fund Type

	General Fund		
	2016 Actual	2017 Budgeted	2018 Proposed
<b>Financial Sources:</b>			
Taxes	\$33,197,149	\$34,032,936	\$38,580,000
Licenses & permits	490,234	609,850	630,700
Intergovernmental	5,682,539	5,817,033	5,696,800
Fines & forfeitures	535,319	693,900	733,100
Charges for services	859,449	756,850	1,108,000
Interest	28,874	15,000	17,500
Miscellaneous	152,837	287,996	32,500
Public Enterprise	721,751	237,333	218,800
<b>Subtotal:</b>	<b>\$41,668,152</b>	<b>\$42,450,898</b>	<b>\$47,017,400</b>
Other financial sources:			
Operating transfers in	2,390,243	2,343,623	2,981,085
Proceeds from bonds	0	0	0
<b>Total Financial Sources</b>	<b>\$44,058,395</b>	<b>\$44,794,521</b>	<b>\$49,998,485</b>
<b>Expenditures:</b>			
General government	\$3,088,818	\$3,278,169	\$3,777,380
Development & Engineering	1,329,879	1,501,885	1,532,900
Public safety	17,513,834	18,644,909	19,171,943
Public works	4,331,397	4,059,619	4,982,750
Health and welfare	501,236	555,001	528,797
Culture and recreation	2,770,746	3,088,090	2,905,661
Education	0	0	0
Appropriations	1,098,651	1,212,736	1,317,236
Capital outlay	0	0	0
Debt service principal	0	0	0
Debt service int. & other	0	0	0
Subtotal:	\$30,634,561	\$32,340,409	\$34,216,667
Other financing uses:			
Operating transfers out	12,301,579	12,852,426	15,285,131
<b>Total Use of Resources:</b>	<b>\$42,936,140</b>	<b>\$45,192,835</b>	<b>\$49,501,798</b>
Net Increase(Decrease) in Fund Balance	1,122,255	(398,314)	496,687
Fund Balance - July 1	9,724,807	10,847,062	10,448,748
<b>Fund Balance - June 30</b>	<b>\$10,847,062</b>	<b>\$10,448,748</b>	<b>\$10,945,435</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds by Fund Type

	Special Revenue Funds					
	State Street Aid Fund			Solid Waste Management Fund		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Financial Sources:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	1,135,085	1,141,500	1,150,000	0	0	0
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	2,479,526	2,500,000	2,518,800
Interest	1,278	500	1,000	1,749	3,000	3,000
Miscellaneous	0	0	0	0	2,192	0
<b>Subtotal:</b>	<b>\$1,136,363</b>	<b>\$1,142,000</b>	<b>\$1,151,000</b>	<b>\$2,481,275</b>	<b>\$2,505,192</b>	<b>\$2,521,800</b>
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$1,074,100	\$1,035,708	\$1,074,100
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
<b>Total Financial Sources</b>	<b>\$1,136,363</b>	<b>\$1,142,000</b>	<b>\$1,151,000</b>	<b>\$3,555,375</b>	<b>\$3,540,900</b>	<b>\$3,595,900</b>
<b>Expenditures:</b>						
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	646,317	730,541	706,400	3,460,379	3,667,679	3,550,000
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	53,423	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:	\$699,740	\$730,541	\$706,400	\$3,460,379	\$3,667,679	\$3,550,000
Other financing uses:						
Operating transfers out	347,200	411,200	426,353	10,000	10,000	10,000
<b>Total Use of Resources:</b>	<b>\$1,046,940</b>	<b>\$1,141,741</b>	<b>\$1,132,753</b>	<b>\$3,470,379</b>	<b>\$3,677,679</b>	<b>\$3,560,000</b>
Net Increase(Decrease) in Fund Balance	89,423	259	18,247	84,996	(136,779)	35,900
Fund Balance - July 1	\$596,568	\$685,991	\$686,250	\$614,333	\$699,329	\$562,550
<b>Fund Balance - June 30</b>	<b>\$685,991</b>	<b>\$686,250</b>	<b>\$704,497</b>	<b>\$699,329</b>	<b>\$562,550</b>	<b>\$598,450</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds by Fund Type

	Special Revenue Funds, Continued					
	Drug Enforcement Trust Fund			2015 Byrne Mem. Justice Asst. Grant		
	2016	2017	2018	2016	2017	2018
Actual	Budgeted	Proposed	Actual	Budgeted	Proposed	
<b>Financial Sources:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	39,515	0	0
Fines & forfeitures	15,179	10,000	10,000	0	0	0
Charges for services	0	0	0	0	0	0
Interest	229	100	100	0	0	0
Miscellaneous	30,000	0	0	0	0	0
<b>Subtotal:</b>	<b>\$45,408</b>	<b>\$10,100</b>	<b>\$10,100</b>	<b>\$39,515</b>	<b>\$0</b>	<b>\$0</b>
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
<b>Total Financial Sources</b>	<b>\$45,408</b>	<b>\$10,100</b>	<b>\$10,100</b>	<b>\$39,515</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenditures:</b>						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	7,785	17,500	17,500	39,515	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	26,279	26,897	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:	\$34,064	\$44,397	\$18,600	\$39,515	\$0	\$0
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
<b>Total Use of Resources:</b>	<b>\$34,064</b>	<b>\$44,397</b>	<b>\$18,600</b>	<b>\$39,515</b>	<b>\$0</b>	<b>\$0</b>
Net Increase(Decrease) in Fund Balance	11,344	(34,297)	(8,500)	0	0	0
Fund Balance - July 1	\$73,576	\$84,920	\$50,623	\$0	\$0	\$0
<b>Fund Balance - June 30</b>	<b>\$84,920</b>	<b>\$50,623</b>	<b>\$42,123</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds by Fund Type

Special Revenue Funds, Continued

	2016 Byrne Mem. Justice Asst. Grant			School Fund		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Financial Sources:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	39,340	0	38,126,121	39,414,508	41,096,848
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	184,307	235,215	235,215
Interest	0	0	0	12,037	13,250	13,250
Miscellaneous	0	0	0	181,193	188,468	172,868
<b>Subtotal:</b>	<b>\$0</b>	<b>\$39,340</b>	<b>\$0</b>	<b>\$38,503,658</b>	<b>\$39,851,441</b>	<b>\$41,518,181</b>
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
<b>Total Financial Sources</b>	<b>\$0</b>	<b>\$39,340</b>	<b>\$0</b>	<b>\$43,777,258</b>	<b>\$45,125,041</b>	<b>\$46,791,781</b>
<b>Expenditures:</b>						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	39,340	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	41,674,860	44,237,313	46,236,862
Appropriations	0	0	0	0	0	0
Capital outlay	0	0	0	320,538	718,965	0
Debt service principal	0	0	0	191,587	0	0
Debt service int. & other	0	0	0	15,015	0	0
Subtotal:	\$0	\$39,340	\$0	\$42,202,000	\$44,956,278	\$46,236,862
Other financing uses:						
Operating transfers out	0	0	0	557,919	559,119	554,919
<b>Total Use of Resources:</b>	<b>\$0</b>	<b>\$39,340</b>	<b>\$0</b>	<b>\$42,759,919</b>	<b>\$45,515,397</b>	<b>\$46,791,781</b>
Net Increase(Decrease) in Fund Balance	0	0	0	1,017,339	(390,356)	0
Fund Balance - July 1	\$0	\$0	\$0	\$3,853,679	\$4,871,018	\$4,480,662
<b>Fund Balance - June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,871,018</b>	<b>\$4,480,662</b>	<b>\$4,480,662</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds by Fund Type

	Special Revenue Funds, Continued					
	School Food Services Fund			Library Fund		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Financial Sources:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	3,169,028	3,448,416	3,506,418	626,742	636,800	645,800
Fines & forfeitures	0	0	0	0	0	0
Charges for services	152,079	125,800	140,000	63,961	64,000	64,000
Interest	175	200	200	1,300	800	0
Miscellaneous	0	0	0	300,261	485,600	70,000
<b>Subtotal:</b>	<b>\$3,321,282</b>	<b>\$3,574,416</b>	<b>\$3,646,618</b>	<b>\$992,264</b>	<b>\$1,187,200</b>	<b>\$779,800</b>
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$626,700	\$645,800	\$645,800
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
<b>Total Financial Sources</b>	<b>\$3,321,282</b>	<b>\$3,574,416</b>	<b>\$3,646,618</b>	<b>\$1,618,964</b>	<b>\$1,833,000</b>	<b>\$1,425,600</b>
<b>Expenditures:</b>						
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	1,330,018	1,415,100	1,424,100
Education	3,165,139	3,574,416	3,646,618	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	0	0	0	278,641	516,600	1,500
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
<b>Subtotal:</b>	<b>\$3,165,139</b>	<b>\$3,574,416</b>	<b>\$3,646,618</b>	<b>\$1,608,659</b>	<b>\$1,931,700</b>	<b>\$1,425,600</b>
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
<b>Total Use of Resources:</b>	<b>\$3,165,139</b>	<b>\$3,574,416</b>	<b>\$3,646,618</b>	<b>\$1,608,659</b>	<b>\$1,931,700</b>	<b>\$1,425,600</b>
Net Increase(Decrease) in Fund Balance	156,143	0	0	10,305	(98,700)	0
Fund Balance - July 1	\$503,703	\$659,846	\$659,846	\$590,079	\$600,384	\$501,684
<b>Fund Balance - June 30</b>	<b>\$659,846</b>	<b>\$659,846</b>	<b>\$659,846</b>	<b>\$600,384</b>	<b>\$501,684</b>	<b>\$501,684</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds by Fund Type

	Special Revenue Funds, Continued					
	Community Development Block Grant			Metropolitan Planning Organization		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Financial Sources:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	389,100	792,140	350,000	208,367	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
<b>Subtotal:</b>	<b>\$389,100</b>	<b>\$792,140</b>	<b>\$350,000</b>	<b>\$208,367</b>	<b>\$200,000</b>	<b>\$200,000</b>
Other financial sources:						
Operating transfers in	\$25,000	\$30,000	\$35,000	\$57,000	\$57,000	\$57,000
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
<b>Total Financial Sources</b>	<b>\$414,100</b>	<b>\$822,140</b>	<b>\$385,000</b>	<b>\$265,367</b>	<b>\$257,000</b>	<b>\$257,000</b>
<b>Expenditures:</b>						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	255,157	228,398	165,455	256,198	238,700	252,500
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	167,573	581,118	217,545	1,496	4,500	4,500
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
<b>Subtotal:</b>	<b>\$422,730</b>	<b>\$809,516</b>	<b>\$383,000</b>	<b>\$257,694</b>	<b>\$243,200</b>	<b>\$257,000</b>
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
<b>Total Use of Resources:</b>	<b>\$422,730</b>	<b>\$809,516</b>	<b>\$383,000</b>	<b>\$257,694</b>	<b>\$243,200</b>	<b>\$257,000</b>
Net Increase(Decrease) in Fund Balance	(8,630)	12,624	2,000	7,673	13,800	0
Fund Balance - July 1	\$62,566	\$53,936	\$66,560	\$94,109	\$101,782	\$115,582
<b>Fund Balance - June 30</b>	<b>\$53,936</b>	<b>\$66,560</b>	<b>\$68,560</b>	<b>\$101,782</b>	<b>\$115,582</b>	<b>\$115,582</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds by Fund Type

	Special Revenue Funds, Continued					
	E-Ticketing Grant			Schools Federal Projects		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Financial Sources:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	3,583,075	0	0
Fines & forfeitures	15,345	10,000	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
<b>Subtotal:</b>	<b>\$15,345</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$3,583,075</b>	<b>\$0</b>	<b>\$0</b>
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
<b>Total Financial Sources</b>	<b>\$15,345</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$3,583,075</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenditures:</b>						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	28,700	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	3,583,075	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
<b>Subtotal:</b>	<b>\$0</b>	<b>\$28,700</b>	<b>\$0</b>	<b>\$3,583,075</b>	<b>\$0</b>	<b>\$0</b>
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
<b>Total Use of Resources:</b>	<b>\$0</b>	<b>\$28,700</b>	<b>\$0</b>	<b>\$3,583,075</b>	<b>\$0</b>	<b>\$0</b>
Net Increase(Decrease) in Fund Balance	15,345	(18,700)	0	0	0	0
Fund Balance - July 1	\$3,520	\$18,865	\$165	\$0	\$0	\$0
<b>Fund Balance - June 30</b>	<b>\$18,865</b>	<b>\$165</b>	<b>\$165</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds by Fund Type

	Special Revenue Funds, Continued					
	Recycling Grant			Total Special Revenue Funds		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Financial Sources:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	17,962	0	0	47,294,995	45,672,704	46,949,066
Fines & forfeitures	0	0	0	30,524	20,000	10,000
Charges for services	0	0	0	2,879,873	2,925,015	2,958,015
Interest	0	0	0	16,768	17,850	17,550
Miscellaneous	0	0	0	511,454	676,260	242,868
<b>Subtotal:</b>	<b>\$17,962</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,733,614</b>	<b>\$49,311,829</b>	<b>\$50,177,499</b>
Other financial sources:						
Operating transfers in	\$10,000	\$10,000	\$10,000	\$7,066,400	\$7,052,108	\$7,095,500
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
<b>Total Financial Sources</b>	<b>\$27,962</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$57,800,014</b>	<b>\$56,363,937</b>	<b>\$57,272,999</b>
<b>Expenditures:</b>						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	511,355	467,098	417,955
Public safety	0	0	0	47,300	85,540	17,500
Public works	22,547	20,068	10,000	4,129,243	4,418,288	4,266,400
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	1,330,018	1,415,100	1,424,100
Education	0	0	0	48,423,074	47,811,729	49,883,480
Appropriations	0	0	0	0	0	0
Capital outlay	0	0	0	847,950	1,848,080	224,645
Debt service principal	0	0	0	191,587	0	0
Debt service int. & other	0	0	0	15,015	0	0
Subtotal:	\$22,547	\$20,068	\$10,000	\$55,495,542	\$56,045,835	\$56,234,080
Other financing uses:						
Operating transfers out	0	0	0	915,119	980,319	991,272
<b>Total Use of Resources:</b>	<b>\$22,547</b>	<b>\$20,068</b>	<b>\$10,000</b>	<b>\$56,410,661</b>	<b>\$57,026,154</b>	<b>\$57,225,352</b>
Net Increase(Decrease) in Fund Balance	5,415	(10,068)	0	1,389,353	(662,217)	47,647
Fund Balance - July 1	\$4,653	\$10,068	\$0	\$6,396,786	\$7,786,139	\$7,123,922
<b>Fund Balance - June 30</b>	<b>\$10,068</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,786,139</b>	<b>\$7,123,922</b>	<b>\$7,171,569</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds by Fund Type

	Debt Service Fund		
	2016 Actual	2017 Budgeted	2018 Proposed
<b>Financial Sources:</b>			
Taxes	\$0	\$0	\$0
Licenses & permits	0	0	0
Intergovernmental	251,452	159,950	146,900
Fines & forfeitures	0	0	0
Charges for services	0	0	0
Interest	14,321	5,000	5,000
Miscellaneous	4,111	0	0
<b>Subtotal:</b>	<b>\$269,884</b>	<b>\$164,950</b>	<b>\$151,900</b>
Other financial sources:			
Operating transfers in	5,992,273	6,166,519	6,875,930
Proceeds from bonds	13,057,880	0	0
<b>Total Financial Sources</b>	<b>\$19,320,037</b>	<b>\$6,331,469</b>	<b>\$7,027,830</b>
<b>Expenditures:</b>			
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	16,620,400	4,021,560	4,439,480
Debt service int. & other	2,097,734	2,290,952	2,582,550
Subtotal:	\$18,718,134	\$6,312,512	\$7,022,030
Other financing uses:			
Pymt to ref. bond escrow	3,577	4,600	5,000
Operating transfers out	0	0	0
<b>Total Use of Resources:</b>	<b>\$18,721,711</b>	<b>\$6,317,112</b>	<b>\$7,027,030</b>
Net Increase(Decrease) in Fund Balance	\$598,326	\$14,357	\$800
Fund Balance - July 1	3,761,984	4,360,310	4,374,667
<b>Fund Balance - June 30</b>	<b>\$4,360,310</b>	<b>\$4,374,667</b>	<b>\$4,375,467</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds by Fund Type

	Capital Project Funds					
	Sales Tax Capital Projects Fund			Capital Improvement Program		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Financial Sources:</b>						
Taxes	\$3,947,591	\$3,777,000	\$3,875,200	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	4,245,868	9,805,654	0
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Interest	51,865	18,800	18,800	5,204	3,500	0
Miscellaneous	0	0	0	86,023	132,193	0
<b>Subtotal:</b>	<b>\$3,999,456</b>	<b>\$3,795,800</b>	<b>\$3,894,000</b>	<b>\$4,337,095</b>	<b>\$9,941,347</b>	<b>\$0</b>
Other financial sources:						
Operating transfers in	0	0	0	302,579	762,518	2,485,000
Proceeds notes/bonds	0	0	0	6,040,200	8,494,865	9,054,000
<b>Total Financial Sources</b>	<b>\$3,999,456</b>	<b>\$3,795,800</b>	<b>\$3,894,000</b>	<b>\$10,679,874</b>	<b>\$19,198,730</b>	<b>\$11,539,000</b>
<b>Expenditures:</b>						
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	3,768,418	5,366,227	3,404,272	9,710,299	22,130,343	10,972,621
Debt service principal	332,577	335,000	337,000	0	0	0
Debt service int. & other	102,030	100,400	98,760	40,200	46,200	54,000
<b>Subtotal:</b>	<b>\$4,203,025</b>	<b>\$5,801,627</b>	<b>\$3,840,032</b>	<b>\$9,750,499</b>	<b>\$22,176,543</b>	<b>\$11,026,621</b>
Other financing uses:						
Operating transfers out	0	0	0	85,636	0	471,763
<b>Total Use of Resources:</b>	<b>\$4,203,025</b>	<b>\$5,801,627</b>	<b>\$3,840,032</b>	<b>\$9,836,135</b>	<b>\$22,176,543</b>	<b>\$11,498,384</b>
Net Increase(Decrease) in Fund Balance	(\$203,569)	(\$2,005,827)	\$53,968	\$843,739	(\$2,977,813)	\$40,616
Fund Balance - July 1	\$2,587,025	\$2,383,456	\$377,629	\$2,651,440	\$3,495,179	\$517,366
<b>Fund Balance - June 30</b>	<b>\$2,383,456</b>	<b>\$377,629</b>	<b>\$431,597</b>	<b>\$3,495,179</b>	<b>\$517,366</b>	<b>\$557,982</b>

City of Cleveland, Tennessee  
 2016-2018 Summary of Financial Sources and Uses  
 Governmental Funds by Fund Type

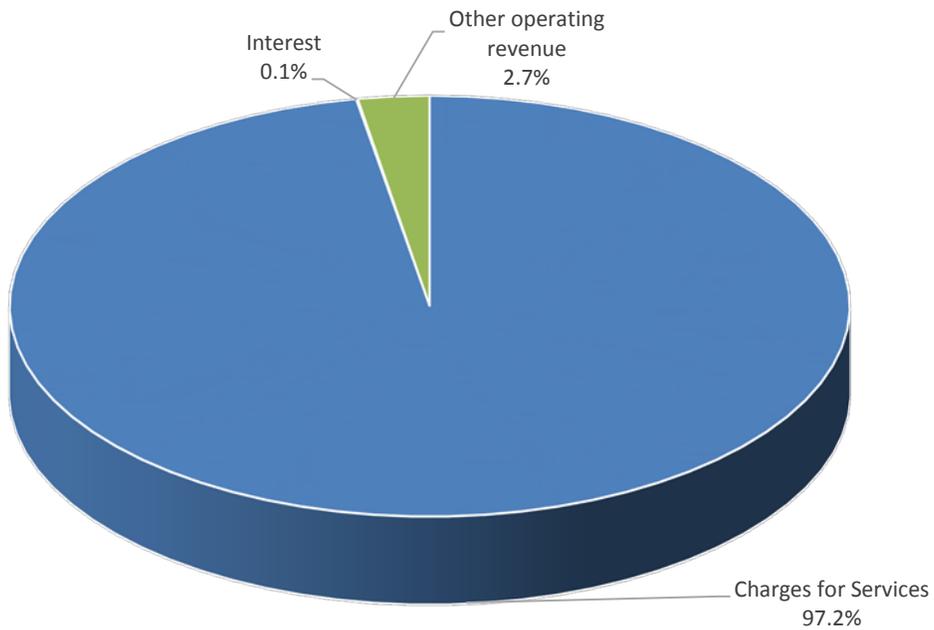
	Capital Project Funds, Continued					
	Fletcher Park Trust Fund			Greenway Fund		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Financial Sources:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Interest	0	0	0	25	0	0
Miscellaneous	0	0	0	5,527	4,400	0
<b>Subtotal:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,552</b>	<b>\$4,400</b>	<b>\$0</b>
Other financial sources:						
Operating transfers in	0	0	0	0	0	0
Proceeds notes/bonds	0	0	0	0	0	0
<b>Total Financial Sources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,552</b>	<b>\$4,400</b>	<b>\$0</b>
<b>Expenditures:</b>						
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	3,387	16,233	0
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
<b>Subtotal:</b>	<b>\$0</b>	<b>\$5,403</b>	<b>\$0</b>	<b>\$3,387</b>	<b>\$16,233</b>	<b>\$0</b>
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
<b>Total Use of Resources:</b>	<b>\$0</b>	<b>\$5,403</b>	<b>\$0</b>	<b>\$3,387</b>	<b>\$16,233</b>	<b>\$0</b>
Net Increase(Decrease) in Fund Balance	\$0	(\$5,403)	\$0	\$2,165	(\$11,833)	\$0
Fund Balance - July 1	\$5,403	\$5,403	\$0	\$9,020	\$11,185	(\$648)
<b>Fund Balance - June 30</b>	<b>\$5,403</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,185</b>	<b>(\$648)</b>	<b>(\$648)</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Governmental Funds by Fund Type

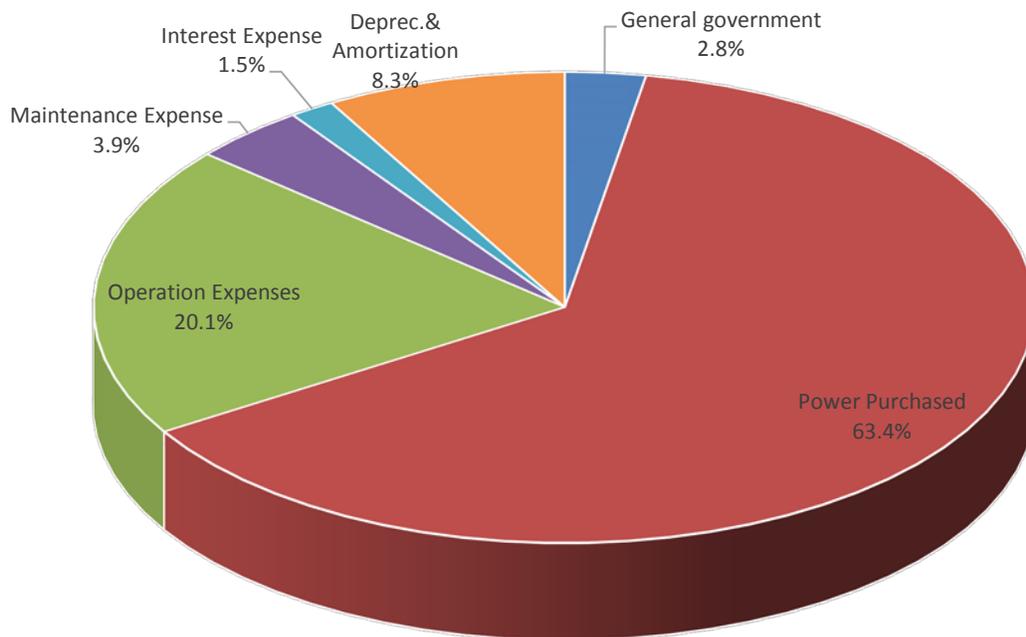
Capital Project Funds, Continued

	Spring Branch Industrial Park Fund			Total Capital Project Funds		
	2016	2017	2018	2016	2017	2018
	Actual	Budgeted	Proposed	Actual	Budgeted	Proposed
<b>Financial Sources:</b>						
Taxes	\$0	\$0	\$0	\$3,947,591	\$3,777,000	\$3,875,200
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	4,245,868	9,805,654	0
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Interest	18,952	18,600	0	76,046	40,900	18,800
Miscellaneous	0	0	0	91,550	136,593	0
<b>Subtotal:</b>	<b>\$18,952</b>	<b>\$18,600</b>	<b>\$0</b>	<b>\$8,361,055</b>	<b>\$13,760,147</b>	<b>\$3,894,000</b>
Other financial sources:						
Operating transfers in	0	0	0	302,579	762,518	2,485,000
Proceeds notes/bonds	0	439,925	0	6,040,200	8,934,790	9,054,000
<b>Total Financial Sources</b>	<b>\$18,952</b>	<b>\$458,525</b>	<b>\$0</b>	<b>\$14,703,834</b>	<b>\$23,457,455</b>	<b>\$15,433,000</b>
<b>Expenditures:</b>						
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	108,218	404,504	0	13,590,322	27,922,710	14,376,893
Debt service principal	0	0	0	332,577	335,000	337,000
Debt service int. & other	0	0	0	142,230	146,600	152,760
<b>Subtotal:</b>	<b>\$108,218</b>	<b>\$404,504</b>	<b>\$0</b>	<b>\$14,065,129</b>	<b>\$28,404,310</b>	<b>\$14,866,653</b>
Other financing uses:						
Operating transfers out	126,821	147,000	180,027	212,457	147,000	651,790
<b>Total Use of Resources:</b>	<b>\$235,039</b>	<b>\$551,504</b>	<b>\$180,027</b>	<b>\$14,277,586</b>	<b>\$28,551,310</b>	<b>\$15,518,443</b>
Net Increase(Decrease) in Fund Balance	(\$216,087)	(\$92,979)	(\$180,027)	\$426,248	(\$5,093,855)	(\$85,443)
Fund Balance - July 1	\$1,716,170	\$1,500,083	\$1,407,104	\$6,969,058	\$7,395,306	\$2,301,451
<b>Fund Balance - June 30</b>	<b>\$1,500,083</b>	<b>\$1,407,104</b>	<b>\$1,227,077</b>	<b>\$7,395,306</b>	<b>\$2,301,451</b>	<b>\$2,216,008</b>

## City of Cleveland Summary of Proprietary Funds Revenues By Use - FY2018



## Expenses By Use - FY2018



City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Proprietary Funds

	Enterprise Funds			Internal Service Funds		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Operating Revenues:</b>						
Charges for services	\$121,462,280	\$128,181,750	\$131,061,967	\$4,353,510	\$4,187,484	\$3,714,359
Other operating revenues	3,823,325	3,848,690	3,803,992	0	0	0
<b>Total Operating Revenues</b>	<b>\$125,285,605</b>	<b>\$132,030,440</b>	<b>\$134,865,959</b>	<b>\$4,353,510</b>	<b>\$4,187,484</b>	<b>\$3,714,359</b>
<b>Operating Expenses:</b>						
General government	\$0	\$0	\$0	\$4,170,799	\$4,133,587	\$3,614,289
Public works	0	0	0	0	0	0
Recreation	0	0	0	0	0	0
Power purchased	77,822,947	81,432,741	82,867,178	0	0	0
Operation expenses	22,442,138	24,551,702	26,312,819	0	0	0
Maintenance expense	5,190,204	5,298,958	5,146,965	0	0	0
Depreciation and amortization	10,350,329	10,569,086	10,796,329	33,798	33,799	0
<b>Total Operating Expenses:</b>	<b>\$115,805,618</b>	<b>\$121,852,487</b>	<b>\$125,123,291</b>	<b>\$4,204,597</b>	<b>\$4,167,386</b>	<b>\$3,614,289</b>
<b>Operating Income (Loss)</b>	<b>\$9,479,987</b>	<b>\$10,177,953</b>	<b>\$9,742,668</b>	<b>\$148,913</b>	<b>\$20,098</b>	<b>\$100,070</b>
<b>Nonoperating Revenues (Expenses):</b>						
Interest income	104,128	79,868	79,449	232	1,150	0
Interest expense	(1,982,257)	(2,227,481)	(2,016,063)	0	0	0
Other income	0	5,626	0	4,971	400	0
<b>Total Nonoperating Revenues (Expenses):</b>	<b>(1,878,129)</b>	<b>(2,141,987)</b>	<b>(1,936,614)</b>	<b>5,203</b>	<b>1,550</b>	<b>0</b>
<b>Change In Net Assets Before Capital Contributions and Transfers:</b>	<b>\$7,601,858</b>	<b>\$8,035,966</b>	<b>\$7,806,054</b>	<b>\$154,116</b>	<b>\$21,648</b>	<b>\$100,070</b>
Capital contributions	926,313	0	0	19,498	0	0
Operating transfers in	85,636	0	0	0	0	0
Operating transfers out	(2,407,976)	(2,345,023)	(2,509,322)	0	0	0
<b>Change In Net Assets</b>	<b>\$6,205,831</b>	<b>\$5,690,943</b>	<b>\$5,296,732</b>	<b>\$173,614</b>	<b>\$21,648</b>	<b>\$100,070</b>
<b>Est. Net Assets - July 1</b>	<b>122,759,884</b>	<b>128,965,715</b>	<b>134,656,658</b>	<b>1,273,813</b>	<b>1,447,427</b>	<b>1,469,075</b>
<b>Est. Net Assets - June 30</b>	<b>\$128,965,715</b>	<b>\$134,656,658</b>	<b>\$139,953,390</b>	<b>\$1,447,427</b>	<b>\$1,469,075</b>	<b>\$1,569,145</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Proprietary Funds

	Total Proprietary Funds		
	2016 Actual	2017 Budgeted	2018 Proposed
<b>Operating Revenues:</b>			
Charges for services	\$125,815,790	\$132,369,234	\$134,776,326
Other operating revenues	\$3,823,325	\$3,848,690	\$3,803,992
<b>Total Operating Revenues</b>	<b>\$129,639,115</b>	<b>\$136,217,924</b>	<b>\$138,580,318</b>
<b>Operating Expenses:</b>			
General government	\$4,170,799	\$4,133,587	\$3,614,289
Public works	0	0	0
Recreation	0	0	0
Power purchased	77,822,947	81,432,741	82,867,178
Operation expenses	22,442,138	24,551,702	26,312,819
Maintenance expense	5,190,204	5,298,958	5,146,965
Depreciation and amortization	10,384,127	10,602,885	10,796,329
<b>Total Operating Expenses:</b>	<b>\$120,010,215</b>	<b>\$126,019,873</b>	<b>\$128,737,580</b>
<b>Operating Income (Loss)</b>	<b>\$9,628,900</b>	<b>\$10,198,051</b>	<b>\$9,842,738</b>
<b>Nonoperating Revenues (Expenses):</b>			
Interest income	104,360	81,018	79,449
Interest expense	(1,982,257)	(2,227,481)	(2,016,063)
Other income	4,971	6,026	0
<b>Total Nonoperating Revenues (Expenses):</b>	<b>(1,872,926)</b>	<b>(2,140,437)</b>	<b>(1,936,614)</b>
<b>Change In Net Assets Before Capital Contributions and Transfers:</b>	<b>\$7,755,974</b>	<b>\$8,057,614</b>	<b>\$7,906,124</b>
Capital contributions	945,811	0	0
Operating transfers in	85,636	0	0
Operating transfers out	(2,407,976)	(2,345,023)	(2,509,322)
<b>Change In Net Assets</b>	<b>\$6,379,445</b>	<b>\$5,712,591</b>	<b>\$5,396,802</b>
<b>Est. Net Assets - July 1</b>	<b>124,033,697</b>	<b>130,413,142</b>	<b>136,125,733</b>
<b>Est. Net Assets - June 30</b>	<b>\$130,413,142</b>	<b>\$136,125,733</b>	<b>\$141,522,535</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Estimated Revenues, Expenses and Changes in Net Assets  
Enterprise Funds

	Enterprise Funds					
	Cleveland Utilities Electric Division			Cleveland Utilities Water/Wastewater Division		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Operating Revenues:</b>						
Charges for services	\$95,577,573	\$100,658,517	\$102,431,615	\$25,018,923	\$25,927,533	\$27,034,652
Other operating revenues	1,596,685	1,530,031	1,583,307	2,225,710	2,318,659	2,220,685
<b>Total Operating Revenues</b>	<b>\$97,174,258</b>	<b>\$102,188,548</b>	<b>\$104,014,922</b>	<b>\$27,244,633</b>	<b>\$28,246,192</b>	<b>\$29,255,337</b>
<b>Operating Expenses:</b>						
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	77,822,947	81,432,741	82,867,178	0	0	0
Operation expenses	7,862,182	8,112,734	8,486,855	14,164,857	14,900,134	16,434,343
Maintenance expense	2,858,846	3,046,215	2,871,526	2,331,358	2,252,743	2,275,439
Depreciation and amortization	4,674,823	4,715,332	4,853,191	5,668,029	5,823,754	5,883,138
<b>Total Operating Expenses:</b>	<b>\$93,218,798</b>	<b>\$97,307,022</b>	<b>\$99,078,750</b>	<b>\$22,164,244</b>	<b>\$22,976,631</b>	<b>\$24,592,920</b>
<b>Operating Income (Loss)</b>	<b>\$3,955,460</b>	<b>\$4,881,526</b>	<b>\$4,936,172</b>	<b>\$5,080,389</b>	<b>\$5,269,561</b>	<b>\$4,662,417</b>
<b>Nonoperating Revenues (Expenses):</b>						
Interest income	55,228	37,401	45,332	48,573	39,667	31,317
Interest expense	(457,643)	(510,921)	(511,205)	(1,524,614)	(1,716,560)	(1,504,858)
Other income (expense)	0	0	0	0	0	0
<b>Total Nonoperating Revenues (Expenses):</b>	<b>(402,415)</b>	<b>(473,520)</b>	<b>(465,873)</b>	<b>(1,476,041)</b>	<b>(1,676,893)</b>	<b>(1,473,541)</b>
<b>Change in Net Assets Before Contributions and Transfers:</b>	<b>\$3,553,045</b>	<b>\$4,408,006</b>	<b>\$4,470,299</b>	<b>\$3,604,348</b>	<b>\$3,592,668</b>	<b>\$3,188,876</b>
Capital contributions	0	0	0	926,313	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	(1,971,655)	(1,912,477)	(2,065,242)	(418,588)	(431,146)	(444,080)
<b>Change in Net Assets</b>	<b>\$1,581,390</b>	<b>\$2,495,529</b>	<b>\$2,405,057</b>	<b>\$4,112,073</b>	<b>\$3,161,522</b>	<b>\$2,744,796</b>
<b>Est. Net Assets, July 1</b>	<b>55,569,303</b>	<b>57,150,693</b>	<b>59,646,222</b>	<b>67,165,217</b>	<b>71,277,290</b>	<b>74,438,812</b>
<b>Est. Net Assets, June 30</b>	<b>\$57,150,693</b>	<b>\$59,646,222</b>	<b>\$62,051,279</b>	<b>\$71,277,290</b>	<b>\$74,438,812</b>	<b>\$77,183,608</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Estimated Revenues, Expenses and Changes in Net Assets  
Enterprise Funds

	Enterprise Funds, Continued					
	Stormwater			Total Enterprise Funds		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Operating Revenues:</b>						
Charges for services	\$865,784	\$1,595,700	\$1,595,700	\$121,462,280	\$128,181,750	\$131,061,967
Other operating revenues	930	0	0	3,823,325	3,848,690	3,803,992
<b>Total Operating Revenues</b>	<b>\$866,714</b>	<b>\$1,595,700</b>	<b>\$1,595,700</b>	<b>\$125,285,605</b>	<b>\$132,030,440</b>	<b>\$134,865,959</b>
<b>Operating Expenses:</b>						
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	77,822,947	81,432,741	82,867,178
Operation expenses	415,099	1,538,834	1,391,621	22,442,138	24,551,702	26,312,819
Maintenance expense	0	0	0	5,190,204	5,298,958	5,146,965
Depreciation and amortization	7,477	30,000	60,000	10,350,329	10,569,086	10,796,329
<b>Total Operating Expenses:</b>	<b>\$422,576</b>	<b>\$1,568,834</b>	<b>\$1,451,621</b>	<b>\$115,805,618</b>	<b>\$121,852,487</b>	<b>\$125,123,291</b>
<b>Operating Income (Loss)</b>	<b>\$444,138</b>	<b>\$26,866</b>	<b>\$144,079</b>	<b>\$9,479,987</b>	<b>\$10,177,953</b>	<b>\$9,742,668</b>
<b>Nonoperating Revenues (Expenses):</b>						
Interest income	327	2,800	2,800	104,128	79,868	79,449
Interest expense	0	0	0	(1,982,257)	(2,227,481)	(2,016,063)
Other income (expense)	0	5,626	0	0	5,626	0
<b>Total Nonoperating Revenues (Expenses):</b>	<b>327</b>	<b>8,426</b>	<b>2,800</b>	<b>(1,878,129)</b>	<b>(2,141,987)</b>	<b>(1,936,614)</b>
<b>Change in Net Assets Before Contributions and Transfers:</b>	<b>\$444,465</b>	<b>\$35,292</b>	<b>\$146,879</b>	<b>\$7,601,858</b>	<b>\$8,035,966</b>	<b>\$7,806,054</b>
Capital contributions	0	0	0	926,313	0	0
Operating transfers in	85,636	0	0	85,636	0	0
Operating transfers out	(17,733)	(1,400)	0	(2,407,976)	(2,345,023)	(2,509,322)
<b>Change in Net Assets</b>	<b>\$512,368</b>	<b>\$33,892</b>	<b>\$146,879</b>	<b>\$6,205,831</b>	<b>\$5,690,943</b>	<b>\$5,296,732</b>
<b>Est. Net Assets, July 1</b>	<b>25,364</b>	<b>537,732</b>	<b>571,624</b>	<b>122,759,884</b>	<b>128,965,715</b>	<b>134,656,658</b>
<b>Est. Net Assets, June 30</b>	<b>\$537,732</b>	<b>\$571,624</b>	<b>\$718,503</b>	<b>\$128,965,715</b>	<b>\$134,656,658</b>	<b>\$139,953,390</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Internal Service Funds

	Health Insurance Fund			Fleet Management Fund		
	2016 Actual	2017 Budgeted	2018 Proposed	2016 Actual	2017 Budgeted	2018 Proposed
<b>Operating Revenues:</b>						
Charges for services	\$3,715,018	\$3,537,484	\$3,714,359	\$638,492	\$650,000	\$0
Other operating revenues	0	0	0	0	0	0
<b>Total Operating Revenues</b>	<b>\$3,715,018</b>	<b>\$3,537,484</b>	<b>\$3,714,359</b>	<b>\$638,492</b>	<b>\$650,000</b>	<b>\$0</b>
<b>Operating Expenses:</b>						
General government	\$3,531,593	\$3,475,278	\$3,614,289	\$639,206	\$658,309	\$0
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	0	0	0	33,798	33,799	0
<b>Total Operating Expenses:</b>	<b>\$3,531,593</b>	<b>\$3,475,278</b>	<b>\$3,614,289</b>	<b>\$673,004</b>	<b>\$692,108</b>	<b>\$0</b>
<b>Operating Income (Loss)</b>	<b>\$183,425</b>	<b>\$62,206</b>	<b>\$100,070</b>	<b>(\$34,512)</b>	<b>(\$42,108)</b>	<b>\$0</b>
<b>Nonoperating Revenues (Expenses):</b>						
Interest income	157	1,000	0	75	150	0
Interest expense	0	0	0	0	0	0
Other income	0	0	0	4,971	400	0
<b>Total Nonoperating Revenues (Expenses):</b>	<b>157</b>	<b>1,000</b>	<b>0</b>	<b>5,046</b>	<b>550</b>	<b>0</b>
<b>Change In Net Assets Before Capital Contributions and Transfers:</b>	<b>\$183,582</b>	<b>\$63,206</b>	<b>\$100,070</b>	<b>(\$29,466)</b>	<b>(\$41,558)</b>	<b>\$0</b>
Capital contributions	0	0	0	19,498	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
<b>Change In Net Assets</b>	<b>\$183,582</b>	<b>\$63,206</b>	<b>\$100,070</b>	<b>(\$9,968)</b>	<b>(\$41,558)</b>	<b>\$0</b>
<b>Est. Net Assets - July 1</b>	<b>0</b>	<b>183,582</b>	<b>246,788</b>	<b>1,273,813</b>	<b>1,263,845</b>	<b>1,222,287</b>
<b>Est. Net Assets - June 30</b>	<b>\$183,582</b>	<b>\$246,788</b>	<b>\$346,858</b>	<b>\$1,263,845</b>	<b>\$1,222,287</b>	<b>\$1,222,287</b>

City of Cleveland, Tennessee  
2016-2018 Summary of Financial Sources and Uses  
Internal Service Funds

	Total Internal Service Fund		
	2016 Actual	2017 Budgeted	2018 Proposed
<b>Operating Revenues:</b>			
Charges for services	\$4,353,510	\$4,187,484	\$3,714,359
Other operating revenues	\$0	\$0	\$0
<b>Total Operating Revenues</b>	<b>\$4,353,510</b>	<b>\$4,187,484</b>	<b>\$3,714,359</b>
<b>Operating Expenses:</b>			
General government	\$4,170,799	\$4,133,587	\$3,614,289
Public works	0	0	0
Recreation	0	0	0
Power purchased	0	0	0
Operation expenses	0	0	0
Maintenance expense	0	0	0
Depreciation and amortization	33,798	33,799	0
<b>Total Operating Expenses:</b>	<b>\$4,204,597</b>	<b>\$4,167,386</b>	<b>\$3,614,289</b>
<b>Operating Income (Loss)</b>	<b>\$148,913</b>	<b>\$20,098</b>	<b>\$100,070</b>
<b>Nonoperating Revenues (Expenses):</b>			
Interest income	232	1,150	0
Interest expense	0	0	0
Other income	4,971	400	0
<b>Total Nonoperating Revenues (Expenses):</b>	<b>5,203</b>	<b>1,550</b>	<b>0</b>
<b>Change In Net Assets Before Capital Contributions and Transfers:</b>	<b>\$154,116</b>	<b>\$21,648</b>	<b>\$100,070</b>
Capital contributions	19,498	0	0
Operating transfers in	0	0	0
Operating transfers out	0	0	0
<b>Change In Net Assets</b>	<b>\$173,614</b>	<b>\$21,648</b>	<b>\$100,070</b>
<b>Est. Net Assets - July 1</b>	<b>1,273,813</b>	<b>1,447,427</b>	<b>1,469,075</b>
<b>Est. Net Assets - June 30</b>	<b>\$1,447,427</b>	<b>\$1,469,075</b>	<b>\$1,569,145</b>

City of Cleveland, Tennessee  
 2016-2018 Summary of Financial Sources and Uses  
 Fiduciary Funds by Fund Type

	Meiler Estate Animal Shelter Nonexpendable Trust Fund		
	2016	2017	2018
	Actual	Budgeted	Proposed
<b>Financial Sources:</b>			
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	1,216	1,500	1,500
Miscellaneous	0	0	0
<b>Subtotal:</b>	<b>\$1,216</b>	<b>\$1,500</b>	<b>\$1,500</b>
Other financial sources:			
Operating transfers in	0	0	0
Proceeds from bonds	0	0	0
<b>Total Financial Sources</b>	<b>\$1,216</b>	<b>\$1,500</b>	<b>\$1,500</b>
<b>Expenditures:</b>			
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
<b>Total Use of Resources:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Net Increase(Decrease) in Fund Balance	1,216	1,500	1,500
Fund Balance - July 1	\$466,030	\$467,246	\$468,746
<b>Fund Balance - June 30</b>	<b>\$467,246</b>	<b>\$468,746</b>	<b>\$470,246</b>

## FUND DESCRIPTION MATRIX

Department/Agency	GOVERNMENTAL			PROPRIETARY		FIDUCIARY
	General Fund	Capital Projects	Other Govt.	Internal Service Fund	Enterprise Funds	Trust Funds
<b>City Departments</b>						
Administration	x	x		x		
Finance	x			x		
Information Technology	x			x		
Animal Control	x		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		
Regional Jetport	x	x	x	x		
<b>Other Agencies</b>						
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: 2017-18**

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 \$268,393,581. All of these sources are available for appropriation.

<b>Anticipated Revenues</b>	<b>2015-2016 <u>(ACTUAL)</u></b>	<b>2016-2017 <u>(ESTIMATED)</u></b>	<b>2017-2018 <u>PROPOSED</u></b>
<b>Revenues:</b>			
<b>General Fund</b>	\$41,668,152	\$42,450,898	\$47,017,400
<b>Special Revenue Funds:</b>			
Solid Waste Management	2,481,275	2,505,192	2,521,800
State Street Aid	1,136,363	1,142,000	1,151,000
General Purpose School	38,503,658	39,851,441	41,518,181
Schools Food Service	3,321,282	3,574,416	3,646,618
Cleveland Public Library	992,264	1,187,200	779,800
Drug Enforcement	45,408	10,100	10,100
2015 Byrne Mem. Justice Asst. Grant	39,515	0	0
2016 Byrne Mem. Justice Asst. Grant	0	39,340	0
Community Dev. Block Grant	389,100	792,140	350,000
E-Ticketing	15,345	10,000	0
Recycling Grant	17,962	0	0
Schools Federal Projects	3,583,075	0	0
Metropolitan Planning Organization	208,367	200,000	200,000
<b>Debt Service</b>	269,884	164,950	151,900

Anticipated Revenues, cont'd:	<b>2015-2016 (ACTUAL)</b>	<b>2016-2017 (ESTIMATED)</b>	<b>2017-2018 PROPOSED</b>
<b>Revenues:</b>			
<b>Capital Projects Funds:</b>			
Fletcher Park	0	0	0
Greenway Fund	5,552	4,400	0
Capital Improvements Program	4,337,095	9,941,347	0
Sales Tax Capital Projects Fund	3,999,456	3,795,800	3,894,000
Spring Branch Industrial Park Fund	18,952	18,600	0
<b>Enterprise Funds:</b>			
Stormwater Management	867,041	1,604,126	1,598,500
Cleveland Utilities Electric Division	97,229,486	102,225,949	104,060,254
Cleveland Utilities Water/Wastewater Division	27,293,206	28,285,859	29,286,654
<b>Trust Funds:</b>			
Meiler Trust Fund	1,216	1,500	1,500
<b>Internal Service Fund:</b>			
Fleet Management	643,538	650,550	0
Health Insurance Trust Fund	3,715,175	3,538,484	3,714,359
<b>Total Revenues</b>	<b>230,782,367</b>	<b>241,994,292</b>	<b>239,902,066</b>
<b>Other financial sources</b>			
<b>Operating transfers in:</b>			
<b>General Fund:</b>	2,390,243	2,343,623	2,981,085
<b>Special Revenue Funds:</b>			
Solid Waste Management	1,074,100	1,035,708	1,074,100
State Street Aid	0	0	0
General Purpose School	5,273,600	5,273,600	5,273,600
Cleveland Public Library	626,700	645,800	645,800
Community Dev. Block Grant	25,000	30,000	35,000
Recycling Grant	10,000	10,000	10,000
Metropolitan Planning Organization	57,000	57,000	57,000
<b>Debt Service</b>	<b>5,992,273</b>	<b>6,166,519</b>	<b>6,875,930</b>
<b>Capital Projects Funds:</b>			
Capital Improvement Program	302,579	762,518	2,485,000
Greenway Fund	0	0	0
<b>Enterprise Funds:</b>			
Stormwater Management	85,636	0	0
<b>Total Operating Transfer In:</b>	<b>\$15,837,131</b>	<b>\$16,324,768</b>	<b>\$19,437,515</b>

Anticipated Revenues	<b>2015-2016 (ACTUAL)</b>	<b>2016-2017 (ESTIMATED)</b>	<b>2017-2018 PROPOSED</b>
<b>Other financial sources:</b>			
<b>Operating transfers in, cont'd:</b>			
<b>Capital Contributions</b>			
<b>Enterprise Funds:</b>			
Stormwater Management	0	0	0
Cleveland Utilities Electric Division	0	0	0
Cleveland Utilities Water/Wastewater Division	926,313	0	0
<b>Internal Service Funds:</b>			
Fleet Management	19,498	0	0
<b>Total Capital Contributions:</b>	<b>945,811</b>	<b>0</b>	<b>0</b>
<b>Bond &amp; Note Proceeds and Capital Lease</b>			
General Fund	0	0	0
General Purpose School Fund	0	0	0
Capital Improvement Program	6,040,200	8,494,865	9,054,000
Spring Branch Industrial Park	0	439,925	0
Debt Service	13,057,880	0	0
<b>Total Bond &amp; Note Proceeds:</b>	<b>\$19,098,080</b>	<b>\$8,934,790</b>	<b>\$9,054,000</b>
<b>Total Other Financing Sources</b>	<b>\$35,881,022</b>	<b>\$25,259,558</b>	<b>\$28,491,515</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$266,663,389</b>	<b>\$267,253,850</b>	<b>\$268,393,581</b>

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:

<b>Expenditures</b>	<b>2015-2016 (ACTUAL)</b>	<b>2016-2017 (ESTIMATED)</b>	<b>2017-2018 PROPOSED</b>
<b>General Fund</b>	\$30,634,561	\$32,340,409	\$34,216,667
<b>Special Revenue Funds:</b>			
Solid Waste Management	3,460,379	3,667,679	3,550,000
State Street Aid	699,740	730,541	706,400
General Purpose School	42,202,000	44,956,278	46,236,862
Schools Food Service	3,165,139	3,574,416	3,646,618
Cleveland Public Library	1,608,659	1,931,700	1,425,600
Drug Enforcement	34,064	44,397	18,600
2015 Byrne Mem. Justice Asst. Grant	39,515	0	0
2016 Byrne Mem. Justice Asst. Grant	0	39,340	0
Community Dev. Block Grant	422,730	809,516	383,000
E Ticketing	0	28,700	0
Recycling Grant	22,547	20,068	10,000
Schools Federal Project	3,583,075	0	0
Metropolitan Planning Organization	257,694	243,200	257,000
<b>Debt Service</b>	18,721,711	6,317,112	7,027,030
<b>Capital Projects Funds:</b>			
Fletcher Park	0	5,403	0
Greenway Fund	3,387	16,233	0
Capital Improvements Program	9,750,499	22,176,543	11,026,621
Sales Tax Capital Projects Fund	4,203,025	5,801,627	3,840,032
Spring Branch Industrial Park Fund	108,218	404,504	0
<b>Enterprise Funds:</b>			
Stormwater Management	422,576	1,568,834	1,451,621
Cleveland Utilities Electric Division	93,218,798	97,307,022	99,078,750
Cleveland Utilities Water/Wastewater Division	22,164,244	22,976,631	24,592,920
<b>Trust Funds:</b>			
Meiler Estate Trust Fund	0	0	0
	-	-	-
<b>Internal Service Fund:</b>			
Fleet Management	673,004	692,108	0
Health Insurance Trust Fund	3,531,593	3,475,278	3,614,289
<b>Total Expenditures</b>	238,927,158	249,127,539	241,082,010
	<b>2015-2016 (ACTUAL)</b>	<b>2016-2017 (ESTIMATED)</b>	<b>2017-2018 PROPOSED</b>
<b>Nonoperating Revenues (Expenses)</b>			
<b>Enterprise Funds:</b>			
Stormwater Management	0	0	0
Cleveland Utilities Electric Division	(457,643)	(510,921)	(511,205)
Cleveland Utilities Water/Wastewater Division	(1,524,614)	(1,716,560)	(1,504,858)
<b>Internal Service Fund:</b>			
Fleet Management	0	0	0
<b>Total Nonoperating Revenues (Expenses)</b>	(1,982,257)	(2,227,481)	(2,016,063)

<b>Other Financing Uses</b>	<b>2015-2016 (ACTUAL)</b>	<b>2016-2017 (ESTIMATED)</b>	<b>2017-2018 PROPOSED</b>
<b>Operating Transfers Out</b>			
<b>General Fund</b>	12,301,579	12,852,426	15,285,131
<b>Special Revenue Funds:</b>			
Solid Waste Management	10,000	10,000	10,000
State Street Aid	347,200	411,200	426,353
General Purpose School	557,919	559,119	554,919
Schools Federal Project	0	0	0
<b>Debt Service</b>	0	0	0
<b>Capital Projects Funds:</b>			
Capital Improvements Program	85,636	0	471,763
Spring Branch Industrial Park Fund	126,821	147,000	180,027
<b>Enterprise Funds:</b>			
Stormwater Management	17,733	1,400	0
Cleveland Utilities Electric Division	1,971,655	1,912,477	2,065,242
Cleveland Utilities Water/Wastewater Division	418,588	431,146	444,080
<b>Nonexpendable Trust Funds:</b>			
Meiler Estate Trust Fund	0	0	0
<b>Total Operating Transfers Out</b>	15,837,131	16,324,768	19,437,515
<b>Total Other Financing Uses</b>	17,819,388	18,552,249	21,453,578
<b>Total Expenditures and Other Financing Uses</b>	256,746,546	267,679,788	262,535,588

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

<b>Increase (Use) of Fund Balance or Net Assets</b>	<b>2015-2016 (ACTUAL)</b>	<b>2016-2017 (ESTIMATED)</b>	<b>2017-2018 PROPOSED</b>
<b>General Fund</b>	1,122,255	(398,314)	496,687
<b>Special Revenue Funds:</b>			
Solid Waste Management	84,996	(136,779)	35,900
State Street Aid	89,423	259	18,247
General Purpose School	1,017,339	(390,356)	0
Schools Food Service	156,143	0	0
Cleveland Public Library	10,305	(98,700)	0
Drug Enforcement	11,344	(34,297)	(8,500)
2015 Byrne Mem. Justice Asst. Grant	0	0	0
2016 Byrne Mem. Justice Asst. Grant	0	0	0

Increase (Use) of Fund Balance or Net Assets	<b>2015-2016 (ACTUAL)</b>	<b>2016-2017 (ESTIMATED)</b>	<b>2017-2018 PROPOSED</b>
<b>Special Revenue Funds cont'd:</b>			
Commun. Development Block Grant	(8,630)	12,624	2,000
E Ticketing	15,345	(18,700)	0
Recycling Grant	5,415	(10,068)	0
Schools Federal Project	0	0	0
Metro. Planning Organization (MPO)	7,673	13,800	0
<b>Debt Service</b>	<b>598,326</b>	<b>14,357</b>	<b>800</b>
<b>Capital Projects Funds:</b>			
Capital Improvements Program	843,739	(2,977,813)	40,616
Fletcher Park	0	(5,403)	0
Greenway Fund	2,165	(11,833)	0
Sales Tax Capital Projects Fund	(203,569)	(2,005,827)	53,968
Spring Branch Industrial Park Fund	(216,087)	(92,979)	(180,027)
<b>Enterprise Funds:</b>			
Stormwater Management	512,368	33,892	146,879
Cleveland Utilities Electric Division	1,581,390	2,495,529	2,405,057
Cleveland Utilities Water/Wastewater Division	4,112,073	3,161,522	2,744,796
<b>Internal Service Fund:</b>			
Fleet Management	(9,968)	(41,558)	0
<b>Trust Funds:</b>			
Meiler Estate Trust Fund	1,216	1,500	1,500
Health Insurance Trust Fund	183,582	63,206	100,070
<b>Total Incr. (Use) of Fund Balance or Net Assets</b>	<b>9,916,843</b>	<b>(425,938)</b>	<b>5,857,993</b>

SECTION 3: **STATEMENT OF BALANCE/DEFICIT.** At end of the current fiscal year, the City of Cleveland estimates that it will use \$398,314 of its \$10,847,062 General Fund fund balance and none of the \$4,360,3104 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 8, 2017  
Final Reading: May 22, 2017

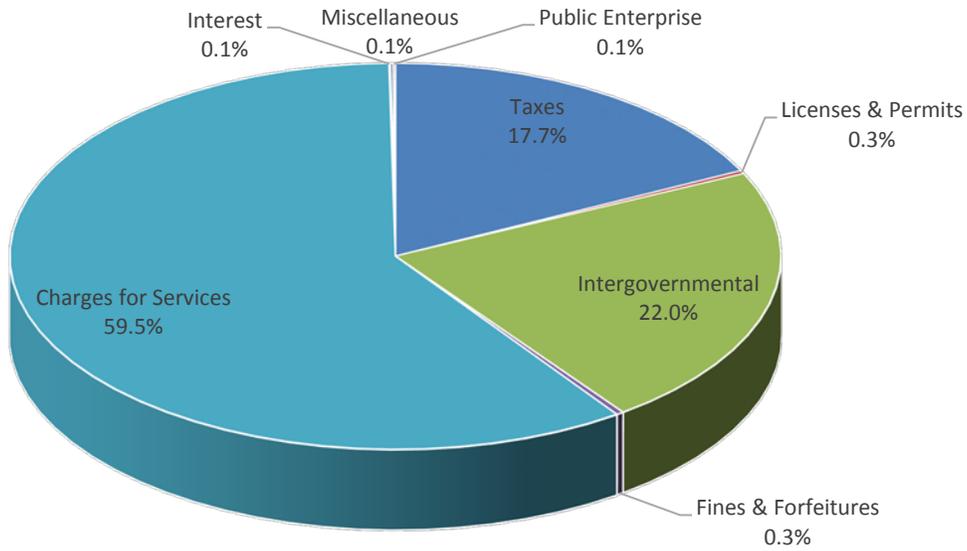
APPROVED AS TO FORM:

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City Attorney

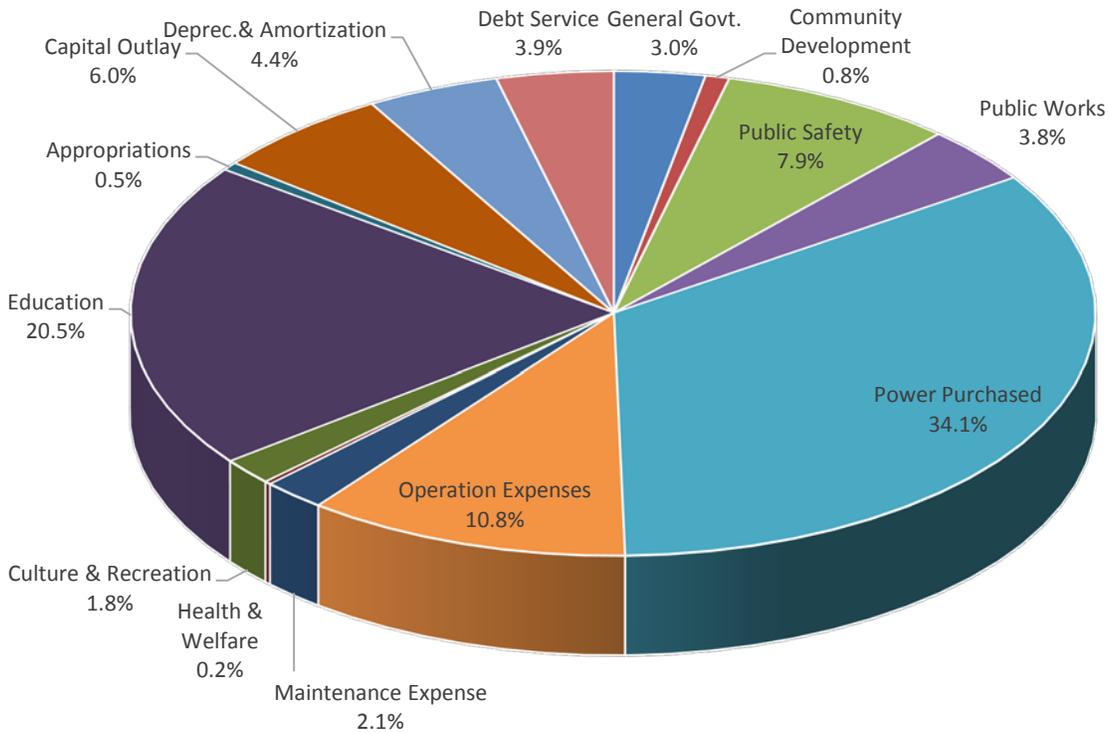
\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

## City of Cleveland Summary of All Funds Revenues By Source - FY2018



## Expenditures and Expenses By Use - FY2018



**City of Cleveland, Tennessee  
Schedule of Debt Payments  
For Fiscal Year 2018**

Loan Type	Loan Name	Authorized and Unissued at 6/30/17	Amount Outstanding at 6/30/17	Payment Fund	Principal	Interest	Total Debt Service
<b>FY2018 Debt Requirement Excluding Cleveland Utilities</b>							
Loan Agreements:							
	Loan - 2008 TMBF-County	0	1,218,000	County's General Fund	86,000	60,900	146,900
	2009 QSCB	0	2,386,221	School Fund	259,577	67,184	326,761
	Loan - 2012 TMBF-Whirlpool	0	734,000	General Fund	61,000	29,360	90,360
	Loan - 2012 TMBF-LIC	0	1,354,000	School Fund	77,000	31,413	108,413
	Loan - 2012 TMBF-Airport Terminal Bldg.	0	1,101,000	Airport	92,000	44,040	136,040
	Loan - 2012 TMBF-Spring Branch Ind Park	0	4,727,000	General Fund	351,000	189,080	540,080
	Loan - 2014 TMBF-Airport	0	3,794,000	Airport	180,000	100,162	280,162
	Loan - 2014 TMBF-Refunding	0	21,900,480	General Fund	969,480	549,702	1,519,182
	Loan - 2015 TMBF-Refunding	0	7,049,000	General Fund	569,400	128,292	697,692
				State St. Aid	306,600	69,080	375,680
	Loan - 2016 TMBF Airport - Hangars	0	1,000,000	Airport	46,000	30,000	76,000
	Loan - 2016 TMBF Raider Arena	0	5,463,000	General Fund	275,000	163,890	438,890
	Loan - 2016 TMBF-Refunding	0	4,303,000	General Fund	112,396	51,654	164,050
				School Fund	181,604	83,460	265,064
	Loan - 2017 Capital Bank Corporation		7,700,000	General Fund	289,000	177,554	466,554
	Loan- 2018 TMBF	9,000,000		General Fund	321,000	289,520	610,520
	<b>Total Loan Agreements:</b>	<b>\$ 9,000,000</b>	<b>\$ 62,729,701</b>		<b>\$ 4,177,057</b>	<b>\$ 2,065,291</b>	<b>\$6,242,348</b>
General Obligation Bonds:							
	Gen Improv. Bonds - Series 2009-C	0	13,705,000	General Fund	30,000	573,756	603,756
	Series 2009-D	0	4,860,000	General Fund	855,000	165,027	1,020,027
				State St.Aid	35,000	15,673	50,673
	<b>Total Gen. Oblig. Bonds:</b>	<b>\$ -</b>	<b>\$ 18,565,000</b>		<b>\$ 920,000</b>	<b>\$ 754,456</b>	<b>\$ 1,674,456</b>
	<b>Total Long-term Debt Excluding Cleveland Utilities</b>	<b>\$ 9,000,000</b>	<b>\$ 81,294,701</b>		<b>\$ 5,097,057</b>	<b>\$ 2,819,747</b>	<b>\$ 7,916,804</b>

**FY2018 Debt Requirement for Cleveland Utilities**

Loan Type	Loan Name	Authorized and Unissued at 6/30/17	Amount Outstanding at 6/30/17	Payment Fund	Principal	Interest	Total Debt Service
Tax and Revenue Refunding Bonds :							
	Series 2009-C	0	7,730,000	Water/Sewer	435,000	305,241	740,241
	Series 2009-D	0	3,640,000	Electric	465,000	139,966	604,966
	Series 2009-D	0	8,310,000	Water/Sewer	1,575,000	309,297	1,884,297
	Series 2014-Refunding	0	5,970,000	Water/Sewer	910,000	179,803	1,089,803
	Series 2016-B Refunding		858,121	Electric	29,570	26,868	56,438
	Series 2016-B Refunding		6,396,879	Water/Sewer	220,430	200,285	420,715
	<b>Total Tax &amp; Revenue Refunding Bonds:</b>	<b>\$ -</b>	<b>\$ 32,905,000</b>		<b>\$ 3,635,000</b>	<b>\$ 1,161,460</b>	<b>\$ 4,796,460</b>

**City of Cleveland, Tennessee  
Schedule of Debt Payments  
For Fiscal Year 2018**

**FY2018 Debt Requirement for Cleveland Utilities**

Tax and Revenue Bonds:

Series 2010	0	4,550,000	Electric	325,000	138,386	\$ 463,386
Series 2010	0	1,730,000	Water	100,000	53,707	\$ 153,707
<b>Total Tax and Revenue Bonds:</b>	<b>\$ -</b>	<b>\$ 6,280,000</b>		<b>\$ 425,000</b>	<b>\$ 192,093</b>	<b>\$ 617,093</b>

Tax and Revenue Loan:

Series 2012 TMBF	0	\$ 2,812,500	Water	\$ 187,500	\$ 56,250	\$ 243,750
Series 2012 TMBF-Spring Branch	0	\$ 1,412,359	Electric	\$ 117,000	\$ 27,850	\$ 144,850
Series 2014 TMBF	0	\$ 3,081,250	Electric	\$ 181,250	\$ 61,625	\$ 242,875
Series 2014 TMBF	0	\$ 2,337,500	Water	\$ 137,500	\$ 46,420	\$ 183,920
Series 2015 TMBF	0	\$ 2,503,000	Electric	\$ 126,000	\$ 50,060	\$ 176,060
Series 2015 TMBF	0	\$ 2,730,000	Water	\$ 137,000	\$ 54,600	\$ 191,600
New Loan	3,500,000	0	Electric	0	87,500	\$ 87,500
New Loan	3,000,000	0	Water	0	75,000	\$ 75,000
<b>Total Tax &amp; Revenue Loan:</b>	<b>\$ 6,500,000</b>	<b>\$ 14,876,609</b>		<b>\$ 886,250</b>	<b>\$ 459,305</b>	<b>\$ 1,345,555</b>

State Revolving Fund Loan:

SRF Loan	0	\$ 491,825	Sewer	\$ 31,603	\$ 10,073	\$ 41,676
ARRA Loan	0	\$ 98,365	Sewer	\$ 6,321	\$ 2,015	\$ 8,336
SRF-CWO 319		\$ 1,354,552	Sewer	\$ 61,740	\$ 15,252	\$ 76,992
SRF-CWP 320	\$ 2,611,979	\$ 5,196,405	Sewer	\$ 365,616	\$ 92,076	\$ 457,692
2014 DG2 14-151	0	\$ 1,862,586	Water	\$ 88,476	\$ 27,336	\$ 115,812
2015 CG4 15-349	0	\$ 2,223,348	Water	\$ 103,056	\$ 30,036	\$ 133,092
2016 DWF 16-172	\$ 725,500	\$ 3,000,000	Water	\$ -	\$ 30,000	\$ 30,000
2017 CG3 17-379		\$ 103,298	Water	\$ 4,836	\$ 888	\$ 5,724
New SRF Bond	\$ 995,000		Water		\$ 9,950	\$ 9,950
New SRF Bond	\$ 1,625,000		Sewer		\$ 18,525	\$ 18,525
New SRF Bond	\$ 4,000,000		Sewer		\$ 60,000	\$ 60,000
<b>Total State Revolving Fund Loan:</b>	<b>\$ 9,957,479</b>	<b>\$ 14,330,379</b>		<b>\$ 661,648</b>	<b>\$ 296,151</b>	<b>\$ 957,799</b>

Total Long-term Debt-Cleveland Utilities

<b>\$ 16,457,479</b>	<b>\$ 68,391,988</b>	<b>\$ 5,607,898</b>	<b>\$ 2,109,009</b>	<b>\$ 7,716,907</b>
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**Combined Debt Requirement for FY2018**

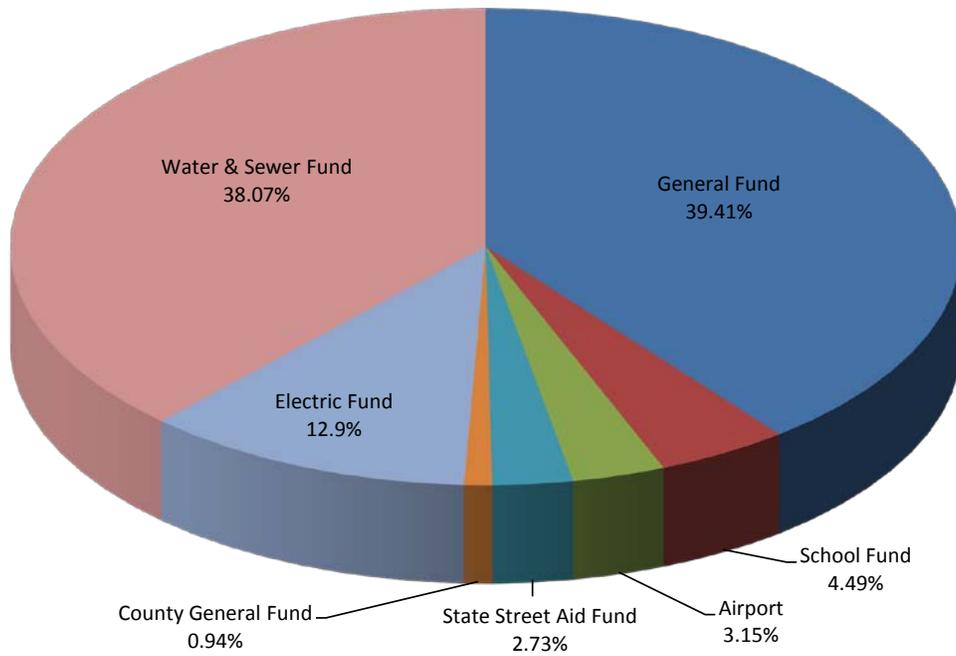
Loan Type	Loan Name	Authorized and		Amount Outstanding at 6/30/17	Principal	Interest	Total Debt Service
		Unissued at 6/30/17	Outstanding at 6/30/17				
Loan Agreements		9,000,000	62,729,701	4,177,057	2,065,291	6,242,348	
General Obligation Bonds		0	18,565,000	920,000	754,456	1,674,456	
Tax & Revenue Refunding Bonds		0	32,905,000	3,635,000	1,161,460	4,796,460	
Tax & Revenue Bonds		0	6,280,000	425,000	192,093	617,093	
Tax & Revenue Loan		6,500,000	14,876,609	886,250	459,305	1,345,555	
State Revolving Fund Loan		9,957,479	14,330,379	661,648	296,151	957,799	
<b>Combined Debt Requirement:</b>		<b>\$ 25,457,479</b>	<b>\$ 149,686,689</b>	<b>\$ 10,704,955</b>	<b>\$ 4,928,756</b>	<b>\$15,633,711</b>	

**City of Cleveland, Tennessee  
Schedule of Debt Payments  
For Fiscal Year 2018**

**FY2018 Debt Service By Fund:**

Fund	Principal	Interest	Debt Service
General Fund	3,833,276	2,317,835	6,151,111
School Fund	518,181	182,057	700,238
State Street Aid Fund	341,600	84,753	426,353
Airport	318,000	174,202	492,202
Electric Fund	1,243,820	505,387	1,749,207
Water & Sewer Fund	4,364,078	1,576,754	5,940,832
County General Fund	86,000	60,900	146,900
<b>Total:</b>	<b>\$ 10,704,955</b>	<b>\$ 4,901,888</b>	<b>\$ 15,606,843</b>

**Debt Service by Fund**



**ORDINANCE NO: 2017-41**

**TAX ORDINANCE - YEAR 2017**

AN ORDINANCE TO PROVIDE AND FIX FOR THE CITY OF CLEVELAND, TENNESSEE, FOR THE YEAR 2017, 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 2017, and each subsequent year thereafter be, and is, \$2.06 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 \$2.06 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:

\_\_\_\_\_  
Councilman McKenzie

ATTEST:

\_\_\_\_\_  
Councilman Estes

\_\_\_\_\_  
Shawn McKay, City Clerk

\_\_\_\_\_  
Councilman Cassada

\_\_\_\_\_  
Councilman May

APPROVED AS TO FORM:

\_\_\_\_\_  
Councilman Hughes

\_\_\_\_\_  
John F. Kimball, City Attorney

\_\_\_\_\_  
Councilman Banks

\_\_\_\_\_  
Tom Rowland, Mayor

\_\_\_\_\_  
Vice Mayor Johnson

**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 2017-2018:

Adopted this 22<sup>nd</sup> day of May, 2017.

APPROVED AS TO FORM:

\_\_\_\_\_  
John F. Kimball, City Attorney

\_\_\_\_\_  
Tom Rowland, Mayor

\_\_\_\_\_  
Shawn McKay, City Clerk

OBJECT CODE	FUND 110-GENERAL FUND	DEPT-51500- APPROPRIATIONS				
		2015-2016 ACTUAL BUDGET	2016-2017 ORIGINAL BUDGET	2016-2017 AMENDED BUDGET	2017-2018 REQUESTED BUDGET	2017-2018 PROPOSED BUDGET
<b>Operating expenditures:</b>						
<b>General government:</b>						
700	JOINTLY FUNDED	0	9,300	4,800	9,300	9,300
701	CLEVE/BRAD REG MUSEUM	42,300	42,300	42,300	42,300	42,300
702	MTAS - BENCHMARKING	3,500	4,000	4,000	4,000	4,000
703	MUNICIPAL LEAGUE DUES	9,102	9,200	9,200	9,200	9,200
704	CHAMBER-ECONOMIC DEV	45,000	45,000	45,000	45,000	45,000
705	SE TN DISTRICT DUES	8,257	8,000	8,000	8,000	8,000
706	MAINSTREET CLEVELAND	25,000	25,000	25,000	25,000	25,000
707	CEMETERY ASSOCIATION (50%)	10,000	10,000	10,000	10,000	10,000
708	COURTS COMMUNITY SVC (50%)	54,319	59,400	59,400	59,400	59,400
709	KEEP AMERICA BEAUTIFUL(50%)	28,200	28,200	28,200	28,200	28,200
710	JUVENILE COURT MATCH	1,100	1,100	1,100	1,100	1,100
711	UNITED WAY SUPPORTERS	1,000	1,000	1,000	1,000	1,000
712	SETHRA-TRANSIT	140,000	135,000	135,000	135,000	135,000
719	HVAC @ MUSEUM	12,000	12,000	12,000	12,000	12,000
	<b>Total General government</b>	<b>379,778</b>	<b>389,500</b>	<b>385,000</b>	<b>389,500</b>	<b>389,500</b>
<b>Public safety:</b>						
713	CLEVE/BRAD COMM CTR (49.5%)	450,000	550,000	550,000	650,000	650,000
714	EMERGENCY MGMT (20%)	84,842	87,300	87,300	87,300	87,300
715	MAINSTREET PROJECTS	4,000	4,000	4,000	4,000	4,000
716	SETDD LEGAL FEES	0	1,000	1,000	1,000	1,000
	<b>Total Public safety</b>	<b>538,842</b>	<b>642,300</b>	<b>642,300</b>	<b>742,300</b>	<b>742,300</b>
<b>Health &amp; welfare:</b>						
717	VETERANS AFFAIRS (20%)	22,600	22,600	22,600	22,600	22,600
718	BEHAVIORAL RESEARCH	2,000	2,000	2,000	2,000	2,000
720	LIFE BRIDGES (20%)	6,200	6,200	6,200	6,200	6,200
721	COMMUNITY SVCS AGCY (50%)	94,400	94,400	94,400	94,400	94,400
	<b>Total Health &amp; welfare</b>	<b>125,200</b>	<b>125,200</b>	<b>125,200</b>	<b>125,200</b>	<b>125,200</b>
<b>Parks &amp; recreation:</b>						
725	CLEVELAND YOUTH FOOTBALL	0	0	8,000	8,000	8,000
726	AQUA TIGER EQUIPMENT	2,000	2,000	2,000	2,000	2,000
727	BOYS AND GIRLS CLUB	13,095	14,000	14,000	14,000	14,000
728	BRADLEY/CLEV FOOTBALL	3,500	3,500	0	0	0
729	YOUTH BASEBALL	0	0	0	0	0
730	CLEVELAND YOUTH SOFTBALL	4,000	4,000	4,000	4,000	4,000
731	SOCCER ASSOCIATION	5,000	5,000	5,000	5,000	5,000
733	LAND PAYMENT-SOCCER	5,000	5,000	5,000	5,000	5,000
	<b>Total Parks &amp; recreation</b>	<b>32,595</b>	<b>33,500</b>	<b>38,000</b>	<b>38,000</b>	<b>38,000</b>
<b>Education:</b>						
735	VOCATIONAL SCHOOL (20%)	22,236	22,236	22,236	22,236	22,236
	<b>Total Education</b>	<b>22,236</b>	<b>22,236</b>	<b>22,236</b>	<b>22,236</b>	<b>22,236</b>
<b>TOTAL DEPARTMENT 51500</b>		<b>1,098,651</b>	<b>1,212,736</b>	<b>1,212,736</b>	<b>1,317,236</b>	<b>1,317,236</b>

**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 \$2,065,242 in tax equivalents for FY2018.

Section 2. This resolution shall become effective July 1, 2017 the public welfare requiring it.

Adopted this 22<sup>nd</sup> day of May, 2017.

APPROVED AS TO FORM:

\_\_\_\_\_  
John F. Kimball, City Attorney

\_\_\_\_\_  
Tom Rowland, Mayor

\_\_\_\_\_  
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 \$231,900 in tax equivalents for FY2018.

Section 2. This resolution shall become effective July 1, 2017 the public welfare requiring it.

Adopted this 22<sup>nd</sup> day of May, 2017.

APPROVED AS TO FORM:

\_\_\_\_\_  
John F. Kimball, City Attorney

\_\_\_\_\_  
Tom Rowland, Mayor

\_\_\_\_\_  
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 \$212,180 in tax equivalents for FY2018.

Section 2. This resolution shall become effective July 1, 2017 the public welfare requiring it.

Adopted this 22<sup>nd</sup> day of May, 2017.

APPROVED AS TO FORM:

\_\_\_\_\_  
John F. Kimball, City Attorney

\_\_\_\_\_  
Tom Rowland, Mayor

\_\_\_\_\_  
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 22<sup>nd</sup> day of May, 2017, 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 22<sup>nd</sup> day of May, 2017.

APPROVED AS TO FORM:

\_\_\_\_\_  
John F. Kimball, City Attorney

\_\_\_\_\_  
Tom Rowland, Mayor

\_\_\_\_\_  
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 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 FY2018. 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 Assistant City Manager/CFO 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 Assistant City Manager/CFO are directed to prepare Budgets that result in every target being met by June 30, 2019.

These reserve targets shall be reviewed annually by the City Manager and Assistant City Manager/CFO, 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 Assistant City Manager/CFO 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 Assistant City Manager/CFO 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 Assistant City Manager/CFO 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.

Stormwater Management Fund - This fund is used to account for fees collected for stormwater maintenance to 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.

Additionally, the government reports the following fund type:

Internal Service Funds. The City has two internal service funds. The Fleet Management Fund is used to account for the maintenance of all vehicles owned by the City of Cleveland and various other government agencies. The Health Insurance Trust Fund was established to pay employee medical benefits under a partially self-insured plan.

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**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the City's own legally issued bonds or notes.

The City's investments in certificates of deposit are reported at cost. Investments in the State Local Government Investment Pool are reported at amortized cost using a Stable Net Asset Value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer.

**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 systems	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 \$85,524, and \$157,986 for Cleveland Utilities Electric Division and Water Division respectively. The following schedule reconciles this allocation of depreciation expense:

	<u>Reconciliation</u>
Depreciation and amortization per statement of revenues, expenses and changes in net position	\$ 10,305,753
Depreciation charged to clearing account	<u>243,510</u>
Depreciation and amortization per statement of cash flows	<u><u>\$ 10,549,263</u></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 (2016 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, 2016, outstanding bond proceeds totaled \$1,265.

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. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that 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 \$13,393,004, and increase budgeted expenditures by \$15,244,774. 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 Assistant City Manager/CFO 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 Assistant City Manager/CFO reviews a five-year trend of revenues collected by the city to project the revenue estimates including growth. The Assistant City Manager/CFO 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 Assistant City Manager/CFO begins the review of the operating expenditures, and the City Manager prepares the CIP. After the Assistant City Manager/CFO and staff have prepared a preliminary Budget, the Assistant City Manager/CFO and the City Manager review it to determine whether further cuts are possible, or if additional revenues are necessary. The City Manager and Assistant City Manager/CFO 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 Assistant City Manager/CFO 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 Assistant City Manager/CFO 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 1<sup>st</sup> 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 1<sup>st</sup>. In the event the Council cannot agree on a budget before July 1<sup>st</sup>, an Interim Budget is adopted, which is simply a continuation budget from the previous year. At that point, the Assistant City Manager/CFO 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 Assistant City Manager/CFO, 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 Assistant City Manager/CFO authorizes the City Accountant to enter the amended amounts in the budget.

CITY OF CLEVELAND, TENNESSEE  
CALENDAR FOR FY2018 BUDGET AND  
CAPITAL IMPROVEMENTS (CINI) PREPARATION

- October 24 City Manager distributes Capital Request forms to Department Heads.
- December 31 Department Heads submit Capital Requests to City Manager.
- January 25 Finance Director releases budget preparation memo to Departmental Budget Officers.
- February 13 City Manager conducts planning session with City Council and Department Heads to establish city-wide goals and priorities.
- February 13 All budget requests and revisions to city-wide goals and objectives are submitted to the Finance Director.
- February 27 City Council sets date for Budget Session to be held at Municipal Building.
- March 3 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 3-8 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 7 Finance Director's Office prepares Agenda packets, including budget requests, CINI, and distributes to the City Council.
- April 10 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 24 City Council schedules a Public Hearing on the Budget for the May 22<sup>nd</sup> City Council Meeting.
- May 5 Budget distributed to the City Council, Department Heads, and News Media.
- May 8 City Council adopts the Budget and on First Reading.
- May 22 City Council holds Public Hearing concerning the Budget.
- May 22 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.

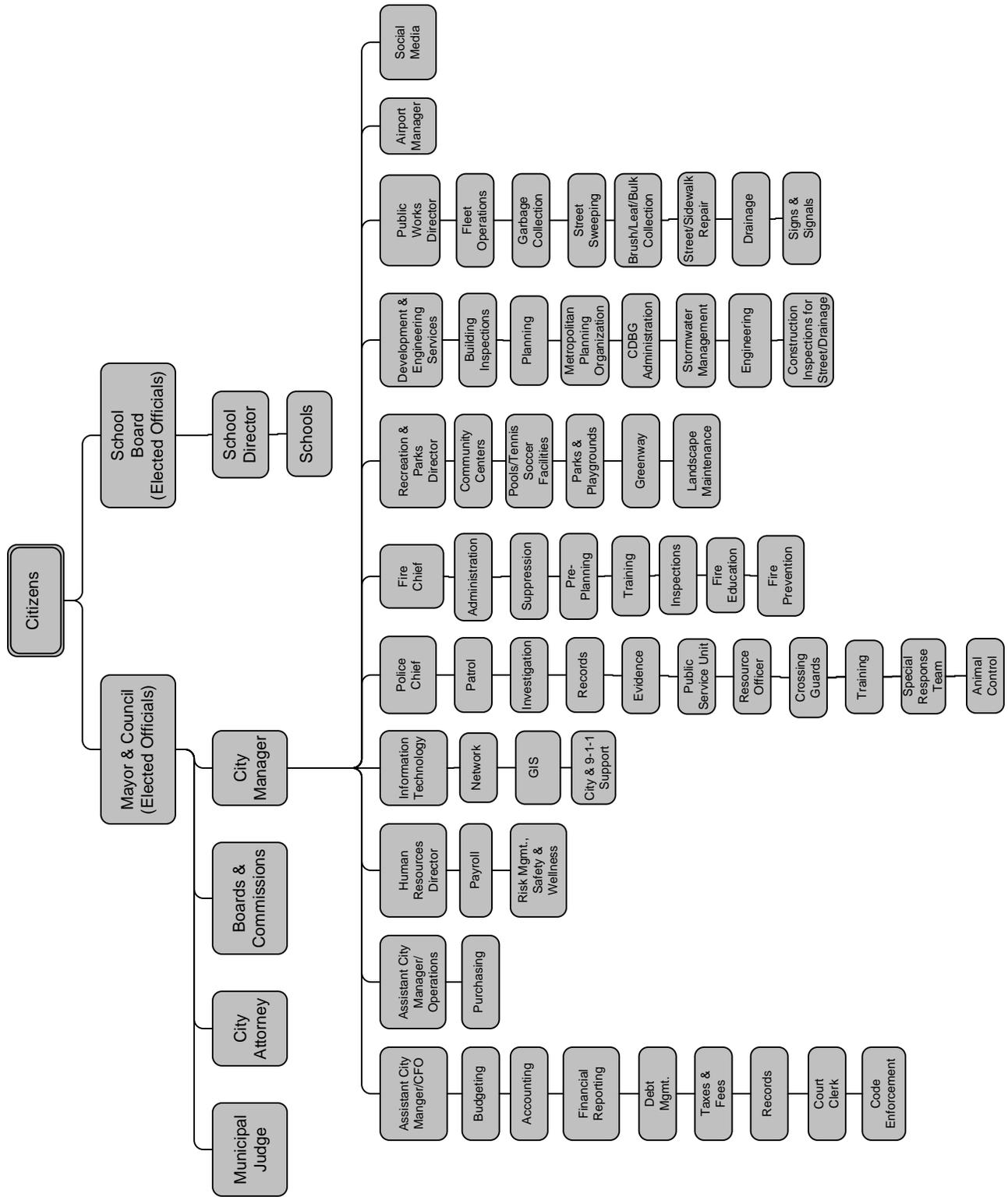
The City participates in the Tennessee Consolidated Retirement System (TCRS), the state system that is open to local government employees also. When the State institutes a benefit enhancement, local governments can choose whether to offer that as an option.

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 FY2018 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 FY2018 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.

# City of Cleveland Organizational Chart



## ***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 Managers assist the City Manager in his duties. Those operations are listed in the attached Organizational Chart, shown under the appropriate department heads:

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

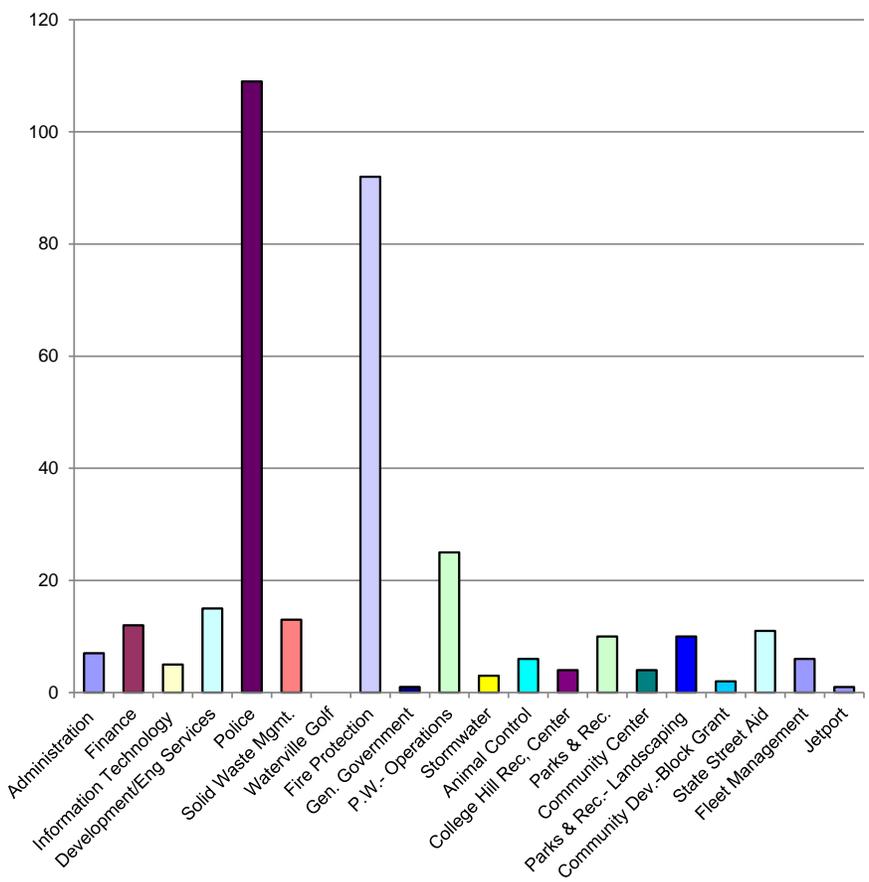
The City opened a new airport facility in 2013, the Cleveland Regional Jetport. The Cleveland Municipal Airport Authority hired an Airport Manager who works for the City Manager and in conjunction with the Cleveland Municipal Airport Authority and the airport Fixed Base Operator (FBO) to ensure the airport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

<b>Departments</b>	<b>2014/15 Adopted</b>	<b>2015/16 Adopted</b>	<b>2016/17 Adopted</b>	<b>2017/18 Adopted</b>
Administration	6	7	7	7
Finance	8	12	12	12
Information Technology	1	4	5	5
Development/Eng Services	14	15	15	15
Police	103	104	103	109
Solid Waste Mgmt.	13	13	13	13
Waterville Golf	6	0	0	0
Fire Protection	92	92	92	92
Gen. Government	1	1	1	1
P.W.- Operations	21	21	21	25
Stormwater	2	3	3	3
Animal Control	8	6	6	6
College Hill Rec, Center	3	3	4	4
Parks & Rec.	9	10	10	10
Community Center	4	4	4	4
Parks & Rec.- Landscaping	7	9	10	10
Community Dev.-Block Grant	2	2	2	2
State Street Aid	11	11	11	11
Fleet Management	7	6	6	6
Jetport	1	1	1	1
<b>Total FTE's</b>	<b>319</b>	<b>324</b>	<b>326</b>	<b>336</b>

## City of Cleveland FY2018 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. Board members are appointed by the Cleveland City Council.

### **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. Board members are appointed by the Cleveland City Council.

### **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. Board members are appointed by the Cleveland City Council.

### **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. Board members are appointed by the Cleveland City Council.

### **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. Board members are appointed by the Cleveland City Council.

### **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. Board members are appointed by the Cleveland City Mayor.

### **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. Board members are appointed by the Cleveland City Council.

### **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. Board members are appointed by the Cleveland City Council.

## **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. Board members are appointed by the Cleveland City council.

## **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. Board members are appointed by the Cleveland City Council.

## **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. Board members are appointed by the Cleveland City Council.

## **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. Board members are appointed by the Cleveland City Council.

## **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. Board members are appointed by the Cleveland City Council.

## **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. Board members are appointed by the Cleveland City Mayor.

### **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. Board members are appointed by the Cleveland City Council.

### **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. Board members are appointed by the Cleveland City Council.

### **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 members are appointed by the Cleveland City Council.

## **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. Board members are appointed by the Cleveland City Council.

## ***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

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
- Finance
  - Codes Enforcement
- Information Technology
- Development and Engineering Services
- Police Department
- Fire Department
- Public Works Department:
  - Operations Division
  - Street Lighting and Signals
  - Fleet Management
- 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

	FY2016 ACTUAL BUDGET	FY2017 ORIGINAL BUDGET	FY2017 AMENDED BUDGETED	FY2018 PROPOSED BUDGET	% OF TOTAL
<b><i>Revenues and Other Financial Resources</i></b>					
Local Taxes	\$33,197,149	\$33,721,000	\$34,032,936	\$38,580,000	77.2%
Licenses and Permits	\$490,234	\$508,500	\$609,850	\$630,700	1.3%
Intergovernmental Revenues	\$5,682,539	\$5,781,700	\$5,817,033	\$5,696,800	11.4%
Charges for Services	\$1,581,200	\$1,838,350	\$994,183	\$1,326,800	2.7%
Fines and Forfeitures	\$535,319	\$778,900	\$693,900	\$733,100	1.5%
Interest (Investment) Income	\$28,874	\$11,000	\$15,000	\$17,500	0.0%
Miscellaneous Revenues	\$152,837	\$30,500	\$287,996	\$32,500	0.1%
Transfer from Other Funds	\$2,390,243	\$2,343,623	\$2,343,623	\$2,981,085	6.0%
<b><i>Total Revenues and Other Financial Resources</i></b>					
	<b>\$44,058,395</b>	<b>\$45,013,573</b>	<b>\$44,794,521</b>	<b>\$49,998,485</b>	<b>100.0%</b>
<b><i>Expenditures and Other Financing Uses</i></b>					
Legislative and Judicial	\$491,765	\$439,598	\$591,598	\$584,015	1.2%
Administration	\$2,207,563	\$2,209,505	\$2,247,715	\$986,635	2.0%
Finance	\$0	\$0	\$0	\$955,620	1.9%
Information Technology	\$0	\$0	\$0	\$795,695	1.6%
Codes Enforcement	\$262,132	\$283,859	\$287,034	\$295,750	0.6%
Development and Engineering Services	\$1,329,879	\$1,490,770	\$1,501,885	\$1,532,900	3.1%
Police Department	\$9,178,835	\$9,604,360	\$9,755,394	\$10,082,918	20.4%
Fire Department	\$8,334,999	\$8,867,071	\$8,889,515	\$9,089,025	18.4%
Public Works Department: Operations Division	\$2,222,367	\$2,338,060	\$2,348,861	\$2,551,700	5.2%
Street Lighting and Signals	\$1,288,703	\$1,452,900	\$1,456,338	\$1,507,800	3.0%
Fleet Management	\$0	\$0	\$0	\$680,200	1.4%
Cleveland Regional Jetport	\$820,327	\$1,146,700	\$254,420	\$243,050	0.5%
Animal Control	\$501,236	\$511,947	\$555,001	\$528,797	1.1%
Risk, Safety & Wellness Program	\$127,358	\$144,822	\$151,822	\$159,665	0.3%
Parks and Recreation: Administration and Maintenance	\$949,481	\$994,759	\$1,066,426	\$1,012,275	2.0%
Landscape Maintenance	\$593,155	\$674,742	\$695,429	\$622,500	1.3%
College Hill Recreation Center	\$425,341	\$450,669	\$450,669	\$450,000	0.9%
Cleveland Community Center	\$355,434	\$398,133	\$399,633	\$432,910	0.9%
Tinsley Park	\$366,148	\$341,500	\$437,933	\$350,600	0.7%
Parks and Recreation Leases	\$81,187	\$38,000	\$38,000	\$37,376	0.1%
Grants and Other Agency Support	\$1,098,651	\$1,212,736	\$1,212,736	\$1,317,236	2.7%
Transfers to Other Funds	\$12,301,579	\$12,402,300	\$12,852,426	\$15,285,131	30.9%
<b><i>Total Expenditures and Other Financing Uses</i></b>					
	<b>\$42,936,140</b>	<b>\$45,002,431</b>	<b>\$45,192,835</b>	<b>\$49,501,798</b>	<b>100.0%</b>
<b><i>Increase (Decrease) in Fund Balance</i></b>	<b>\$ 1,122,255</b>	<b>\$ 11,142</b>	<b>\$ (398,314)</b>	<b>\$ 496,687</b>	
<b><i>Fund Balance at Beginning of FY</i></b>	<b>\$ 9,724,807</b>	<b>\$10,847,062</b>	<b>\$ 10,847,062</b>	<b>\$ 10,448,748</b>	
<b><i>Fund Balance at End of FY</i></b>	<b>\$10,847,062</b>	<b>\$10,858,204</b>	<b>\$ 10,448,748</b>	<b>\$ 10,945,435</b>	

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 FY2017 are estimated to be \$736,126 higher than FY2016. The significant difference is primarily due to increases in property and local sales taxes.

The local economy continues to show significant signs of improvement following the 2009 recession. For FY2018, property taxes are projected to grow \$4,084,564, which is an estimated 20.4% increase. The property tax rate will be adopted once the certified tax rate is set by the state. 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 \$400,000 or 4.1%, while intergovernmental revenues will decrease \$20,233 as State income tax continues to be phased out.

The City has budgeted to use none of the General Fund balance in FY2018 for general operations.

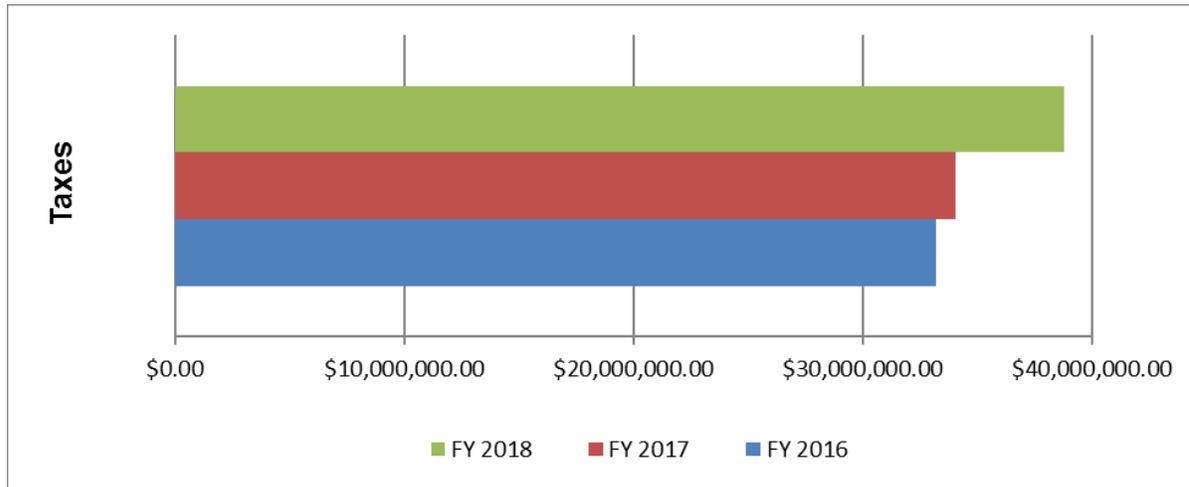
### Local Taxes:

The City Council will adopt a new tax rate one the certified tax rate has is set by the state in July. Property tax is the largest source of revenue in the General Fund. At \$24,095,000 it represents 48.2% of total General Fund revenues.

The Local Option Sales Tax is projected to increase in FY2018 by 4.1%. This is the second largest revenue source in the General Fund at \$10,100,000, representing 20.2% of total General Fund revenues.

Local Taxes represent \$38,580,000 of the \$49,998,485 General Fund revenues, or 77.2%. Combined, the Property Tax and Local Option Sales Tax represent 68.4% of the total General Fund.

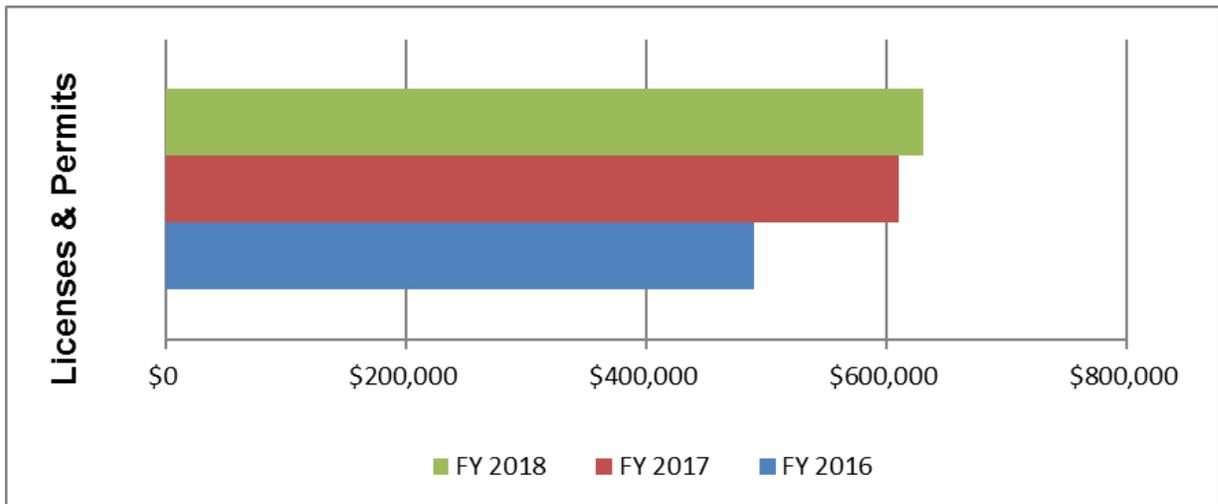
Acct #	Taxes	FY 2016	FY 2017	% (+/-)	FY 2018	% (+/-)
31110/11	Property Tax	\$19,609,561	\$20,010,436	2.0%	\$24,095,000	20.4%
31310	Interest & Penalty on Tax	194,097	215,000	10.8%	220,000	2.3%
31510/11	In Lieu of Tax	285,008	287,500	0.9%	300,000	4.3%
31610	Local Sales Tax	9,374,826	9,700,000	3.5%	10,100,000	4.1%
31710	Wholesale Beer Tax	1,584,441	1,585,000	0.0%	1,600,000	0.9%
31820	Gross Receipts Tax	1,244,796	1,245,000	0.0%	1,265,000	1.6%
31910	Franchise Tax	904,420	990,000	9.5%	1,000,000	1.0%
<b>Total Taxes</b>		<b>\$33,197,149</b>	<b>\$34,032,936</b>	<b>2.5%</b>	<b>\$38,580,000</b>	<b>13.4%</b>



### Licenses and Permits:

Licenses and Permits are projected to increase by 3.4%. At \$630,700 Licenses and Permits represent 1.3% of total General Fund revenues.

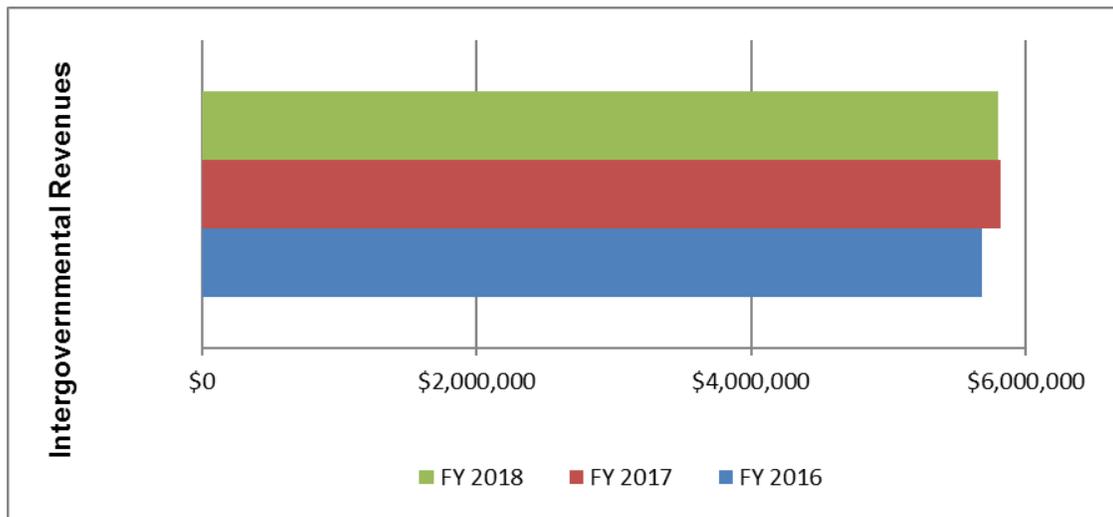
	FY 2016	FY 2017	% (+/-)	FY 2018	% (+/-)	
<b>Licenses &amp; Permits</b>						
32210	Beer Licenses	\$4,025	\$4,000	-0.6%	\$4,000	0.0%
32211	Beer Renewal Fee	14,442	15,000	3.9%	15,500	3.3%
32221	Liquor License Renewal	27,495	27,000	-1.8%	27,500	1.9%
32222	Wine Inspection Fee	60	95,000	158233.3%	100,000	5.3%
32610	Building Permits	208,401	225,000	8.0%	235,000	4.4%
32620	Electrical Permits	8,120	7,350	-9.5%	8,000	8.8%
32622	Electrical Licenses	17,985	17,500	-2.7%	18,000	2.9%
32625	Mechanical Permits	17,138	17,000	-0.8%	17,500	2.9%
32626	Mechanical Licenses	8,100	7,500	-7.4%	8,200	9.3%
32630	Plumbing Permits	44,358	42,500	-4.2%	45,000	5.9%
32632	Plumbing Licenses	9,757	10,500	7.6%	10,500	0.0%
32640	Natural Gas Permits	3,502	3,000	-14.3%	3,000	0.0%
32650	Street Cut Permits	75,199	80,900	7.6%	81,000	0.1%
32651	Land Disturbance Permits	6,909	8,500	23.0%	8,500	0.0%
32660	Rezoning Fee	1,500	2,000	33.3%	2,000	0.0%
32661	PUD Rezoning Fee	1,450	3,500	141.4%	2,000	-42.9%
32662	Zoning Appeal Fee	1,500	2,000	33.3%	2,000	0.0%
32663	Zoning Letter Fee	875	1,250	42.9%	1,200	-4.0%
32664	Minor Encroachment Fee	700	300	-57.1%	500	66.7%
32665	Certificate of Appropriateness	500	800	60.0%	800	0.0%
32690	Recr. Permits/Maint. Fee	8,060	8,000	-0.7%	8,000	0.0%
32691	Plat Review Fee	2,575	3,250	26.2%	3,500	7.7%
32692	Plans Review Fee	16,513	20,000	21.1%	20,000	0.0%
32693	Certificate of Occupancy	8,975	7,000	-22.0%	8,000	14.3%
32694	Alley/Street Abandonment	150	500	233.3%	500	0.0%
32991	Wrecker Permit Fees	1,900	500	-73.7%	500	0.0%
32992	Taxicab Driver Fees	45	0	-100.0%	0	N/A
	<b>Total</b>	<b>\$490,234</b>	<b>\$609,850</b>	<b>24.4%</b>	<b>\$630,700</b>	<b>3.4%</b>



### Intergovernmental Revenues:

Intergovernmental Revenues are projected to decrease 2.1%, because of the phasing out of State income tax. 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 \$5,696,800, this revenue source is 11.4% of the total General Fund.

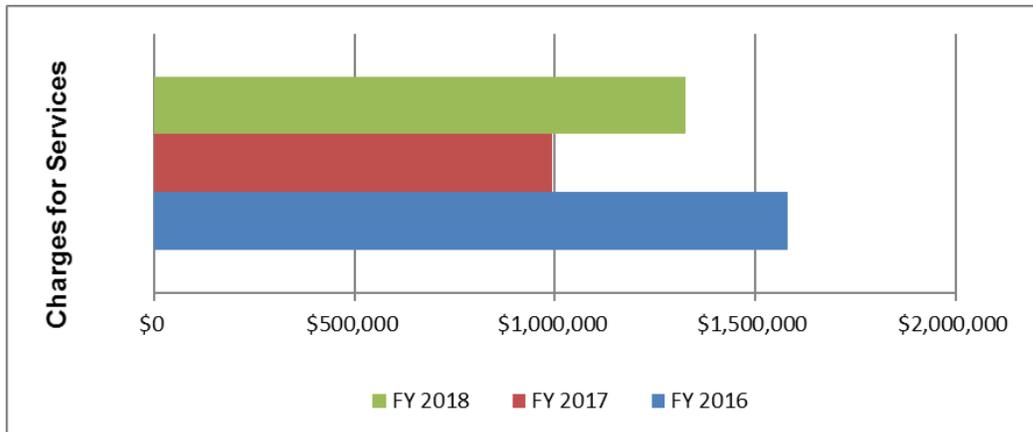
	FY 2016	FY 2017	% (+/-)	FY 2018	% (+/-)
<b>Intergovernmental</b>					
33200 Federal Grant-Prot. Vests	\$6,033	\$0	-100.0%	\$0	N/A
33202 Tema-Tornado Damage	21,176	\$0	-100.0%	\$0	N/A
33204 State Grt-Stepping It Up	0	\$7,304	N/A	\$0	-100.0%
33205 State Grt-Railroad Crossing	0	\$1,214	N/A	\$0	-100.0%
33206 State Grt-Tourism Enhancement	0	\$50,000	N/A	\$0	-100.0%
33410 Police Training Supp.	48,000	55,200	15.0%	55,200	0.0%
33411 Fire Training Supplement	51,600	52,800	2.3%	52,800	0.0%
33412 State-Highway Safety Grant	5,000	0	-100.0%	0	N/A
33510 State Sales Tax	3,342,791	3,435,900	2.8%	3,572,000	4.0%
33520 State Income Tax	1,133,555	1,100,000	-3.0%	880,000	-20.0%
33530 State Beer Tax	20,159	22,000	9.1%	22,500	2.3%
33540 State Mixed Drink Tax	134,413	130,000	-3.3%	135,000	3.8%
33552 State Gas Inspection Tax	83,993	90,300	7.5%	91,300	1.1%
33559 State Hwy Maintenance	151,179	171,815	13.7%	200,000	16.4%
33591 TVA-In Lieu of Taxes	485,242	515,500	6.2%	503,000	-2.4%
33593 State Excise Tax	199,398	185,000	-7.2%	185,000	0.0%
<b>Total</b>	<b>\$5,682,539</b>	<b>\$5,817,033</b>	<b>2.4%</b>	<b>\$5,696,800</b>	<b>-2.1%</b>



## Charges for Services:

Charges for Services are projected to increase by 33.5% to \$1,326,800. This revenue source represents 2.9% of total General Fund revenues.

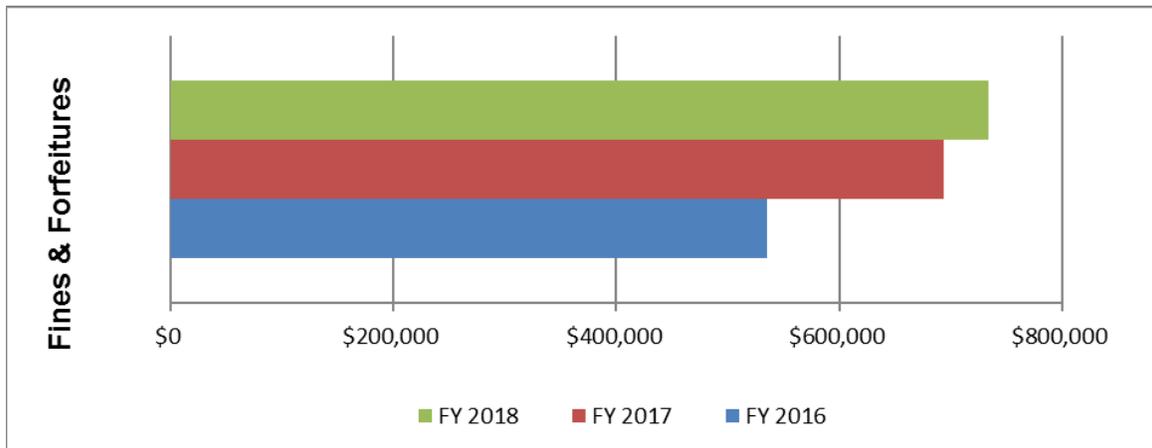
	FY 2016	FY 2017	% (+/-)	FY 2018	% (+/-)
<b>Charges for services</b>					
34211 CHA Police Protection	\$50,000	\$50,000	0.0%	\$50,000	0.0%
34221 Fire Inspection Fees	1,220	1,750	43.4%	1,800	2.9%
34241 Police Accident Reports	8,844	4,750	-46.3%	5,000	5.3%
34260 Police Dept-Cont Svcs	50,453	65,000	28.8%	0	-100.0%
34262 CBC ECD 911-Contracted Svcs	113,787	115,000	1.1%	120,000	4.3%
34316 Airport Grounds Maintenance	7,067	0	-100.0%	0	N/A
34330 Fleet Chgs for Svs-City	0	0	N/A	191,000	N/A
34331 Fleet Chgs for Svs-O/S Agencies	0	0	N/A	110,000	N/A
34351 PW Services - Stormwater	0	0	N/A	101,300	N/A
34352 GIS Services - Stormwater	0	30,000	N/A	30,000	0.0%
34353 GIS Services - 911 Center	0	6,000	N/A	6,000	0.0%
34510 Animal Control-Sale/BD Fees	36,540	30,000	-17.9%	35,000	16.7%
34721-43 Tinsley Park	57,133	60,250	5.5%	61,300	1.7%
34744 Cleveland Comm Center	16,189	12,500	-22.8%	12,500	0.0%
34745-91 College Hill Recreation Center	28,838	20,100	-30.3%	22,600	12.4%
34799 Parks & Rec-Misc	4,687	2,500	-46.7%	2,500	0.0%
36205 Waterville Lease	36,000	36,000	0.0%	36,000	0.0%
37511 Jetport - Jet Fuel	506,101	17,735	-96.5%	\$0	-100.0%
37513 Jetport - AvGas	132,207	798	-99.4%	0	-100.0%
37514 Jetport - Ground/Land Lease	72,939	78,300	7.3%	78,300	0.0%
37516 Jetport - T-Hangar Rent	80,871	30,000	-62.9%	30,000	0.0%
37517 Jetport - Terminal Bldg Rental	3,155	5,000	58.5%	5,000	0.0%
37518 Jetport - Tie Downs	6,296	0	-100.0%	0	N/A
37519 Jetport - Community Hangar	7,925	18,000	127.1%	18,000	0.0%
37520 Donations - Terminal Building	19,000	17,500	-7.9%	17,500	0.0%
37521 Jetport - GPU Service Fee	620	0	-100.0%	0	N/A
37522 Jetport - Video Advertisement	5,000	10,000	100.0%	10,000	0.0%
37523 Jetport - Ramp Fee	9,572	0	-100.0%	0	N/A
37524 Jetport - Special Events	0	5,000	N/A	5,000	0.0%
37525 Jetport - Sales Tax	0	0	N/A	0	N/A
37526 Fuel Flowage Fee	0	30,000	N/A	30,000	0.0%
37527 Variable Rent-CFM	0	25,000	N/A	25,000	0.0%
34912 SRO-City Schools	326,756	323,000	-1.1%	323,000	0.0%
<b>Total</b>	<b>\$1,581,200</b>	<b>\$994,183</b>	<b>-37.1%</b>	<b>\$1,326,800</b>	<b>33.5%</b>



### 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 \$733,100, this revenue source is 1.5% of total General Fund revenues.

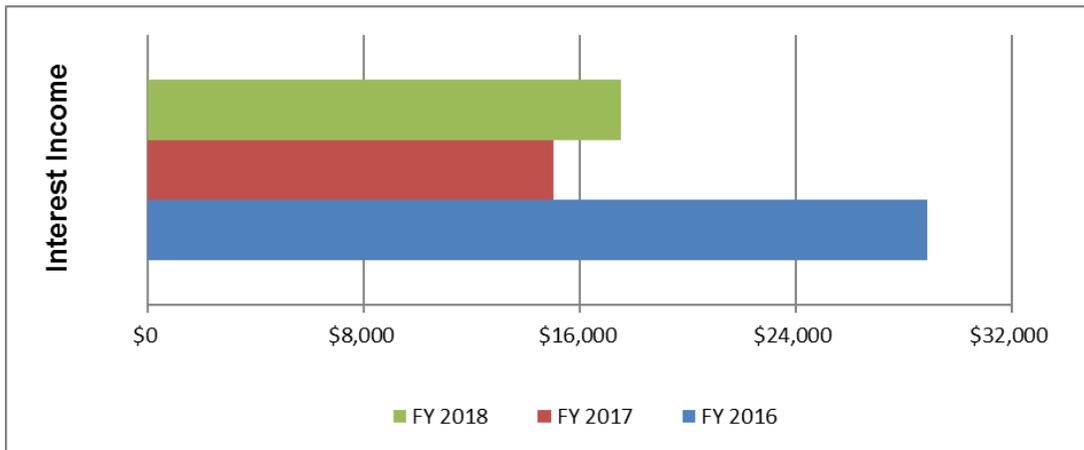
	FY 2016	FY 2017	% (+/-)	FY 2018	% (+/-)
<b>Fines &amp; Forfeitures</b>					
35110 Traffic Tickets	\$368,876	\$500,000	35.5%	\$525,000	5.0%
35111 Parking Tickets	18,295	20,000	9.3%	30,000	50.0%
35112 Animal Shelter	450	600	33.3%	600	0.0%
35113 Code Enforcement Fines	2,640	3,000	13.6%	3,000	0.0%
35116 Court Clerk Fees	2,811	3,500	24.5%	0	-100.0%
35140 Bradley Co.-Drug Fines	9,431	15,000	59.0%	15,000	0.0%
35160 Sessions Court	29,070	46,500	60.0%	46,500	0.0%
35161 Circuit Court	8,310	15,000	80.5%	15,000	0.0%
35162 Officers-Sessions	74,526	75,000	0.6%	80,000	6.7%
35163 Officers-Circuit	5,345	6,300	17.9%	7,000	11.1%
35164 State Refunds	4,965	500	-89.9%	1,000	100.0%
35166 Sex Offender Registry	10,600	8,500	-19.8%	10,000	17.6%
	<b>\$535,319</b>	<b>\$693,900</b>	<b>29.6%</b>	<b>\$733,100</b>	<b>5.6%</b>



### 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 16.7% to \$17,500.

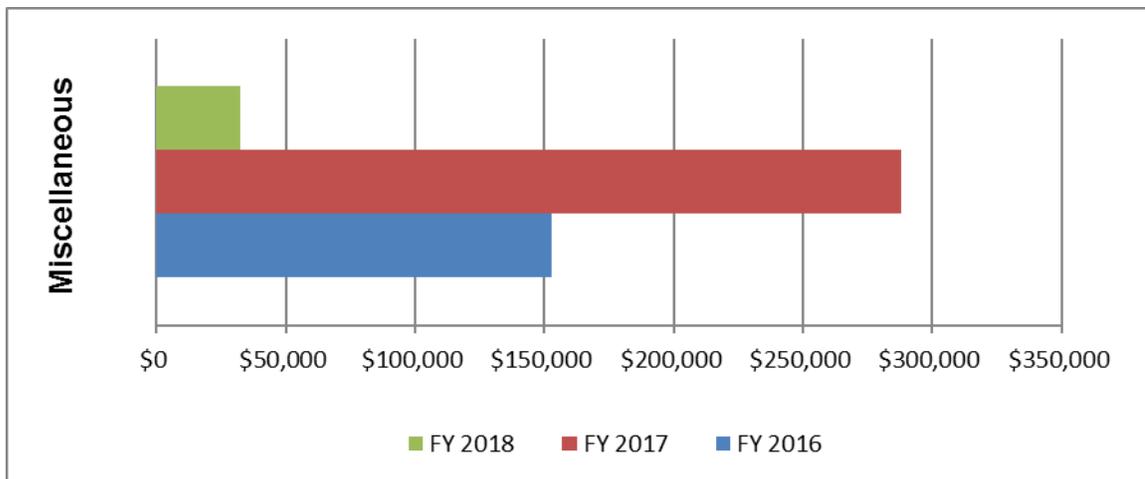
		FY 2016	FY 2017	% (+/-)	FY 2018	% (+/-)
	<b>Interest Income</b>					
36110	Interest Income	\$28,874	\$15,000	-48.1%	\$17,500	16.7%
		<b>\$28,874</b>	<b>\$15,000</b>	<b>-48.1%</b>	<b>\$17,500</b>	<b>16.7%</b>



### Miscellaneous Revenues:

Miscellaneous Revenues are projected to decrease by \$255,496, or 88.7%. 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.

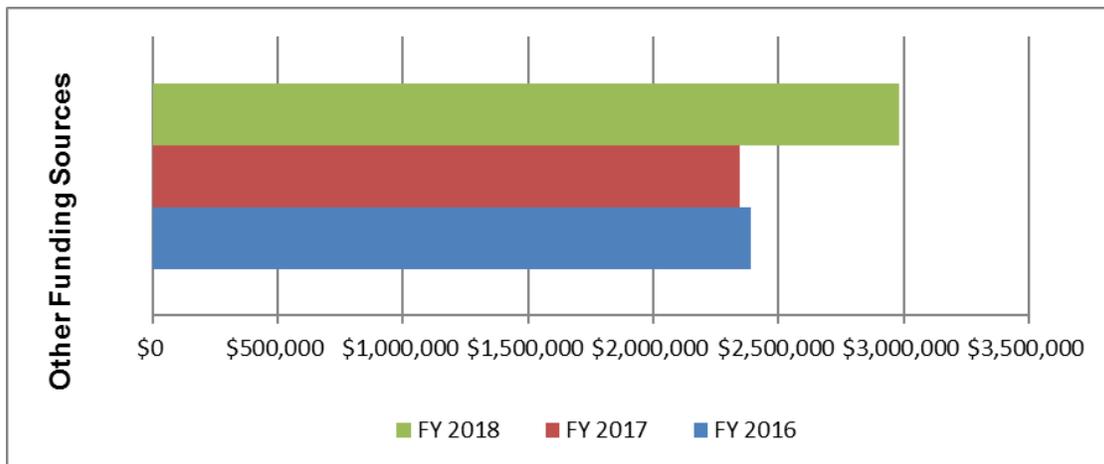
		FY 2016	FY 2017	% (+/-)	FY 2018	% (+/-)
<b>Miscellaneous</b>						
36310	Sale of Land - Surplus	25,370	0	-100.0%	0	N/A
36313	Sale of Vehicles	0	3,175	N/A	0	-100.0%
36514	Sale of Scrap Metal	1,987	0	-100.0%	0	N/A
36530	Health Insurance Refund	1,370	0	-100.0%	0	N/A
36704	Donation-Memorial Trees	14,890	16,750	12.5%	0	-100.0%
36706	Old Timers Banquet Revenue	2,480	1,500	-39.5%	2,500	66.7%
36710	Sign/Decal Reimbursement	1,035	1,500	44.9%	1,500	0.0%
36711	Donations-CHA for Drug Canine	0	14,000	N/A	0	-100.0%
36712	Donations-Fire Dept	600	2,434	305.7%	0	-100.0%
36715	Donation-Lyndhurst Foundation	0	20,000	N/A	0	-100.0%
36716	Police-Misc Donations	1,000	0	-100.0%	0	N/A
36718	Donation-Parks and Recreation	300	0	-100.0%	0	N/A
36720	TML Safety Grant-Matching	1,967	6,000	205.0%	0	-100.0%
36721	TML Package Bonus	5,000	5,000	0.0%	5,000	0.0%
36722	TML Driver Safety Grant	1,220	0	-100.0%	0	N/A
36723	TML Property Conservation Grant	0	2,500	N/A	0	-100.0%
36728	Misc. Insurance Revenue	6,264	3,438	-45.1%	0	-100.0%
36731	Animal Control Donations	70	0	-100.0%	0	N/A
36732	Animal Control Sponsor Adoptions	4,832	4,000	-17.2%	0	-100.0%
36733	Donations-Fire Safety	200	0	-100.0%	0	N/A
36734	Donations-National Night Out	0	0	N/A	0	N/A
36738	Canine Donation-Vests	5,456	0	-100.0%	0	N/A
36740	Donation-Greenway Vandalism	100	0	-100.0%	0	N/A
36797	TML-Tinsley Playground Equip	0	96,443	N/A	0	-100.0%
36980	TML Reimb.-Police Vehicle	26,153	34,026	30.1%	0	-100.0%
36982	Fire Misc/Reports	260	0	-100.0%	0	N/A
36983	TML-Reimb. for Property Damage	23,009	54,730	137.9%	0	-100.0%
36984	TML-Work Comp Salary Reimb	12,433	0	-100.0%	0	N/A
36990	Sundry Income	16,341	22,500	37.7%	23,500	4.4%
36995	Temporary Collection	500	0	-100.0%	0	N/A
<b>Total</b>		<b>\$152,837</b>	<b>\$287,996</b>	<b>88.4%</b>	<b>\$32,500</b>	<b>-88.7%</b>



### Other Funding Sources:

Payments received as a transfer from Cleveland Utilities include \$231,900 for In-Lieu of Tax – Water and \$212,180 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 \$2,065,242 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. The transfer from the CIP Fund are for the costs that were advanced for the Candy’s Creek Cherokee Elementary School project. This revenue source is 6.0% of the total General Fund revenues.

	FY 2016	FY 2017	% (+/-)	FY 2018	% (+/-)
<b>Other Funding Sources</b>					
Transfer from CU - Water	\$218,588	\$225,146	3.0%	\$231,900	3.0%
Transfer from CU - Wastewater	200,000	206,000	3.0%	212,180	3.0%
Transfer from CU - Electric	1,971,655	1,912,477	-3.0%	2,065,242	8.0%
Transfer from CIP	0	0	N/A	471,763	N/A
	<b>\$2,390,243</b>	<b>\$2,343,623</b>	<b>-2.0%</b>	<b>\$2,981,085</b>	<b>27.2%</b>



# *Legislative and Judicial*



Tom Rowland  
Mayor



Avery Johnson  
Vice Mayor/At Large



Richard Banks  
At Large



Charlie McKenzie  
District 1



Bill Estes  
District 2



Tom Cassada  
District 3

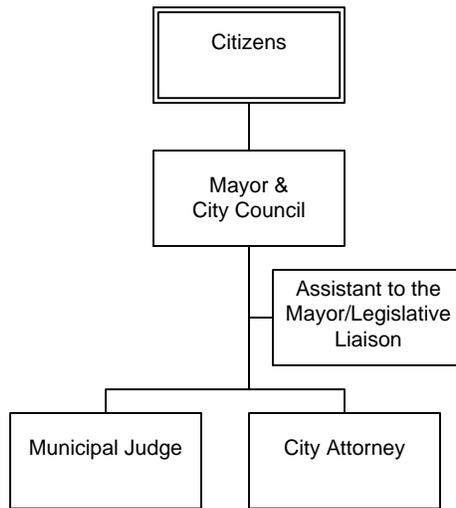


David May, Jr.  
District 4



Dale Hughes  
District 5

# 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 Finance Department.

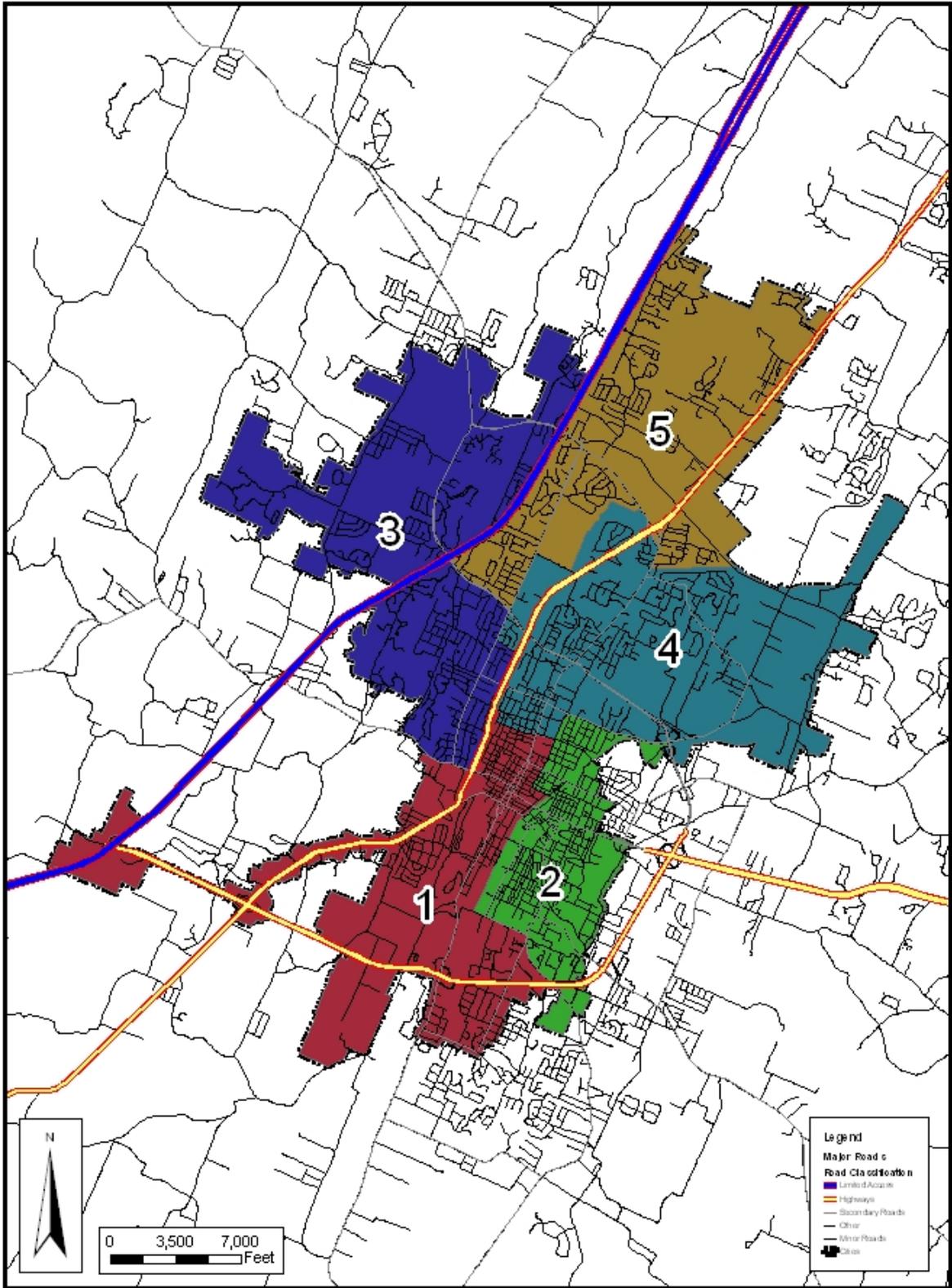
EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$317,213	\$339,298	\$339,298	\$353,515	4.2%
Operating	\$168,395	\$98,800	\$250,800	\$229,000	-8.7%
Capital Outlay & Debt Service	\$6,157	\$1,500	\$1,500	\$1,500	0.0%
<b>Total Expenditures</b>	<b>\$491,765</b>	<b>\$439,598</b>	<b>\$591,598</b>	<b>\$584,015</b>	<b>-1.3%</b>
FTE's	1	1	1	1	0.0%

### *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 9% in FY2018.
- Attract seven new retail businesses and seven restaurants in FY2018.

- 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	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Number of City Council Meetings	25	22	22	22
City's Bond Rating by Moody's/S&P	Aa3/AA	Aa3/AA	Aa3/AA	Aa3/AA
Six-Year CIP Adopted	YES	YES	YES	YES
# New Industries Recruited	5	5	5	6
# of Jobs Created	70	100	100	100
# of new restaurants	4	5	7	8
# of new retail businesses	5	5	6	7



## City of Cleveland Voting Districts

# *Administration Department*



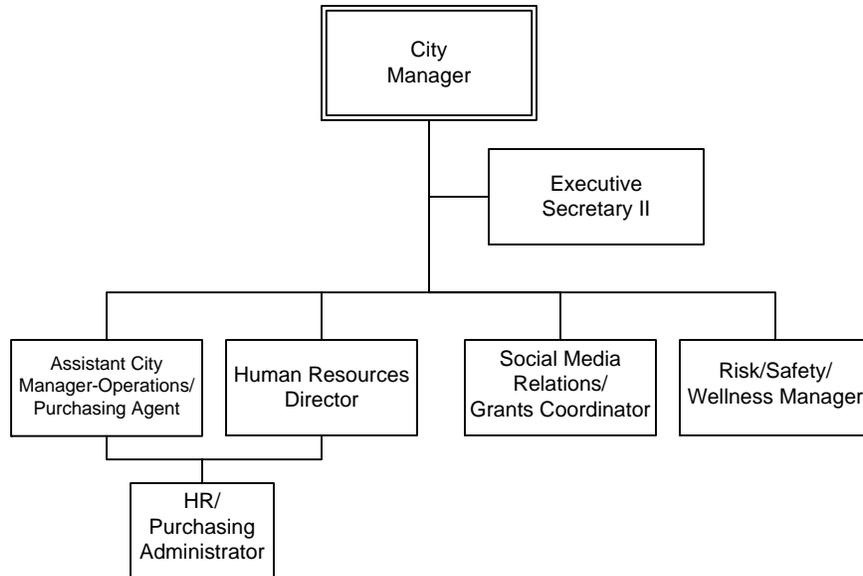
Joe Fivas  
City Manager



Melinda Carroll  
Assistant City Manager/  
Purchasing Director



# Administration Department



## *Administration Department*

### *Programs, Services, and Functions:*

The City Manager is responsible for all city operations and ensuring that Council policies are implemented and ordinances are enforced. The City Manager is also responsible for the day-to-day operations of the city and is policy advisor to the Mayor & City Council, particularly on the financial condition of the city. He is responsible for the preparation of the annual budget and a Capital Improvements Program. He is also responsible for Personnel and Human Resource issues.

The City Manager is responsible for Finance, Development & Engineering, Fire, Parks & Recreation, Police, Cleveland Regional Jetport and Public Works Departments. Secondary to the departments, he directly supervising the Administration Division, which includes Purchasing, Human Resources, Executive Secretary II, Safety/Wellness/Risk Management, Computer Administrator (IT Division) and Social Media Relations/Grants Coordinator.

The Purchasing Division is responsible for purchasing city-wide. 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/Purchasing Administrator.

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

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 Social Media Relations/Grants Coordinator is responsible for developing communication programs to keep the media, general public, employees and Mayor & City Council informed. The coordinator maintains the City's website and oversees the City's social media accounts including Facebook, Twitter and Instagram to ensure the accuracy of information and content that is disseminated to the public. The coordinator prepares the new bi-monthly community newsletter. Manages the City's citizen request mobile application, Cleveland @ Your Service, which allows residents to immediately report various issues or concerns through their mobile device. Partners with private and public agencies for various City sponsored events. Also, coordinates grant-related activities which include: research and reviewing potential funding opportunities, assist departments with developing an effective grant proposal, establish project timelines and deadlines, contract compliance and application editing.

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

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$1,584,871	\$1,621,580	\$1,640,590	\$797,435	-51.4%
Operating	\$621,192	\$586,425	\$605,625	\$170,200	-71.9%
Capital Outlay & Debt Service	\$1,500	\$1,500	\$1,500	\$19,000	1166.7%
<b>Total Expenditures</b>	<b>\$2,207,563</b>	<b>\$2,209,505</b>	<b>\$2,247,715</b>	<b>\$986,635</b>	<b>-56.1%</b>
FTE's	15	24	24	7	-70.8%

In FY2018, Administration and Finance budget, was divided into separate departments.

***Goals and Objectives:***

- Improve the level of public safety within the City of Cleveland.
- Improve the facilities within the City of Cleveland.
- Improve the city’s ability to provide services through technology.
- Continue use of procurement cards to purchase materials for city departments.
- Continue to research new ways to implement mobile computing for city employees to improve productivity.
- Provide a safe work environment for all workers.
- Properly train and inform employees of safe workplace practices.
- Adhere to personnel policy in hiring qualified, competent workforce.
- Provide training and educational opportunities for workforce to enhance job skills.
- Implement new diversity policy.
- 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.
- Continue efforts to reach targets in the City Council’s fund balance/working capital policies.
- Aggressively pursue all revenue sources for the city.
- Aggressively pursue competitive purchasing practices to assure best pricing.
- Provide personnel services to employees.
- Continue to improve and update City’s website.
- Complete citizen’s “Request for Service” within 3 business days.

# Finance Department



Government Finance Officers Association

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Cleveland  
Tennessee**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

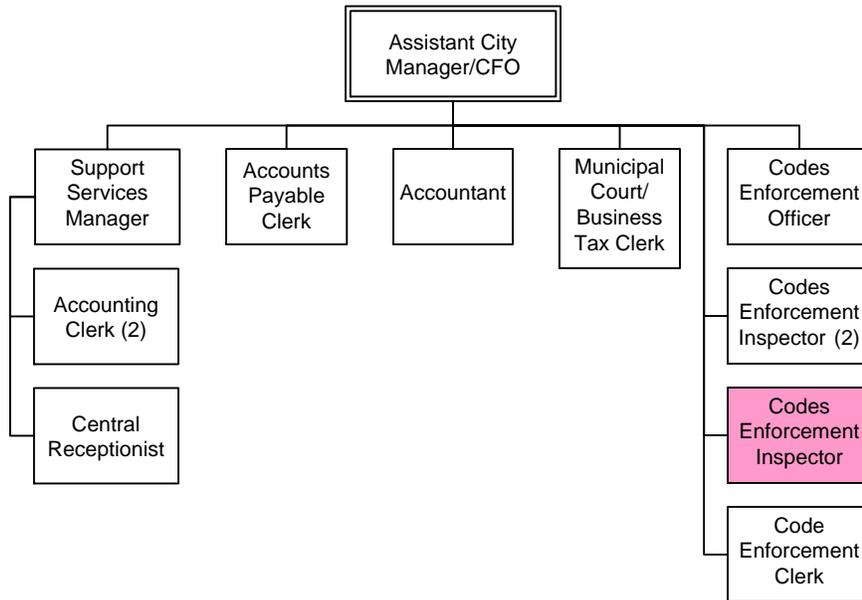
*Jeffrey R. Brown*  
Executive Director/CEO



Shawn McKay  
Assistant City Manager/CFO



# Finance Department



Note: Position funded by the  
Community Development Block Grant

## ***Finance Department***

### ***Programs, Services, and Functions:***

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 2016 tax year, of which approximately 325 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.

**Finance:**

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$0	\$0	\$0	\$547,370	100.0%
Operating	\$0	\$0	\$0	\$400,750	100.0%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$7,500	100.0%
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$955,620</b>	<b>100.0%</b>
FTE's	0	0	0	8	100.0%

In FY2018, Administration and Finance budget was divided into separate departments.

**Code Enforcement:**

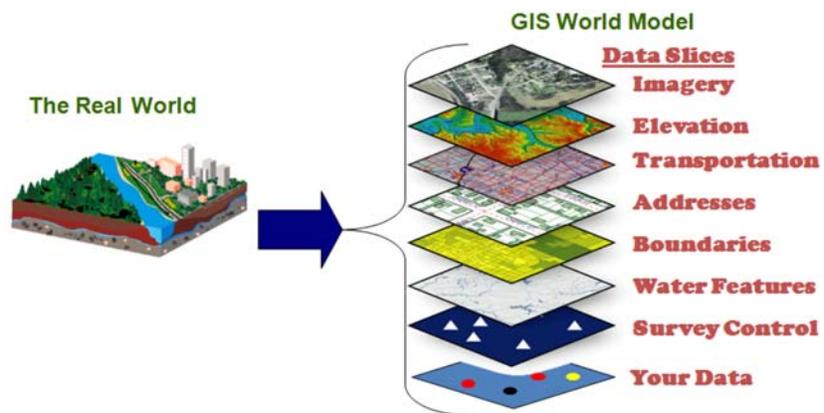
EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$234,598	\$250,059	\$250,059	\$263,850	5.5%
Operating	\$27,534	\$33,800	\$30,042	\$31,900	6.2%
Capital Outlay & Debt Service	\$262,132	\$0	\$6,933	\$0	-100.0%
<b>Total Expenditures</b>	<b>\$524,264</b>	<b>\$283,859</b>	<b>\$287,034</b>	<b>\$295,750</b>	<b>3.0%</b>
FTE's	4	4	4	4	0.0%

**Goals and Objectives:**

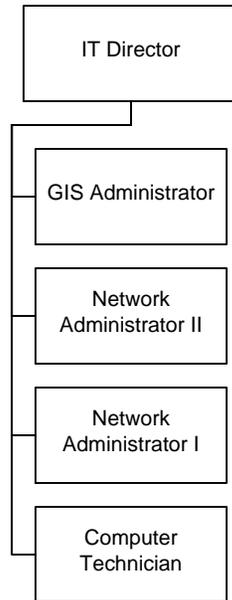
- To meet fund balance/working capital targets established by City Council next year.
- Continue to obtain clean audit opinions, reflecting sound financial management.
- Increase collection of property tax and sales tax by 0.5% in FY2018.
- Increasing the scanning of documents required by the City’s Record Retention Policy by 5% by next year.
- Implement collection of traffic citations online.
- Continue use of procurement cards to purchase materials and provide online access to City departments.
- Update software for e-ticketing compatibility.
- Maintain and update departmental 15-year equipment programs.

PERFORMANCE MEASURES	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Clean Audit Opinion Received	Yes	Yes	Yes	Yes
Bad Debt Write-off	\$13,097	\$22,317	\$30,000	\$30,000
# of Financial Policies Not Met	None	None	None	None
# of Transactions Processed by Revenue Collection Division	45,482	42,845	43,685	42,275
# of online Property Tax Payments	273	257	322	400
# of Business Licenses Processed	243	273	266	268
# of Municipal Court Cases Handled	1,794	1,722	1,485	1,603
# of Checks written	3,716	3,703	3,903	4,100
Dollar amount of Procurement Card purchases	\$592,876	\$726,153	\$605,713	\$641,500
# of Moving Citations Entered	5,706	4,891	3,836	4,364
# of Parking Citations Entered	1,317	994	1,016	1,005
% of moving Citations Collected (written during this fiscal year)	85%	77%	81%	80%
% of parking Citations collected (written during this fiscal year)	81%	80%	79%	80%
% of moving Citations outstanding	10%	19%	17%	17%
% of parking Citations outstanding	13%	17%	18%	18%

# Information Technology



# *Information Technology*



## *Information Technology*

### *Programs, Services, and Functions:*

The Information Technology Director and Department is responsible for administration of the City’s computer system. Having IT staff affords the City more access to uninterrupted computer repair and installation services, as well as technical advice on electronic information technology purchases.

GIS (Geographic Information Systems) is maintained by this department. The GIS Administrator creates and updates all mapping data and imagery for the City. The data maintained by the GIS department is used to support almost every department in the City in some way, with Development and Engineering being the primary users. In addition, the GIS department creates and maintains a series of web apps and maps that provide the general public with City maps and location services. The GIS Administrator also coordinates with Cleveland Utilities GIS, Bradley County GIS, and Bradley County 911 to ensure that up-to-date GIS data is available for all of those organizations.

The \$ 542,000 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, and all software current, providing free upgrades and updates.

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$0	\$0	\$0	\$263,850	100.0%
Operating	\$0	\$0	\$0	\$31,900	100.0%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$0	0.0%
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$295,750</b>	<b>100.0%</b>
FTE’s	0	0	0	5	100.0%

In FY2018, Administration and Finance budget, was divided into separate departments.

### *Goals and Objectives:*

- Improve the city’s ability to provide services through technology.
- Continue to research new ways to implement mobile computing for city employees to improve productivity.

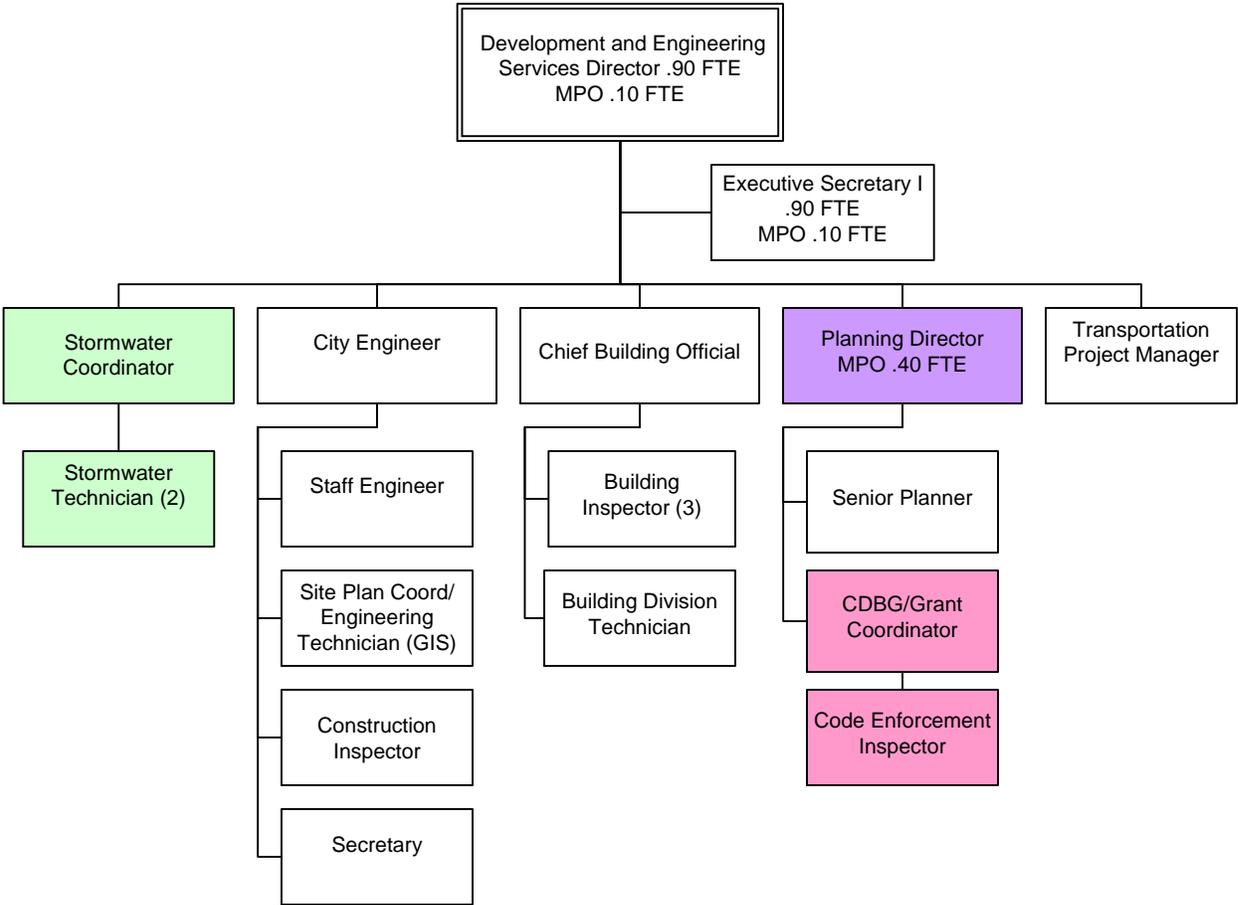
# *Development and Engineering Services*



Director Jonathan Jobe



# Development and Engineering Services



Note: Positions funded by the Community Development Block Grant

Note: Positions funded by the Stormwater Management Fund

Note: Position funded by the Metropolitan Planning Organization Fund

## ***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 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 sign 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, and the Board of Zoning Appeals.

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 Historic Preservation Commission, Building Board of Adjustment and Appeals, the Plumbing Board, the Mechanical Board and the Board of Zoning Appeals.

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$1,150,111	\$1,258,920	\$1,249,920	\$1,287,200	3.0%
Operating	\$173,255	\$222,350	\$240,865	\$236,200	-1.9%
Capital Outlay & Debt Service	\$6,513	\$9,500	\$11,100	\$9,500	-14.4%
<b>Total Expenditures</b>	<b>\$1,329,879</b>	<b>\$1,490,770</b>	<b>\$1,501,885</b>	<b>\$1,532,900</b>	<b>2.1%</b>
FTE's	15	15	15	15	0.0%

### *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, 20<sup>th</sup> 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 25<sup>th</sup> Street/Peerless intersections to accommodate traffic.
  - Design improvements for 20<sup>th</sup> Street/Michigan Avenue Road for safety
- Complete Georgetown Road at 25<sup>th</sup> Street Intersection Improvement project.
  - Acquire Right of Way and easements for the project.
  - Complete requirements to obtain TDOT certification.

- Continue coordination with the Army Corps of Engineers (ACOE) on South Mouse Creek and Candies Creek Flood Study and to implement project measures developed by the ACOE.
- 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:***

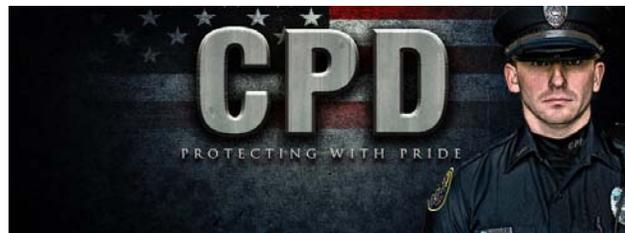
PERFORMANCE MEASURES	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Population (Estimate)	43,898	44,337	44,780	45,228
# of Building Permits	389	425	450	475
Value of Building Permits	\$304,521	\$229,816	\$275,000	\$290,000
Value of Construction Permitted	\$65,106,317	\$70,217,885	\$70,000,00	\$72,000,000
# of Plumbing Permits	773	814	825	825
# of Mechanical Permits	363	449	475	500
# of Rezoning Cases	14	20	25	25
# of Subdivision Plats Approved	32	35	40	40
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 spent	\$251,719	\$422,730	\$250,000	\$350,000
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.

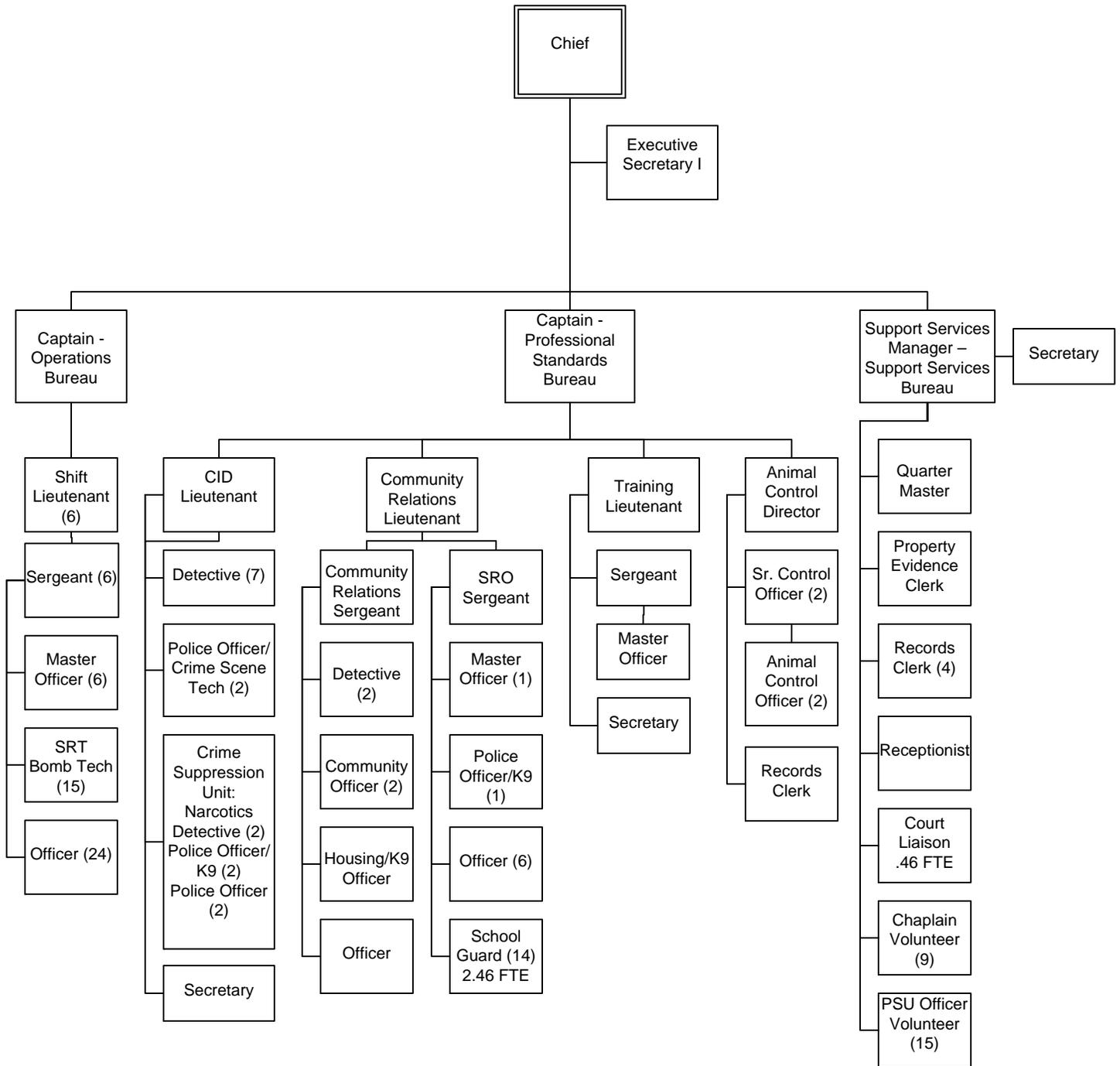
# Cleveland Police Department



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. In FY2018 the department will be authorized for 2.02 officers per 1,000 citizens in Cleveland. These officers are assigned through the department; Administration, Patrol Teams, Detectives, Crime Scene Techs, School Resource Officers, Community Enforcement Officer, Housing Officer, Training Officer, Accreditation Officer, and Media Relations Officer. Two (2) Detectives are currently assigned to the Tenth Judicial Drug Task Force through a mutual aid agreement. We also have a Detective assigned to the FBI ICAC (Internet Crimes Against Children). Our 12-member SWAT team receives advanced training throughout the year to deal with critical incidents.

The Department is made up of three (3) bureaus: Operations, Professional Standards and Support Services. Operations and Professional Standards are commanded by Police Captains and Support Services is directed by the Support Services Manager.

The Operations Bureau consists 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 is comprised of 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 and Neighborhood Watch Programs. 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 4<sup>th</sup> 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 is working toward receiving. We also maintain state accreditation by TLEA, the Tennessee Association of Chiefs of Police Tennessee Law Enforcement Accreditation.

The Cleveland City Council generously supports our department as we strive to stay up-to-date in technology and other current trends in the police and public safety field. 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. We have expanded our paperless reporting system by purchasing the Watson Reporting System that works with smartphones to replace Vision Mobile. The City Council's continued support of increased sworn 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.

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$7,637,690	\$8,029,615	\$8,059,316	\$8,598,970	6.7%
Operating	\$1,446,294	\$1,537,245	\$1,653,759	\$1,446,448	-12.5%
Capital Outlay & Debt Service	\$94,851	\$37,500	\$42,319	\$37,500	-11.4%
<b>Total Expenditures</b>	<b>\$9,178,835</b>	<b>\$9,604,360</b>	<b>\$9,755,394</b>	<b>\$10,082,918</b>	<b>3.4%</b>
FTE's	104	103	103	109	5.8%

***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
- 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
- Utilize social media to gather criminal intelligence and encourage involvement of citizens in our community.
- Develop a Crime Interdiction and Suppression Unit by 2018
- Train quarterly on Use of Force and De-escalation training for all sworn personnel.

***Performance Measures:***

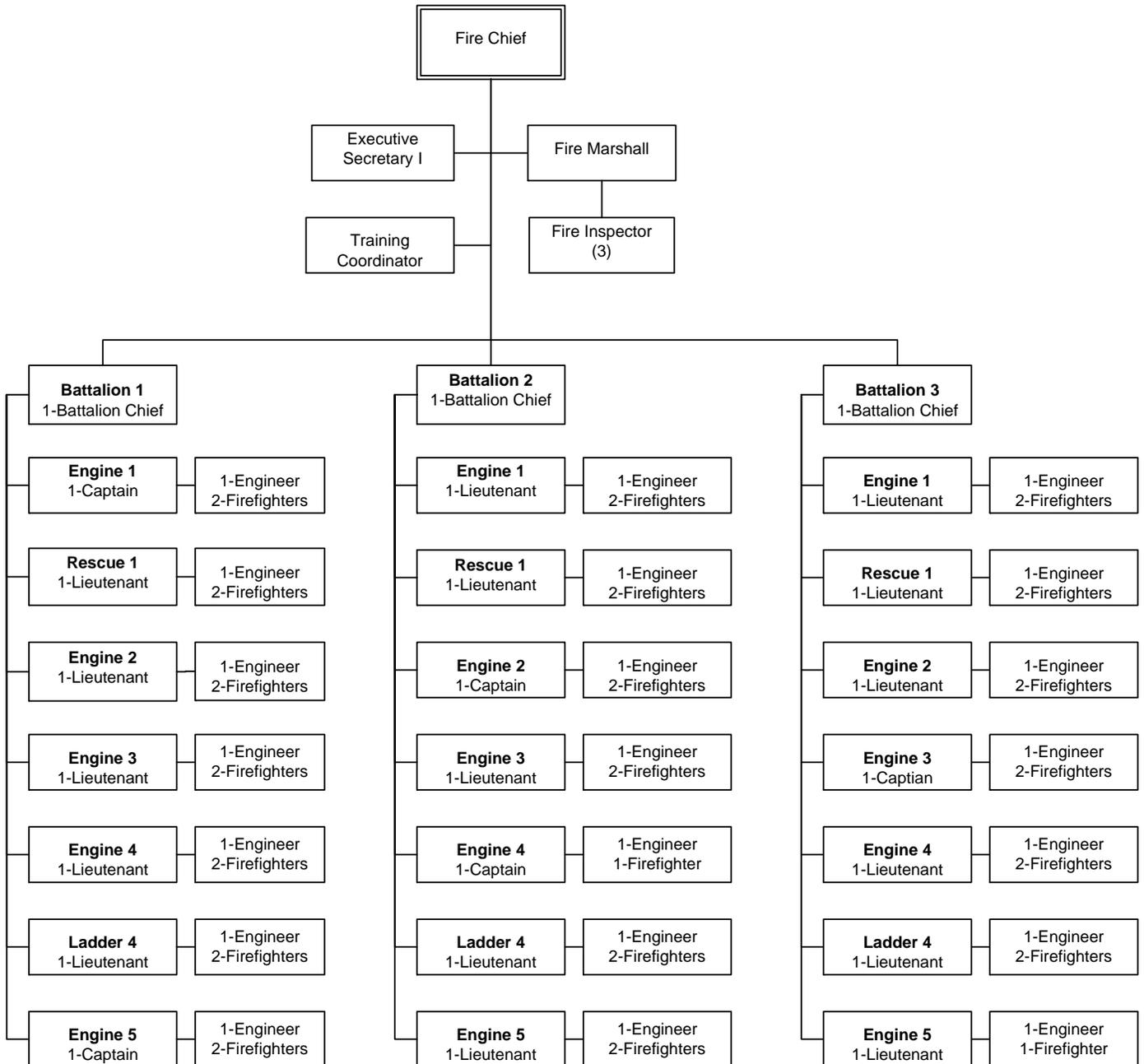
PERFORMANCE MEASURES	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Population (Estimate)	43,182	44,337	44,780	45,228
# of Sworn Officers	91	91	91	91
Sworn Officers per 1,000 Population	2.10	2.07	2.07	2.02
Annual Training Hours for Sworn Personnel	3,500	4,300	4,300	5,000
Clearance Rate for Detectives	83%	77%	76%	80%
# Job-related Injuries requiring medical treatment	5	5	5	5
Traffic Accidents	2,985	3,172	3,000	2850
Traffic Accidents w/ Injury	367	338	300	295
Traffic Accidents – Alcohol Related	50	29	27	27
Response Time (in minutes)	8.11	8.2	8.2	7.45
Calls for Service	56,225	52,991	53,000	55,000
DUI Citations/Arrests	122	93	97	100
Homicide	2	3	2	2
Sexual Offenses	43	20	15	20
Robbery	36	34	43	41
Aggravated Assault	290	313	290	275
Automobile Theft	125	174	175	175
Thefts	2,048	2,000	1,823	1,900
Moving Citations	5,766	4,744	5,000	5,200
Parking Citations	1,631	975	985	1,000

# 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 FY2016 were 1,395.

The City of Cleveland Fire Department responded to 2,909 calls for service during FY2016. The estimated value of property saved was \$59,938,211 and the estimated property loss due to fire was \$914,477.

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 36,720 hours of classroom and hands-on training for FY2016. Through continuous training, City of Cleveland firefighters demonstrate their dedication and commitment to their community, citizens, and fellow firefighters.

The Fire Prevention Division conducted 1,572 inspections during FY2016 with 1,271 of these being annual Fire & Life Safety inspections. They also participated in 40 Fire Prevention/Education presentations spreading the message of fire safety to 1,618 adults and 5,137 children. Portable Fire Extinguisher training was provided to 15 different businesses and industrial locations with 1,540 adults attending.

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$7,537,460	\$7,973,772	\$7,959,767	\$8,222,525	3.3%
Operating	\$722,374	\$842,949	\$838,210	\$800,800	-4.5%
Capital Outlay & Debt Service	\$75,165	\$50,350	\$91,538	\$65,700	-28.2%
<b>Total Expenditures</b>	<b>\$8,334,999</b>	<b>\$8,867,071</b>	<b>\$8,889,515</b>	<b>\$9,089,025</b>	<b>2.2%</b>
FTE's	92	92	92	92	0.0%

### ***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, using station Open Houses, school programs, and interactions with civic organizations.
  - 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.
  - Publish and distribute a bi-annual newsletter to all city residents in their Cleveland Utilities statement.
  - 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 4 vacancies caused by recent retirements/resignations.
  - Build a new fire station (CFD Station Six) at Westland Drive/APD 40 to service the current need, the southern part of the City, as well as, the 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 all 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 FY18 that has 104,000 miles.
- Purchase new Engine to replace the 17-year-old Engine 3.
  - This apparatus will be ordered after July 1, 2017; the anticipated date of delivery should be approximately March, 2018.

PERFORMANCE MEASURES	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Property Loss (\$) Due to Fire	\$1,323,337	\$914,477	\$1,506,163	\$922,366
Property Saved (\$)	\$44,028,757	\$59,938,211	\$150,944,379	\$58,228,030
Calls for Service	2,612	2,909	3,035	3,100
Number of Fatalities	0	0	2	0
Number of Injuries	2	4	5	3
Number of Certified Personnel	88	91	91	91
Number of EMRs	41	41	43	43
Number of EMTs - Basic	2	2	2	2
Number of AEMTs	34	34	36	36
Number of Paramedics	5	5	5	6
Population of Cleveland	43,898	44,337	44,780	45,228
Fire Service Cost per 1,000 Population	\$188,133	\$187,992	\$198,161	\$200,960
Fire Inspections per 1,000 Population	36.38	29.39	51.32	50.85
Number of Buildings Inspected	1,597	1,303	2,298	2,300
Number of Fire Education Classes	32	40	42	43
Structure/Vehicle Fire Calls per 1,000 Population	2.16	2.53	2.57	2.61
Number of Structure/Vehicle Fires	95	112	115	118
Fire Cause Determined	91%	92%	93%	94%
Restricted Duty During the Year	0	0	0	0
Cost per Structure/Vehicle Fire Call	\$86,933	\$74,420	\$77,162	\$77,026
Average Response Time from Dispatch	4 min/20 sec	4 min/02 sec	4 min/0 sec	4 min/2 sec

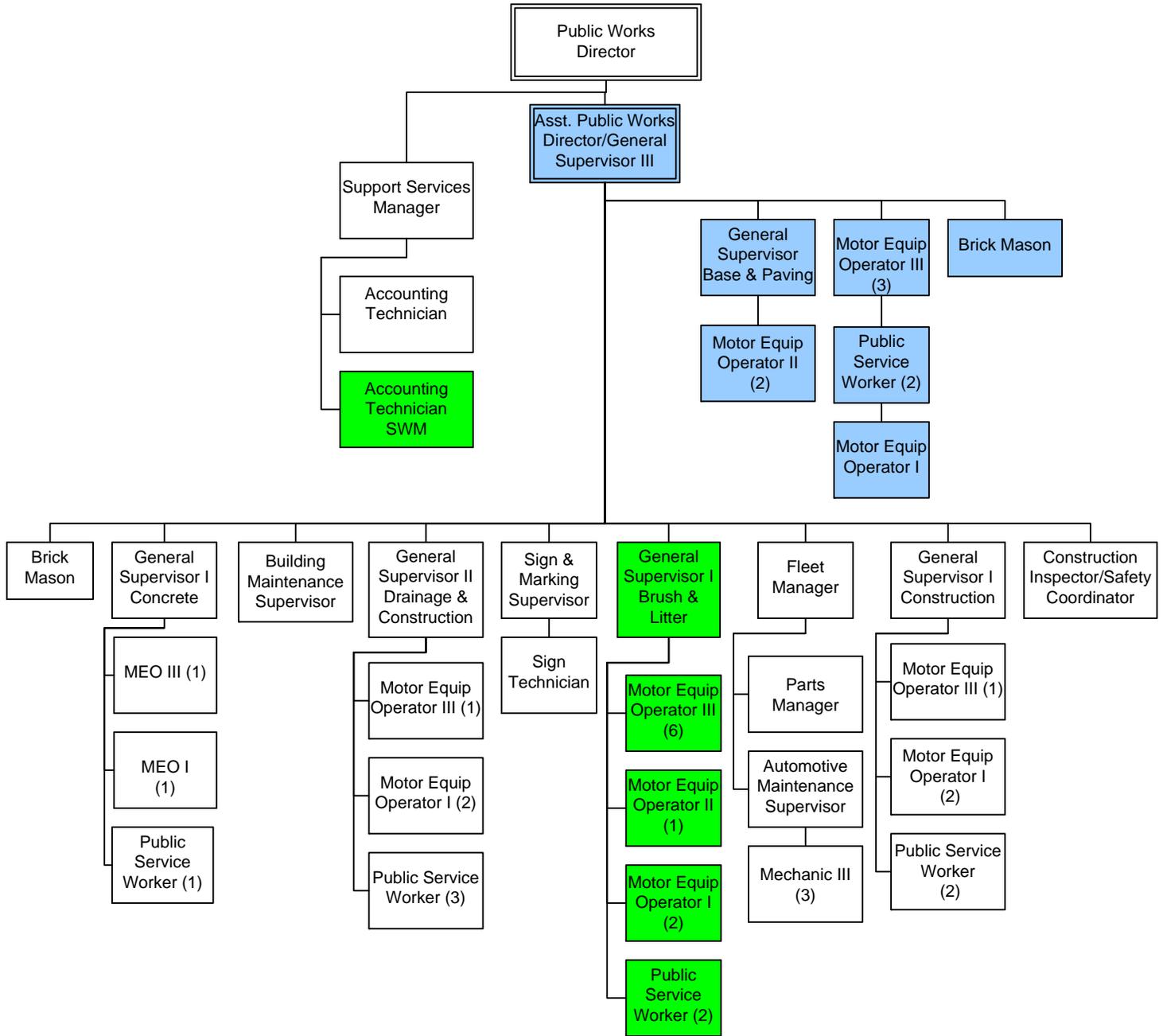
# Public Works



Director Tommy Myers



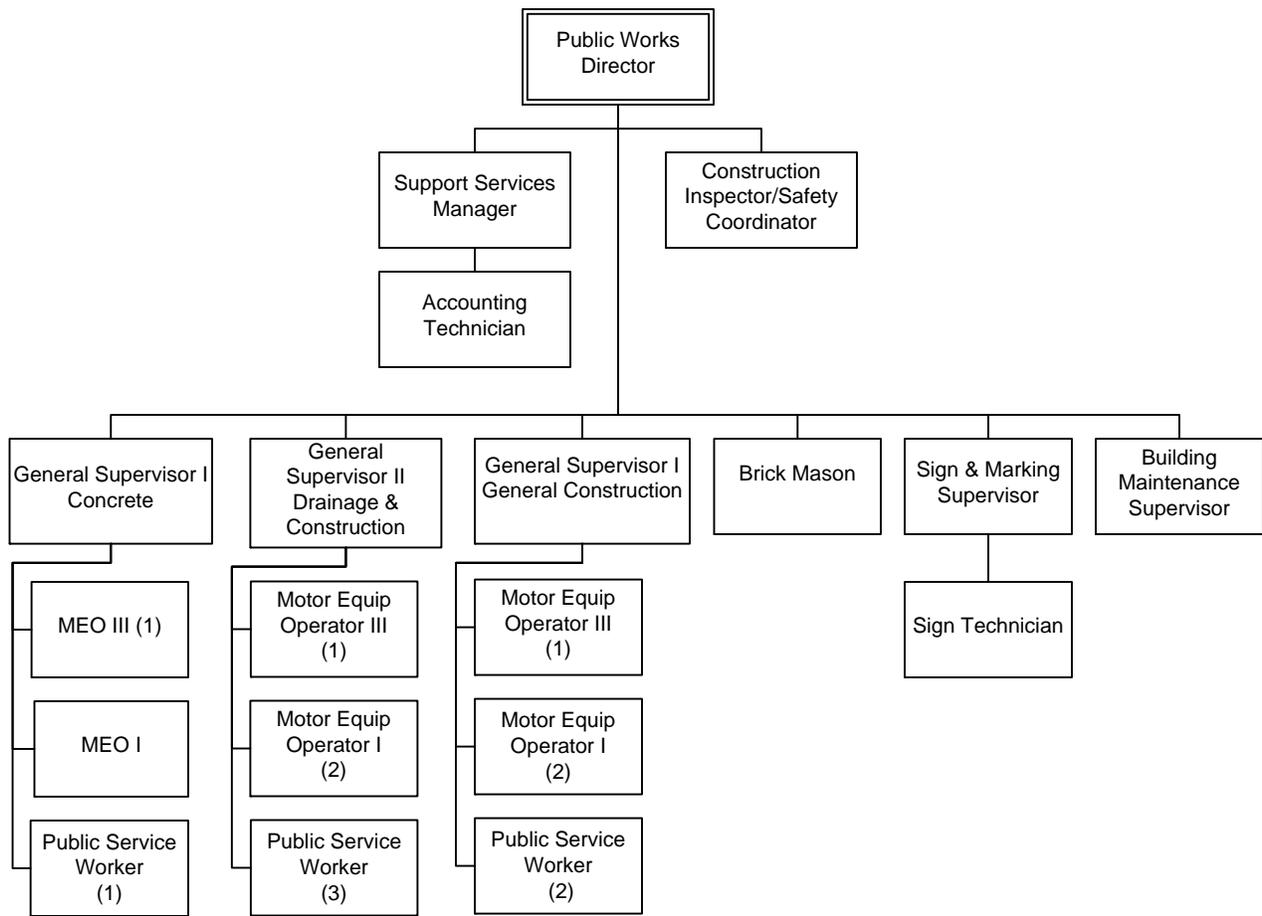
# Public Works Department



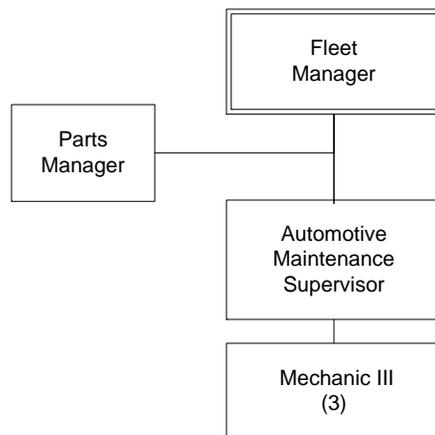
Note: Positions funded by the State Street Aid Fund

Note: Positions funded by the Solid Waste Management Fund

# Public Works Operations Division



# Fleet Management



## ***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 web based complaint tracking and work order system. One of the main features of this system is the capability of city departments and citizens to be able to view the status of requests and work orders.

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 and allows the City to take on larger projects that were otherwise beyond the department’s resources.

Cleveland Utilities owns and has 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 to reduce landfill usage.

In FY2018, Fleet Management was moved from an Internal Service fund to the General Fund. Fleet Management provides all city departments, as well as several outside agencies, with fuel, parts and repairs.

***PW Operations Division:***

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$1,223,198	\$1,338,760	\$1,328,460	\$1,647,200	24.0%
Operating	\$996,637	\$983,100	\$1,004,201	\$899,700	-10.4%
Capital Outlay & Debt Service	\$2,532	\$16,200	\$16,200	\$4,800	-70.4%
<b>Total Expenditures</b>	<b>\$2,223,367</b>	<b>\$2,338,060</b>	<b>\$2,348,861</b>	<b>\$2,551,700</b>	<b>8.6%</b>
FTE's	21	21	21	25	19.0%

***PW Street Lighting and Signals:***

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$1,280,000	\$1,452,900	\$1,456,338	\$1,507,800	3.5%
Capital Outlay & Debt Service	\$8,703	\$0	\$0	\$0	0.0%
<b>Total Expenditures</b>	<b>\$1,288,703</b>	<b>\$1,452,900</b>	<b>\$1,456,338</b>	<b>\$1,507,800</b>	<b>3.5%</b>

***Fleet Management:***

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$0	\$0	\$0	\$489,900	100.0%
Operating	\$0	\$0	\$0	\$187,800	100.0%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$2,500	100.0%
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$680,200</b>	<b>100.0%</b>
FTE's	7	6	6	6	0.0%

In FY2018, Fleet Management was moved to the General Fund

**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.

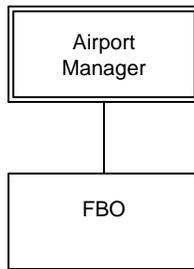
PERFORMANCE MEASURES	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Value of Street Repaving Contract	\$716,361	\$1,427,454	\$1,000,000	\$1,000,000
Value of Sidewalk, Curb, & Gutter Construction	\$36,507	\$19,225	\$30,000	\$30,000
# of Major Drainage Projects Completed	5	7	6	6
New Drainage Construction Costs (GASB)	\$558,387	\$161,191	\$150,000	\$150,000
Linear Feet of Drainage Pipe Installed	6,936	6,706	6,952	6,321
# of Stormwater Structures Installed	235	296	180	221
# of Utility Cut Permits	244	185	236	222
Value of Utility Cut Permits	\$75,920	\$59,632	\$69,620	\$64,022
# of Tons of Asphalt Used on Potholes	1,287	1,520	1,423	1,389
# Cubic Yards of Concrete/Flowable Fill for Street Cut Repair & Drainage Projects	567	485	714	634
# of Vehicles and Heavy Equipment (Fleet Maintains)	318	319	319	325
# of Fleet Personnel	6	6	6	6
# of Fleet Repair Orders	1,919	1,922	1,938	1,940
# of complaints/work order requests	992	332	617	736
% of complaint/work orders completed/closed	97.88%	97%	83%	92%
# of complaint/work orders per 1,000 population	22.97	7.48	13.77	16.27

# *Cleveland Regional Jetport*



Airport Director Mark Fidler

# Cleveland Regional Jetport



## *Cleveland Regional Jetport*

### *Programs, Services, and Functions:*

Now in our 4<sup>th</sup> year of operation, the Cleveland TN Regional Jetport continues to serve our community's aviation needs utilizing a beautiful, state-of-the-art facility reflecting the charm and character of eastern Tennessee. Visitors to the Jetport are often astounded by the airport's beautiful surroundings, the facility layout and the attentive customer support offered by KRZR's staff.

Development of airport facilities continues to be in the forefront of Jetport activity. Specifically, the goal of a 700' extension on the north end of our runway will soon be realized. Following approval by the FAA and TDOT-Aeronautics Division in March, the contract and order to proceed with construction were issued and signed in April. Hinkle Contracting Service from Paris, KY was the winning contractor for the assignment with a bid of \$2,004,827.00 on the approximately \$2,500,000 project. Construction will commence as soon as possible with an anticipated 120 days for completion of excavation, concrete and lighting installation. Following completion of the new segment of runway, an Airport Geographic Information Survey (AGIS) will be completed, all in advance of design, development and approval of a new Instrument Approach Procedure for the extended runway 21. With an all-concrete 6,200' runway, operators of large corporate jet equipment previously restricted to >6,000' of available runway will now be served by KRZR. Aircraft performance limitations imposed by runway length will, for almost all operators, be a thing of the past. We look forward to completion of this important step in our airport's development later this year.

Hangar construction continues at the Jetport as well. Private hangars owned by individuals are still being erected and with only a few parcels remaining for private/corporate development; we soon will need to move ahead with the next phase in development of the Jetport. This will likely occur north of the existing facility, adjacent to the new runway extension. This phase of development is well ahead of expectations for the Jetport and reflects the overwhelming success of Cleveland's asset.

Daily, the Jetport stands ready to serve the residents of Cleveland and our region. With Erlanger Hospital's LifeForce air ambulance base providing transportation of acutely ill patients to both local and distant health care facilities, Cleveland's Jetport can now boast of being the busiest base in the MedTrans nationwide network, with typically 3+ flights/day departing KRZR. Seldom recognized, this is a tremendous benefit to our community, made possible by development of the Jetport.

Along with the services provided by LifeForce, the Jetport also provided much needed support in the effort to suppress forest fires last summer. For several weeks, the U.S. Forestry Service stationed assorted helicopters and other assets at the Jetport, deploying them with a moment's notice to a developing fire. We were happy to provide support to these dedicated firefighters and pilots.

Oversight and management of the Jetport’s daily operations while working with local, state and Federal agencies is the primary focus of the Airport Director. Maintaining a facility that is both safe and legally compliant amid the myriad of regulations governing air commerce often requires 24/7 availability of the Airport Director. Additionally, facility planning and development dictate frequent interaction with officials from the FAA and TDOT-Aeronautics Division. The Airport Director maintains high standards of performance both personally and professionally in this important position.

The Jetport remains committed to providing superb service with outstanding facilities and 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 grateful they have chosen to join us and that it is our pleasure and honor to have them as our guest.

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$228,005	\$297,400	\$117,691	\$125,900	7.0%
Operating	\$592,322	\$847,900	\$133,729	\$115,750	-13.4%
Capital Outlay & Debt Service	\$0	\$1,400	\$3,000	\$1,400	-53.3%
<b>Total Expenditures</b>	<b>\$820,327</b>	<b>\$1,146,700</b>	<b>\$254,420</b>	<b>\$243,050</b>	<b>-4.5%</b>
FTE's	1	1	1	1	0.0%

***Goals and Objectives:***

- Maintain a safe and legally compliant facility, meeting or exceeding standards established by the FAA, TDOT-AERO and industry established best practices.
- Completion of 700’ runway extension and parallel taxiway including lighting systems.
- Completion of AGIS for planned development/implementation of new Instrument Approach Procedure with landing minimums of no less than 200’ AGL and ¾ mile visibility requirement based on GPS-WAAS NAVAID support.
- Continued development of Jetport facilities including design and implementation of Phase II of airport development plan, as necessary.
- Establishment of US Customs and Border Protection Services at KRZR to include a USDA compliant international regulated refuse disposal operations program. This effort also includes extension of the Port of Chattanooga to include the Jetport.
- Continued development of relationships with business and industry leaders throughout the community.

PERFORMANCE MEASURES	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Total number of meetings booked for conference rooms	20	21	24	25
Total number of special events held	5	4	5	6
Total number of hangars on site	30	47	48	50
Total number of hangars occupied	30	47	48	49
Total aircraft based at airport	44	48	51	54
Total gallons of fuel sold	190,246	262,068	315,500	325,800
Number of inspections by State departments	2	2	3	2
Number of public meetings held by Airport Authority	8	9	8	6

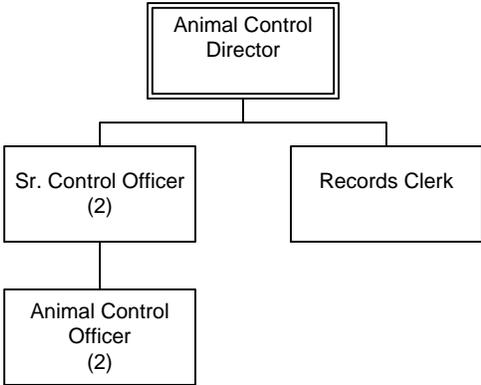
# *Animal Control*



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. Animal Control Services have not extended outside the corporate city limits of Cleveland since Fiscal Year 2015.

Animal Control Officers enforce the city’s leash law and other related City ordinances, as well as all state statutes 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.

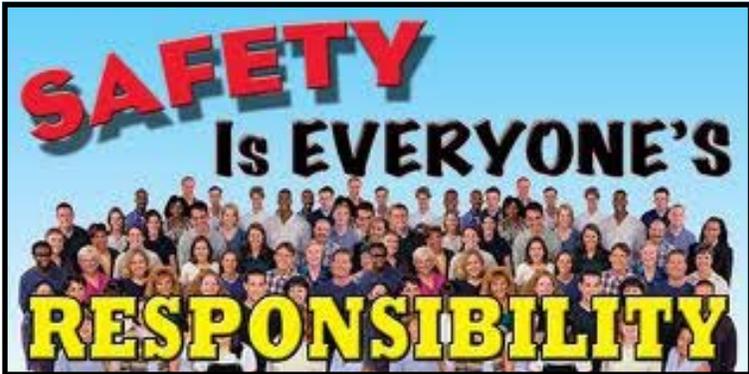
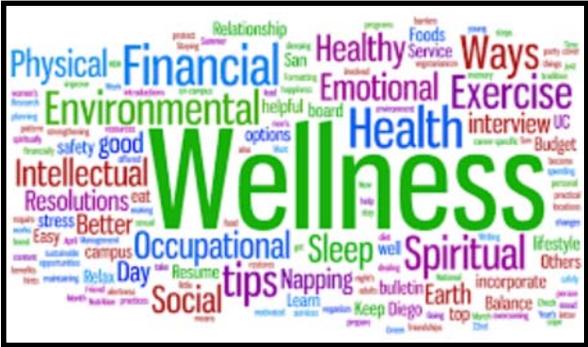
EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$347,287	\$392,727	\$385,356	\$392,701	1.9%
Operating	\$152,837	\$118,120	\$168,545	\$134,396	-20.3%
Capital Outlay & Debt Service	\$1,112	\$1,100	\$1,100	\$1,700	54.5%
<b>Total Expenditures</b>	<b>\$501,236</b>	<b>\$511,947</b>	<b>\$555,001</b>	<b>\$528,797</b>	<b>-4.7%</b>
FTE’s	6	6	6	6	0.0%

### ***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	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
# of Animals Picked-up in City	1,278	1,449	1,450	1,460
# of Calls in City	2,637	3,591	3,400	3,400
# of Animals Picked-up in County	0	1	0	0
# of Calls from County residents	192	366	300	300
# of Animals Adopted	612	746	700	700
# of Animals Euthanized	121	117	120	120
# of Animals Handled per Employee	213	242	242	243
Cost per Animal Handled	\$378.24	\$345.21	\$375.14	\$362.69
% of Animals Adopted vs. Euthanized	5%	7%	7%	7%
# of Animals Brought in from other Counties	0	4	0	0
# of Complaints Regarding Animals	2,829	3,927	3,600	3,600
# of Complaints Regarding Animal Cruelty	134	156	150	150
# of Educational Programs	1	1	1	1
# of Employees	6	6	6	6
# of Certified Animal Control Officers	4	4	4	4

# 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.

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$99,708	\$106,111	\$106,111	\$111,045	4.6%
Operating	\$27,650	\$38,711	\$45,711	\$48,620	6.4%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$0	0.0%
<b>Total Expenditures</b>	<b>\$127,358</b>	<b>\$144,822</b>	<b>\$151,822</b>	<b>\$159,665</b>	<b>5.2%</b>
FTE's	1	1	1	1	0.0%

***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.

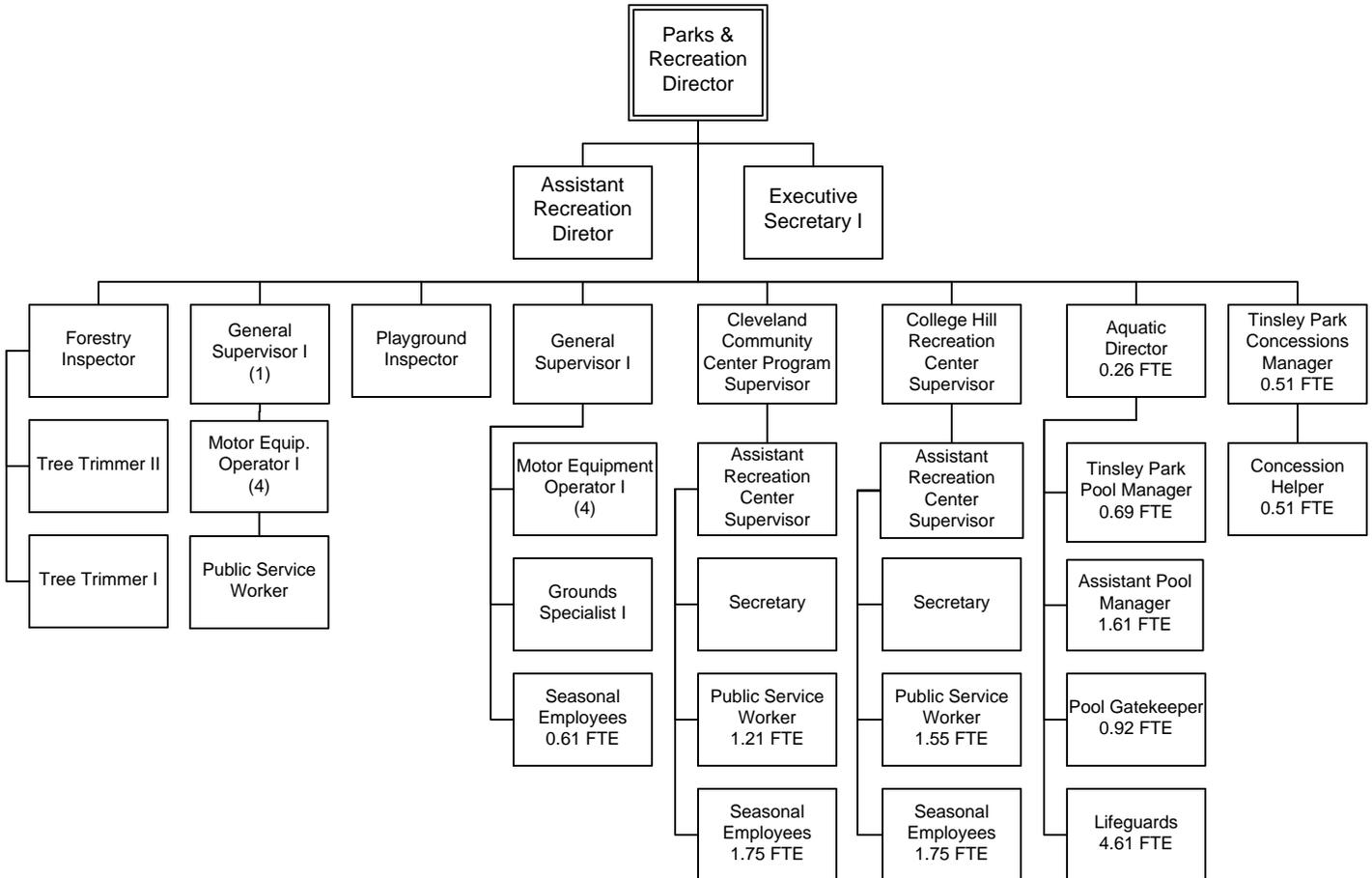
PERFORMANCE MEASURES	FY2015 Actual	FY2016 Actual	FY2016 Estimated	FY2018 Target
% of Departments with Right-To-Know (RTK) Centers	100%	100%	100%	100%
# of Annual Inspections by TML	2	2	2	2
# of City Buildings/Playgrounds Inspected	32	32	32	32
# of OSHA/TOSHA Citations issued	0	0	0	0
Lost Time Accidents	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*

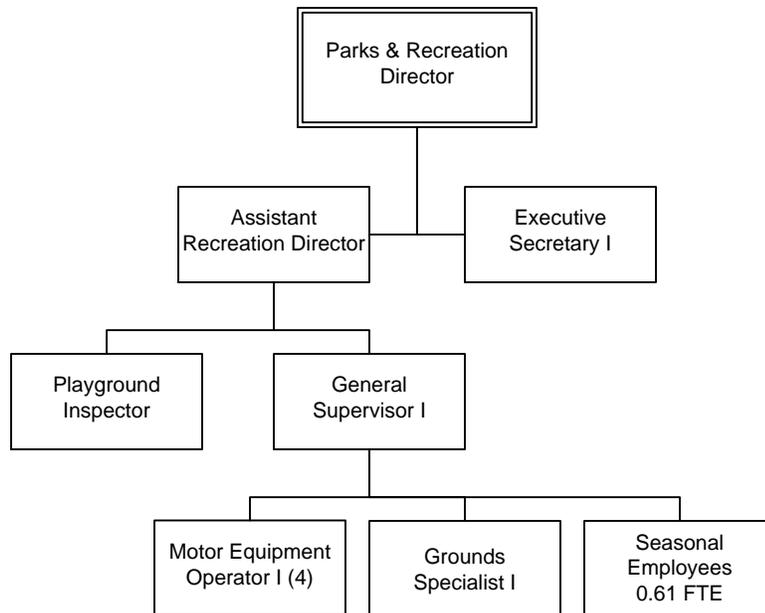


Director Patti Petitt

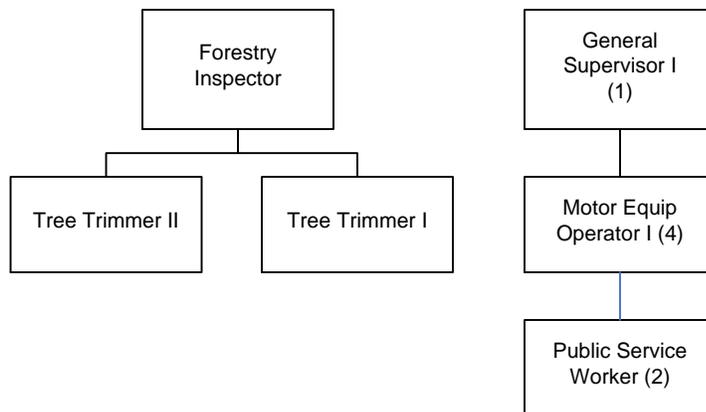
# Parks & Recreation Department



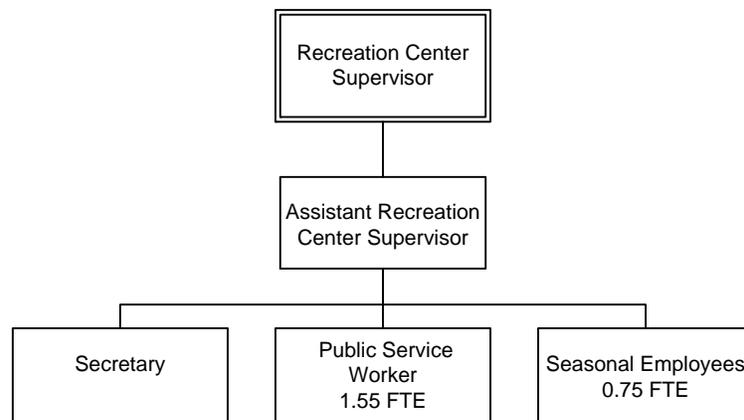
# Parks & Recreation Administration & Maintenance Division



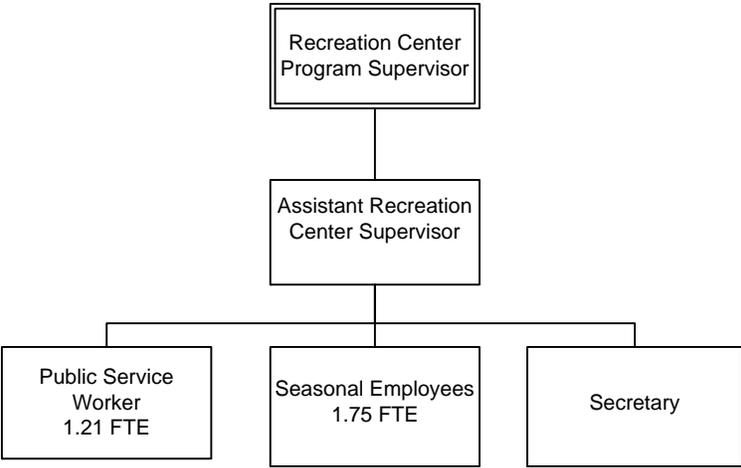
# Parks & Recreation Landscape Maintenance



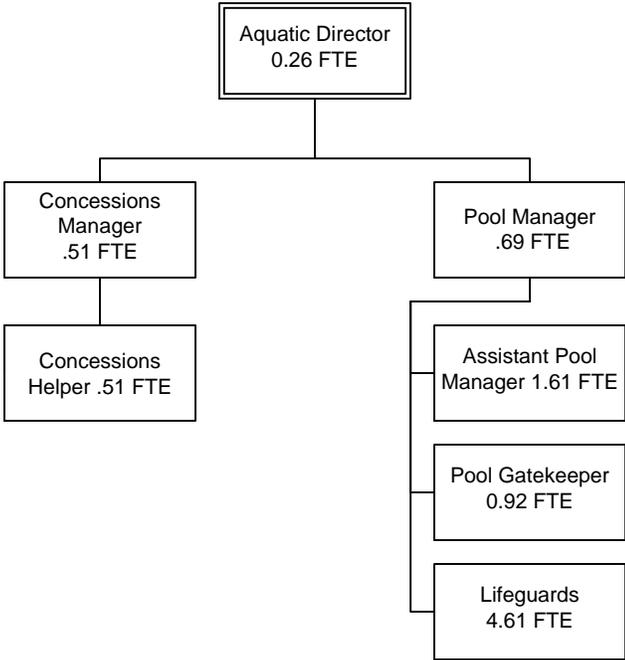
# College Hill Recreation Center



# Cleveland Community Center



# Tinsley Park



## *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, executive 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, 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.

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.

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.

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:**

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$664,100	\$716,859	\$716,859	\$746,225	4.1%
Operating	\$282,743	\$275,400	\$282,067	\$263,550	-6.6%
Capital Outlay & Debt Service	\$2,638	\$2,500	\$67,500	\$2,500	-96.3%
<b>Total Expenditures</b>	<b>\$949,481</b>	<b>\$994,759</b>	<b>\$1,066,426</b>	<b>\$1,012,275</b>	<b>-5.1%</b>
FTE’s	10	10	10	10	0.0%

**Landscape Maintenance:**

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$426,473	\$517,542	\$518,225	\$500,500	-3.4%
Operating	\$165,769	\$156,200	\$176,204	\$121,000	-31.3%
Capital Outlay & Debt Service	\$913	\$1,000	\$1,000	\$1,000	0.0%
<b>Total Expenditures</b>	<b>\$593,155</b>	<b>\$674,742</b>	<b>\$695,429</b>	<b>\$622,500</b>	<b>-10.5%</b>
FTE’s	9	10	10	10	0.0%

**College Hill Recreation Center:**

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$239,853	\$249,769	\$249,769	\$258,000	3.3%
Operating	\$164,388	\$165,900	\$165,900	\$192,000	15.7%
Capital Outlay & Debt Service	\$21,100	\$35,000	\$35,000	\$0	-100.0%
<b>Total Expenditures</b>	<b>\$425,341</b>	<b>\$450,669</b>	<b>\$450,669</b>	<b>\$450,000</b>	<b>-0.1%</b>
FTE's	5.3	5.3	5.3	5.3	0.0%

**Cleveland Community Center:**

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$252,338	\$251,983	\$251,983	\$277,860	10.3%
Operating	\$97,567	\$131,150	\$132,650	\$143,050	7.8%
Capital Outlay & Debt Service	\$5,529	\$15,000	\$15,000	\$12,000	-20.0%
<b>Total Expenditures</b>	<b>\$355,434</b>	<b>\$398,133</b>	<b>\$399,633</b>	<b>\$432,910</b>	<b>8.3%</b>
FTE's	5.96	5.96	5.96	5.96	0.0%

**Tinsley Park Operations:**

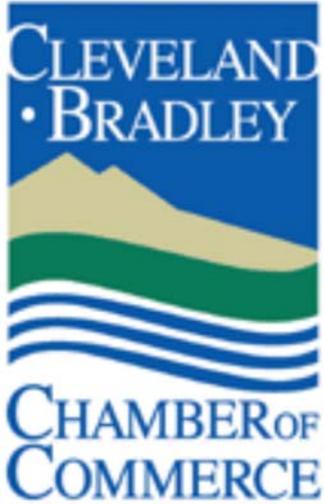
EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$206,562	\$176,300	\$184,100	\$189,300	2.8%
Operating	\$150,704	\$165,200	\$157,400	\$161,300	2.5%
Capital Outlay & Debt Service	\$8,882	\$0	\$96,433	\$0	-100.0%
<b>Total Expenditures</b>	<b>\$366,148</b>	<b>\$341,500</b>	<b>\$437,933</b>	<b>\$350,600</b>	<b>-19.9%</b>
FTE's	9.11	9.11	9.11	9.11	0.0%

***Goals and Objectives:***

- Increase recreational opportunities for the entire community.
- Begin construction on Blythe/Bower Park.
- Implement a Recreation Long-Range Master Plan.
- Implement the Master Plan for Tinsley Park.
- Implement Phase III of Roadscapes Project on 25<sup>th</sup> 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.
- Improvements to Deer Park.

PERFORMANCE MEASURES	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
# of Softball League Participants	324	450	400	400
# of Basketball League Participants	210	220	119	225
# of Soccer League Participants	900	1010	952	960
# of Football League Participants	70	150	150	150
# of Aqua Tigers Participants	135	135	135	135
# Mosby Park Water Dogs	124	124	124	124
# of Sports for Youth Participants	1000	975	950	950
# of Softball Tournaments	20	18	16	16
# Acres of Parks and Recreation Facilities	289	289	289	289
# of Trees Trimmed Annually	650	762	1044	1000
# of Trees Planted Annually	225	237	189	175

# *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 \$650,000 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

	FUND 110-GENERAL FUND	DEPT-51500- APPROPRIATIONS				
OBJECT CODE		2015-2016 ACTUAL BUDGET	2016-2017 ORIGINAL BUDGET	2016-2017 AMENDED BUDGET	2017-2018 REQUESTED BUDGET	2017-2018 PROPOSED BUDGET
<b>Operating expenditures:</b>						
<b>General government:</b>						
700	JOINTLY FUNDED	0	9,300	4,800	9,300	9,300
701	CLEVE/BRAD REG MUSEUM	42,300	42,300	42,300	42,300	42,300
702	MTAS - BENCHMARKING	3,500	4,000	4,000	4,000	4,000
703	MUNICIPAL LEAGUE DUES	9,102	9,200	9,200	9,200	9,200
704	CHAMBER-ECONOMIC DEV	45,000	45,000	45,000	45,000	45,000
705	SE TN DISTRICT DUES	8,257	8,000	8,000	8,000	8,000
706	MAINSTREET CLEVELAND	25,000	25,000	25,000	25,000	25,000
707	CEMETERY ASSOCIATION (50%)	10,000	10,000	10,000	10,000	10,000
708	COURTS COMMUNITY SVC (50%)	54,319	59,400	59,400	59,400	59,400
709	KEEP AMERICA BEAUTIFUL(50%)	28,200	28,200	28,200	28,200	28,200
710	JUVENILE COURT MATCH	1,100	1,100	1,100	1,100	1,100
711	UNITED WAY SUPPORTERS	1,000	1,000	1,000	1,000	1,000
712	SETHRA-TRANSIT	140,000	135,000	135,000	135,000	135,000
719	HVAC @ MUSEUM	12,000	12,000	12,000	12,000	12,000
	<b>Total General government</b>	<b>379,778</b>	<b>389,500</b>	<b>385,000</b>	<b>389,500</b>	<b>389,500</b>
<b>Public safety:</b>						
713	CLEVE/BRAD COMM CTR (49.5%)	450,000	550,000	550,000	650,000	650,000
714	EMERGENCY MGMT (20%)	84,842	87,300	87,300	87,300	87,300
715	MAINSTREET PROJECTS	4,000	4,000	4,000	4,000	4,000
716	SETDD LEGAL FEES	0	1,000	1,000	1,000	1,000
	<b>Total Public safety</b>	<b>538,842</b>	<b>642,300</b>	<b>642,300</b>	<b>742,300</b>	<b>742,300</b>
<b>Health &amp; welfare:</b>						
717	VETERANS AFFAIRS (20%)	22,600	22,600	22,600	22,600	22,600
718	BEHAVIORAL RESEARCH	2,000	2,000	2,000	2,000	2,000
720	LIFE BRIDGES (20%)	6,200	6,200	6,200	6,200	6,200
721	COMMUNITY SVCS AGCY (50%)	94,400	94,400	94,400	94,400	94,400
	<b>Total Health &amp; welfare</b>	<b>125,200</b>	<b>125,200</b>	<b>125,200</b>	<b>125,200</b>	<b>125,200</b>
<b>Parks &amp; recreation:</b>						
725	CLEVELAND YOUTH FOOTBALL	0	0	8,000	8,000	8,000
726	AQUA TIGER EQUIPMENT	2,000	2,000	2,000	2,000	2,000
727	BOYS AND GIRLS CLUB	13,095	14,000	14,000	14,000	14,000
728	BRADLEY/CLEV FOOTBALL	3,500	3,500	0	0	0
729	YOUTH BASEBALL	0	0	0	0	0
730	CLEVELAND YOUTH SOFTBALL	4,000	4,000	4,000	4,000	4,000
731	SOCCER ASSOCIATION	5,000	5,000	5,000	5,000	5,000
733	LAND PAYMENT-SOCCER	5,000	5,000	5,000	5,000	5,000
	<b>Total Parks &amp; recreation</b>	<b>32,595</b>	<b>33,500</b>	<b>38,000</b>	<b>38,000</b>	<b>38,000</b>
<b>Education:</b>						
735	VOCATIONAL SCHOOL (20%)	22,236	22,236	22,236	22,236	22,236
	<b>Total Education</b>	<b>22,236</b>	<b>22,236</b>	<b>22,236</b>	<b>22,236</b>	<b>22,236</b>
<b>TOTAL DEPARTMENT 51500</b>		<b>1,098,651</b>	<b>1,212,736</b>	<b>1,212,736</b>	<b>1,317,236</b>	<b>1,317,236</b>

# *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 FY2016, the latest state statistics available, Bradley County spent \$8,352 per student for total operating costs of the Bradley County School System (BCSS). The State average was \$9,499, which means the BCSS was \$1,147 below the State average. In FY2016 Cleveland City Schools spent \$9,365 per pupil on operating costs. This is \$1,013 more than the BCSS, or 12.1% and 1.4% below the State average. The bulk of this additional operating money comes from the city. This supplement for FY2018 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 FY2018 is \$2,691,519. The transfer to the Debt Service Fund for the city is \$2,879,080.

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 the same as FY2017.

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 \$35,000 to the Community Development Block Grant Fund. In total, the General Fund is budgeted to transfer \$15,285,131 in FY2018 to these other funds.

	FUND 110-GENERAL FUND	DEPT-51600- TRANSFERS TO OTHER FUNDS				
OBJECT CODE		2015-2016 ACTUAL BUDGET	2016-2017 ORIGINAL BUDGET	2016-2017 AMENDED BUDGET	2017-2018 REQUESTED BUDGET	2017-2018 PROPOSED BUDGET
761	TRANSFER TO SCHOOL FUND	5,273,600	5,273,600	5,273,600	5,273,600	5,273,600
762	TRANSFER TO DEBT SVC	2,086,688	2,333,421	2,333,421	2,879,080	2,879,080
763	TRANSFER TO LIBRARY FUND	626,700	645,800	645,800	645,800	645,800
764	TRANS-SOLID WASTE MGMT	1,074,100	1,074,100	1,035,708	1,074,100	1,074,100
766	TRANSFER TO CIP	302,579	274,000	762,518	2,485,000	2,485,000
768	TRANS-DEBT SVC-FIRE	189,990	190,000	190,000	144,032	144,032
769	TRANS-DEBT SVC-SCHOOLS	2,665,922	2,524,379	2,524,379	2,691,519	2,691,519
776	TRANSFER TO MPO FUND	57,000	57,000	57,000	57,000	57,000
782	TRANSFER TO CDBG	25,000	30,000	30,000	35,000	35,000
<b>TOTAL</b>	<b>DEPARTMENT 51600</b>	<b>12,301,579</b>	<b>12,402,300</b>	<b>12,852,426</b>	<b>15,285,131</b>	<b>15,285,131</b>
	<b>GRAND TOTAL EXPENSES</b>	<b>42,936,140</b>	<b>45,002,431</b>	<b>45,192,835</b>	<b>49,501,798</b>	<b>49,501,798</b>

## 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 82% 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 5.2% 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 12.4% 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, \$35,000 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

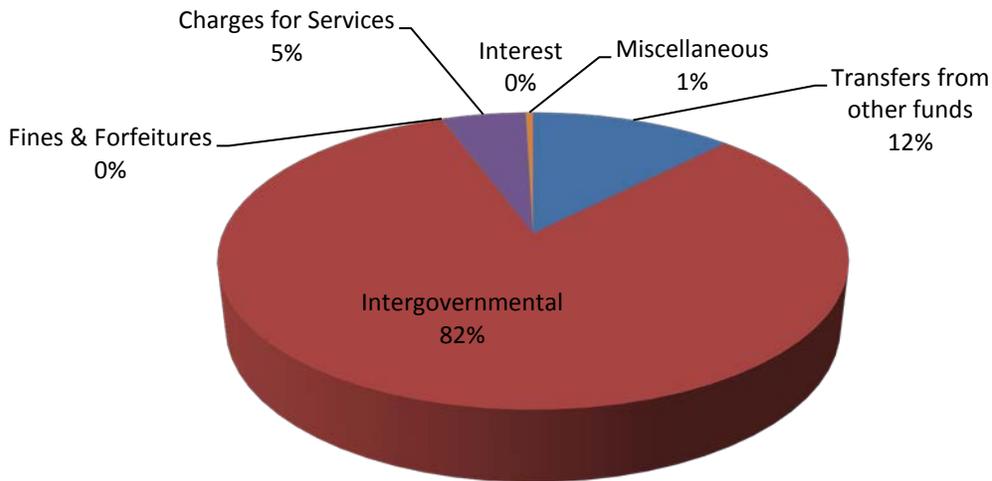
More than 87%, or \$49.8 million, of the \$57.2 million in total expenditures and other financing uses of the Special Revenue Funds is spent on education. Almost 7.5% is spent on public works including projects and programs within the State Street Aid Fund and Solid Waste Management Fund.

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.

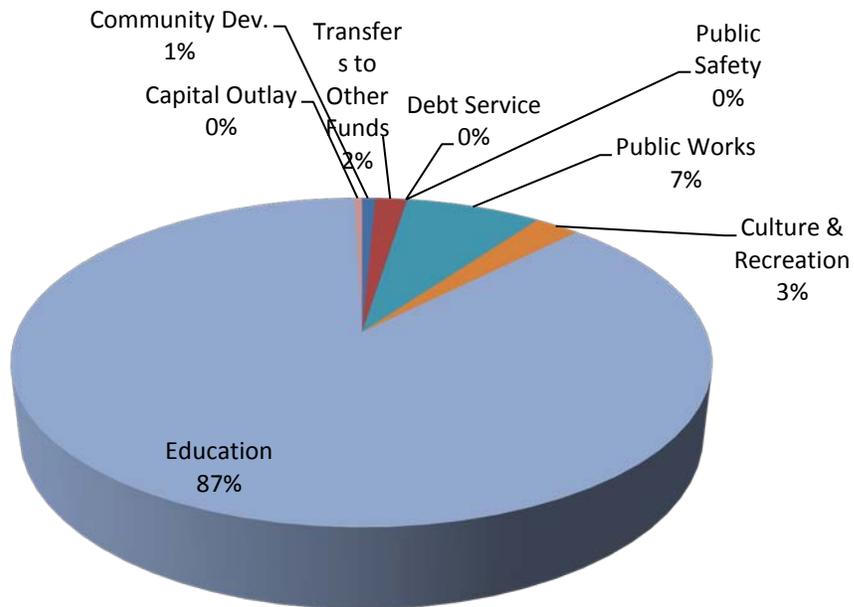
## *Special Revenue Funds Budget Summary*

	<b>FY2016 ACTUAL BUDGET</b>	<b>FY2017 ORIGINAL BUDGET</b>	<b>FY2017 AMENDED BUDGETED</b>	<b>FY2018 PROPOSED BUDGET</b>	<b>% OF TOTAL BUDGET</b>
<b><i>Revenues and Other Financial Resources</i></b>					
Intergovernmental Revenues	\$47,294,995	\$44,491,735	\$45,672,704	\$46,949,066	82.0%
Charges for Services	\$2,879,873	\$2,951,715	\$2,925,015	\$2,958,015	5.2%
Fines and Forfeitures	\$30,524	\$20,000	\$20,000	\$10,000	0.0%
Interest (Investment) Income	\$16,768	\$7,750	\$17,850	\$17,550	0.0%
Miscellaneous Revenues	\$511,454	\$242,868	\$676,260	\$242,868	0.4%
Transfer from Other Funds	\$7,066,400	\$7,090,500	\$7,052,108	\$7,095,500	12.4%
<b><i>Total Revenues and Other Financial Resources</i></b>	<b>\$57,800,014</b>	<b>\$54,804,568</b>	<b>\$56,363,937</b>	<b>\$57,272,999</b>	<b>100.0%</b>
<b><i>Expenditures and Other Financing Uses</i></b>					
Community Development	\$511,355	\$497,570	\$467,098	\$417,955	0.7%
Public Safety	\$47,300	\$27,500	\$85,540	\$17,500	0.0%
Public Works	\$4,129,243	\$4,235,637	\$4,418,288	\$4,266,400	7.5%
Culture and Recreation	\$1,330,018	\$1,424,100	\$1,415,100	\$1,424,100	2.5%
Education	\$48,423,074	\$47,319,468	\$47,811,729	\$49,883,480	87.2%
Capital Outlay	\$847,950	\$295,711	\$1,848,080	\$224,645	0.4%
Debt Service Principal	\$191,587	\$0	\$0	\$0	0.0%
Debt Service Interest & Other	\$15,015	\$1,200	\$0	\$0	0.0%
Transfers to Other Funds	\$915,119	\$979,119	\$980,319	\$991,272	1.7%
<b><i>Total Expenditures and Other Financing Uses</i></b>	<b>\$56,410,661</b>	<b>\$54,780,305</b>	<b>\$57,026,154</b>	<b>\$57,225,352</b>	<b>100.0%</b>
<b><i>Increase (Decrease) in Fund Balance</i></b>	<b>\$ 1,389,353</b>	<b>\$ 24,263</b>	<b>\$ (662,217)</b>	<b>\$ 47,647</b>	
<b><i>Fund Balance at Beginning of FY</i></b>	<b>\$ 6,486,209</b>	<b>\$ 7,875,562</b>	<b>\$ 7,875,562</b>	<b>\$ 7,213,345</b>	
<b><i>Fund Balance at End of FY</i></b>	<b>\$ 7,875,562</b>	<b>\$ 7,899,825</b>	<b>\$ 7,213,345</b>	<b>\$ 7,260,992</b>	

### Summary of Special Revenue Funds Revenue and Other Sources - FY2018

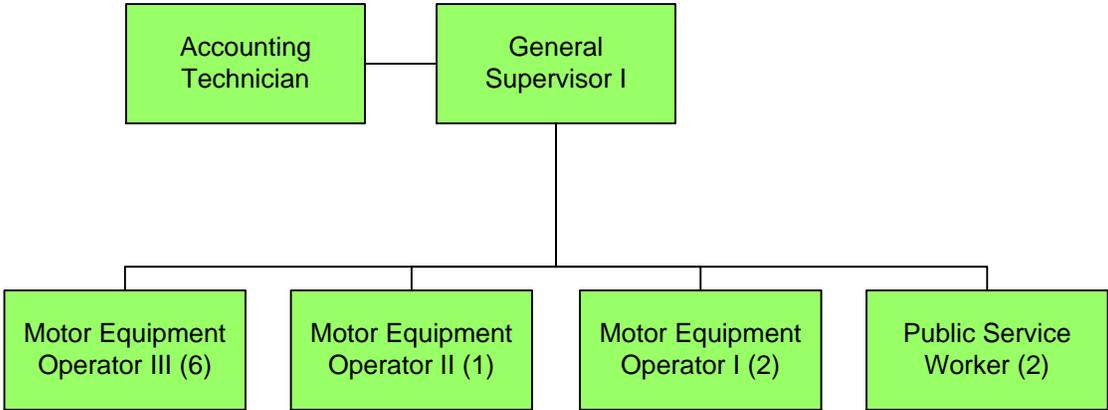


### Summary of Special Revenue Funds Expenditures and Other Uses - FY2018



# ***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 \$5.83 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 \$1.50 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 \$1.37 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:** Three leaf machines were 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.

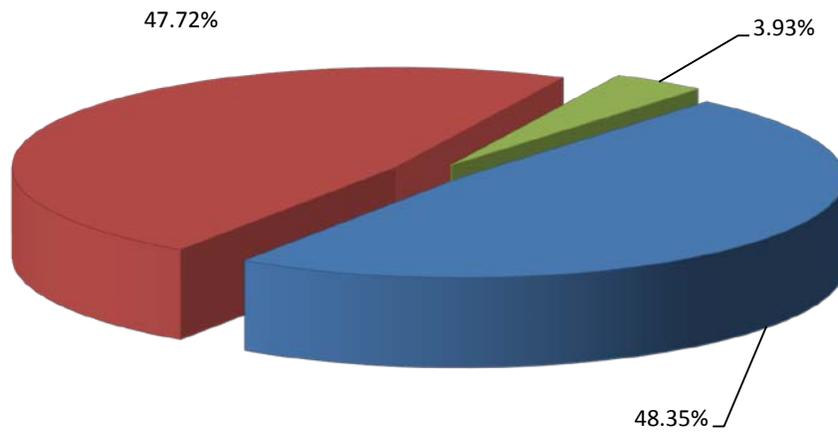
SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$3,555,375	\$3,540,900	\$3,540,900	\$3,595,900	1.6%
Personnel	\$788,527	\$874,896	\$874,896	\$914,200	4.5%
Operating	\$2,505,911	\$2,639,400	\$2,639,400	\$2,625,000	-0.5%
Capital Outlay & Debt Service	\$175,941	\$20,800	\$163,383	\$20,800	-87.3%
Total Expenditures	\$3,470,379	\$3,535,096	\$3,677,679	\$3,560,000	-3.2%
<b>NET INCOME</b>	<b>\$84,996</b>	<b>\$5,804</b>	<b>(\$136,779)</b>	<b>\$35,900</b>	-126.2%
<b>BEGINNING FUND BALANCE</b>	<b>\$614,333</b>	<b>\$699,329</b>	<b>\$699,329</b>	<b>\$562,550</b>	-19.6%
<b>ENDING FUND BALANCE</b>	<b>\$699,329</b>	<b>\$705,133</b>	<b>\$562,550</b>	<b>\$598,450</b>	6.4%
FTE's	13	13	13	13	0.0%

***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	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
<b>Solid Waste Contract:</b>				
Number of residential customers	13,669	14,061	13,869	13,919
Number of commercial customers	1,171	1,219	1,241	1,255
Total residential tons collected	11,849	12,662	12,514	12,527
Total commercial tons collected	15,897	15,670	13,147	13,290
Number of residential tons collected per 1,000 population	274	282	279	277
Number of residential tons collected per 1,000 collection points – curbside	842	900	902	899
Cost per ton collected – curbside	\$82.40	\$77.39	\$78.60	\$79.46
Cost per collection point – curbside	\$69.44	\$69.69	\$70.92	\$70.01
Cost to the city per residential unit	\$5.97	\$5.78	\$5.83	\$5.90
Cost to the city per cubic yard for commercial collection	\$1.55	\$1.51	\$1.50	\$1.52
Cost to the city for commercial recycling	\$1.41	\$1.36	\$1.37	\$1.38
Number of lost days due to inclement weather	3	0	0	0
% of CPI increase and gas index on contracts	1.05	-3.53	.45	2.0
<b>Brush Chipping:</b>				
Number of days chipped	44	43	46	44
Number of hours chipped	344	324	300	322
Number of tons chipped (collection by PW)	10,845	8,633	8,995	9,491
Average number of hours of run time per day	7.81	7.53	6.52	7.31
Chipping cost per hour	\$345.55	\$350.00	\$354.20	\$357.00
<b>Public Works Route System:</b>				
Number of days loose leaves were collected	48	37	48	44
Number of tons of loose leaves collected	2,246	2,320	3,136	2,567
Landfill tonnage from route collections	6,255	7,224	6,958	6,812
Number of delayed route collection days	5	3	1	0

**Solid Waste Management  
2016-17 Service Contract  
\$2,038,700**

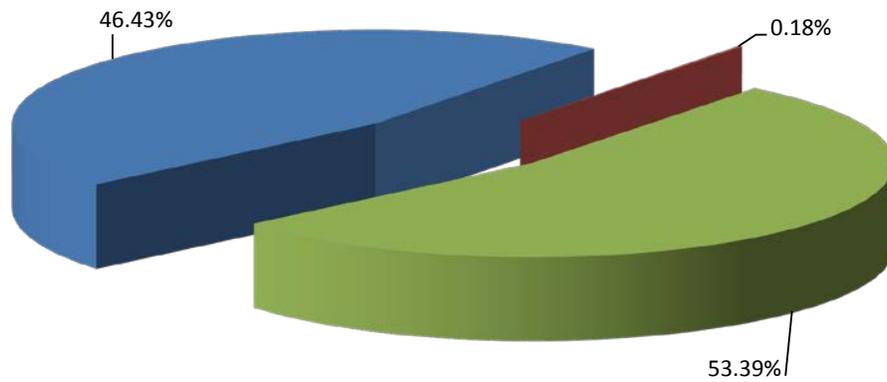


■ Residential Standard \$985,700

■ Commercial Standard \$972,800

■ Commercial Recycle \$80,200

**Solid Waste Management  
2016-17 Disposal Expenses  
\$336,000**



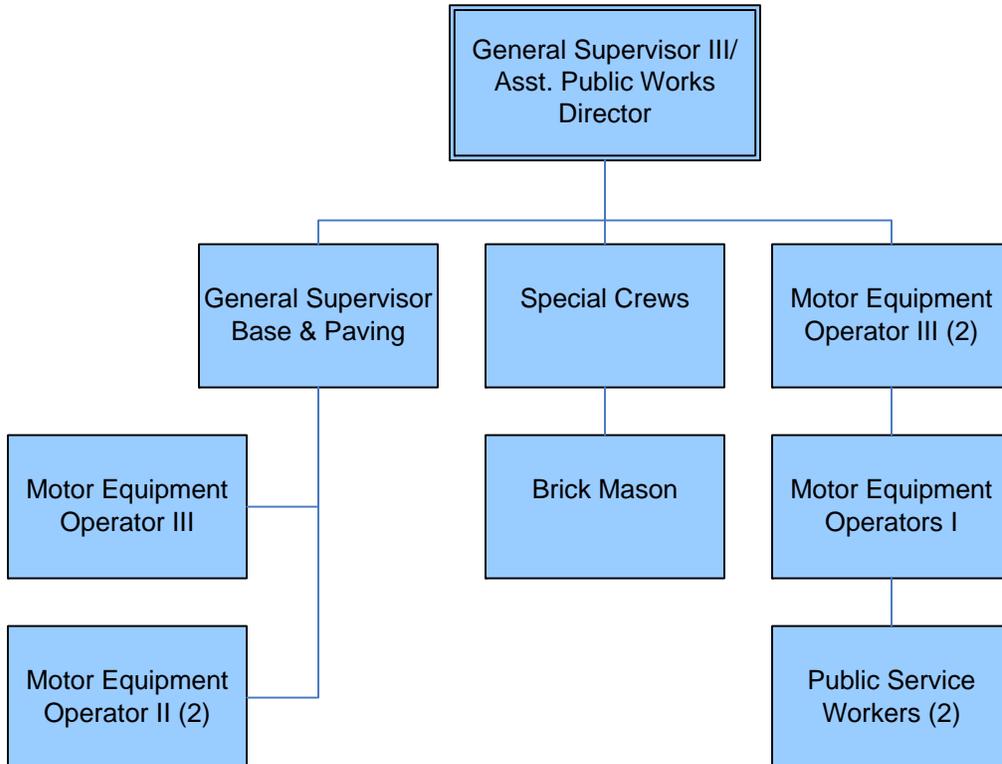
■ Waste Connections Transfer Station-\$156,000

■ 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 \$32.9 million in state revenue and yields approximately \$676.7 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 or 249.5 million, goes to cities and counties
- Approximately .7 cent or 23.1 million, goes to the State General Fund
- Approximately 12.8 cents or 404.1 million, 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	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$1,136,363	\$1,142,000	\$1,142,000	\$1,151,000	0.8%
Personnel	\$607,111	\$681,241	\$681,241	\$687,000	0.8%
Operating	\$39,206	\$19,300	\$49,300	\$19,400	-60.6%
Capital Outlay & Debt Service	\$400,623	\$441,200	\$411,200	\$426,353	3.7%
Total Expenditures	\$1,046,940	\$1,141,741	\$1,141,741	\$1,132,753	-0.8%
<b>NET INCOME</b>	<b>\$89,423</b>	<b>\$259</b>	<b>\$259</b>	<b>\$18,247</b>	6945.2%
<b>BEGINNING FUND BALANCE</b>	<b>\$596,568</b>	<b>\$685,991</b>	<b>\$685,991</b>	<b>\$686,250</b>	0.0%
<b>ENDING FUND BALANCE</b>	<b>\$685,991</b>	<b>\$686,250</b>	<b>\$686,250</b>	<b>\$704,497</b>	2.7%
FTE's	11	11	11	11	0.0%

***Goals and Objectives:***

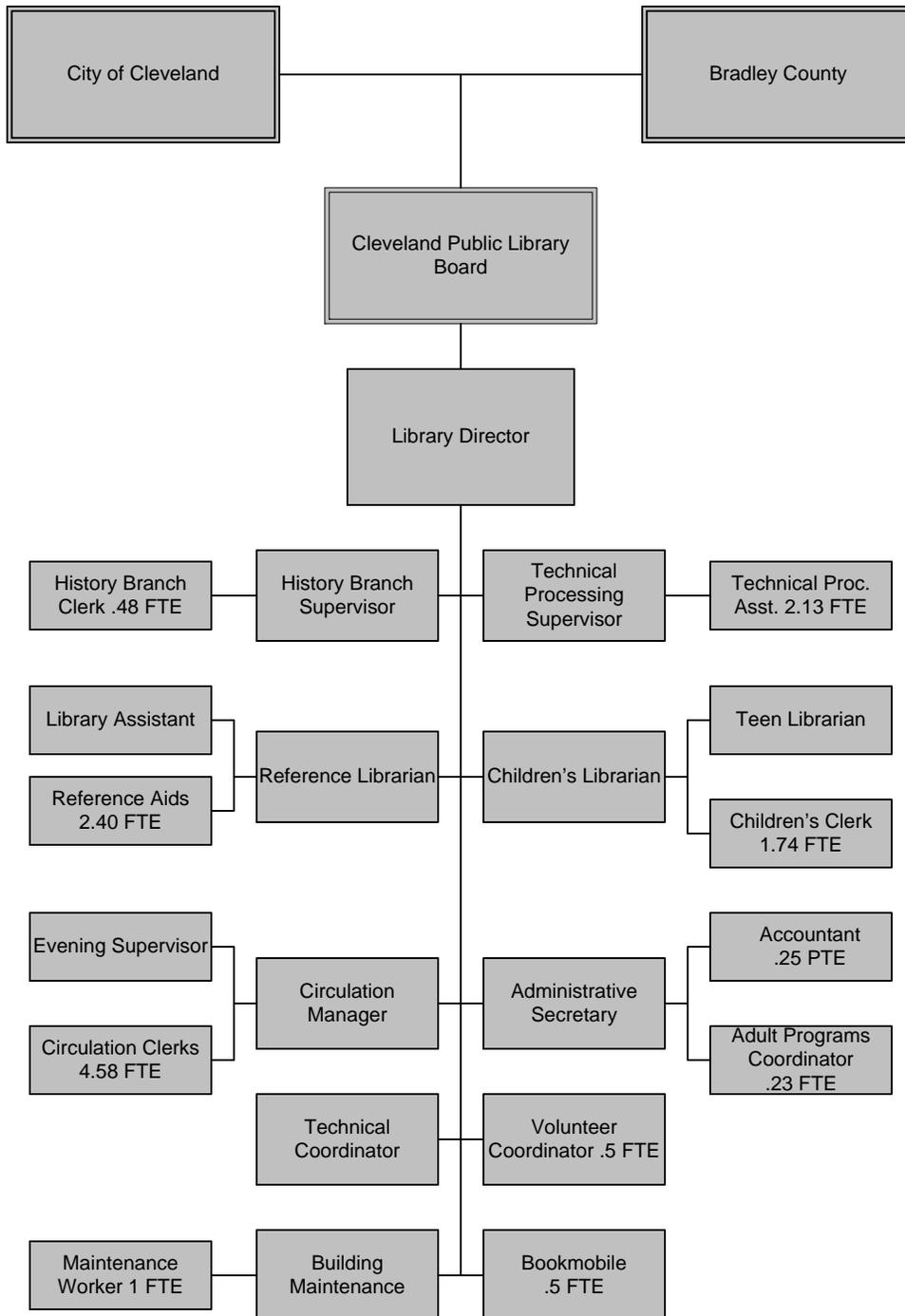
The goals and objectives of the Public Works Department are listed in the General Fund. As funds are available, this budget provides funding for major drainage, street paving and materials, and sidewalk projects. Therefore, the goal for this fund is to complete as many projects as possible which can 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.

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.

EXPENDITURES	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Increase
Personnel	\$935,326	\$995,700	\$993,100	\$1,021,900	2.9%
Operating	\$394,692	\$428,400	\$422,000	\$402,200	-4.7%
Capital Outlay & Debt Service	\$278,641	\$1,500	\$516,600	\$1,500	-99.7%
<b>Total Expenditures</b>	<b>\$1,608,659</b>	<b>\$1,425,600</b>	<b>\$1,931,700</b>	<b>\$1,425,600</b>	<b>-26.2%</b>

***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 FY2018.
- 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	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Circulation	402,064	403,000	N/A	N/A
Patrons	241,778*	246,000	N/A	N/A
Reference inquiries	27,783	29,672	N/A	N/A
Meeting Room Usage*	985	1,047	N/A	N/A
Bradley County population (given by state)	101,848	102,975	N/A	N/A
Staff per capita, Bradley County (1,000)	.253	.251	N/A	N/A
State public library staff average (1,000)	0.283	0.281	N/A	N/A
Material collection**	358,901	364,000	N/A	N/A
Items per capita***	3.52	3.54	N/A	N/A
Items per capita (w/o Regional Materials)	1.93	1.96	N/A	N/A
State recommended items per capita	2.00	2.00	N/A	N/A
Spending per capita	\$12.06	\$12.17	N/A	N/A
Number who attended library programs	12,219	13,450	N/A	N/A
Number of grants secured to assist with funding	2	3	N/A	N/A

\* 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.

# 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. Phase I of the Department's Firearms Range was funded through this fund and Phase II will include the firearms training center and will be built as funding is available.

In January 2016, the Cleveland Police Department entered in an agreement with the 10<sup>th</sup> Judicial District Drug Task Force to provide manpower of two experienced officers on a full-time basis to endeavor to disrupt the illicit manufacturing, sales, distribution and trafficking of illegal drugs within the City of Cleveland. We plan to continue in this agreement throughout fiscal year 2018.

SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$45,408	\$1,000	\$10,100	\$10,100	0.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$7,785	\$17,500	\$17,500	\$17,500	0.0%
Capital Outlay & Debt Service	\$26,279	\$1,100	\$26,897	\$1,100	-95.9%
Total Expenditures	\$34,064	\$18,600	\$44,397	\$18,600	-58.1%
<b>NET INCOME</b>	<b>\$11,344</b>	<b>(\$17,600)</b>	<b>(\$34,297)</b>	<b>(\$8,500)</b>	<b>-75.2%</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$73,576</b>	<b>\$84,920</b>	<b>\$84,920</b>	<b>\$50,623</b>	<b>-40.4%</b>
<b>ENDING FUND BALANCE</b>	<b>\$84,920</b>	<b>\$67,320</b>	<b>\$50,623</b>	<b>\$42,123</b>	<b>-16.8%</b>

### *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	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Drug-related Arrests	13	22	35	55
Drug-related Citations	n/a	12	5	10
Drug-related Investigations	n/a	35	20	35
Marijuana Seized (grams)	n/a	468	350	400
Cocaine Seized (grams)	n/a	1	3	5
Heroin Seized (grams)	n/a	0.1	0	0
Meth Seized (grams)	n/a	57.65	100	100
Prescription Pills Seized	n/a	511	150	250
Firearms Seized	1	15	3	5
Vehicles Seized	0	3	3	3
Cash Seized	\$0	\$12,272	\$15,000	\$25,000

**BYRNE MEMORIAL  
JUSTICE ASSISTANCE GRANTS**

## ***2015-2016 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, 2015 and 2016 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. The 2016 Grant was \$39,340 with \$25,958 available for the City to purchase In-Car Cameras.

SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$0	\$0	\$39,340	\$0	-100.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$0	\$0	\$0	\$0	0.0%
Capital Outlay & Debt Service	\$0	\$0	\$39,340	\$0	-100.0%
Total Expenditures	\$0	\$0	\$39,340	\$0	-100.0%
<b>NET INCOME</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>ENDING FUND BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>

### ***Goals and Objectives:***

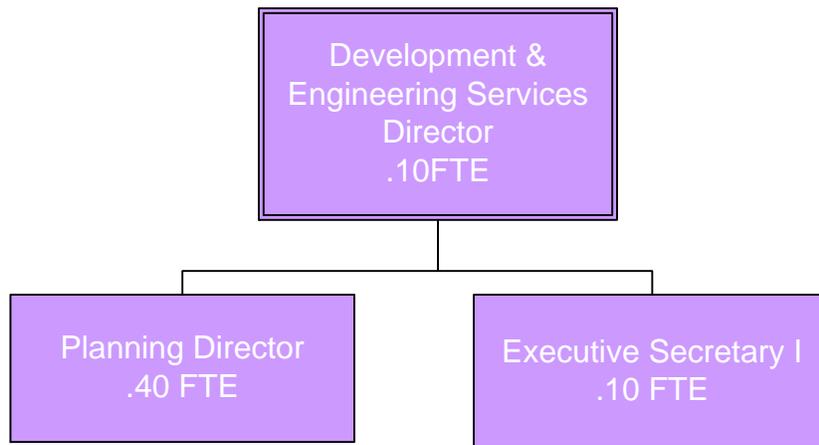
Goals and objectives are included in the Police Department general fund.

### ***Performance Measures:***

Performance measures are discussed in the Police Department general fund.

# **METROPOLITAN PLANNING ORGANIZATION**

# *Metropolitan Planning Organization*



# ***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, Bradley 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 sidewalks, road widening, intersection improvements, traffic signalization, etc. The MPO is 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 (currently, the 2040 Regional Transportation Plan or RTP), a three-year 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. Primary support come from the City's Transportation Project Manager and a transportation planning consultant, currently the firm Parsons Brinkerhoff. Other staff planning, GIS, engineering, financial, and administrative personnel 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.

The MPO has a Technical Coordinating Committee (TCC) that is made up of both city and county transportation personnel, transit operators, TDOT representative, FHWA representative, FTA representative, Title VI representative, and the MPO Coordinator. The TCC evaluates all transportation issues and reports or recommends an action on each to the MPO Executive Board. The MPO Executive Board has the sole power to approve or disapprove any recommendation or issue.

SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$265,367	\$257,000	\$257,000	\$257,000	0.0%
Personnel	\$246,929	\$222,800	\$222,800	\$229,400	3.0%
Operating	\$9,269	\$15,900	\$15,900	\$23,100	45.3%
Capital Outlay & Debt Service	\$1,496	\$4,500	\$4,500	\$4,500	0.0%
Total Expenditures	\$257,694	\$243,200	\$243,200	\$257,000	5.7%
<b>NET INCOME</b>	<b>\$7,673</b>	<b>\$13,800</b>	<b>\$13,800</b>	<b>\$0</b>	<b>-100.0%</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$94,109</b>	<b>\$101,782</b>	<b>\$101,782</b>	<b>\$115,582</b>	<b>13.6%</b>
<b>ENDING FUND BALANCE</b>	<b>\$101,782</b>	<b>\$115,582</b>	<b>\$115,582</b>	<b>\$115,582</b>	<b>0.0%</b>
FTE's	0.7	0.7	0.6	0.6	0.0%

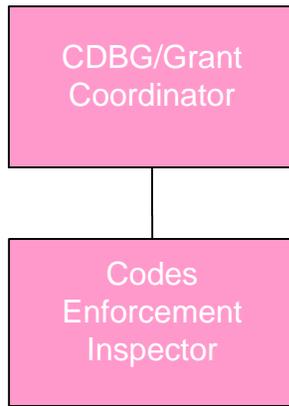
### Goals and Objectives

- Continue training of MPO staff
- Update FY2017-FY2020 Transportation Improvement Program (TIP) as needed throughout the year
- Manage 2040 RTP consistent with the FAST Act legislation
- Develop and implement 2018-2019 Unified Planning Work Program (UPWP)

PERFORMANCE MEASURES	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Percentage of completion of long range transportation plan	100%	100%	100%	100%
Number of training sessions attended by MPO Staff	5	5	6	6
Number of public meetings	16	18	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 \$385,000 from the United States Department of Housing and Urban Development (HUD) through the Community Development Block Grant Entitlement Program (CDBG) in FY2018. The City will provide an additional \$30,000 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. Eight hundred ninety-two cases were reviewed within the CDBG target area last year.

The following activities are recommended to the City Council:

Codes Enforcement	\$ 62,455
Capital Projects	\$ 217,545
Administration	<u>\$ 105,000</u>
TOTAL	\$ 385,000

SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$414,100	\$517,481	\$822,140	\$385,000	-53.2%
Personnel	\$139,608	\$142,900	\$142,900	\$152,180	6.5%
Operating	\$119,592	\$115,970	\$85,498	\$13,275	-84.5%
Capital Outlay & Debt Service	\$163,530	\$258,611	\$581,118	\$217,545	-62.6%
Total Expenditures	\$422,730	\$517,481	\$809,516	\$383,000	-52.7%
<b>NET INCOME</b>	<b>(\$8,630)</b>	<b>\$0</b>	<b>\$12,624</b>	<b>\$2,000</b>	-84.2%
<b>BEGINNING FUND BALANCE</b>	<b>\$62,566</b>	<b>\$53,936</b>	<b>\$53,936</b>	<b>\$66,560</b>	23.4%
<b>ENDING FUND BALANCE</b>	<b>\$53,936</b>	<b>\$53,936</b>	<b>\$66,560</b>	<b>\$68,560</b>	3.0%
FTE's	2	2	2	2	0.0%

### *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	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Number of grant years funding remaining at year end	.04	.40	1.0	.50
Percentage of low and moderate income expenditures	100%	100%	100%	100%
CDBG funds spent	\$251,719	\$422,730	\$250,000	\$350,000
Number of target area code enforcement contacts	824	892	500	500
Number of LMI families assisted into homeownership	0	0	3	2

# 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	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$27,962	\$24,000	\$10,000	\$10,000	0.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$22,547	\$24,000	\$20,068	\$10,000	-50.2%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$0	0.0%
Total Expenditures	\$22,547	\$24,000	\$20,068	\$10,000	-50.2%
<b>NET INCOME</b>	<b>\$5,415</b>	<b>\$0</b>	<b>(\$10,068)</b>	<b>\$0</b>	<b>-100.0%</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$4,653</b>	<b>\$10,068</b>	<b>\$10,068</b>	<b>\$0</b>	<b>-100.0%</b>
<b>ENDING FUND BALANCE</b>	<b>\$10,068</b>	<b>\$10,068</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>

# 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	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$15,345	\$10,000	\$10,000	\$0	-100.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$0	\$10,000	\$28,700	\$0	-100.0%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$0	0.0%
Total Expenditures	\$0	\$10,000	\$28,700	\$0	-100.0%
<b>NET INCOME</b>	<b>\$15,345</b>	<b>\$0</b>	<b>(\$18,700)</b>	<b>\$0</b>	<b>-100.0%</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$3,520</b>	<b>\$18,865</b>	<b>\$18,865</b>	<b>\$165</b>	<b>-99.1%</b>
<b>ENDING FUND BALANCE</b>	<b>\$18,865</b>	<b>\$18,865</b>	<b>\$165</b>	<b>\$165</b>	<b>0.0%</b>

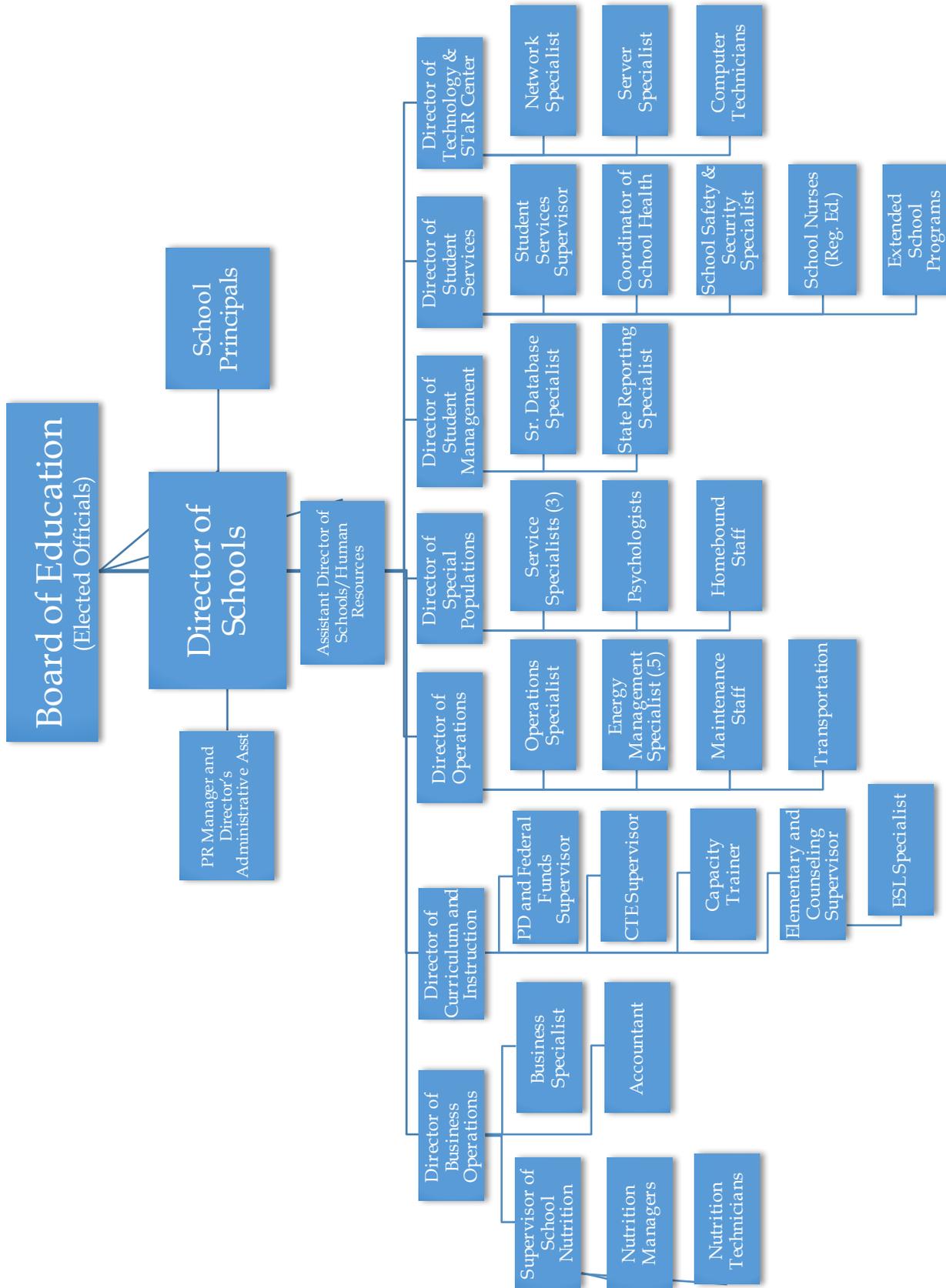
### *Goals and Objectives:*

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***



## *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.

SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$43,777,258	\$44,362,864	\$45,125,041	\$46,791,781	3.7%
Personnel & Operating	\$41,674,860	\$43,790,745	\$44,237,313	\$46,236,862	4.5%
Capital Outlay & Debt Service	\$527,140	\$0	\$718,965	\$0	-100.0%
Transfers to Other Funds	\$557,919	\$559,119	\$559,119	\$554,919	0.0%
Total Expenditures	\$42,759,919	\$44,349,864	\$45,515,397	\$46,791,781	2.8%
<b>NET INCOME</b>	<b>\$1,017,339</b>	<b>\$13,000</b>	<b>(\$390,356)</b>	<b>\$0</b>	0.0%
<b>BEGINNING FUND BALANCE</b>	<b>\$3,853,679</b>	<b>\$4,871,018</b>	<b>\$4,871,018</b>	<b>\$4,480,662</b>	-8.0%
<b>ENDING FUND BALANCE</b>	<b>\$4,871,018</b>	<b>\$4,884,018</b>	<b>\$4,480,662</b>	<b>\$4,480,662</b>	1.0%

### ***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***

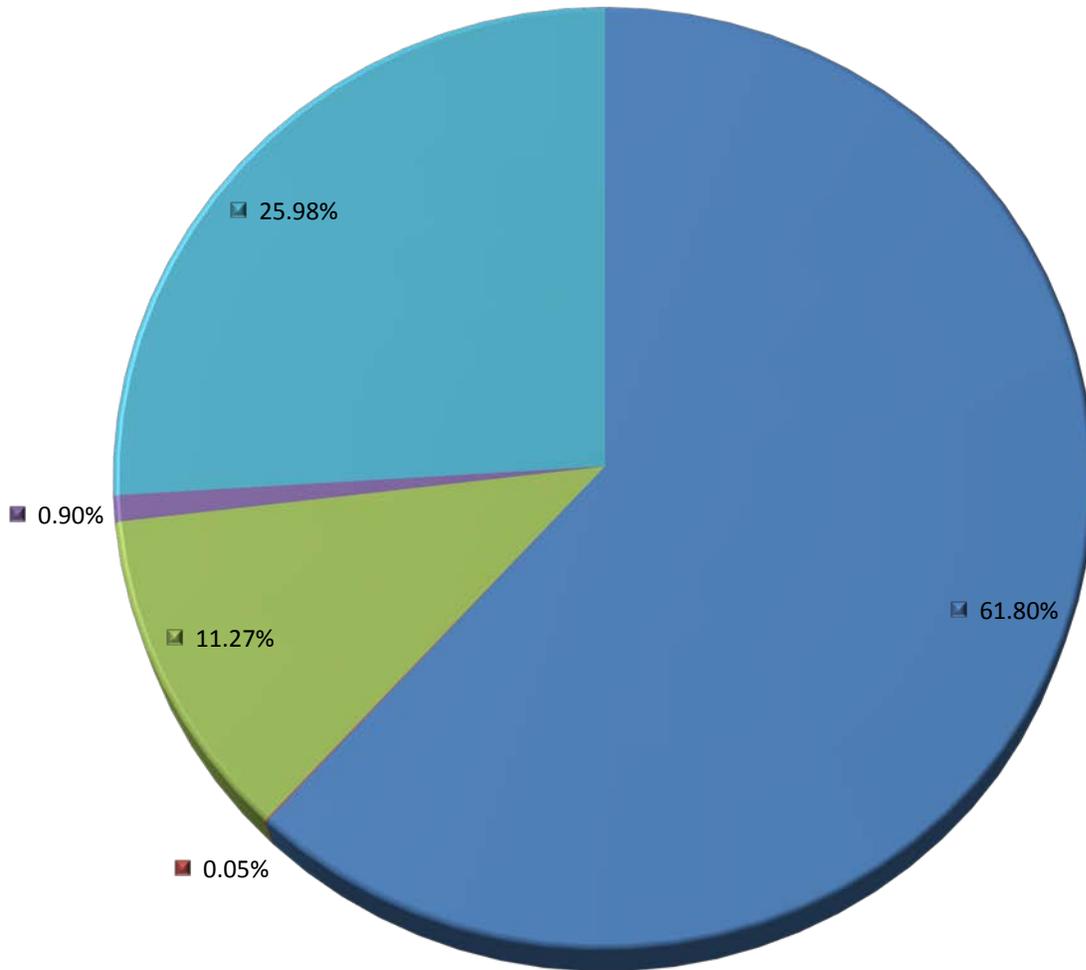
The Tennessee Department of Education provides excellent performance measures as part of its State Report Card. Anyone wishing to see more information on those measures can do so on the Internet by using the following steps:

Go to the State's web site at [www.tn.gov](http://www.tn.gov)  
click on Government,  
click on Departments & Agencies,  
click on E, Education,  
click on Report Card

## School General Fund Budget Summary

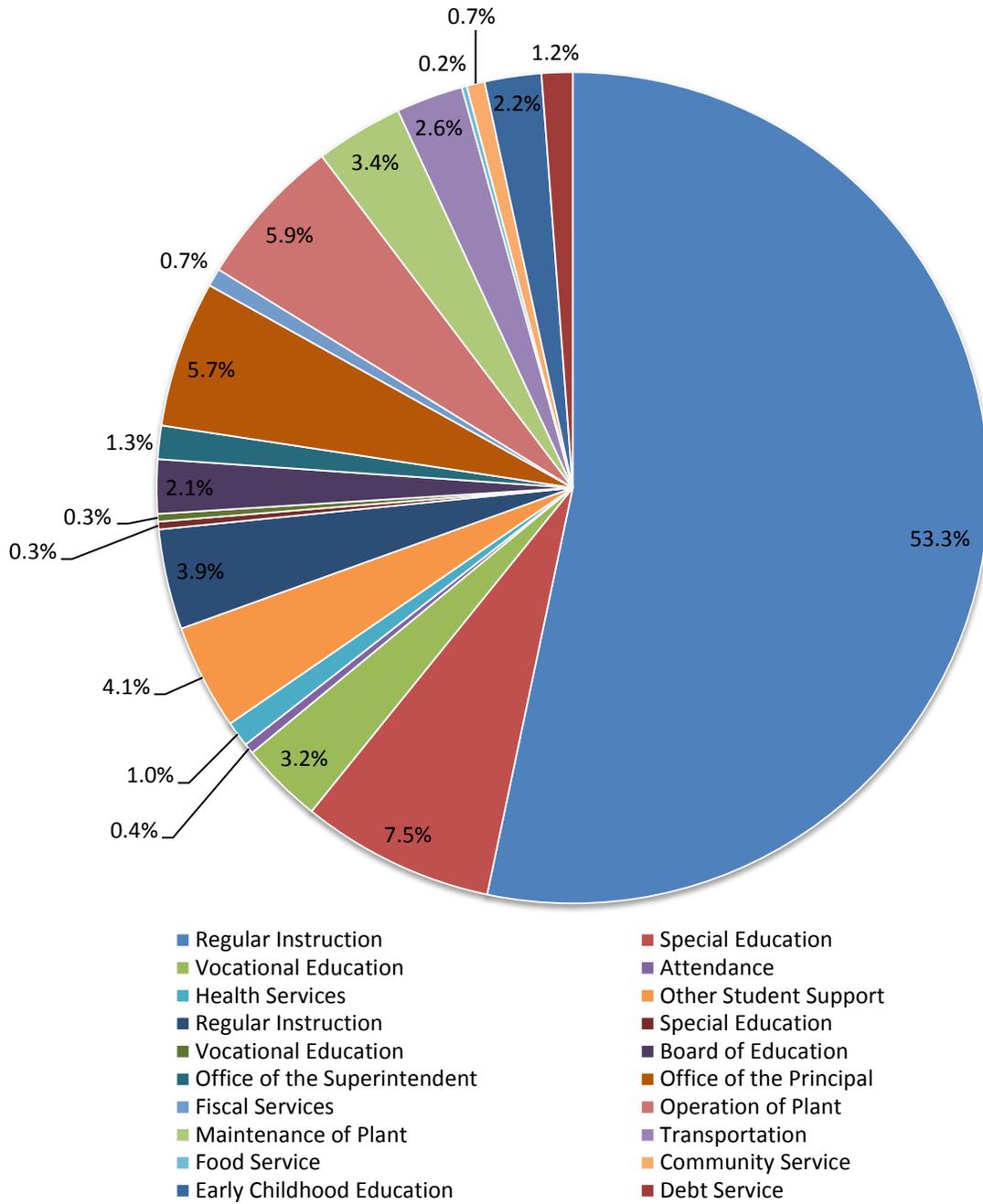
	FY 2016 ACTUAL BUDGET	FY 2017 ORIGINAL BUDGET	FY 2017 AMENDED BUDGET	FY 2018 PROPOSED BUDGET	% OF TOTAL
<b>Revenues and Other</b>					
<b>Financial Sources</b>					
Federal Government	\$73,340	\$30,000	\$22,570	\$22,570	0.0%
State of Tennessee	\$25,973,908	\$27,173,432	\$27,518,439	\$28,919,299	61.8%
Bradley County	\$12,078,873	\$11,458,499	\$11,873,499	\$12,154,979	26.0%
Other Revenues	\$377,537	\$414,333	\$436,933	\$421,333	0.9%
<b>Other Financing Sources:</b>					
Transfers from Other Funds	\$5,273,600	\$5,286,600	\$5,273,600	\$5,273,600	11.3%
<b>Total Revenues and Other</b>					
<b>Financial Sources</b>	<b>\$43,777,258</b>	<b>\$44,362,864</b>	<b>\$45,125,041</b>	<b>\$46,791,781</b>	<b>100.0%</b>
<b>Expenditures and Other</b>					
<b>Financing uses</b>					
Regular Instruction	\$22,716,385	\$24,292,041	\$23,660,346	\$24,933,749	53.3%
Special Education	\$3,063,617	\$3,158,053	\$3,249,572	\$3,515,051	7.5%
Vocational Education	\$1,391,039	\$1,443,309	\$1,455,500	\$1,507,024	3.2%
Attendance	\$121,351	\$125,636	\$125,822	\$131,399	0.3%
Health Services	\$408,991	\$437,982	\$447,595	\$464,425	1.0%
Other Student Support	\$1,834,193	\$1,855,665	\$1,892,072	\$1,939,994	4.1%
Instructional Staff	\$1,934,204	\$2,043,115	\$1,686,613	\$1,785,016	3.8%
Special Education Program	\$119,748	\$122,213	\$122,377	\$128,311	0.3%
Vocational Education Program	\$148,511	\$150,434	\$150,696	\$155,109	0.3%
Technology	\$0	\$0	\$1,053,493	\$970,498	2.1%
General Administration	\$560,912	\$530,930	\$575,506	\$555,507	1.2%
Office of the Superintendent	\$528,834	\$601,051	\$570,540	\$572,504	1.2%
Office of the Principal	\$2,317,423	\$2,429,463	\$2,413,505	\$2,659,765	5.7%
Business Administration	\$301,176	\$297,653	\$300,306	\$327,319	0.7%
Operation of Plant	\$2,447,265	\$2,566,608	\$2,762,700	\$2,772,101	5.9%
Maintenance of Plant	\$1,085,689	\$1,100,958	\$1,139,029	\$1,140,719	2.4%
Transportation	\$1,119,337	\$1,202,189	\$1,200,397	\$1,229,263	2.6%
Food Service	\$82,545	\$86,361	\$86,361	\$91,484	0.2%
Community Services	\$302,861	\$333,480	\$331,279	\$344,020	0.7%
Early Childhood Education	\$1,013,604	\$1,013,604	\$1,013,604	\$1,013,604	2.2%
Other Programs	\$177,175	\$0	\$0	\$0	0.0%
Capital Outlay	\$320,538	\$0	\$718,965	\$0	0.0%
Debt Service	\$206,602	\$0	\$0	\$0	0.0%
<b>Other Financing Uses:</b>					
Transfers to other Funds	\$557,919	\$559,119	\$559,119	\$554,919	1.2%
<b>Total Expenditures and</b>					
<b>Other Financing uses</b>	<b>\$42,759,919</b>	<b>\$44,349,864</b>	<b>\$45,515,397</b>	<b>\$46,791,781</b>	<b>100.0%</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$1,017,339</b>	<b>\$13,000</b>	<b>(\$390,356)</b>	<b>\$0</b>	
<b>Fund Balance at Beginning of FY</b>	<b>\$3,853,679</b>	<b>\$4,871,018</b>	<b>\$4,871,018</b>	<b>\$4,884,018</b>	
<b>Fund Balance at End of FY</b>	<b>\$4,871,018</b>	<b>\$4,884,018</b>	<b>\$4,884,018</b>	<b>\$4,884,018</b>	

## 2017-2018 REVENUES SUMMARY



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

## Summary of Expenditures by Category



# 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	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$3,321,282	\$3,528,723	\$3,574,416	\$3,646,618	2.0%
Personnel	\$1,503,810	\$1,627,500	\$1,674,100	\$1,795,500	7.3%
Operating	\$1,661,329	\$1,901,223	\$1,900,316	\$1,851,118	-2.6%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$0	0.0%
Total Expenditures	\$3,165,139	\$3,528,723	\$3,574,416	\$3,646,618	2.0%
<b>NET INCOME</b>	<b>\$156,143</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	0.0%
<b>BEGINNING FUND BALANCE</b>	<b>\$503,703</b>	<b>\$659,846</b>	<b>\$659,846</b>	<b>\$659,846</b>	0.0%
<b>ENDING FUND BALANCE</b>	<b>\$659,846</b>	<b>\$659,846</b>	<b>\$659,846</b>	<b>\$659,846</b>	0.0%

### *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	FY2014 Actual	FY2015 Actual	FY2016 Estimated	FY2017 Target
Number of breakfasts served	448,286	569,405	532,466	591,037
Number of lunches served	695,584	735,696	750,799	788,338
Number of total meals served	1,143,870	1,305,101	1,283,265	1,379,375
Number of personnel in food service	77	80	82	84
Number of meals served per personnel	14,855	16,313	15,649	16,421
Cost of breakfast	\$1.50*	\$1.50*	\$1.50*	\$1.50*
Cost of reduced breakfast	\$0.30*	\$0.30*	\$0.30*	\$0.30*
Cost of lunch-elementary	\$2.50*	\$2.50*	\$2.50*	\$2.50*
Cost of lunch-Cleveland Middle School	\$2.50*	\$2.50*	\$2.50*	\$2.50*
Cost of lunch-Cleveland High School	\$2.75*	\$2.75*	\$2.75*	\$2.75*
Cost of reduced lunch	\$0.40*	\$0.40*	\$0.40*	\$0.40*
Average grade on state inspections	99%	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 \$113,251,352. The City currently has \$36,317,068 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.

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. This is 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, 2016, the City of Cleveland had total bonded debt outstanding of \$143,774,340. Of this amount, \$54,780,840 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 \$43,289,640 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 \$21,867,578 for city general projects and \$23,383,573 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 \$241,845.

During fiscal year 2018, the City Council will authorize the issuance of a new bond issue totaling \$9,000,000 for the new Candy Creek Elementary School on Georgetown Road. The remaining funds will come from the county when they borrow funds for their new middle school.

### **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 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 May 2015, the city refinanced the 2005 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.

**2016 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. \$4,587,360 of the bonds was refunded to a 3.14% net interest cost to the City. The fixed rate loan will mature June 1, 2037.

*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.

**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 because of the relocation of the Whirlpool facility. The variable rate loan will mature May 2027.

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 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.

**2017 TMBF Note:**

In September 2016, the city borrowed \$7,700,000 in general obligation notes from the Public Authority of the City of Clarksville, Tennessee. Proceeds of this loan are being used for the city's share of the Spring Industrial Park Infrastructure; the building of #6 firehall, the purchase of #6 fire apparatus, the implementation of a new computer system, email and GIS systems, the purchase of a police command post vehicle, the improvements to the Tinsley Park Tennis Courts, and the paving of Tinsley Park and the Soccer Complex. This note is for 20 years and will mature September 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.

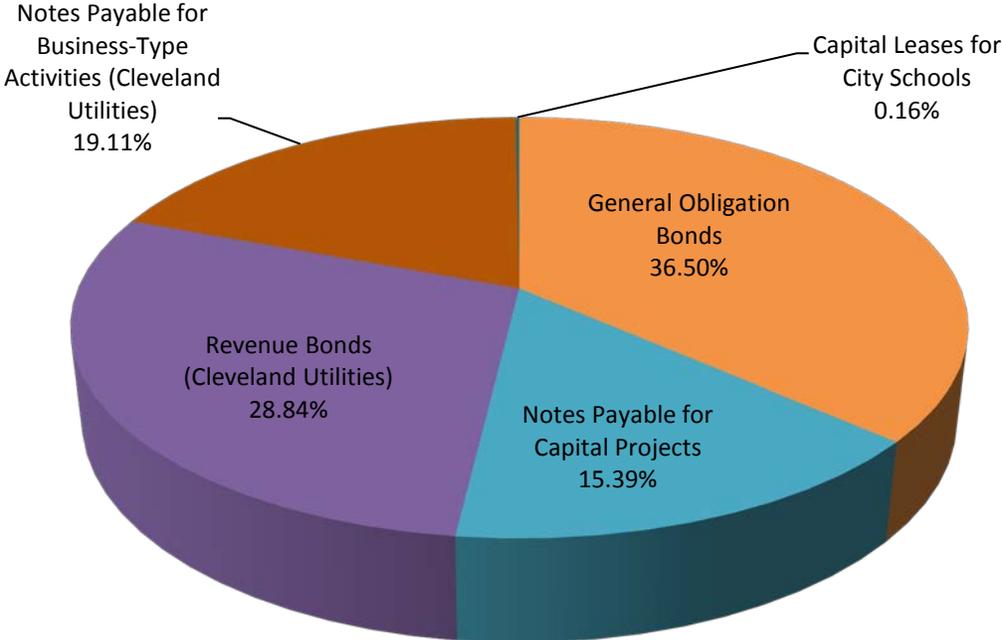
SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
<b>REVENUES</b>					
INTEREST	\$14,321	\$5,000	\$5,000	\$5,000	0.0%
INTERGOVERNMENTAL	\$177,847	\$146,900	\$146,900	\$146,900	0.0%
TRANSFERS	\$6,065,878	\$6,165,319	\$6,179,569	\$6,875,930	11.3%
PROCEEDS OF BONDS	\$13,057,880	\$0	\$0	\$0	0.0%
MISCELLANEOUS	\$4,111	\$0	\$0	\$0	0.0%
Total Revenues	\$19,320,037	\$6,317,219	\$6,331,469	\$7,027,830	11.0%
<b>EXPENDITURES</b>					
DEBT SERVICE - PRINCIPAL PAYMENTS	\$16,620,400	\$4,021,560	\$4,021,560	\$4,439,480	10.4%
DEBT SERVICE - INTEREST PAYMENTS	\$2,097,734	\$2,290,952	\$2,290,952	\$2,582,550	12.7%
BOND PAYING AGENTS FEES	\$3,577	\$4,600	\$4,600	\$5,000	8.7%
Total Expenditures	\$18,721,711	\$6,317,112	\$6,317,112	\$7,027,030	11.2%
<b>NET INCOME</b>	<b>\$598,326</b>	<b>\$107</b>	<b>\$14,357</b>	<b>\$800</b>	-94.4%
<b>BEGINNING FUND BALANCE</b>	<b>\$3,761,984</b>	<b>\$4,360,310</b>	<b>\$4,360,310</b>	<b>\$4,374,667</b>	0.3%
<b>ENDING FUND BALANCE</b>	<b>\$4,360,310</b>	<b>\$4,360,417</b>	<b>\$4,374,667</b>	<b>\$4,375,467</b>	0.0%

***Goals and Objectives:***

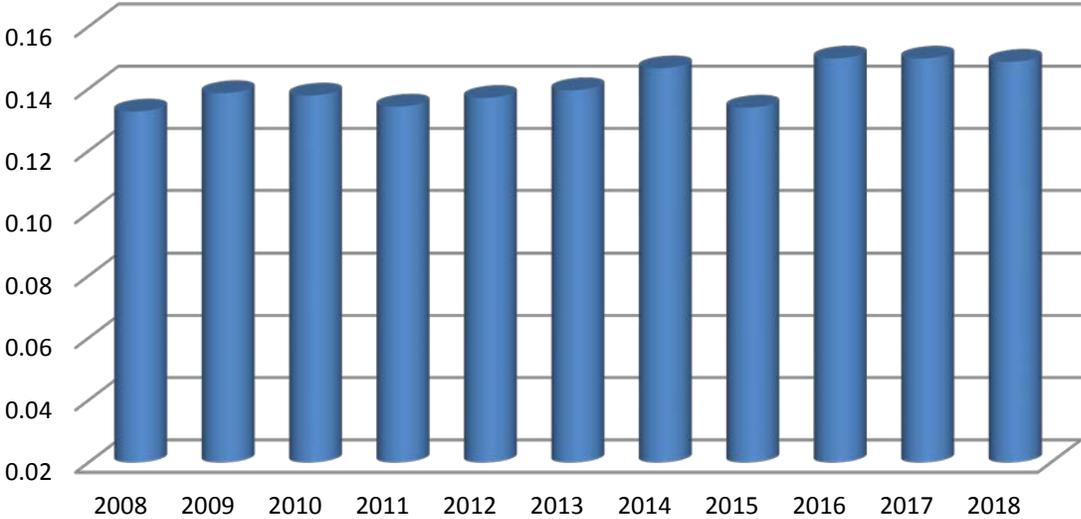
- Issue bonds and capital outlay notes only for capital improvements and moral obligations.
- Issue no bonds or capital outlay notes to purchase a fixed asset, which has a shorter useful life than the term of the debt instrument.
- Issue no bonds or capital outlay notes if the outstanding indebtedness (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	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Target
Debt Limit Policy % (Outstanding Net Bonded Debt/Total Assessed Valuation)	65.51%	66.80%	67.93%	70.88%
Debt Margin per Policy	\$37,478,691	36,057,928	\$36,317,068	\$35,258,052
General Government Net Bonded Debt per Capita	\$1,648	\$1,620	\$1,718	\$1,916

### Long Term Debt by Category



### Ratio of Debt Service to General Fund Expenditures



## Cleveland Utilities Debt

### Outstanding Issues Projected

As of June 30, 2017, 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) 2009C Series Revenue and Tax Refunding Issue		3,855,000	3,875,000
(2) 2009D Series Revenue and Tax Refunding Issue	3,640,000	5,730,000	2,580,000
(3) 2010 Series Revenue and Tax Issue (BAB)	4,550,000	1,730,000	
(4) 2014 Series Revenue and Tax Refunding Issue		582,051	5,387,949
(5) 2016B Series Revenue and Tax Refunding Issue	858,121	2,862,025	3,534,854
Total Bonds Payable	<u>9,048,121</u>	<u>14,759,076</u>	<u>15,377,803</u>

<u>Description Loan Issues</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
(6) State Revolving Loan			590,190
(7) 2012 TMBF Loan		2,812,500	
(8) 2012 TMBF Spring Branch Industrial Park	1,412,359		
(9) 2014 TMBF - EL	3,081,250		
(10) 2014 TMBF _WT		2,337,500	
(11) 2014 SRF DG2 14-151 - WT		1,862,586	
(12) 2015 SRF CG4 15-349 WT		2,223,348	
(13) 2015 TMBF - EL	2,503,000		
(14) 2015 TMBF - WT		2,730,000	
(15) State Revolving Loan CWO 13-319 - SW			1,354,552
(16) State Revolving Loan CWO 13-320 - SW			5,196,405
(17) 2016 SRF DWF 16-172		3,000,000	
(18) 2017 SRF CG3 17-379		103,297.00	
Total Loans Payable	<u>6,996,609</u>	<u>15,069,231</u>	<u>7,141,147</u>
Total Bonds & Loans Payable	<u>16,044,730</u>	<u>29,828,307</u>	<u>22,518,950</u>

Pertinent information on each issue follows:

- (1) Issue Date: 8/12/2009  
 Amount: 12,540,000  
 Maturity: 6/1/2028  
 Average Rate: 3.74  
 Purpose: To refinance outstanding variable rate loans
  
- (2) Issue Date: 8/26/2009  
 Amount: 19,525,000  
 Maturity: 6/1/2024  
 Average Rate: 3.59  
 Purpose: To refinance outstanding variable rate loans

(3) 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

(4) 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

(5) Issue Date: 5/27/2016  
 Amount: 7,484,640  
 Maturity: 6/1/2036  
 Average Rate: 3.14  
 Purpose: To refinance 2007B Electric, Water and Sewer Revenue and Tax Bonds  
           Electric 885,283  
           Water 2,952,616  
           Sewer 3,646,741

(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: 1.16  
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: 1,825,992  
Forgiveness: 451,020  
Total 1,374,972  
Maturity: 2/20/2037  
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
- (17) Issue Date: 6/9/2016  
Total Amount: 3,725,000  
Maturity: 6/20/2037  
Average Var Rate: 1.11  
Purpose: To fund capital projects in the Water Division

(18) Issue Date: 1/9/2017  
 Total Amount: 110,418  
 Forgiveness: 5,521  
 Total 104,897  
 Maturity: 6/20/2037  
 Average Var Rate: 0.88  
 Purpose: To fund capital projects in the Water 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, 2017) bond and/or note issues for Cleveland Utilities by fiscal year.

<u>Fiscal Year</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
2018	3,500,000	3,995,000	5,625,000
2019	2,500,000	3,500,000	5,475,000
2020	2,500,000	3,250,000	1,000,000
2021	2,500,000	2,500,000	1,500,000
2022	2,500,000	2,500,000	1,500,000
2023	2,500,000	1,500,000	2,000,000
2024	2,500,000	1,500,000	2,000,000
2025	2,500,000	1,000,000	2,000,000
2026	2,500,000	1,000,000	2,000,000
2027	2,000,000	1,000,000	2,000,000

These issues will be necessary (projected) to complete the capital projects identified in the long-term capital improvements plan included in the fiscal year 2018 budget.

CLEVELAND UTILITIES

EXISTING DEBT (PRINCIPAL)  
PAYMENT SCHEDULE AS OF 06/30/17

	ELECTRIC	WATER	SEWER	TOTAL
2018	1,243,820	2,132,115	2,399,267	5,775,202
2019	1,240,670	2,172,227	1,825,392	5,238,289
2020	1,254,755	2,237,710	1,804,035	5,296,500
2021	1,281,938	2,292,966	1,840,326	5,415,230
2022	1,221,638	2,337,178	1,871,557	5,430,373
2023	1,224,745	2,069,028	1,859,916	5,153,689
2024	1,249,777	1,798,398	1,696,303	4,744,478
2025	1,268,552	1,835,866	1,455,345	4,559,763
2026	920,057	1,878,028	1,408,412	4,206,497
2027	903,981	1,885,671	1,362,754	4,152,406
2028	748,931	1,789,399	1,342,152	3,880,482
2029	693,605	1,229,092	1,078,938	3,001,635
2030	696,196	1,206,926	724,548	2,627,670
2031	700,153	1,224,273	722,517	2,646,943
2032	377,745	1,082,777	701,724	2,162,246
2033	380,336	904,853	709,969	1,995,158
2034	381,928	914,526	718,284	2,014,738
2035	203,860	788,731	729,085	1,721,676
2036	52,043	563,786	739,969	1,355,798
2037		210,257	506,052	716,309
	16,044,730	30,553,807	25,496,545	72,095,082

CLEVELAND UTILITIES

PROJECTED ADDITIONAL DEBT (PRINCIPAL)  
PAYMENT SCHEDULE AS OF 06/30/17

	ELECTRIC	WATER	SEWER	TOTAL
2018	-	-	-	-
2019	175,000	199,750	281,250	656,000
2020	300,000	374,750	555,000	1,229,750
2021	425,000	537,250	605,000	1,567,250
2022	550,000	662,250	680,000	1,892,250
2023	675,000	787,250	755,000	2,217,250
2024	800,000	862,250	855,000	2,517,250
2025	925,000	937,250	955,000	2,817,250
2026	1,050,000	987,250	1,055,000	3,092,250
2027	1,175,000	1,037,250	1,155,000	3,367,250
2028	1,275,000	1,087,250	1,255,000	3,617,250
2029	1,275,000	1,087,250	1,255,000	3,617,250
2030	1,275,000	1,087,250	1,255,000	3,617,250
2031	1,275,000	1,087,250	1,255,000	3,617,250
2032	1,275,000	1,087,250	1,255,000	3,617,250
2033	1,275,000	1,087,250	1,255,000	3,617,250
2034	1,275,000	1,087,250	1,255,000	3,617,250
2035	1,275,000	1,087,250	1,255,000	3,617,250
2036	1,275,000	1,087,250	1,255,000	3,617,250
2037	1,275,000	1,087,250	1,255,000	3,617,250
2038	1,275,000	1,087,250	1,255,000	3,617,250
2039	1,100,000	887,500	973,750	2,961,250
2040	975,000	712,500	700,000	2,387,500
2041	850,000	550,000	650,000	2,050,000
2042	725,000	425,000	575,000	1,725,000
2043	600,000	300,000	500,000	1,400,000
2044	475,000	225,000	400,000	1,100,000
2045	350,000	150,000	300,000	800,000
2046	225,000	100,000	200,000	525,000
2047	100,000	50,000	100,000	250,000
	<u>25,500,000</u>	<u>21,745,000</u>	<u>25,100,000</u>	<u>72,345,000</u>

CLEVELAND UTILITIES

TOTAL DEBT (CURRENT & PROJECTED)  
PAYMENT SCHEDULE AS OF 06/30/17

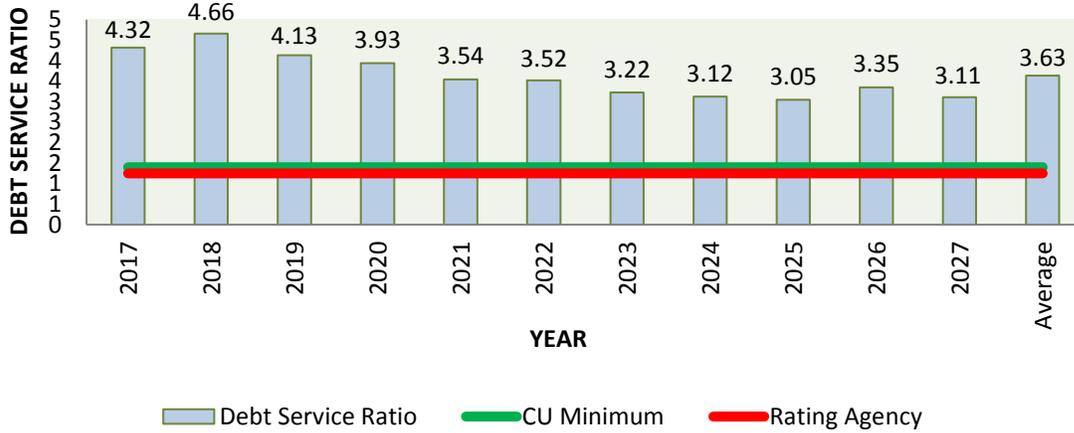
	ELECTRIC	WATER	SEWER	TOTAL
2018	0	2,132,115	2,399,267	5,775,202
2019	1,415,670	2,371,977	2,106,642	5,894,289
2020	1,554,755	2,612,460	2,359,035	6,526,250
2021	1,706,938	2,830,216	2,445,326	6,982,480
2022	1,771,638	2,999,428	2,551,557	7,322,623
2023	1,899,745	2,856,278	2,614,916	7,370,939
2024	2,049,777	2,660,648	2,551,303	7,261,728
2025	2,193,552	2,773,116	2,410,345	7,377,013
2026	1,970,057	2,865,278	2,463,412	7,298,747
2027	2,078,981	2,922,921	2,517,754	7,519,656
2028	2,023,931	2,876,649	2,597,152	7,497,732
2029	1,968,605	2,316,342	2,333,938	6,618,885
2030	1,971,196	2,294,176	1,979,548	6,244,920
2031	1,975,153	2,311,523	1,977,517	6,264,193
2032	1,652,745	2,170,027	1,956,724	5,779,496
2033	1,655,336	1,992,103	1,964,969	5,612,408
2034	1,656,928	2,001,776	1,973,284	5,631,988
2035	1,478,860	1,875,981	1,984,085	5,338,926
2036	1,327,043	1,651,036	1,994,969	4,973,048
2037	1,275,000	1,297,507	1,761,052	4,333,559
2038	1,275,000	1,087,250	1,255,000	3,617,250
2039	1,100,000	887,500	973,750	2,961,250
2040	975,000	712,500	700,000	2,387,500
2041	850,000	550,000	650,000	2,050,000
2042	725,000	425,000	575,000	1,725,000
2043	600,000	300,000	500,000	1,400,000
2044	475,000	225,000	400,000	1,100,000
2045	350,000	150,000	300,000	800,000
2046	225,000	100,000	200,000	525,000
2047	100,000	50,000	100,000	250,000
	<u>41,544,730</u>	<u>52,298,807</u>	<u>50,596,545</u>	<u>144,440,082</u>

**CLEVELAND UTILITIES  
ELECTRIC DIVISION  
BOND COVERAGE  
2017 - 2027**

**Target Ratios**

Rating Agencies (**1.25**)

CU Minimum (**1.40**)

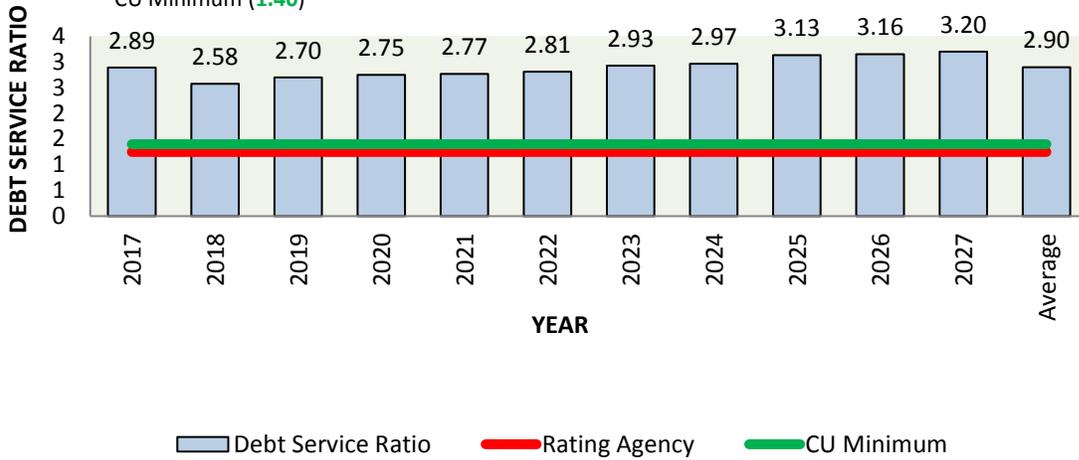


**CLEVELAND UTILITIES  
WATER / WASTEWATER DIVISION  
BOND COVERAGE  
2017 - 2027**

**Target Ratios**

Rating Agencies (**1.25**)

CU Minimum (**1.40**)



## 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.

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 FY2018 total \$15,433,000. Major capital funds are summarized below.

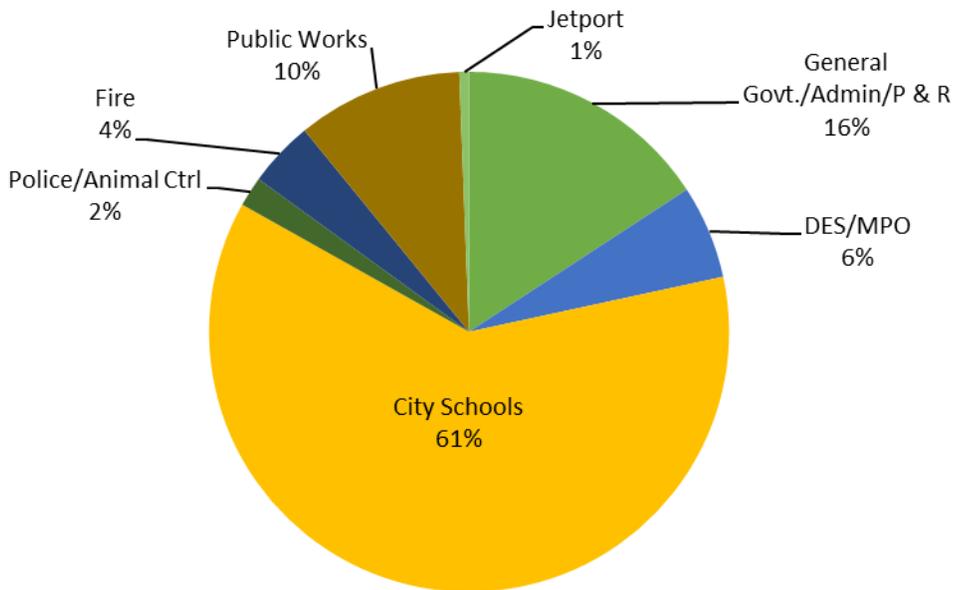
**Sales Tax Capital Projects Fund:**

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 \$2,925,000 has been budgeted in FY2018 for city projects and \$950,000 for school projects.

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

Capital Improvement Program Fund \$11,539,000

**FY2018 Major Uses of Capital Project Funds**



**FY 2018 MAJOR USES OF CAPITAL PROJECT FUNDS AND  
THEIR IMPACT ON THE OPERATING BUDGET**

**Capital Improvement Program Fund**

**General Government**

Whirlpool Initiative \$ 600,000

This funding will be used to set up a redevelopment revolving fund by allocating \$.06 of the tax rate to complete the Whirlpool and Downtown Redevelopment Projects as determined by the City Manager each fiscal year.

**City-Wide Cptr Info Systems**

Computer software maintenance cost \$ 220,000

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

**Fire Department**

Fire Training Center \$ 200,000

The \$200,000 allocation will be used to construct a new fire training center on 8<sup>th</sup> and Gaut Street NE. The additional funds will come from the sale of the Weeks Drive property where the current training tower is located. This project is deemed necessary due to the deterioration of structural components at the current location.

**Public Works**

Street Paving and Drainage Projects \$ 365,000

These funds will be used in addition to the Sales Tax Funding to help move our 27.5-year paving cycle to approximately 20-year paving cycle per Council's request.

Mouse Creek Intersection Widening \$ 250,000  
Peerless Intersection (Paul Huff) 300,000  
Peerless Intersection (25<sup>th</sup> Street) 250,000  
\$ 800,000

This funding will add intersection improvements to three different sections of road throughout the city. At the Mouse Creek and Peerless/Paul Huff Intersections the city will have 2 left turns, 1 straight lane and 1 right lane; the

**Public Works (cont.)**

Peerless @ 25<sup>th</sup> Intersection the city will add an addition right turn lane and increase the stacking capacity of the left turn lane on the Southside of Peerless.

**Parks & Recreation**

Deer Park Renovation \$ 200,000

This funding will be used to upgrade playground equipment since the last renovation of 1996.

Blythe-Bower School Park Development \$ 100,000

These funds will be combined with CDBG funds and private donations to develop a multi-purpose field located behind the Blythe-Bower Elementary School.

**City Schools**

New Elementary School \$ 9,054,000

This amount will be issued as note proceeds during FY 2018 to cover issuance cost and pay for the new elementary school. The remaining funds \$6M will come from the county when they borrow funds for their new middle school.

**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.

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 \$ 30,000

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

## **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. This is the 2<sup>nd</sup> payment of the agreement. The city intends to tear down the building a construct a parking lot to enhance development in this area. The lot will be named in memory of Mr. Moore's father, Joe Moore.

Downtown Redevelopment \$ 250,000

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**

Improvements for Municipal Building \$ 50,000

The \$50,000 allocation will use to complete a plan on future facility improvements and develop a strategy to provide a higher level of customer service for City Municipal Building.

## **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.

Trafficware Program for Surveying \$ 8,000

Synchro is a traffic analysis and optimization software application that is used to optimize the signal timing on a rotating basis of our signalized intersections within the city.

## **City-Wide Computer Info Systems**

Computer software and hardware  
Computer and replacement costs \$ 322,000

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	\$	30,832
MPO – Georgetown & 25 <sup>th</sup> Street	\$	4,000
MPO – Inman Street Road	\$	24,000

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 \$4,000 will assist in the additional city’s match for the Georgetown & 25<sup>th</sup> Street. The \$24,000 is being used to work with TDOT on studying the possible infrastructure change on the Inman Street Road.

### **Public Works Equipment**

GMC Dump Truck	\$	<u>150,000</u>
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This funding will be used for a replacement of a dump truck in the public works department, which has high mileage and increased maintenance costs.

### **Parks and Recreation**

Greenway Parking Lot @ Keith Street	\$	<u>60,000</u>
-------------------------------------	----	---------------

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

Playground Equipment	\$	<u>25,000</u>
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This funding will allow for a phased in replacement plan for playground equipment in our parks on an annual basis.

**Parks & Recreation (cont.)**

Maintenance Building \$ 20,000

This funding will allow for the exterior painting and repairs of the Fletcher Maintenance Building located on Tennessee Nursery Road.

**Jetport**

These funds are being used in conjunction with Federal and State grants to fund the remaining ten percent match for the projects listed below.

Airport GIS Survey \$ 14,500

This survey is required following the completion of the runway extension. This survey will help with the development and implementation of the jetport's Instrument Approach Procedures to runway 3.

Erosion Control \$ 8,750

This project will be funded in part with a grant from TDOT-AERO to address some erosion issues at the jetport grounds that are progressively becoming an issue.

Stream/Wetland Monitoring \$ 8,500

This is the city's share of the stream/wetland monitoring that is required for another six years at the jetport's mitigation site adjacent to Rolling Hills Subdivision. This was by agreement with TDEC in consideration of jetport construction environmental issues.

Road Sign \$ 30,450

This is the city's share of the cost for a new road sign to be installed at the entrance of the jetport. We frequently hear about people who have driven past the facility entrance, causing unnecessary delays and confusion because there is not clear signage. The proposed sign will be designed to reflect the architectural character of our beautiful terminal building.

Mowing Equipment \$ 30,000

This funding will assist the jetport in purchasing a VENTRAC slope mower to help with the acute angles of the jetport property. Our current tractor and mower cannot access the slopes of the property thus making mowing difficult and dangerous.

LONG-RANGE FINANCIAL PLANNING						
6 Year Capital Funding Summary						
DEPARTMENT	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Funding Use:</b>						
Administration/Finance/IT	1,492,000	1,210,000	1,215,000	1,195,000	1,175,000	1,185,000
Development & Engineering	56,000	1,740,000	24,000	24,000	24,000	24,000
City Schools	9,000,000	-	-	-	-	-
Fire	630,000	775,000	400,000	580,000	3,400,000	400,000
Parks & Recreation	405,000	69,000	1,069,000	69,000	69,000	569,000
Police	285,000	285,000	315,000	285,000	285,000	285,000
Public Works	2,507,032	1,580,000	1,580,000	1,580,000	1,580,000	1,580,000
<b>Total:</b>	<b>14,375,032</b>	<b>5,659,000</b>	<b>4,603,000</b>	<b>3,733,000</b>	<b>6,533,000</b>	<b>4,043,000</b>
<b>IMPACT ON OPERATIONS:</b>						
Administration/Finance/IT	-	-	-	-	-	-
Development & Engineering	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Fire	-	900,000	931,000	963,000	997,000	2,028,000
Parks & Recreation	-	-	(3,000)	(3,000)	(3,000)	(3,000)
Police	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Public Works	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)
<b>Required Funding:</b>	<b>14,365,032</b>	<b>6,549,000</b>	<b>5,521,000</b>	<b>4,683,000</b>	<b>7,517,000</b>	<b>6,058,000</b>
<b>Funding Source:</b>						
<i>Sales Tax &amp; CIP Funds</i>						
Administration/Finance/IT	(1,492,000)	(1,210,000)	(1,215,000)	(1,195,000)	(1,175,000)	(1,185,000)
Development & Engineering	(56,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Fire	(430,000)	(400,000)	(400,000)	(580,000)	(400,000)	(400,000)
Parks & Recreation	(405,000)	(69,000)	(569,000)	(69,000)	(69,000)	(319,000)
Police	(285,000)	(285,000)	(315,000)	(285,000)	(285,000)	(285,000)
Public Works	(2,507,032)	(1,580,000)	(1,580,000)	(1,580,000)	(1,580,000)	(1,580,000)
<b>Subtotal:</b>	<b>(5,175,032)</b>	<b>(3,568,000)</b>	<b>(4,103,000)</b>	<b>(3,733,000)</b>	<b>(3,533,000)</b>	<b>(3,793,000)</b>
<i>Bond Issues</i>	(9,000,000)	(1,716,000)	-	-	(3,000,000)	-
<i>Grants</i>	-	-	(500,000)	-	-	(250,000)
<i>Estimated Tax Growth</i>	(725,000)	(750,000)	(776,000)	(803,000)	(831,000)	(875,000)
<b>Total Funding:</b>	<b>(14,900,032)</b>	<b>(6,034,000)</b>	<b>(5,379,000)</b>	<b>(4,536,000)</b>	<b>(7,364,000)</b>	<b>(4,918,000)</b>
<b>Use (Source) of Fund Balance:</b>	<b>(535,000)</b>	<b>515,000</b>	<b>142,000</b>	<b>147,000</b>	<b>153,000</b>	<b>1,140,000</b>

## **Long-Range Financial Planning**

In FY2018, the City of Cleveland will begin several projects that will focus on downtown redevelopment, increasing public safety, improving education, addressing transportation needs and enhancing recreational opportunities. The funding for this includes \$600,000 for public infrastructure needs near the old Whirlpool site, as well as the development of a City park at Taylor's Spring, the birthplace of Cleveland. The City will allocate \$250,000 to upgrade the playground equipment and make other improvements at Deer Park. In addition, \$100,000 will be invested in a new multipurpose field near Blythe-Bower School. Additional public works projects include \$1.43 million for street paving and sidewalks and \$800,000 for intersection improvements at Peerless & 25<sup>th</sup> Streets, Paul Huff Parkway and Mouse Creek Road. With the completion of Fire Station 6 in late 2018, funding for its operations will increase the Fire Department budget by \$900,000 beginning in FY2019. The construction the new Candy's Creek Cherokee Elementary School will also begin in FY2018. The City will issue \$9.0 million in bonds for its share of the \$15.6 million facility. 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 \$630,000.

The City will start a number of transportation projects in FY2019 and will issue \$1.7 million in bonds to fund this progress. In addition, the City will fund and construct a new fire training facility at a cost of \$575,000. The debt service on the bond issue will cost \$100,000 annually and will be funded from growth in tax revenue.

In FY2020, the Tinsley Pool will be replaced at an estimated cost of \$1 million. This Olympic sized pool is the last of the City's three public pools to be renovated and is part of the overall master plan improvements for the complex. The City intends to use \$500,000 of sales tax funds to cover its portion of the construction costs.

To address the continued growth in the northern section of the City, Fire Station 7 is anticipated in FY2022. The City expects to issue up to \$3.0 million in bonds to cover the construction costs of the station which will also serve the Cleveland Regional Jetport. The Fire Department operations budget will increase by \$1 million in FY2023. The debt service on the bond issue will be \$200,000 annually.

In FY2023, the City will allocate \$500,000 to make improvements at Tinsley Recreation Center. These improvements will be determined upon the completion of the Tinsley Master Plan currently being developed. The funding will come from a matching grant from the State of Tennessee.

## **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, and the Library are funded either within their individual fund or the note or bond fund used to finance the capital project.

This fund will receive \$2,485,000 in a transfer from the General Fund to cover various projects and capital items that were discussed during the budget retreat held in early spring. In addition, the city will also issue debt of \$9M to cover the construction of the new Candy's Creek Cherokee Elementary School on Georgetown Road.

### **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.

SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
<b>REVENUES</b>					
GRANTS	\$3,039,004	\$100,000	\$8,248,068	\$0	-100.0%
INTEREST INCOME	\$5,204	\$0	\$3,500	\$0	-100.0%
ASSET DISPOSAL	\$63,265	\$0	\$0	\$0	0.0%
TRANSFERS	\$302,579	\$274,000	\$762,518	\$2,485,000	225.9%
NOTE PROCEEDS	\$6,040,200	\$0	\$8,494,865	\$9,054,000	6.6%
INTERGOVERNMENTAL	\$1,206,864	\$0	\$1,557,586	\$0	-100.0%
MISCELLANEOUS	\$22,758	\$0	\$132,193	\$0	-100.0%
Total Revenues	\$10,679,874	\$374,000	\$19,198,730	\$11,539,000	-39.9%
<b>EXPENDITURES</b>					
GENERAL GOVERNMENT	\$70,257	\$30,000	\$5,127,900	\$600,000	-88.3%
ADMINISTRATION & FINANCE	\$33,395	\$0	\$792,530	\$0	-100.0%
DEVELOPMENT & ENGINEERING	\$33,751	\$0	\$407,702	\$0	-100.0%
CITY-WIDE COMPUTER INFO SYS	\$201,946	\$200,000	\$594,802	\$220,000	-63.0%
POLICE DEPARTMENT	\$124,076	\$0	\$225,598	\$0	-100.0%
FIRE DEPARTMENT	\$0	\$0	\$2,742,982	\$200,000	-92.7%
PUBLIC WORKS - OPERATIONS	\$1,870,910	\$267,275	\$7,203,916	\$915,000	-87.3%
PUBLIC WORKS - STATE STREET AID	\$4,411	\$0	\$98,776	\$250,000	153.1%
ANIMAL SHELTER	\$16,350	\$0	\$1,180	\$0	-100.0%
PARKS & RECREATIONS	\$167,959	\$44,000	\$1,036,378	\$300,000	-71.1%
EDUCATION	\$5,192,702	\$0	\$662,429	\$8,487,621	1181.3%
ISSUANCE COSTS	\$40,200	\$0	\$46,200	\$54,000	16.9%
TRANSFERS	\$85,636	\$0	\$0	\$471,763	100.0%
REGIONAL JETPORT	\$1,994,542	\$0	\$3,161,150	\$0	-100.0%
CDBG	\$0	\$0	\$75,000	\$0	-100.0%
Total Expenditures	\$9,836,135	\$541,275	\$22,176,543	\$11,498,384	-48.2%
<b>NET INCOME</b>	<b>\$843,739</b>	<b>(\$167,275)</b>	<b>(\$2,977,813)</b>	<b>\$40,616</b>	<b>-101.4%</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$2,651,440</b>	<b>\$3,495,179</b>	<b>\$3,495,179</b>	<b>\$517,366</b>	<b>-85.2%</b>
<b>ENDING FUND BALANCE</b>	<b>\$3,495,179</b>	<b>\$3,327,904</b>	<b>\$517,366</b>	<b>\$557,982</b>	<b>7.9%</b>

## 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.

SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
<b>REVENUES</b>					
LOCAL SALES TAX	\$2,750,241	\$2,847,000	\$2,852,000	\$2,925,000	2.6%
SCHOOLS 1/2 CENT SALES TAX	\$1,007,654	\$925,000	\$925,000	\$950,000	2.7%
INTEREST	\$5,837	\$1,800	\$1,800	\$2,000	0.0%
INTEREST-SCHOOLS SINKING FUND	\$46,028	\$17,000	\$17,000	\$17,000	0.0%
LAWSUIT-CITY'S SHARE (BRAD CO)	\$113,383	\$0	\$0	\$0	0.0%
LAWSUIT-SCHOOL'S SHARE (BRAD CO)	\$76,313	\$0	\$0	\$0	0.0%
Total Revenues	\$3,999,456	\$3,790,800	\$3,795,800	\$3,894,000	2.6%
<b>EXPENDITURES</b>					
DEVELOPMENT & ENGINEERING	\$38,466	\$24,000	\$24,000	\$56,000	133.3%
GENERAL GOVERNMENT	\$7,441	\$178,000	\$98,000	\$350,000	257.1%
CITY-WIDE COMPUTER INFO SYS	\$247,531	\$274,000	\$375,472	\$322,000	-14.2%
POLICE DEPARTMENT	\$310,175	\$359,000	\$379,000	\$285,000	-24.8%
FIRE DEPARTMENT	\$0	\$582,000	\$876,500	\$430,000	-50.9%
PUBLIC WORKS	\$2,225,652	\$1,359,962	\$2,606,759	\$1,249,832	-52.1%
PARKS & RECREATIONS	\$284,349	\$85,000	\$248,681	\$105,000	-57.8%
JETPORT	\$0	\$0	\$0	\$92,200	100.0%
CITY SCHOOLS	\$1,089,411	\$925,000	\$1,193,215	\$950,000	-20.4%
Total Expenditures	\$4,203,025	\$3,786,962	\$5,801,627	\$3,840,032	-33.8%
<b>NET INCOME</b>	<b>(\$203,569)</b>	<b>\$3,838</b>	<b>(\$2,005,827)</b>	<b>\$53,968</b>	<b>-102.7%</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$2,587,025</b>	<b>\$2,383,456</b>	<b>\$2,383,456</b>	<b>\$377,629</b>	<b>-84.2%</b>
<b>ENDING FUND BALANCE</b>	<b>\$2,383,456</b>	<b>\$2,387,294</b>	<b>\$377,629</b>	<b>\$431,597</b>	<b>14.3%</b>

## ***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 20<sup>th</sup> Street NW to 25<sup>th</sup> 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 25<sup>th</sup> Street NW to Raider Drive and includes additional ornate lamp posts, benches, a pedestrian bridge across Mouse Creek, a cross walk under 25<sup>th</sup> 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 25<sup>th</sup> 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 20<sup>th</sup> 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 8<sup>th</sup> 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.

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 20<sup>th</sup> Street to the proposed Veterans' Park just north of 25<sup>th</sup> Street. Developer

Tom Cate installed a concrete path through the box culvert under 25<sup>th</sup> 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 25<sup>th</sup> Street to the Retreat at Spring Creek's south property line. The City of Cleveland constructed and paved the path from 20<sup>th</sup> 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 has been renamed the Casteel Connector:**

The City of Cleveland received a Transportation Alternative Grant from TDOT for the Casteel Connector in August 2013. The Casteel 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.

**Casteel Connector (cont.):**

When the Casteel 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 Casteel Connector intersect. The project bid opening was March 28, 2017 and the construction bid proposal is \$1,573,355. The preliminary engineering and design cost is \$78,000. The Federal construction match is \$506,154 the local City match for construction is anticipated to be

approximately \$317,215 and the Urban STP fund match is \$762,705. Project construction is anticipated to begin in May 2017 and continue till November 2017.

**Greenway South of Willow Street:**

The City Council 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 is about 900 linear feet of ten feet wide path and 150 feet of six feet wide path that continues from Willow Street to the South end of the large apartment complex located on Brown Avenue. The Public Works Department completed this project in the Spring of 2017.

The City Council passed a resolution to sign an agreement with the owner of property located North of Inman Street along the East side of South Mouse Creek. The agreement includes an easement for the Greenway along the South Mouse Creek and Old Woolen Mill Branch. The agreement also includes granting property to the city for a proposed parking lot/greenway trailhead.

SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$5,552	\$0	\$4,400	\$0	-100.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$0	\$0	\$0	\$0	0.0%
Capital Outlay & Debt Service	\$3,387	\$4,000	\$16,233	\$0	-100.0%
Total Expenditures	\$3,387	\$4,000	\$16,233	\$0	-100.0%
<b>NET INCOME</b>	<b>\$2,165</b>	<b>(\$4,000)</b>	<b>(\$11,833)</b>	<b>\$0</b>	<b>-100.0%</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$9,020</b>	<b>\$11,185</b>	<b>\$11,185</b>	<b>(\$648)</b>	<b>-105.8%</b>
<b>ENDING FUND BALANCE</b>	<b>\$11,185</b>	<b>\$7,185</b>	<b>(\$648)</b>	<b>(\$648)</b>	<b>0.0%</b>

***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.

## *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	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$0	\$0	\$0	\$0	0.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$0	\$0	\$0	\$0	0.0%
Capital Outlay & Debt Service	\$0	\$0	\$5,403	\$0	-100.0%
Total Expenditures	\$0	\$0	\$5,403	\$0	-100.0%
<b>NET INCOME</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,403)</b>	<b>\$0</b>	-100.0%
<b>BEGINNING FUND BALANCE</b>	<b>\$5,403</b>	<b>\$5,403</b>	<b>\$5,403</b>	<b>\$0</b>	-100.0%
<b>ENDING FUND BALANCE</b>	<b>\$5,403</b>	<b>\$5,403</b>	<b>\$0</b>	<b>\$0</b>	0.0%

## 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	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$18,952	\$0	\$458,525	\$0	-100.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$0	\$0	\$0	\$0	0.0%
Capital Outlay & Debt Service	\$235,039	\$147,000	\$551,504	\$180,027	-67.4%
Total Expenditures	\$235,039	\$147,000	\$551,504	\$180,027	-67.4%
<b>NET INCOME</b>	<b>(\$216,087)</b>	<b>(\$147,000)</b>	<b>(\$92,979)</b>	<b>(\$180,027)</b>	93.6%
<b>BEGINNING FUND BALANCE</b>	<b>\$1,716,170</b>	<b>\$1,500,083</b>	<b>\$1,500,083</b>	<b>\$1,407,104</b>	-6.2%
<b>ENDING FUND BALANCE</b>	<b>\$1,500,083</b>	<b>\$1,353,083</b>	<b>\$1,407,104</b>	<b>\$1,227,077</b>	-12.8%

## **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.

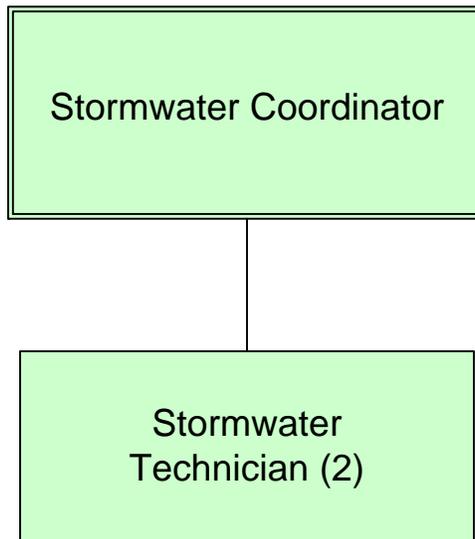
**Stormwater Management Fund:** This fund is used to meet the National Pollutant Discharge Elimination System requirements.

**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 entered the third phase of the NPDES permit. 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 FY2017 was to apply and receive coverage under the third MS4 Phase II permit. The Stormwater Division also was granted Qualified Local Program (QLP) status. QLP status allows the Stormwater Staff to issue land disturbance permits on behalf of the State. This saves the development community time. 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	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$952,677	\$1,500,000	\$1,604,126	\$1,598,500	-0.4%
Personnel	\$270,461	\$215,000	\$215,000	\$236,100	9.8%
Operating	\$134,391	\$631,000	\$620,626	\$568,900	-8.3%
Capital Outlay & Debt Service	\$35,457	\$578,600	\$734,608	\$646,621	-12.0%
Total Expenditures	\$440,309	\$1,424,600	\$1,570,234	\$1,451,621	-7.6%
<b>NET INCOME</b>	<b>\$512,368</b>	<b>\$75,400</b>	<b>\$33,892</b>	<b>\$146,879</b>	333.4%
<b>BEGINNING FUND BALANCE</b>	<b>\$25,364</b>	<b>\$537,732</b>	<b>\$537,732</b>	<b>\$571,624</b>	6.3%
<b>ENDING FUND BALANCE</b>	<b>\$537,732</b>	<b>\$613,132</b>	<b>\$571,624</b>	<b>\$718,503</b>	25.7%
FTE's	3	3	3	3	0.0%

### *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 FY2018.
- Through partnerships, hold fall and spring stream clean-ups along the Greenway path and South Mouse Creek.

- Continue implementation of the 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.
- Revise the current stormwater ordinance to comply with the requirements of TDEC.
- 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.

PERFORMANCE MEASURES	FY2015 Actual	FY2016 Estimated	FY2017 Projected	FY2018 Projected
Number of Drainage Projects Completed	3	3	7	8
Public Education and Outreach	6	6	7	7
Contractor and Developer Training Classes	1	1	2	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

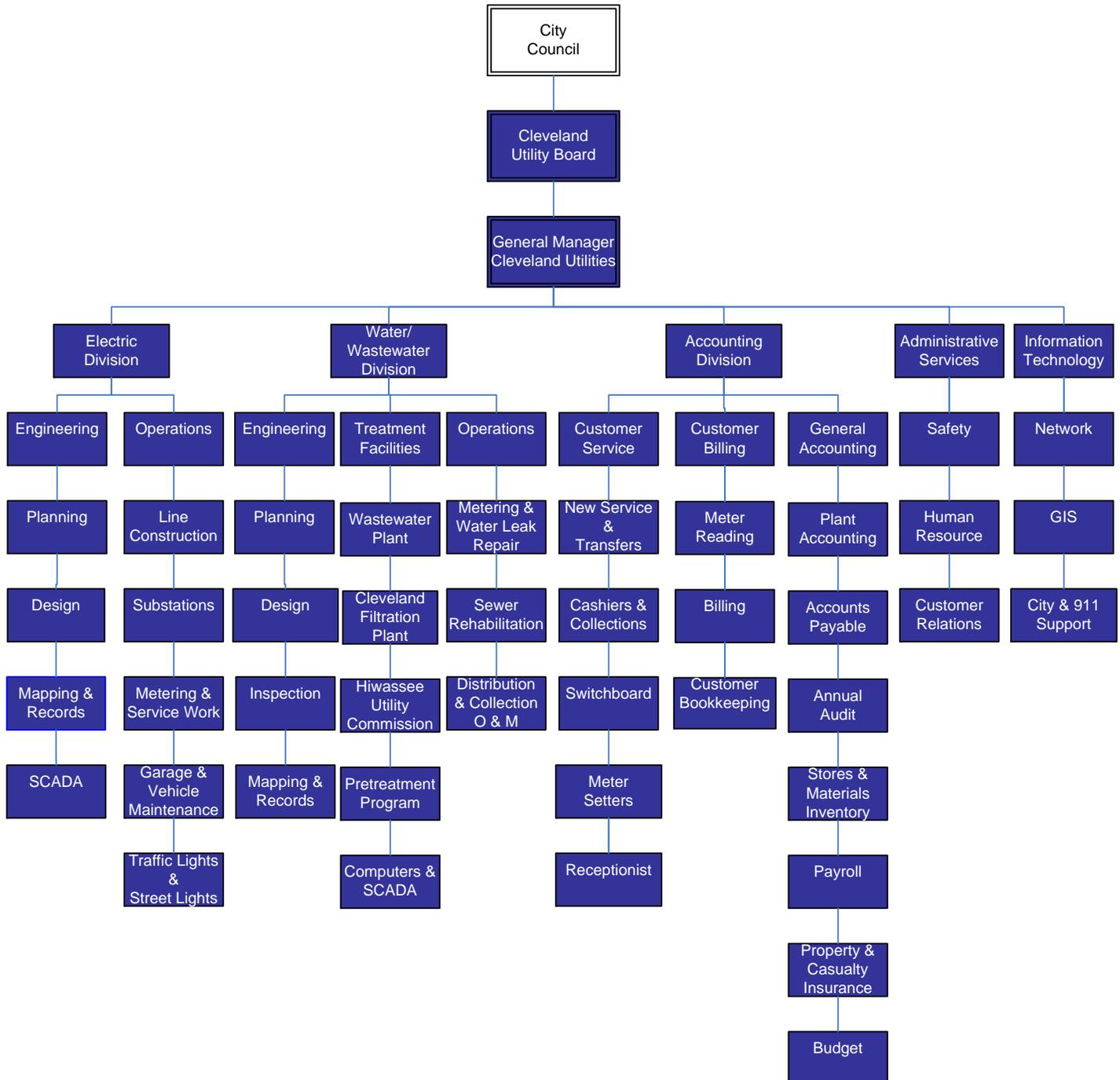


# FY 2018

# Budget



# 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 18,500 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 2018 budget highlights are presented in the following table.

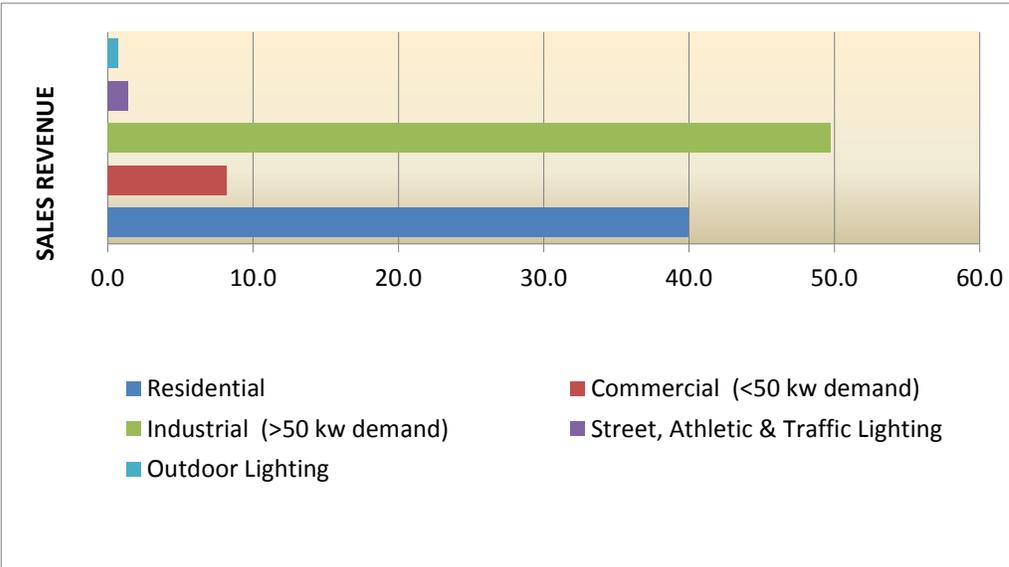
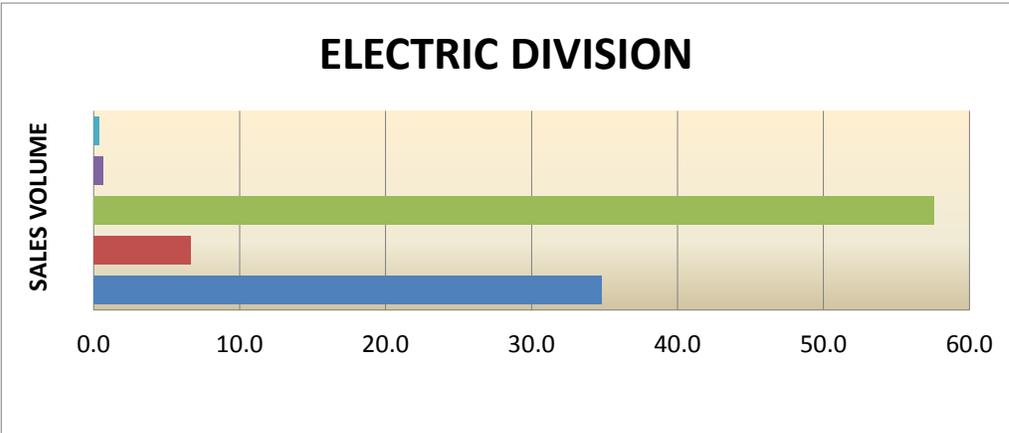
		Electric	Water	Sewer
Volume	KWH's	1,084,742,515		
Volume	Gallons		2,837,780,000	1,867,792,000
Avg Revenue	KWH	\$9.44		
Avg Revenue	1000 Gallons		\$5.24	\$6.48
Rate Adjustments		1.50%	3.63%	0.00%
Revenue (Sales and Other)		104,060,254	16,259,639	13,027,015
Expenses		101,655,198	15,030,391	11,511,467
Net Income		2,405,056	1,229,248	1,515,548
Tax Equivalents		2,065,242	231,900	212,180
Depreciation (Expensed)		4,829,299	2,544,498	3,265,248
Cash Generated		7,576,874	3,689,260	4,748,016
Additions to Plant		7,402,000	5,734,450	14,451,908
Beginning Bond Balance		14,401,462	30,356,849	23,401,437
Additional Bonds		3,500,000	3,995,000	8,236,979
Bond Payments		1,126,820	1,964,811	2,408,951
Ending Bond Balance		16,774,642	32,387,038	29,229,464
Bond Coverage		4.66	5.71	1.76

# FY 18 Budget Details

## Electric

The electric budget for FY 18 is based on the assumption 1,084,742,515 kilowatt hours of electricity will be sold at an average price of 9.44 cents per kilowatt hour. This volume represents a .125% increase over the anticipated FY 17 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	34.79	39.97
Commercial (<50 kw demand)	6.64	8.19
Industrial (>50 kw demand)	57.55	49.74
Street, Athletic & Traffic Lighting	0.63	1.41
Outdoor Lighting	0.39	0.69



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 7.640 cents per kilowatt hour. The margin expected to be generated between the sale of electricity and the cost of electricity is \$19,564,437. 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 \$4,829,299 and a transfer to the city general fund for tax equivalents of \$2,065,242.

The expected net income in the electric department for FY 18 is \$2,405,056. This level of net income will produce a net cash generation amount of \$7,576,874 when adjusted for non-cash items. When added to the anticipated cash balance of \$9,966,588 at the beginning of the year, \$20,335,331 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 \$7,402,000 and debt retirement of \$1,243,820.

The major categories of plant additions and their respective amounts are summarized in the following table.

CLEVELAND UTILITIES-ELECTRIC  
CAPITAL EXPENDITURES - 2018

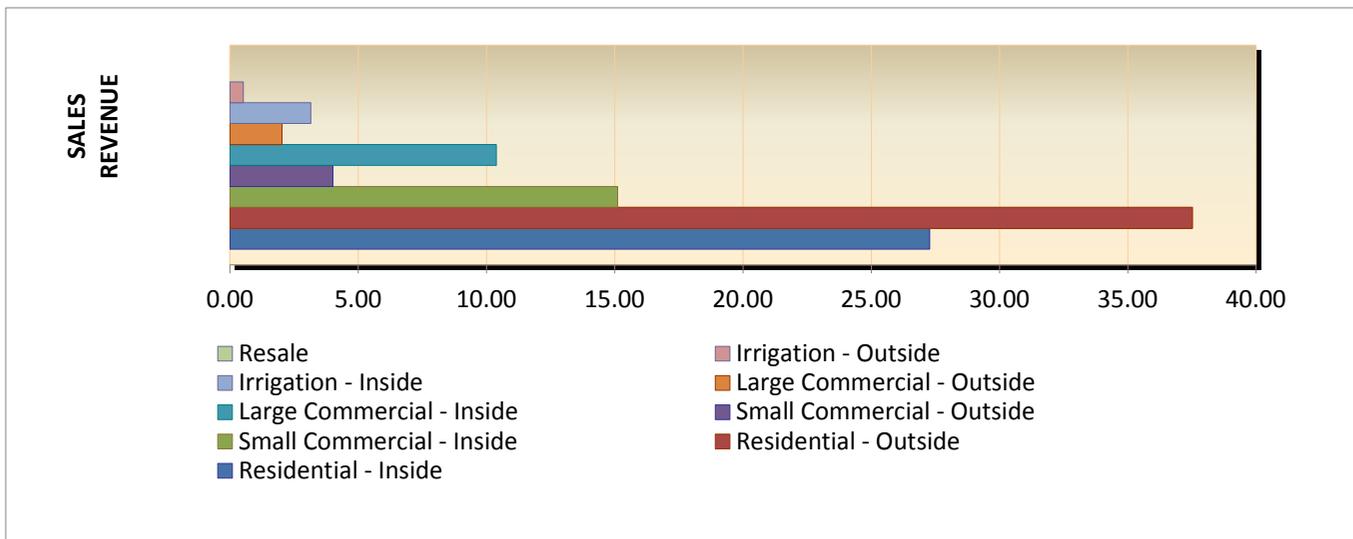
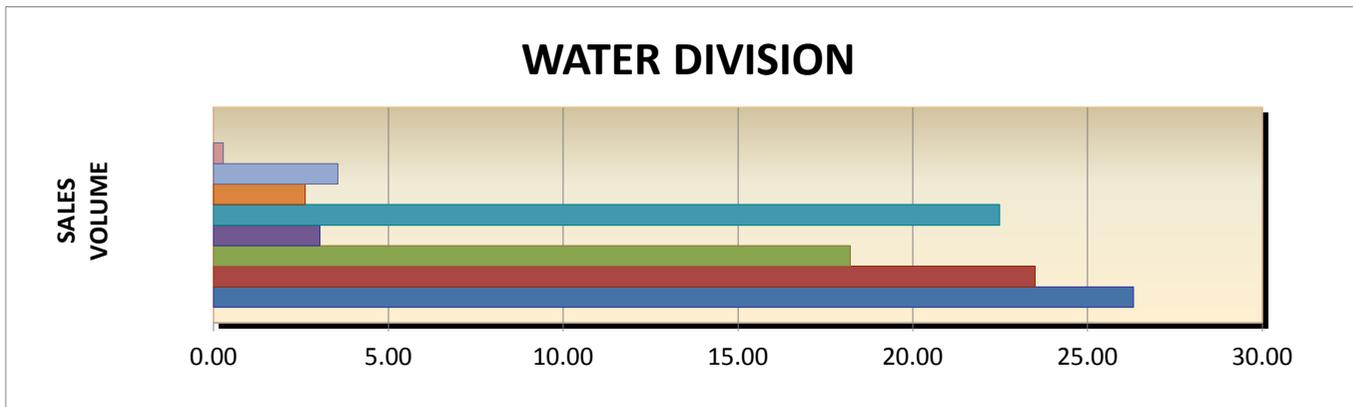
BUILDINGS AND GROUNDS	\$	519,000
COMPUTERS		188,000
SUPERVISORY CONTROL SYSTEM		32,000
ENGINEERING		68,000
TRANSPORTATION AND GARAGE		873,000
GEOGRAPHIC INFORMATION SYSTEM		34,000
COMMERCIAL		200,000
INDUSTRIAL		150,000
RESIDENTIAL-OVERHEAD		30,000
RESIDENTIAL-UNDERGROUND		650,000
LINE		1,997,000
METER LAB		156,000
SUBSTATIONS		1,268,000
OFFICE		40,000
METER READING		5,000
ELECTRONICS & COMMUNICATIONS		82,000
STOREROOM		-
TRAFFIC LIGHTING		404,000
STREET LIGHTING		431,000
SECURITY LIGHTING		125,000
FIBER OPTICS		150,000
TOTAL	<u>\$</u>	<u>7,402,000</u>

The anticipated cash balance at year end is \$11,681,715 of which \$3,431,459 represents the balance on hand from deposits paid by customers to guarantee payment of utility bills.

## Water

The water department budget for FY 18 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 17. This volume represents a 1.07% change over the anticipated FY 17 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 18. 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 18. 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.

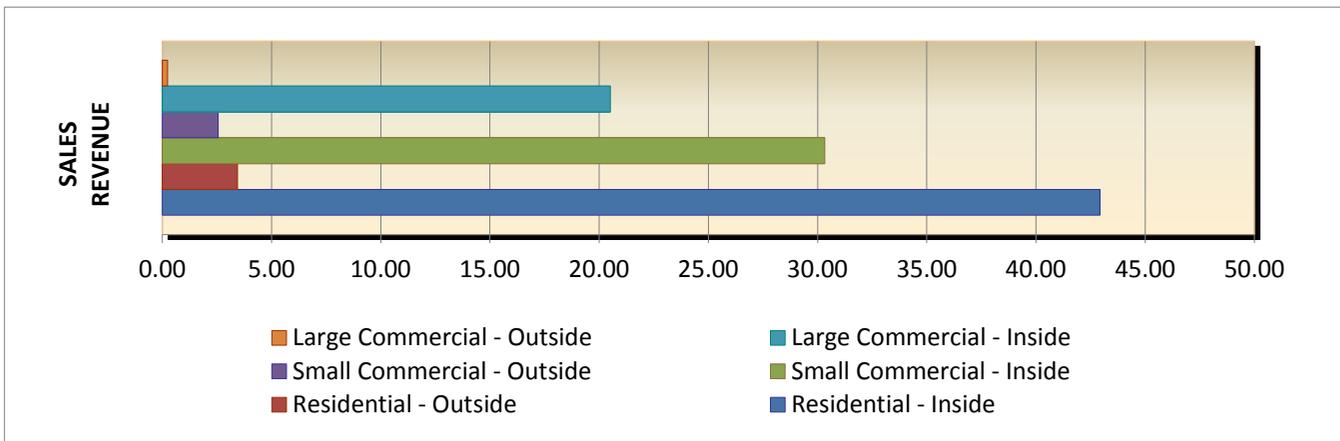
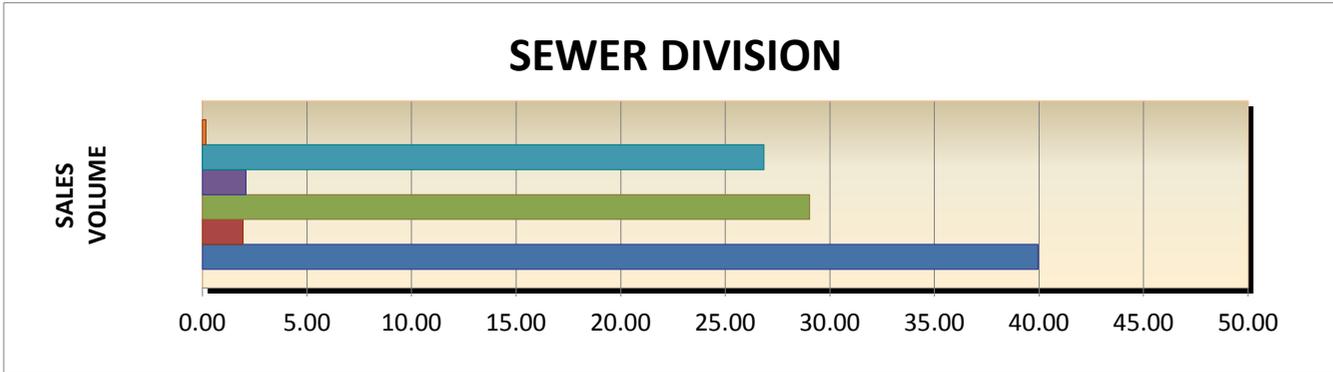
CLEVELAND UTILITIES-WATER  
CAPITAL EXPENDITURES - 2018

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>\$ 7,896,500</u>

**Wastewater**

The wastewater department budget for FY 18 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 17. This volume represents a .676% change over the anticipated FY 17 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 18. 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 18. 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 - 2018

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>\$ 9,732,104</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 18 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.

## 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 2016 Actual	FY 2017 Projected	FY 2018 Projected
KWH Purchased	1,092,690,922	1,123,500,000	1,119,437,411
KWH Sold	1,059,898,637	1,089,268,006	1,084,742,515
KWH Unsold (line loss)	32,792,285	34,231,994	34,694,896
% KWH in Line Loss	3.00%	3.05%	3.10%
Average Retail Price of KWH (Based on kwh's Sold)	7.53	7.53	7.64
Number of Customers			
Residential	26,487	26,660	26,834
Commercial	3,829	3,815	3,822
Industrial	621	612	617
Other	181	176	178
Total	31,118	31,263	31,451
Total Revenues	97,229,486	102,991,391	104,060,254
Net Income	1,581,390	2,204,942	2,405,056
Additional Investment in Plant	4,379,570	5,463,330	7,402,000
Long-term Debt	15,588,080	14,401,462	16,774,642
Number of Customers per Employee	375	401	379

## *Cleveland Utilities-Electric Fund Budget Summary*

	<b>FY 2016 ACTUAL</b>	<b>FY 2017 BUDGETED</b>	<b>FY 2018 PROPOSED</b>
<b>Revenues for Electric System</b>			
Residential	\$ 37,010,883	\$ 38,820,365	\$ 40,938,730
Commercial	8,181,267	8,122,777	8,392,500
Industrial	47,940,969	51,634,016	50,949,238
Street, Athletic, & Traffic	1,423,194	1,410,341	1,444,809
Outdoor Lighting	644,116	671,018	706,338
Change in Accrued Revenue	377,144		
<b>Total Electric Sales Revenue</b>	<b>\$ 95,577,573</b>	<b>\$ 100,658,517</b>	<b>\$ 102,431,615</b>
Other Operating Revenue	\$ 1,596,685	\$ 1,530,031	\$ 1,583,307
Interest	55,228	37,401	45,332
<b>Total Other Revenues</b>	<b>\$ 1,651,913</b>	<b>\$ 1,567,432</b>	<b>\$ 1,628,639</b>
<b>Total Revenues</b>	<b>\$ 97,229,486</b>	<b>\$ 102,225,949</b>	<b>\$ 104,060,254</b>
<b>Operating Expense</b>			
Purchased Power	\$ 77,822,947	\$ 81,432,741	\$ 82,867,178
Other Operating Expenses	5,395,066	5,754,171	5,647,328
Maintenance	2,858,846	3,046,215	2,871,526
Depreciation and Amortization	4,674,823	4,715,332	4,853,191
Tax Equivalents & FICA	4,438,771	4,271,040	4,904,769
<b>Total Operating Expenses</b>	<b>\$ 95,190,453</b>	<b>\$ 99,219,499</b>	<b>\$ 101,143,992</b>
Interest Expense	\$ 457,643	\$ 510,921	\$ 511,205
<b>Total Other Expenses</b>	<b>\$ 457,643</b>	<b>\$ 510,921</b>	<b>\$ 511,205</b>
<b>Total Expenses</b>	<b>\$ 95,648,096</b>	<b>\$ 99,730,420</b>	<b>\$ 101,655,197</b>
<b>Net Revenues</b>	<b>\$ 1,581,390</b>	<b>\$ 2,495,529</b>	<b>\$ 2,405,057</b>

**CLEVELAND UTILITIES - ELECTRIC  
CASH FLOW ANALYSIS  
FY 2018**

**Sources of Cash:**

<b>Net Income</b>		<b>\$ 2,405,056</b>
Add:	Non-Cash Items	
	Depreciation - Expensed	\$ 4,829,299
	Depreciation - Cleared	298,349
	Amortization	44,170
	<b>Total Non-Cash Items</b>	<b>5,171,818</b>
<b>Total Cash Generated From Operations</b>		<b>\$ 7,576,874</b>
Add:	Beginning Cash Balance	9,966,588
	Bond Issues (Net)	3,500,000
	GASB 45 Adjustment	293,689
	GASB 68 Adjustment	(1,001,821)
	Anticipated FEMA Reimbursement	-
	Working Capital Adjustments	-
<b>Total Cash Available</b>		<b>\$ 20,335,330</b>
<b>Uses of Available Cash:</b>		
	Debt Repayment - Bonds/Loans	\$ 1,251,616
	Capital Improvements & Additions	7,402,000
<b>Total Uses of Cash</b>		<b>\$ 8,653,616</b>
<b>Cash at End of Year</b>		<b>\$ 11,681,714</b>
	Less Estimated Customer Deposits	\$ 3,431,459
<b>Unrestricted</b>		<b>\$ 8,250,255</b>

**CLEVELAND UTILITIES - ELECTRIC  
FINANCIAL FORECAST  
FOR THE YEAR ENDING JUNE 30, 2018**

<b>2018 BUDGET</b>						
	<b>1ST QTR</b>	<b>2ND QTR</b>	<b>3RD QTR</b>	<b>4TH QTR</b>	<b>TOTAL</b>	<b>KWHs (000)</b>
<b>REVENUES</b>						
Residential	11,269,600	8,683,837	12,613,566	8,371,727	40,938,730	377,365
Commercial	2,491,761	1,830,297	2,087,908	1,982,533	8,392,499	71,991
Industrial	14,577,157	11,938,871	11,582,813	12,850,398	50,949,239	624,300
Street, Athletic & Traffic	370,377	358,925	344,318	371,190	1,444,810	6,844
Outdoor Lighting	175,595	176,488	177,332	176,923	706,338	4,243
<b>Total Electric Sales Revenue</b>	<b>28,884,490</b>	<b>22,988,418</b>	<b>26,805,937</b>	<b>23,752,771</b>	<b>102,431,615</b>	<b>1,084,744</b>
Purchased Power	23,367,553	18,597,631	21,686,001	19,215,991	82,867,178	
<b>Operating Margin:</b>	<b>5,516,937</b>	<b>4,390,787</b>	<b>5,119,936</b>	<b>4,536,780</b>	<b>19,564,437</b>	
<b>OTHER REVENUE</b>						
Customer Penalties	107,525	85,577	99,788	88,423	381,313	
Service Revenue	99,679	79,332	92,506	81,969	353,486	
Rents	200,190	200,190	200,190	200,190	800,757	
Miscellaneous Income	12,783	10,174	11,863	10,514	45,332	
Interest	13,464	10,717	12,496	11,073	47,751	
<b>Total Other Revenue</b>	<b>433,641</b>	<b>385,990</b>	<b>416,843</b>	<b>392,169</b>	<b>1,628,639</b>	
<b>TOTAL REVENUE</b>	<b>5,950,578</b>	<b>4,776,777</b>	<b>5,536,779</b>	<b>4,928,949</b>	<b>21,193,076</b>	
<b>EXPENSES</b>						
Transmission-Operations	11,974	11,974	11,974	11,974	47,895	
Transmission-Maintenance	11,977	11,977	11,977	11,977	47,909	
Distribution-Operations	468,156	468,156	468,156	468,156	1,872,625	
Distribution-Maintenance	705,904	705,904	705,904	705,904	2,823,617	
Meter Reading	26,713	26,713	26,713	26,713	106,851	
Billing & Collecting	277,633	277,633	277,633	277,633	1,110,530	
Customer Service & Information	50,626	50,626	50,626	50,626	202,505	
Rebates & Inspections	9,615	9,615	9,615	9,615	38,458	
Administrative O & M	542,308	542,308	542,308	542,308	2,169,233	
Economic Development	17,812	17,812	17,812	17,812	71,247	
Employee Benefits, FICA & Safety	709,882	709,882	709,882	709,882	2,839,527	
Depreciation	1,159,032	1,195,252	1,219,398	1,255,618	4,829,299	
Tax Equivalents	516,311	516,311	516,311	516,311	2,065,242	
Acquisition Adjustment	6,996	6,996	6,996	6,996	27,984	
Interest on Deposits	5,653	5,653	5,653	5,653	22,610	
Interest on Bonds	112,377	119,706	124,592	131,921	488,595	
Bond Cost Amortization	5,973	5,973	5,973	5,973	23,892	
<b>TOTAL EXPENSES</b>	<b>4,638,942</b>	<b>4,682,491</b>	<b>4,711,523</b>	<b>4,755,072</b>	<b>18,788,019</b>	
<b>NET INCOME</b>	<b>1,311,636</b>	<b>94,286</b>	<b>825,256</b>	<b>173,877</b>	<b>2,405,056</b>	

CLEVELAND UTILITIES ELECTRIC DIVISION CAPITAL BUDGET FY 2018		
	DESCRIPTION	FY 2018
<b>B</b>	<b>Buildings &amp; Grounds</b>	
1	Upgrade application clerk's area in main lobby	10,000
2	Upgrade the main buildings exterior, to include drive-thru plans, and a new sign	300,000
3	Window replacements in the main building	100,000
4	Purchase and install metal shelving and drum rack for substation department	8,000
5	Office renovation in the operations building	45,000
6	Call Center renovations	
7	Replace existing fence from the storeroom to the corner with new fencing that includes lace	16,000
8	New kiosk on the south end of the system	20,000
9	Shelving for garage	20,000
	<b>Total</b>	<b>519,000</b>
<b>C</b>	<b>Computers</b>	
1	Network components and upgrades (IS Dept.)	9,000
2	VM-Ware V-Sphere	5,000
3	AMI/Orbit Dell Compellant storage for DR	25,000
4	Elster EAMS / NetSense upgrade version 10.2	30,000
5	Website Update	5,000
6	Social Media	5,000
7	Network Storage Devices	14,000
8	Network Printers	10,000
9	Network Server Replacements or Upgrades	10,000
10	AMI Equipment Replacement / New	10,000
11	Watchguard / Barracuda upgrades / redundancy	11,000
12	Off-Site Disaster Recovery	37,000
13	Phone System Redundancy	17,000
	<b>Total</b>	<b>188,000</b>
<b>D</b>	<b>Supervisory Control</b>	
1	Upgrade to Prism 11 - ACS SCADA	12,000
2	Replace NTU at Lang Street Substation with a SEL RTAC	20,000
	<b>Total</b>	<b>32,000</b>
<b>E</b>	<b>Engineering</b>	
1	Replacement color plotter / scanner for Engineering Department	15,000
2	Replacement laser equipment	3,000
3	Milsoft Map Software	25,000
4	Transformer Loading Software	25,000
	<b>Total</b>	<b>68,000</b>
<b>F</b>	<b>Transportation</b>	
1	Replacement Tool Box : Roll Cab with hardwood worktop	3,000
2	Forklift that will be shared between Operations	32,000
3	Unit #113 - 4WD SUV	30,000
4	Unit #102 - 3/4 ton pickup, flat bed with lift gate	38,000
5	Unit #138 - 41' Bucket Truck	220,000
6	Unit #175 - line truck Terex "Commander" Digger Derrick	320,000
7	Unit #107 - 65' Bucket Truck	230,000
	<b>Total</b>	<b>873,000</b>
<b>G</b>	<b>Geographical Information System</b>	
1	ESRI Software	22,000
2	ESRI Enterprise	4,000
3	Network Storage Devices	2,000
4	Planimetric Updates	3,000
5	Wi-Fi additions / replacements	1,000
6	Fleet management additions	2,000
	<b>Total</b>	<b>34,000</b>
<b>H</b>	<b>Commercial Load Additions</b>	
1	Install primary, transformers, meters and other necessary facilities to serve new commercial customers	200,000
	<b>Total</b>	<b>200,000</b>
<b>I</b>	<b>Industrial Load Additions</b>	
1	Install primary, transformers, meters and other necessary facilities to serve new industrial customers	150,000
	<b>Total</b>	<b>150,000</b>
<b>J</b>	<b>Residential - Overhead Load Additions</b>	
1	Install overhead primary facilities, transformers, meters and service conductors	30,000
	<b>Total</b>	<b>30,000</b>
<b>K</b>	<b>Residential - Underground Load Additions</b>	
1	Install underground primary facilities, pad mounted transformers, meters, underground services and conduit systems	650,000
	<b>Total</b>	<b>650,000</b>
<b>L</b>	<b>Line Construction</b>	
1	Copper to AAC conversion projects.	25,000
2	Install 4 new gang operated topper switches 13KV.	50,000
3	Construct new 3-phase line for New South Industrial Park Phase I	150,000
4	Construct new 3-phase line for New South Industrial Park Phase II	300,000
5	District to Lang Street reconductor Phase II	380,000
6	Purchase and installation of equipment for Distribution Automation Project	300,000
7	Purchase of 4 - capacitor banks	25,000
8	Purchase and install new 2- 69kV gang operated switches to include interrupters	100,000
9	Purchase and install fault indicators	15,000

**CLEVELAND UTILITIES  
ELECTRIC DIVISION  
CAPITAL BUDGET FY 2018**

		FY 2018
	DESCRIPTION	
10	12-single phase S&C reclosers	40,000
11	3 phase line on Freewill Rd and 22nd Street (Joint use with VEC)	250,000
12	Reconductor Benton Pike	300,000
13	Purchase 75 - Multi Conductor Travelers, 1- Distribution running board w/swivels, and 1- Distribution running ground	62,000
	<b>Total</b>	<b>1,997,000</b>
<b>M</b>	<b>Meter Lab</b>	
1	Purchase new AMI single and three phase meters	150,000
2	Purchase of metering transformers (secondary)	6,000
	<b>Total</b>	<b>156,000</b>
<b>N</b>	<b>Substation</b>	
1	Purchase of Filmax Oil Processor	27,000
2	Purchase Omicron Arco 400	27,000
3	Purchase replacement Digital Low Resistant Ohm Meter	7,000
4	Purchase automated six-winding transformer ohmmeter	10,000
5	Purchase High Voltage Tester	3,000
6	Purchase Greenlee Punch Set	2,000
7	Purchase new table saw for Substation Department	2,000
8	Replace batteries at Fletcher Substation	12,000
9	Replace batteries at Lang Street Substation	12,000
10	New breaker for SC664 at South Cleveland	45,000
11	Purchase and install oil containment system at District Substation	15,000
12	Purchase and install two SEL 735 Meters in place of two Ion Meters	6,000
13	Purchase 4 - 13kV Mag Breakers with SEL 351S relays	100,000
14	Site plan and Phase I of South Industrial Park Substation	1,000,000
	<b>Total</b>	<b>1,268,000</b>
<b>O</b>	<b>Office</b>	
1	Office furniture and equipment	15,000
2	Call Center Construction	25,000
	<b>Total</b>	<b>40,000</b>
<b>P</b>	<b>Meter Field Equipment</b>	
1	Purchase 1 Handheld Metercat	5,000
	<b>Total</b>	<b>5,000</b>
<b>Q</b>	<b>Electronic/Communications/Fiber</b>	
1	Purchase and installation of fiber for Distribution Automation project	50,000
2	Portable and Mobile radios for stock	10,000
3	New console for Dispatch and 911 Center	12,000
4	Misc. Fiber Equipment (Clearfield box, jumpers, etc.)	10,000
	<b>Total</b>	<b>82,000</b>
<b>R</b>	<b>Storeroom</b>	
1		
	<b>Total</b>	<b>-</b>
<b>T</b>	<b>Traffic Lighting</b>	
1	Detection Upgrades	128,000
2	Comm and controller upgrades	30,000
3	Rebuild / Rewires / Upgrades	35,000
4	LED conversions and rewiring	20,000
5	Maintenance parts and equipment	60,000
6	New Intersection	95,000
7	Pedestrian Signals	36,000
	<b>Total</b>	<b>404,000</b>
<b>U</b>	<b>Street Lighting</b>	
1	Silver Springs (Old Freewill Rd)	7,000
2	Kensington Park Phase II	2,000
3	Old Freewill Village	1,000
4	Timber Creek Phase II	8,000
5	Weeks Drive Townhomes	2,000
6	Spring Creek Cove	3,000
7	Pleasant Grove Church Road / Humphrey Bridge Road	14,000
8	Stone Lake Road / Mason Road	13,000
9	Brookbridge	2,000
10	Victory Cove Phase II	3,000
11	Brook Hollow	3,000
12	Industrial Park Lighting	21,000
13	Hi-Mast Conversion to LED (1 structure)	57,000
14	Lighting between Interchange Exit and Exit#20	160,000
15	Greenway lighting - Tinsley Park to North Ocoee Street	135,000
	<b>Total</b>	<b>431,000</b>
<b>V</b>	<b>Security Lighting</b>	
1	Routine security light projects	125,000
	<b>Total</b>	<b>125,000</b>
<b>Z</b>	<b>Fiber Optics</b>	
1	Purchase spare ADSS cable for various projects	25,000
2	Maintenance fiber rings (sno-shoes, splice enclosures, drops, etc.)	25,000
3	Fiber Build Out	100,000
	<b>Total</b>	<b>150,000</b>
	<b>Grand Total</b>	<b>7,402,000</b>

<b>CLEVELAND UTILITIES ELECTRIC DIVISION 5YR PROJECTED CAPITAL BUDGET FY 2019 - FY 2023</b>					
	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
<b>DESCRIPTION</b>					
<b>MAJOR PROJECTS PLAN</b>					
1 Industrial, Commercial, Residential oh & ug service, line construction projects, substation projects	2,500,000	2,600,000	2,700,000	2,800,000	2,900,000
2 Garage, GIS, Computers, Engineering, SCADA, Meter Lab, Electronics, Fiber, Office Furn.	236,000	295,000	300,000	310,000	330,000
3 Street Lighting, security lighting, and traffic lighting (LED lighting projects)	550,000	560,000	570,000	580,000	590,000
4 Buildings and Grounds	100,000	110,000	120,000	130,000	150,000
<b>Annexation Projects:</b>					
5 Future annexation cost in building new facilities and paying revenue cost to local co-op.	280,000	280,000	280,000	280,000	280,000
<b>Major Line Projects (69KV &amp; 13 KV):</b>					
6 District to Lang Street reconductor Phase III	400,000				
7 Purchase and install of equipment for Distribution Automation	310,000	320,000	330,000	340,000	350,000
8 East Cleveland 69KV addition of 4th circuit Phase I - Line Design & R.O.W. acquisition	200,000				
9 East Cleveland 69KV addition of 4th circuit Phase II - Line Construction		250,000			
10 East Cleveland 69KV addition of 4th circuit Phase III - Line Construction			250,000		
11 Construct new 13KV circuit out of Sequoia substation to serve North Lee Hwy Phase I.			300,000		
12 Construct new 13KV circuit out of Sequoia substation to serve North Lee Hwy Phase II.				300,000	
13 Complete double conductor of SC614 along APD-40 Phase I			600,000		
14 Complete double conductor of SC624 along South Lee Hwy				600,000	
15 North Lee Hwy Annexation	700,000				
<b>Smart Grid and AMI projects:</b>					
16 Fiber Optics/New Smart Grid Equipment/Distribution Automation	200,000	200,000	200,000	200,000	200,000
17 AMI Metering (software, meters, communications, etc.)	75,000	75,000	75,000	75,000	75,000
<b>Substation Projects:</b>					
18 Install new control house, relaying, ground switch, batteries & charger @ Springbrook Substation	250,000				
19 Install new control house, relaying, ground switch, batteries & charger @ Wildwood substation		250,000			
20 Install new control house, relaying, ground switch, batteries & charger @ Burlington Substation			250,000		
21 Install new control house, relaying, ground switch, batteries & charger @ Payne Gap Substation				250,000	
22 Expand Ocoee Substation to include additional transformer and control building					1,250,000
23 Site work at Burlington Substation			175,000		
24 Construct new Exit 20 Industrial Park Substation (Phase II)	1,000,000				
25 Lang St Substation - Construction (Phase I)	1,000,000				
26 Lang St Substation - Construction (Phase II)		1,750,000			
27 Purchase and install privacy/security fence on three sides of Mouse Creek Substation			250,000		
28 Purchase property for future substation site				250,000	
29 Begin development and site work on future substation				500,000	500,000
<b>Utility Vehicle Replacements:</b>					
30 Unit #118 - 55' Bucket Truck	280,000				
31 Unit #179 - 55' Bucket Truck		280,000			
32 Unit #112 - 65' Bucket Truck	280,000				
33 Unit #106 - Int 4700 Flatbed	40,000				
34 Unit #181 - Ditch Witch Boring Machine			320,000		
35 Unit #182 - Ditch Witch Tank and Mixer			50,000		
36 Unit #149 - Komatsu Fork Lift		60,000			
37 Unit #144 - 35' Bucket		175,000			
38 Unit #101 - 1/2 Ton Pickup			35,000		
39 Unit #119 - 1/2 Ton Pickup			35,000		
40 Unit #176 - 1/2 Ton Pickup			35,000		
41 Unit #110 - 3/4 Ton with utility bed				55,000	
42 Unit #116 - 3/4 Ton with utility bed				55,000	
43 Unit #139 - 1/2 Ton Pickup					36,000
44 Unit #104 - 1/2 Ton Pickup					36,000
45 Unit #143 - Standby Bucket Truck					250,000
<b>Miscellaneous Projects:</b>					
46 Remote customer service office on south end of service area				250,000	
47 Industrial Park Investment	100,000	100,000	100,000	100,000	100,000
48 Pole yard renovations on Guthrie Drive (pole racks and sheds)			210,000		
49 Pole yard renovations at the Harrison Property (pole racks)		150,000			
<b>TOTAL</b>	<b>8,501,000</b>	<b>7,455,000</b>	<b>7,185,000</b>	<b>7,075,000</b>	<b>7,047,000</b>

## 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 752 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 2018 Budget calls for improvement in the water system totaling \$5,734,450.

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 364 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 2016 Actual	FY 2017 Projected	FY 2018 Proposed
MG of Treated Water Pumped	3,767,937,079	4,116,503,134	3,774,584,470
MG of Treated Water Sold	2,838,000,000	3,087,200,000	2,830,800,000
% of Treated Water Loss	24.68%	25.00%	25.00%
MG of Treated Wastewater	4,005,970,000	1,932,000,000	1,867,800,000
% Inflow/Infiltration	54.87%	55.00%	55.50%
Number of Water Customers			
Residential	27,514	27,592	27,672
Commercial	3,148	3,130	3,140
Irrigation	558	546	550
Total	31,220	31,268	31,362
Number of Wastewater Customers			
Residential	15,981	16,029	16,078
Commercial	2,576	2,566	2,571
Industrial	61	62	63
Total	18,618	18,657	18,712
Total Revenues (Combined)	27,293,206	30,396,292	29,286,654
Net Income (Combined)	4,112,073	4,210,527	2,744,796
*Investment in Plant and Equipment	12,576,055	12,711,592	20,186,358
Long-term Debt	50,605,140	53,758,286	61,616,502
# of Customers per W/WW Employee	461	427	439

\*Funded from revenue and debt

## *Cleveland Utilities-Water/Wastewater System Budget Summary*

	FY 2016 ACTUAL	FY 2017 BUDGETED	FY 2018 PROPOSED
<b>Revenues for Water System</b>			
Residential	\$ 8,694,934	\$ 9,097,354	\$ 9,659,263
Commercial	4,295,382	4,427,884	4,614,763
Irrigation	514,012	515,716	607,307
Change in Accrued Revenue	136,020	-	-
<b>Total Water Revenue</b>	<b>\$ 13,640,348</b>	<b>\$ 14,040,953</b>	<b>\$ 14,881,332</b>
Sewer Revenues	\$ 11,378,575	\$ 11,886,580	\$ 12,153,320
Other Operating Revenue	2,225,710	2,318,659	2,220,685
Interest	48,573	39,667	31,317
<b>Total Other Revenues</b>	<b>\$ 13,652,858</b>	<b>\$ 14,244,906</b>	<b>\$ 14,405,322</b>
<b>Total Revenues</b>	<b>\$ 27,293,206</b>	<b>\$ 28,285,859</b>	<b>\$ 29,286,654</b>
<b>Operating Expense</b>			
Operations	\$ 10,885,738	\$ 11,777,389	\$ 12,102,683
Maintenance	2,331,358	2,252,743	2,275,439
Depreciation and Amortization	5,668,029	5,823,754	5,883,138
Tax Equivalent & FICA	3,697,707	3,553,891	4,775,740
<b>Total Operating Expenses</b>	<b>\$ 22,582,832</b>	<b>\$ 23,407,777</b>	<b>\$ 25,037,000</b>
Interest Expense	\$ 1,524,614	\$ 1,716,560	\$ 1,504,858
<b>Total Other Expenses</b>	<b>\$ 1,524,614</b>	<b>\$ 1,716,560</b>	<b>\$ 1,504,858</b>
<b>Total Expenses</b>	<b>\$ 24,107,446</b>	<b>\$ 25,124,337</b>	<b>\$ 26,541,858</b>
<b>Operating Income (Loss)</b>	<b>\$ 3,185,760</b>	<b>\$ 3,161,522</b>	<b>\$ 2,744,796</b>
Contribution In Aid of Construction	\$ 926,313	\$ -	\$ -
<b>Net Revenues</b>	<b>\$ 4,112,073</b>	<b>\$ 3,161,522</b>	<b>\$ 2,744,796</b>

**CLEVELAND UTILITIES - WATER  
CASH FLOW ANALYSIS  
FY 2018**

**Sources of Cash:**

**Net Income** **\$ 1,229,248**

Add:	Non-Cash Items	
	Depreciation - Expensed	\$ 2,544,498
	Depreciation - Cleared	179,096
	Amortization	<u>7,256</u>

Total Non-Cash Items 2,730,850

**Total Cash Generated From Operations** **\$ 3,960,098**

Add:	Beginning Cash Balance	\$ 2,043,082
	Bond Issues (Net)	\$ 3,995,000
	Grants & Contributions In Aid	\$ 200,000
	GASB 45 Adjustment	\$ (478,944)
	GASB 68 Adjustment	\$ 208,106

**Total Cash Available** **\$ 9,927,342**

**Uses of Available Cash:**

Debt Repayment - Bonds/Loans	\$ 1,964,811
Capital Improvements & Additions	<u>5,734,450</u>

**Total Uses of Cash** **\$ 7,699,261**

**Cash at End of Year** **\$ 2,228,081**

Less Sinking Fund Requirements 733,858

**Unrestricted** **\$ 1,494,223**

**CLEVELAND UTILITIES - WATER**  
**Financial Forecast**  
**For the Year Ending June 30, 2018**

<b>2018 Budget</b>						
	<b>1ST QTR</b>	<b>2ND QTR</b>	<b>3RD QTR</b>	<b>4TH QTR</b>	<b>TOTAL</b>	<b>GALLONS (000)</b>
<b>REVENUES</b>						
Residential-Inside	1,141,515	967,232	910,038	989,817	4,008,602	753,342
Residential-Outside	1,563,464	1,352,419	1,330,439	1,404,338	5,650,660	643,917
Small Commercial-Inside	626,406	543,250	514,584	557,711	2,241,951	524,092
Small Commercial-Outside	181,191	153,141	138,250	149,630	622,212	91,400
Large Commercial-Inside	427,286	383,602	361,577	409,372	1,581,837	661,900
Large Commercial-Outside	24,768	27,579	37,996	72,710	163,053	39,838
Irrigation-Inside	214,086	107,317	75,287	120,830	517,520	108,844
Irrigation-Outside	41,266	18,120	11,295	19,104	89,785	11,535
Resale	1,594	2,119	1,123	872	5,708	2,912
<b>Total Water Revenue</b>	<b>4,221,576</b>	<b>3,554,779</b>	<b>3,380,589</b>	<b>3,724,384</b>	<b>14,881,332</b>	<b>2,837,780</b>
<b>OTHER REVENUE</b>						
Sprinkler Taps & Service	64,325	54,164	51,510	56,748	226,748	
Access Fees	88,601	74,605	70,950	78,165	312,321	
HUC Reimbursement	92,360	77,771	73,961	81,482	325,575	
Customer Penalties	57,798	48,670	46,285	50,990	203,745	
Miscellaneous (Service Revenue)	84,023	70,752	67,285	74,128	296,189	
Interest	3,895	3,279	3,119	3,435	13,729	
<b>Total Other Revenue</b>	<b>391,002</b>	<b>329,241</b>	<b>313,110</b>	<b>344,948</b>	<b>1,378,307</b>	
<b>TOTAL REVENUE</b>	<b>4,612,578</b>	<b>3,884,020</b>	<b>3,693,699</b>	<b>4,069,332</b>	<b>16,259,639</b>	
<b>EXPENSES</b>						
Purchased Water	698,261	587,970	559,160	616,024	2,461,415	
T & D Operations	393,318	393,318	393,318	393,318	1,573,277	
T & D Maintenance	268,317	268,317	268,317	268,317	1,073,271	
Pumping Expense	508,379	428,081	407,104	448,505	1,792,070	
Meter Reading	38,118	38,118	38,118	38,118	152,477	
Billing & Collecting	172,161	172,161	172,161	172,161	688,639	
Customer Service & Information	13,614	13,614	13,614	13,614	54,451	
Administrative O & M	301,533	301,533	301,533	301,533	1,206,134	
Employee Benefits, FICA & Safety	609,996	609,996	609,996	609,996	2,439,987	
Depreciation	610,679	629,764	642,486	661,570	2,544,498	
Interest	170,396	181,509	188,917	200,030	740,852	
Bond Costs Amortization	17,856	17,856	17,856	17,856	71,420	
Tax Equivalent	57,975	57,975	57,975	57,975	231,900	
<b>TOTAL EXPENSES</b>	<b>3,860,603</b>	<b>3,700,212</b>	<b>3,670,555</b>	<b>3,799,017</b>	<b>15,030,391</b>	
<b>NET INCOME (LOSS)</b>	<b>751,975</b>	<b>183,808</b>	<b>23,144</b>	<b>270,315</b>	<b>1,229,248</b>	

**CLEVELAND UTILITIES - WASTEWATER  
CASH FLOW ANALYSIS  
FY 2018**

**Sources of Cash:**

**Net Income** **\$ 1,515,548**

Add:	Non-Cash Items		
	Depreciation - Expensed	\$ 3,265,248	
	Depreciation - Cleared	55,573	
	Amortization	51,179	
	Total Non-Cash Items		3,372,000

**Total Cash Generated From Operations** **\$ 4,887,548**

Add:	Beginning Cash Balance		6,812,899
	CWSRF Loan Forgiveness (Grant)		125,000
	GASB 68 Adjustment		(295,660)
	Bond Issues (Net)		8,236,979
	Grants & Contribution In Aid		50,000
	Sale of Mouse Creek WWTP		5,000
	GASB 45 Adjustment		156,128

**Total Cash Available** **\$ 19,977,894**

**Uses of Available Cash:**

Debt Repayment - Bonds/Loans	\$ 2,408,951	
Capital Improvements & Additions	14,451,908	

**Total Uses of Cash** **16,860,859**

**Cash at End of Year** **\$ 3,117,035**

Less Sinking Fund Requirements \$ 1,549,948

**Unrestricted** **\$ 1,567,087**

**CLEVELAND UTILITIES - WASTEWATER  
FINANCIAL FORECAST  
For the Year Ending June 30, 2018**

2018 Budget						
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	GALLONS (000)
<b>REVENUES</b>						
Residential-Inside	1,339,197	1,292,959	1,304,312	1,272,440	5,208,908	747,064
Residential-Outside	109,053	100,428	106,815	114,296	430,592	37,032
Small Commercial - Inside	956,230	899,806	886,657	899,683	3,642,376	538,374
Small Commercial - Outside	73,260	76,501	77,675	82,045	309,481	39,434
Large Commercial - Inside	684,819	615,123	578,758	649,468	2,528,168	502,185
Large Commercial - Outside	9,278	7,663	8,461	8,394	33,796	3,703
<b>Total Wastewater Revenue</b>	<b>3,171,837</b>	<b>2,992,480</b>	<b>2,962,678</b>	<b>3,026,326</b>	<b>12,153,320</b>	<b>1,867,792</b>
<b>OTHER REVENUE</b>						
Access Fees	55,551	52,409	51,887	53,003	212,847	
Miscellaneous Revenue	108,968	102,806	101,783	103,968	417,525	
Interest	4,590	4,331	4,288	4,380	17,588	
Customer Penalties	58,914	55,582	55,029	56,210	225,735	
<b>Total Other Revenue</b>	<b>228,023</b>	<b>215,128</b>	<b>212,987</b>	<b>217,561</b>	<b>873,695</b>	
<b>TOTAL REVENUE</b>	<b>3,399,860</b>	<b>3,207,608</b>	<b>3,175,665</b>	<b>3,243,887</b>	<b>13,027,015</b>	
<b>EXPENSES</b>						
Wastewater Plant-Operations	360,820	340,417	337,026	344,267	1,382,529	
Wastewater Plant-Maintenance	380	359	356	364	1,459	
Wastewater Plant-Operations-Biosolids	61,319	57,852	57,276	58,507	234,954	
Wastewater Plant-Maintenance-Biosolids	0	0	0	0	0	
Wastewater Collection Operations	65,943	65,943	65,943	65,943	263,774	
Wastewater Collection Maintenance	34,812	34,812	34,812	34,812	139,246	
Wastewater Collection Operations MOM	83,412	83,412	83,412	83,412	333,647	
Wastewater Collection Maintenance MOM	112,692	112,692	112,692	112,692	450,769	
Wastewater Rehab Operations MOM	1,008	1,008	1,008	1,008	4,028	
Wastewater Rehab Maintenance MOM	12	12	12	12	53	
Administration Operations	164,613	164,613	164,613	164,613	658,457	
Administration Operations MOM	6,510	6,510	6,510	6,510	26,039	
Engineering Operations	56,283	56,283	56,283	56,283	225,132	
Engineering Operations MOM	1,881	1,881	1,881	1,881	7,520	
E & R Wastewater Plant Operations	45,973	43,373	42,942	43,864	176,155	
E & R Wastewater Plant Maintenance	3,019	2,848	2,819	2,881	11,568	
E & R Operations FOG MOM	13,878	13,878	13,878	13,878	55,514	
E & R Maintenance FOG MOM	0	0	0	0	0	
E & R Operations SM MOM	1,182	1,182	1,182	1,182	4,727	
E & R Maintenance SM MOM	0	0	0	0	0	
Facilities Maintenance Operations WWTP	0	0	0	0	0	
Facilities Maintenance Maintenance WWTP	133,578	126,025	124,769	127,449	511,821	
Facilities Maintenance Operations MOM	64,965	64,965	64,965	64,965	259,862	
Facilities Maintenance Maintenance MOM	21,813	21,813	21,813	21,813	87,252	
Customer Records and Collection	105,426	105,426	105,426	105,426	421,705	
Customer Service and Assistance	16,380	16,380	16,380	16,380	65,517	
Employee Benefits, FICA & Safety	472,917	472,917	472,917	472,917	1,891,673	
Meter Reading	13,665	13,665	13,665	13,665	54,663	
Depreciation	783,660	808,149	824,475	848,964	3,265,248	
Tax Equivalent	53,046	53,046	53,046	53,046	212,180	
Interest	153,647	163,667	170,348	180,368	668,030	
Bond Costs Amortization	24,486	24,486	24,486	24,486	97,947	
<b>TOTAL EXPENSES</b>	<b>2,857,320</b>	<b>2,857,614</b>	<b>2,874,935</b>	<b>2,921,588</b>	<b>11,511,467</b>	
<b>NET INCOME (LOSS)</b>	<b>542,540</b>	<b>349,994</b>	<b>300,730</b>	<b>322,299</b>	<b>1,515,548</b>	

## **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 as outlined below:

**Fleet Management Fund:** This fund is used to account for the maintenance of all vehicles owned by the City of Cleveland. This fund is being consolidated into the General Fund of the Public Works Department for FY 2018.

**Health Insurance Trust Fund:** This fund is used to account for the medical claims and administration costs of the city employees.

## *Fleet Management Fund*

### *Programs, Services, and Functions:*

In FY2018, Fleet Management was moved to the General Fund.

SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$663,036	\$715,692	\$650,550	\$0	-100.0%
Personnel	\$448,364	\$460,752	\$464,709	\$0	-100.0%
Operating	\$222,953	\$247,056	\$219,899	\$0	-100.0%
Capital Outlay & Debt Service	\$1,687	\$7,500	\$7,500	\$0	-100.0%
Total Expenditures	\$673,004	\$715,308	\$692,108	\$0	-100.0%
<b>NET INCOME</b>	<b>(\$9,968)</b>	<b>\$384</b>	<b>(\$41,558)</b>	<b>\$0</b>	<b>-100.0%</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$1,273,813</b>	<b>\$1,263,845</b>	<b>\$1,263,845</b>	<b>\$1,222,287</b>	<b>-3.3%</b>
<b>ENDING FUND BALANCE</b>	<b>\$1,263,845</b>	<b>\$1,264,229</b>	<b>\$1,222,287</b>	<b>\$1,222,287</b>	<b>0.0%</b>

## *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	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$3,715,175	\$3,537,484	\$3,538,484	\$3,714,359	5.0%
Claims	\$2,978,940	\$2,831,206	\$2,831,206	\$2,966,285	4.8%
Administrative Fees	\$552,653	\$644,072	\$644,072	\$648,004	0.6%
Total Expenditures	\$3,531,593	\$3,475,278	\$3,475,278	\$3,614,289	0.0%
<b>NET INCOME</b>	<b>\$183,582</b>	<b>\$62,206</b>	<b>\$63,206</b>	<b>\$100,070</b>	58.3%
<b>BEGINNING FUND BALANCE</b>	<b>\$0</b>	<b>\$183,582</b>	<b>\$183,582</b>	<b>\$246,788</b>	34.4%
<b>ENDING FUND BALANCE</b>	<b>\$183,582</b>	<b>\$245,788</b>	<b>\$246,788</b>	<b>\$346,858</b>	40.5%

## 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 maintain one Trust Fund as outlined below:

**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 improved the animal control building and equipment needed to operate this division of the City.

## *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 control when enough funds have been generated.

SUMMARY	FY2016 Actual	FY2017 Original	FY2017 Amended	FY2018 Adopted	Percentage Change
Total Revenues	\$1,216	\$1,000	\$1,500	\$1,500	0.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$0	\$0	\$0	\$0	0.0%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$0	0.0%
Total Expenditures	\$0	\$0	\$0	\$0	0.0%
<b>NET INCOME</b>	<b>\$1,216</b>	<b>\$1,000</b>	<b>\$1,500</b>	<b>\$1,500</b>	0.0%
<b>BEGINNING FUND BALANCE</b>	<b>\$466,030</b>	<b>\$467,246</b>	<b>\$467,246</b>	<b>\$468,746</b>	0.3%
<b>ENDING FUND BALANCE</b>	<b>\$467,246</b>	<b>\$468,246</b>	<b>\$468,746</b>	<b>\$470,246</b>	0.3%
FTE's	0	0	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.

**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 1<sup>st</sup> through June 30<sup>th</sup>.

**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 Levy** - 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.

**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.

**Stormwater Utility Fee** – Revenues generated 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.

**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*

<b>ACCRA</b>	American Chamber of Commerce Research Assoc. aka Council for Comm. and Econ. Research	<b>EDC</b>	Economic Development Council
<b>ACT</b>	American College Test	<b>ERU</b>	Equivalent Residential Unit
<b>ADA</b>	American with Disabilities Act	<b>ESOL</b>	English as a Second or Other Language
<b>ADA</b>	Average Daily Attendance	<b>FAA</b>	Federal Aviation Administration
<b>ADM</b>	Average Daily Membership	<b>FASB</b>	Financial Accounting Standards Board
<b>AED</b>	Automated External Defibrillator	<b>FBO</b>	Fixed Base Operator
<b>AMI</b>	Advanced Metering Infrastructure	<b>FHWA</b>	Federal Highway Administration
<b>BCEMS</b>	Bradley County Emergency Medical Service	<b>FLSA</b>	Fair Labor Standards Act
<b>BCRS</b>	Bradley County Rescue Squad	<b>FMLA</b>	Family Medical Leave Act
<b>BCVFD</b>	Bradley County Volunteer Fire Department	<b>FOLA</b>	Friends of the Library Association
<b>BEP</b>	Basic Education Program	<b>FTA</b>	Federal Transit Administration
<b>BFI</b>	Browning-Ferris Industries	<b>FTE</b>	Full Time Equivalency
<b>CAFR</b>	Comprehensive Annual Financial Report	<b>GAAP</b>	Generally Accepted Accounting Principles
<b>CALEA</b>	Communications Assistance in Law Enforcement Act	<b>GASB</b>	Governmental Accounting Standards Board
<b>CBCPL</b>	Cleveland Bradley County Public Library	<b>GED</b>	General Equivalency Diploma
<b>CCS</b>	Cleveland City Schools Community Development Block Grant	<b>GFOA</b>	Government Finance Officer Association
<b>CFD</b>	Cleveland Fire Department	<b>GIS</b>	Geographic Information System
<b>CHS</b>	Cleveland High School	<b>GLTDAG</b>	General Long Term Debt Accounting Group
<b>CID</b>	Criminal Investigations Division	<b>GO</b>	General Obligation
<b>CINI</b>	Capital Improvement Needs Inventory	<b>GPS</b>	Global Positioning System
<b>CIP</b>	Capital Improvements Program	<b>HCI</b>	Healthy Community Initiative
<b>COLA</b>	Cost of Living Adjustment	<b>HUD</b>	Housing and Urban Development
<b>CPI</b>	Consumer Price Index	<b>ICEAS</b>	Intermittent Cycle Extended Aeration System
<b>CPR</b>	Cardiopulmonary Resuscitation	<b>ISO</b>	Insurance Services Office
<b>CRJ</b>	Cleveland Regional Jetport	<b>KRZR</b>	Cleveland Regional Jetport
<b>CSA</b>	Central Service Association	<b>KWH</b>	Kilowatt-Hour
<b>CUAMPO</b>	Cleveland Urban Area Metro Planning Org.	<b>LEAF</b>	Law Enforcement Academic and Fitness Academy
<b>CUB</b>	Cleveland Utilities Board	<b>LGIP</b>	Local Government Investment Pool
<b>DARE</b>	Drug Awareness and Resistance Education	<b>LIC</b>	Local Interstate Connector
<b>DEFY</b>	Drug Education for Youth	<b>LMI</b>	Low and Moderate Income
<b>ECD</b>	Bradley County E 911 ECD	<b>LRTP</b>	Long Range Transportation Plan
<b>NCIC</b>	National Crime Information Center	<b>MPO</b>	Metropolitan Planning Organization
<b>NDB</b>	Non-Directional Beacon	<b>MSDS</b>	Material Safety Data Sheets
<b>NPDES</b>	National Pollutant Discharge Elimination System	<b>SR-2</b>	Soil Restoration and Recycling
		<b>STP</b>	Surface Transportation Program
		<b>TAMP</b>	Traffic Access Management Program

## *Acronyms*

<b>OPEB</b>	Other Post-Employment Benefits	<b>TCA</b>	Tennessee Code Annotated
<b>OSHA</b>	Occupational Safety and Health Administration	<b>TCC</b>	Technical Coordinating Committee
<b>PARTAS</b>	Parks and Recreation Technical Assistance Svc.	<b>TCRS</b>	Tennessee Consolidated Retirement System
<b>PHA</b>	Public Housing Authority	<b>TDEC</b>	Tennessee Department of Environment & Conservation
<b>PILOT</b>	Payment in Lieu of Taxes	<b>TDML</b>	Total Daily Maximum Loads
<b>PSPP</b>	Political Subdivision Pension Plan	<b>TDOT</b>	Tennessee Department of Transportation
<b>RFID</b>	Radio Frequency Identification	<b>THDA</b>	Tennessee Housing Development Agency
<b>RPO</b>	Rural Planning Organization	<b>TIP</b>	Transportation Improvement Plan
<b>RTP</b>	Recreation Trails Program	<b>TMBF</b>	Tennessee Municipal Bond Fund
<b>SBCCI</b>	Southern Building Code Congress International	<b>TML</b>	Tennessee Municipal League
<b>SCI</b>	Smart Communities Initiative	<b>TOSHA</b>	Tennessee Occupational Safety and Health Act
<b>SETHEPF</b>	State Employees, Teachers, and Higher Education Employee Pension Plan	<b>TRAC</b>	Total Resources Against Crime
<b>SETHRA</b>	Southeast Tennessee Human Resource Agency	<b>TVA</b>	Tennessee Valley Authority
<b>SFU</b>	Single Family Unit	<b>UA</b>	US Census Urban Area
<b>SRF</b>	TN State Revolving Loan Fund	<b>UPWP</b>	Unified Planning Work Program
<b>SRT</b>	Special Response Team	<b>VISTA</b>	Volunteers in Service to America

**Authorized Employees By Fund, Department, and Position Classification**

Position Classification by Fund and Department	Position Grade	FY 2015 ORIGINAL BUDGET		FY2016 ORIGINAL BUDGET		FY 2017 ORIGINAL BUDGET		FY2018 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
<b>General Fund:</b>									
<b>GENERAL GOVERNMENT AND LEGISLATIVE</b>									
Asst. to the Mayor/Legislative Liaison	29	1	0	1	0	1	0	1	0
<b>ADMINISTRATION DEPARTMENT</b>									
City Manager	34	1	0	1	0	1	0	1	0
Assistant City Manager/Operations	33	1	0	1	0	1	0	1	0
Human Resources Director	31	1	0	1	0	1	0	1	0
Risk/Safety/Wellness Manager	29	1	0	1	0	1	0	1	0
HR/Purchasing Administrator	27	1	0	1	0	1	0	1	0
Executive Secretary II	26	1	0	1	0	1	0	1	0
Social Media Relations/Grants Coord.	26	0	0	1	0	1	0	1	0
<b>FINANCE DEPARTMENT</b>									
Assistant City Manager/CFO	33	1	0	1	0	1	0	1	0
Sr. Accountant	28	1	0	1	0	1	0	1	0
Support Services Manager	27	1	0	1	0	1	0	1	0
Codes Enforcement Officer	26	0	0	1	0	1	0	1	0
Codes Enforcement Inspector	25	0	0	2	0	2	0	2	0
Municipal Court/Business Tax Clerk	24	1	0	1	0	1	0	1	0
Accounts Payable Clerk	23	1	0	1	0	1	0	1	0
Accounting Clerk	22	2	0	2	0	2	0	2	0
Codes Enforcement Clerk	22	0	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
Part-time, by FTE	N/A	0	0.2	0	0.2	0	0.2	0	0.2
<b>IT DEPARTMENT</b>									
IT Director	31	1	0	1	0	1	0	1	0
GIS Administrator	29	0	0	0	0	1	0	1	0
Network Administrator II	27	0	0	1	0	1	0	1	0
Network Administrator I	26	0	0	1	0	1	0	1	0
Computer Technician	25	0	0	1	0	1	0	1	1
<b>FIRE DEPARTMENT</b>									
Fire Chief	32	1	0	1	0	1	0	1	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	1	0	1	0	1	0	1	0
Lieutenant	27	16	0	16	0	16	0	16	0
Fire Inspector	27	3	0	3	0	3	0	3	0
Driver/Engineer	26	21	0	21	0	21	0	21	0
Executive Secretary I	25	1	0	1	0	1	0	1	0
Firefighter	25	40	0	40	0	40	0	40	0

**Authorized Employees By Fund, Department, and Position Classification**

Position Classification by Fund and Department	Position Grade	FY 2015 ORIGINAL BUDGET		FY2016 ORIGINAL BUDGET		FY 2017 ORIGINAL BUDGET		FY2018 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
<b>DEVELOPMENT &amp; ENGINEERING SERVICES</b>									
		<b>14</b>	<b>0.38</b>	<b>15</b>	<b>0.38</b>	<b>15</b>	<b>0.38</b>	<b>15</b>	<b>0.38</b>
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	1	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	0	0	0	0	1	0	1	0
Planner	27	1	0	1	0	0	0	0	0
Plans Examiner/Inspector	27	1	0	1	0	1	0	0	0
Property Maintenance Official	27	1	0	0	0	0	0	0	0
Building Inspector	26	1	0	2	0	2	0	3	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
Building Division Technician	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
<b>POLICE DEPARTMENT</b>									
		<b>103</b>	<b>2.92</b>	<b>104</b>	<b>2.92</b>	<b>103</b>	<b>2.92</b>	<b>109</b>	<b>3.1</b>
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	11	0
Support Services Manager	27	1	0	1	0	1	0	1	0
Crime Scene Technician	26	2	0	2	0	0	0	0	0
Codes Enforcement Officer*	26	1	0	1	0	0	0	0	0
Master Police Officer (2 SRO)	25+1	3	0	2	0	8	0	8	0
Police Officer/CST	25+1	0	0	0	0	2	0	2	0
Police Officer/K-9 (SRO)	25+1	2	0	2	0	3	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	37	0	30	0	34	0
Housing Officer/K-9**	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
Customer Service Tech	21	0	0	1	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 (14)	N/A	0	2.46	0	2.46	0	2.46	0	2.64
* Moved to A & F in FY 2016**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 2015 ORIGINAL BUDGET		FY2016 ORIGINAL BUDGET		FY 2017 ORIGINAL BUDGET		FY2018 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
<b>PUBLIC WORKS-OPERATIONS</b>									
		<b>21</b>	<b>0.375</b>	<b>21</b>	<b>0.375</b>	<b>21</b>	<b>0.5</b>	<b>25</b>	<b>0.5</b>
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	2	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
MEO III	24	2	0	2	0	2	0	3	0
Accounting Technician	23	1	0	1	0	1	0	1	0
MEO II	23	0	0	0	0	0	0	0	0
Sign Technician	22	2	0	2	0	1	0	1	0
MEO I	22	3	0	3	0	4	0	5	0
Public Service Worker	21	5	0	5	0	5	0	6	0
P.T. Janitorial	N/A	0	0.375	0	0.375	0	0.5	0	0.5
<b>FLEET MANAGEMENT FUND:</b>									
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>
Fleet Manager	28	0	0	0	0	0	0	1	0
Auto Maintenance Supervisor	26	0	0	0	0	0	0	1	0
Mechanic III	26	0	0	0	0	0	0	3	0
Parts Manager	25	0	0	0	0	0	0	1	0
<i>*Moved to General Fund in FY 2018</i>									
<b>CLEVELAND REGIONAL JETPORT</b>									
		<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0.2</b>
Airport Manager	31	1	0	1	0	1	0	1	0
Grounds Maintenance	N/A	0	0	0	0	0	0	0	0.2
<b>ANIMAL CONTROL</b>									
		<b>8</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>0</b>
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	0	0	0	0	0	0
<b>COLLEGE HILL RECREATION CENTER</b>									
		<b>3</b>	<b>2.2</b>	<b>4</b>	<b>1.3</b>	<b>4</b>	<b>1.3</b>	<b>4</b>	<b>1.3</b>
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	1	0	1	0	1	0
P.T. Janitorial	N/A	0	0.45	0	0.55	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 2015 ORIGINAL BUDGET		FY2016 ORIGINAL BUDGET		FY 2017 ORIGINAL BUDGET		FY2018 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
<b>PARKS &amp; RECREATION DEPT.</b>									
		<b>9</b>	<b>0.8</b>	<b>10</b>	<b>0.61</b>	<b>10</b>	<b>0.61</b>	<b>10</b>	<b>0.61</b>
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	1	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 I	24	0	0	1	0	1	0	1	0
MEO I	22	5	0	4	0	4	0	4	0
Seasonal, by FTE	N/A	0	0.8	0	0.61	0	0.61	0	0.61
<b>CLEVELAND COMMUNITY CENTER</b>									
		<b>4</b>	<b>3.34</b>	<b>4</b>	<b>1.96</b>	<b>4</b>	<b>1.96</b>	<b>4</b>	<b>1.96</b>
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	0.21	0	0.21	0	0.21
Seasonal, by FTE	N/A	0	2.89	0	1.75	0	1.75	0	1.75
<b>LANDSCAPING MAINTENANCE</b>									
		<b>7</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>
Forestry Inspector	26	1	0		0	1	0	1	0
General Supervisor I	26	1	0	2	0	1	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
MEO I	22	3	0	4	0	4	0	4	0
Public Service Worker	21	0	0	0	0	2	0	2	0
<b>TINSLEY PARK</b>									
		<b>0</b>	<b>7.34</b>	<b>0</b>	<b>9.11</b>	<b>0</b>	<b>9.11</b>	<b>0</b>	<b>9.11</b>
Aquatic Director	N/A	0	0.3	0	0.26	0	0.26	0	0.26
Manager-Concession	N/A	0	0.52	0	0.51	0	0.51	0	0.51
Concession Helper	N/A	0	1.04	0	0.51	0	0.51	0	0.51
Custodian	N/A	0	0.40	0	0	0	0	0	0
Laborer	N/A	0	0.42	0	0	0	0	0	0
Park Gatekeeper	N/A	0	0.08	0	0	0	0	0	0
Pool Manager	N/A	0	0.27	0	0.69	0	0.69	0	0.69
Assistant Pool Manager	N/A	0	0.27	0	1.61	0	1.61	0	1.61
Pool Gatekeeper	N/A	0	0.27	0	0.92	0	0.92	0	0.92
Lifeguard	N/A	0	3.77	0	4.61	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 2015 ORIGINAL BUDGET		FY2016 ORIGINAL BUDGET		FY 2017 ORIGINAL BUDGET		FY2018 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
<b>WATERVILLE GOLF COURSE:</b>									
		<b>6</b>	<b>3.85</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Golf Course Mgr./Superintendent	29	1	0	0	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	0	0	0	0	0	0
Mechanic I	23	1	0	0	0	0	0	0	0
Senior Greenskeeper	23	0	0	0	0	0	0	0	0
Greenskeeper	22	1	0	0	0	0	0	0	0
MEO I	22	0	0	0	0	0	0	0	0
Public Service Worker	21	1	0	0	0	0	0	0	0
Recreation Assistant	21	1	1	0	0	0	0	0	0
Seasonal, by FTE	N/A	0	2.85	0	0	0	0	0	0
<b>STORMWATER*</b>									
		<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Storm Water Coordinator	26	1	0	0	0	0	0	0	0
Storm Water Technician	25	1	0	0	0	0	0	0	0

\*Stormwater moved to a separate fund in FY2016

**Authorized Employees By Fund, Department, and Position Classification**

Position Classification by Fund and Department	Position Grade	FY 2015 ORIGINAL BUDGET		FY2016 ORIGINAL BUDGET		FY 2017 ORIGINAL BUDGET		FY2018 PROJECTED BUDGET	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
<b>Other Funds:</b>									
<b>SOLID WASTE MANAGEMENT FUND:</b>		<b>13</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>0</b>
General Supervisor	26	1	0	1	0	1	0	1	0
MEO III	24	6	0	6	0	6	0	6	0
Accounting Technician	23	1	0	1	0	1	0	1	0
MEO II	23	1	0	1	0	1	0	1	0
MEO I	22	2	0	2	0	2	0	2	0
Public Service Worker	21	2	0	2	0	2	0	2	0
<b>STATE STREET AID FUND:</b>									
		<b>11</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>11</b>	<b>0</b>
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
MEO III	24	3	0	3	0	3	0	3	0
Brick Mason	24	1	0	1	0	1	0	1	0
MEO II	23	1	0	1	0	2	0	2	0
MEO I	22	2	0	2	0	1	0	1	0
Public Service Worker	21	2	0	2	0	2	0	2	0
<b>COMMUNITY DEV. BLOCK GRANT:</b>									
		<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>
CDBG/Grant Coordinator	28	1	0	1	0	1	0	1	0
Codes Enforcement Inspector	25	1	0	1	0	1	0	1	0
<b>FLEET MANAGEMENT FUND:</b>									
		<b>7</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fleet Manager	28	1	0	1	0	1	0	0	0
Auto Maintenance Supervisor	26	1	0	1	0	1	0	0	0
Mechanic III	26	4	0	3	0	3	0	0	0
Parts Manager	25	1	0	1	0	1	0	0	0
<i>*Moved to General Fund in FY 2018</i>									
<b>STORMWATER MANAGEMENT FUND:</b>		<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>
Storm Water Coordinator	27	0	0	0	0	1	0	1	0
Storm Water Coordinator	26	0	0	1	0	0	0	0	0
Storm Water Technician	25	0	0	2	0	2	0	2	0
<b>TOTALS</b>		<b>319</b>	<b>21.78</b>	<b>324</b>	<b>18.23</b>	<b>326</b>	<b>17.36</b>	<b>336</b>	<b>17.74</b>

City of Cleveland, Tennessee  
Schematic List of Classes Grouped by Grade  
FY 18 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 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  
Municipal Court/Business Tax Clerk  
Quartermaster  
Senior Animal Control Officer  
Tree Trimmer II

City of Cleveland, Tennessee  
Schematic List of Classes Grouped by Grade  
FY 18 Salary Ranges

**Salary Grade 25**

\$35,892.06 - \$58,098.29

Building Division Technician  
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 18 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 18 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  
Fire Chief  
Parks and Recreation Director  
Police Chief  
Public Works Director

**Salary Grade 33**

\$89,916.67 - \$143,928.93

Assistant City Manager/Operations  
Assistant City Manager/CFO

**Salary Grade 34**

\$99,534.86 - \$161,116.54

City Manager

CITY OF CLEVELAND  
FY18 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  
FY18 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	40.4537	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	103,018.58	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  
 FY18 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 1<sup>st</sup> 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 use of 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 1 and ends July 31<sup>st</sup>. 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 15<sup>th</sup> 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 1<sup>st</sup> 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 15<sup>th</sup> of each month and the leave balance is provided to employees on check stubs every two weeks.

	Accrual Rates per Month		Hours Earned per Year	
	<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**

**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 16.71% 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](http://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 5<sup>th</sup> year of service as of June 30<sup>th</sup>, 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**

<sup>st</sup> 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](http://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, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	382
Inactive employees entitled to but not yet receiving benefits	342
Active employees	681
	<u>1,405</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, 2016, employer contributions were 5,424,330 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.

#### Net Pension Liability

Cleveland City's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

THE TCRS PENSION PLAN - (Cont.)

*Actuarial assumptions.* The total pension liability as of the June 30, 2015 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, 2015 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%
		<u>100%</u>

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.

*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

THE TCRS PENSION PLAN - (Cont.)

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 6/30/14	\$ 118,978,527	\$ 106,218,961	\$ 12,759,566
Changes for the year:			
Service cost	2,274,025	0	2,274,025
Interest	8,925,860	0	8,925,860
Difference between expected and actual experience	717,782	0	717,782
Contributions - employer	0	5,321,904	(5,321,904)
Contributions - employees	0	186	(186)
Net Investment income	0	3,287,610	(3,287,610)
Benefit payments	(4,482,162)	(4,482,162)	0
Administrative expenses	0	(34,427)	34,427
Net changes	<u>\$ 7,435,505</u>	<u>\$ 4,093,111</u>	<u>\$ 3,342,394</u>
Balance at 6/30/15	<u>\$ 126,414,032</u>	<u>\$ 110,312,072</u>	<u>\$ 16,101,960</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	\$ 33,109,080	\$ 16,101,960	\$ 1,907,166

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

*Pension expense.* For the year ended June 30, 2016, Cleveland City recognized pension expense of \$2,609,956.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2016, 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	\$ 598,152	\$ 169,962
Net difference between projected and actual earnings on pension plan investments	3,767,214	4,939,453
Contributions subsequent to the measurement date of June 30, 2015	<u>5,424,330</u>	<u>0</u>
Total	<u>\$ 9,789,696</u>	<u>\$ 5,109,415</u>

THE TCRS PENSION PLAN - (Cont.)

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2015," 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:

2017	\$	(627,542)
2018		(627,542)
2019		(627,542)
2020		1,018,943
2021		119,630
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, 2016, the City of Cleveland reported a payable of \$352,225, for the outstanding amount of contributions to the TCRS pension plan required at the year ended June 30, 2016.

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.

<u>Years of Service At Retirement</u>	<u>% Paid by Participant Non Police Non Fire</u>	<u>Years of Service At Retirement</u>	<u>% Paid by Participant Police &amp; Fire</u>
<15	100.00%	<15	100.00%
15	50.00%	15	50.00%
16	46.67%	16	45.00%
17	43.33%	17	40.00%
18	40.00%	18	35.00%
19	36.67%	19	30.00%
20	33.33%	20	25.00%
21	30.00%	21	20.00%
22	26.67%	22	15.00%
23	23.33%	23	10.00%
24	20.00%	24	5.00%
25	16.67%	25+	0.00%
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)	\$ 2,703,150
Interest on net OPEB obligation	469,774
Adjustment to annual required contribution	<u>(587,321)</u>
Annual OPEB cost (expense)	\$ 2,585,603
Contributions made	<u>(698,235)</u>
Increase in net OPEB obligation	\$ 1,887,368
Net OPEB obligation - June 30, 2015	<u>11,744,354</u>
Net OPEB obligation - June 30, 2016	<u>\$ 13,631,722</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
6/30/2014	\$ 2,335,316	23.07%	\$ 9,987,431
6/30/2015	2,448,747	24.58%	11,744,354
6/30/2016	2,585,603	27.00%	13,631,722

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plan as of July 1, 2015, was as follows:

Actuarial accrued liability (AAL)	\$ 28,431,428
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	<u>\$ 28,431,428</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 15,037,613
UAAL as a percentage of covered payroll	189.1%

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, 2015 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 2015 medical cost trend rate used was 9% with an ultimate medical cost trend rate of 5% projected to be reached in 2019. 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.

**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
2008		\$ 1.65	\$ 2.02	\$ 3.67
2009	Revaluation \$ 1.49	\$ 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	\$ 1.7655	\$ 1.8254	\$ 3.59
2014		\$ 1.7655	\$ 1.8721	\$ 3.64
2015		\$ 1.7655	\$ 1.8721	\$ 3.64
2016		\$ 1.7655	\$ 1.8721	\$ 3.64
2017	Revaluation	\$ 1.7655	Not available	Not available

CITY OF CLEVELAND, TENNESSEE

PRINCIPAL TAXPAYERS

6/30/2017 Estimated

<u>Assessed Taxpayer</u>	<u>Type of Business</u>	<u>2016 Assessed Valuation</u>	<u>Percentage of total Valuation</u>
Ocoee Hospital Corporation	Health Care	\$35,674,049	3.21%
Bayer Healthcare	Distribution Compnay	\$24,419,242	2.20%
Life Care Centers of America	Health Care	\$23,452,941	2.11%
Mars Snackfoods	Candy Manufacture	\$22,214,888	2.00%
Duracell Company	Battery Manufacture	\$18,764,078	1.69%
Whirlpool	Appliance Manufacture	\$11,834,384	1.07%
Wal-Mart	Retail	\$9,957,758	0.90%
Jones Properties	Developer	\$8,288,876	0.75%
Peyton's Southeastern	Distribution Company	\$8,211,613	0.74%
Southeastern Container	Bottling Manufacture	\$7,237,032	0.65%
<b>TOTALS</b>		<b>\$170,054,861</b>	<b>15.31%</b>

\*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

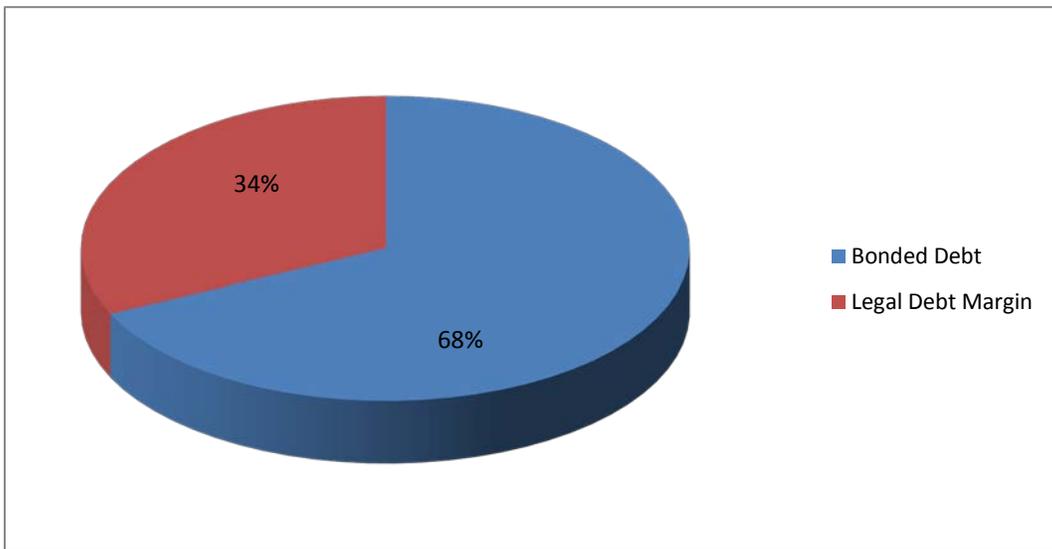
Employer	2016		
	Employees	Rank	Percentage of Total Labor Force Bradley County
Whirlpool/Maytag	1,417	1	2.38%
Bradley County Schools	1,200	2	2.02%
SkyRidge Medical Center	1,157	3	1.95%
Amazon	1,143	4	1.92%
City Government	1,004	5	
Peyton's Southeastern	950	6	1.60%
Lee University	815	7	1.37%
Jackson Furniture Industries	800	8	1.35%
Wal-Mart	640	9	1.08%
Bradley County Government	620	10	1.04%
Mars Chocolate	575	N/A	1.06%
Duracell	350	N/A	0.65%
Total	10,671		16.40%

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  
 6/30/2017 (estimated)

Total assessed value		\$1,132,513,523
Legal debt margin:		
Debt limitation--10 percent of total assessed value as adopted by local resolution		\$113,251,352
Debt applicable to limitation:		
Total bonded debt	\$147,741,936	
Less: Revenue bonds	66,447,235	
Amount available for repayment of general obligation bonds	<u>4,360,417</u>	
Total debt applicable to limitation		<u>76,934,284</u>
Legal debt margin		<b><u>\$36,317,068</u></b>
Per Capita Debt as of June 30, 2017 (estimated)		\$1,718



**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, 2016*

Season	Summer	Retail Rates Effective June 2016					June '16
Schedule		Base [1]	Revenue Adjustment N/A [2]	Base Plus Zero TVA Revenue Adjustment [3] = [1]+[2]	Environmental Adjustment [4]	FCA [5]	Effective Rate [6] = [3]+[4]+[5]
<b>Residential</b>	Customer Charge (Gross)	\$16.43		\$16.43			\$16.43
	Surcharge	0.00		0.00			0.00
	All kWh	0.06964	0.00163	0.07127	0.00298	0.01937	0.09362
<b>Alternate Usage Blocks</b>	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
<b>GSA1</b>	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	0.08081	0.00174	0.08255	0.00347	0.01914	0.10516
	Block1 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Alternate Usage Blocks</b>	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
	Block3 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
<b>GSA2</b>	Customer #1	51.82		51.82			51.82
	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	12.39	0.26	12.65	0.47		13.12
<b>GSA3</b>	1st 15,000 kWh	0.08013	0.00169	0.08182	0.00194	0.01914	0.10290
	Additional kWh	0.04	0.00086	0.04	0.00191	0.01888	0.06
	Customer #1	195.66		195.66			195.66
<b>Alternate Usage Blocks</b>	Customer #2	0.00		0.00			0.00
	Surcharge	0.00		0.00			0.00
	Block 1 kW	11.23	0.26	11.49	0.59		12.08
	Block 2 kW	11.10	0.26	11.36	0.59		11.95
	Block 3 kW	0.00	0.00	0.00	0.00		0.00
	All kWh	0.04	0.00091	0.04	0.00197	0.01888	0.06
	Block 1 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Alternate Usage Blocks</b>	Block 2 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Surcharge	0.00		0.00			0.00
<b>Outdoor Lighting</b>	All kWh	0.05	0.00074	0.05	0.00201	0.01937	0.07
	Customer	0.00		0.00			0.00
<b>Drainage Pumping</b>	Surcharge	0.00		0.00			0.00
	All kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Customer Charge (Gross)	0.00		0.00			0.00
<b>TRS</b>	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
	Summer						
<b>Alternative Season TGSA1</b>	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	0.15	0.00000	0.15	0.00000	0.01914	0.17
	OffPeak kWh	0.04	0.00000	0.04	0.00000	0.01914	0.06
<b>Alternative Season TGSA2</b>	Customer #1	51.82		51.82			51.82
	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	12.48	0.26	12.74	0.47		13.21000
	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	0.06854	0.00140	0.06994	0.00194	0.01914	0.09102
	OffPeak kWh	0.04450	0.00080	0.04530	0.00194	0.01914	0.06638

**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, 2016*

		Retail Rates Effective June 2016					June '16
		Base	Revenue Adjustment N/A	Base Plus Zero TVA Revenue Adjustment	Environmental Adjustment	FCA	Effective Rate
Alternative Season Summer		[1]	[2]	[3] = [1]+[2]	[4]	[5]	[6] = [3]+[4]+[5]
<b>TGSA3</b>	Customer #1	195.66		195.66			195.66
	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	11.31	0.82	12.13	0.59		12.72
	OffPeak Excess kW	1.34	0.00	1.34	0.00		1.34
	All kWh	0.00	0.00	0.00	0.00		0.00
	OnPeak kWh	0.05943	0.00139	0.06082	0.00197	0.01888	0.08167
	OffPeak kWh	0.03541	0.00079	0.03620	0.00197	0.01888	0.05705
<b>TDGSA</b>	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	9.40	0.25	9.65	0.56		10.21
	Summer Season Max Kw	4.64	0.08	4.72	0.20		4.92
	Summer Season OffPeak kW	9.40	0.25	9.65	0.11		9.76
	Summer Season OnPeak kWh	0.06916	0.00179	0.07095	0.00379	0.01785	0.09259
	Summer Season OffPeak kWh - First 200 HUD	0.04037	0.00104	0.04141	0.00221	0.01785	0.06147
	Summer Season OffPeak kWh - Next 200 HUD	0.00387	0.00007	0.00394	0.00022	0.01785	0.02201
	Summer Season OffPeak kWh - Additional HUD	0.00126	0.00001	0.00127	0.00007	0.01785	0.01919
<b>TDMSA</b>	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	8.72	0.23	8.95	0.57		9.52
	Summer Season Max Kw	3.18	0.04	3.22	0.14		3.36
	Summer Season OffPeak kW	8.72	0.23	8.95	0.57		9.52
	Summer Season OnPeak kWh	0.04724	0.00123	0.04847	0.00308	0.01785	0.06940
	Summer Season OffPeak kWh - First 200 HUD	0.02597	0.00066	0.02663	0.00169	0.01785	0.04617
	Summer Season OffPeak kWh - Next 200 HUD	0.00	0.00004	0.00	0.00018	0.01785	0.02
	Summer Season OffPeak kWh - Additional HUD	0.00	-0.00001	0.00	0.00003	0.01785	0.02
<b>TOU GSB</b>	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	9.35	0.25	9.60	0.52		10.12
	Summer Season Max Kw	4.64	0.08	4.72	0.20		4.92
	Summer Season OffPeak kW	9.35	0.25	9.60	0.52		10.12
	Summer Season OnPeak kWh	0.07	0.00172	0.07	0.00364	0.01785	0.09
	Summer Season OffPeak kWh - First 200 HUD	0.04	0.00115	0.05	0.00245	0.01785	0.07
	Summer Season OffPeak kWh - Next 200 HUD	0.00	0.00000	0.00000	0.00027	0.01785	0.02
	Summer Season OffPeak kWh - Additional HUD	0.00	0.00000	0.00000	0.00000	0.02	0.02
<b>TOU GSC</b>	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	9.35	0.25	9.60	0.52		10.12
	Summer Season Max Kw	4.13	0.08	4.21	0.20		4.41
	Summer Season OffPeak kW	9.35	0.25	9.60	0.52		10.12
	Summer Season OnPeak kWh	0.07	0.00172	0.07	0.00364	0.01785	0.09
	Summer Season OffPeak kWh - First 200 HUD	0.04	0.00000	0.05	0.00202	0.02	0.07
	Summer Season OffPeak kWh - Next 200 HUD	0.00	0	0.00	0.00134	0.02	0.02
	Summer Season OffPeak kWh - Additional HUD	0.00192	0.00002	0.00194	0.00010	0.01785	0.01989
<b>TOU GSD</b>	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	9.35	0.25	9.60	0.52		10.12
	Summer Season Max Kw	4.02	0.08	4.10	0.20		4.30
	Summer Season OffPeak kW	9.35	0.25	9.60	0.52		10.12
	Summer Season OnPeak kWh	0.06625	0.00172	0.06797	0.00364	0.01785	0.08946
	Summer Season OffPeak kWh - First 200 HUD	0.04477	0.00115	0.04592	0.00245	0.01785	0.06622
	Summer Season OffPeak kWh - Next 200 HUD	0.00386	0.00007	0.00393	0.00022	0.01785	0.02200
	Summer Season OffPeak kWh - Additional HUD	0.00192	0.00002	0.00194	0.00010	0.01785	0.01989
<b>TOU MSB</b>	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	8.72	0.23	8.95	0.57		9.52
	Summer Season Max Kw	1.54	0.02	1.56	0.07		1.63
	Summer Season OffPeak kW	8.72	0.23	8.95	0.57		9.52
	Summer Season OnPeak kWh	0.04917	0.00128	0.05045	0.00320	0.01785	0.07150
	Summer Season OffPeak kWh - First 200 HUD	0.02790	0.00071	0.02861	0.00181	0.01785	0.04827
	Summer Season OffPeak kWh - Next 200 HUD	0.00262	0.00004	0.00266	0.00018	0.01785	0.02069
	Summer Season OffPeak kWh - Additional HUD	0.00	-0.00001	0.00	0.00003	0.01785	0.02

**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, 2016*

		Retail Rates Effective June 2016					
		Base	Revenue Adjustment N/A	Base Plus Zero TVA Revenue Adjustment	Environmental Adjustment	FCA	June '16 Effective Rate
		[1]	[2]	[3] = [1]+[2]	[4]	[5]	[6] = [3]+[4]+[5]
<b>TOU MSC</b>	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	8.72	0.23	8.95	0.57		9.52
	Summer Season Max Kw	1.54	0.02	1.56	0.07		1.63
	Summer Season OffPeak kW	8.72	0.23	8.95	0.57		9.52
	Summer Season OnPeak kWh	0.04820	0.00126	0.04946	0.00314	0.01785	0.07045
	Summer Season OffPeak kWh - First 425 HUD	0.03	0.00069	0.03	0.00175	0.01785	0.05
	Summer Season OffPeak kWh - Next 195 HUD	0.00	0.00007	0.00	0.00025	0.01785	0.02
	Summer Season OffPeak kWh - Over 620 HUD	0.00	0.00007	0.00	0.00025	0.01785	0.02
<b>TOU MSD</b>	Customer Charg	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	8.72	0.23	8.95	0.57		9.52
	Summer Season Max Kw	1.43	0.02	1.45	0.07		1.52
	Summer Season OffPeak kW	8.72	0.23	8.95	0.57		9.52
	Summer Season OnPeak kWh	0.05	0.00121	0.05	0.00301	0.01785	0.07
	Summer Season OffPeak kWh - First 425 HUD	0.03	0.00064	0.03	0.00163	0.01785	0.05
	Summer Season OffPeak kWh - Next 195 HUD	0.00	0.00004	0.00	0.00015	0.01785	0.02
	Summer Season OffPeak kWh - Over 620 HUD	0.00	0.00	0.00	0.00000	0.01785	0.02
<b>SDE SGSB</b>	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	18.11	0.43	18.54	0.94		19.48
	Summer Season kWh Charge	0.02731	0.00069	0.02800	0.00149	0.01785	0.04734
<b>SDE SGSC</b>	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	17.60	0.43	18.03	0.94		18.97
	Summer Season kWh Charge	0.03	0.00068	0.03	0.00147	0.01785	0.05
<b>SDE SGSD</b>	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	0.43	17.92	0.94		18.86
	Summer Season kWh Charge	0.02464	0.00062	0.02526	0.00135	0.01785	0.04446
<b>SDE SMSB</b>	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	15.07	0.36	15.43	0.92		16.35
	Summer Season kWh Charge	0.01898	0.00047	0.01945	0.00124	0.01785	0.03854
<b>SDE SMSC</b>	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	14.56	0.36	14.92	0.92		15.84
	Summer Season kWh Charge	0.01821	0.00045	0.01866	0.00118	0.01785	0.03769
<b>SDE SMSD</b>	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	17.32	0.43	17.75	1.10		18.85
	Summer Season kWh Charge	0.01117	0.00027	0.01144	0.00073	0.01785	0.03002
Customers @ June 30:							
	Residential	26,487					
	General	4,450					
	Outdoor Lighting	181					

**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, 2016*



Water and Wastewater Rates  
in Effect on June 30, 2016

Water Rates	Inside City	Outside City
<b><u>RESIDENTIAL (Class 201, 202)</u></b>		
Customer charge	\$7.66	\$13.80
First 1,400 cu. ft.	\$2.27/100 cu. ft.	\$3.56/100 cu. ft.
Additional	\$2.36/100 cu. ft.	\$3.74/100 cu. ft.
<b><u>NON-RESIDENTIAL (Small Commercial) (Class 204, 205)</u></b>		
Customer charge	\$12.53	\$18.66
First 15,000 cu. ft.	\$2.27/100 cu. ft.	\$3.56/100 cu. ft.
Next 85,000 cu. ft.	\$1.87/100 cu. ft.	\$2.95/100 cu. ft.
Additional	\$1.36/100 cu. ft.	\$2.20/100 cu. ft.
<b><u>NON-RESIDENTIAL (Large Commercial) (Class 208, 209)</u></b>		
	\$30.79	\$36.92
First 15,000 cu. ft.	\$2.27/100 cu. ft.	\$3.56/100 cu. ft.
Next 85,000 cu. ft.	\$1.87/100 cu. ft.	\$2.95/100 cu. ft.
Additional	\$1.36/100 cu. ft.	\$2.20/100 cu. ft.
<b><u>IRRIGATION ONLY (Class 211, 213)</u></b>		
Customer charge	\$7.66	\$13.80
All usage	\$2.36/100 cu. ft.	\$3.74/100 cu. ft.
<b><u>RESALE (Class 203)</u></b>		
Customer Charge	\$30.79	\$30.79
All usage	\$1.36/100 cu. ft.	\$1.36/100 cu. ft.
Wastewater Rates	Inside City	Outside City
<b><u>RESIDENTIAL (Class 301, 302) (April - November)</u></b>		
Customer charge	\$8.09	\$11.50
First 1,400 cu. ft.	\$3.99/100 cu. ft.	\$6.02/100 cu. Ft.
Additional	\$0.00/100 cu. ft.	\$0.00/100 cu. ft.
<b><u>RESIDENTIAL (Class 301, 302) (December - March)</u></b>		
Customer charge	\$8.09	\$11.50
All usage	\$3.99/100 cu. ft.	\$6.02/100 cu. Ft.
<b><u>NON-RESIDENTIAL (Small Commercial) (Class 304, 305) (Meter Less Than 3")</u></b>		
Customer charge	\$13.14	\$16.55
First 100,000 cu. ft.	\$3.99/100 cu. ft.	\$6.02/100 cu. ft.
Additional	\$3.36/100 cu. ft.	\$5.02/100 cu. ft.
<b><u>NON-RESIDENTIAL (Large Commercial) (Class 308, 309) (Meter 3" or Larger)</u></b>		
Customer charge	\$32.07	\$35.49
First 100,000 cu. ft.	\$3.99/100 cu. ft.	\$5.42/100 cu. ft.
Additional	\$3.36/100 cu. ft.	\$5.02/100 cu. ft.
<b><u>WASTEWATER SURCHARGE</u></b>		
CBOD	.1183/pound/day	.1183/pound/day
TSS	.1401/pound/day	.1401/pound/day
TKN	.2377/pound/day	.2377/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, 2016*

**MINIMUM BILLS**

in Effect on June 30, 2016  
(Based on installed meter size)

**RESIDENTIAL (Class 201, 202, 301, 302)**

Size	Code	Minimum Usage	Inside Rates			Outside Rates		
			Water	Wastewater Dec-Mar/Apr-Nov		Water	Wastewater Dec-Mar/Apr-Nov	
5/8"	000	200 cu. ft.	\$12.20	\$16.07	\$16.07	\$20.92	\$23.54	\$23.54
3/4"	002	600 cu. ft.	\$21.28	\$32.03	\$32.03	\$35.16	\$47.62	\$47.62
1"	003	800 cu. ft.	\$25.82	\$40.01	\$40.01	\$42.28	\$59.66	\$59.66
1 1/2"	005	2,000 cu. ft.	\$53.60	\$87.89	\$63.95	\$86.08	\$131.90	\$95.78
2"	006	4,000 cu. ft.	\$100.80	\$169.69	\$63.95	\$160.88	\$252.30	\$95.78

**IRRIGATION (Class 211, 213)**

5/8"	000	200 cu. ft.	\$12.38	N/A	\$21.28	N/A
3/4"	002	600 cu. ft.	\$21.82	N/A	\$36.24	N/A
1"	003	800 cu. ft.	\$26.54	N/A	\$43.72	N/A
1 1/2"	005	2,000 cu. ft.	\$54.86	N/A	\$88.60	N/A
2"	006	4,000 cu. ft.	\$102.06	N/A	\$163.40	N/A
3"	008	10,000 cu. ft.	\$243.66	N/A	\$387.80	N/A
4"	009	17,000 cu. ft.	\$408.86	N/A	\$649.60	N/A
6"	010	44,000 cu. ft.	\$1,046.06	N/A	\$1,659.40	N/A
8"	011	82,000 cu. ft.	\$1,942.86	N/A	\$3,080.60	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.	\$17.07	\$21.12	\$25.78	\$28.59
3/4"	002	600 cu. ft.	\$26.15	\$37.08	\$40.02	\$52.67
1"	003	800 cu. ft.	\$30.69	\$45.06	\$47.14	\$64.71
1 1/2"	005	2,000 cu. ft.	\$57.93	\$92.94	\$89.86	\$136.95
2"	006	4,000 cu. ft.	\$103.33	\$172.74	\$161.06	\$257.35

**NONRESIDENTIAL - LARGE COMMERCIAL (Class 208, 209, 308, 309)**

3"	008	10,000 cu. ft.	\$257.79	\$431.07	\$392.92	\$637.49
4"	009	17,000 cu. ft.	\$408.69	\$710.37	\$629.92	\$1,058.89
6"	010	44,000 cu. ft.	\$913.59	\$1,787.67	\$1,426.42	\$2,684.29
8"	011	82,000 cu. ft.	\$1,624.19	\$3,303.87	\$2,547.42	\$4,971.89
10"	012	115,000 cu. ft.	\$2,164.79	\$4,526.07	\$3,408.42	\$6,808.49

**RESALE/FIRE SPRINKLER SYSTEM METER**

3"	008	10,000 cu. ft.	\$166.79	N/A	\$166.79	N/A
4"	009	17,000 cu. ft.	\$261.99	N/A	\$261.99	N/A
6"	010	44,000 cu. ft.	\$629.19	N/A	\$629.19	N/A
8"	011	82,000 cu. ft.	\$1,145.99	N/A	\$1,145.99	N/A
10"	012	115,000 cu. ft.	\$1,594.79	N/A	\$1,594.79	N/A

Number of Customers at June 30, 2016:	Water	Wastewater
	31,222	18,618

Rates are subject to rules and regulations of Cleveland Utilities.

Rates will be subject to adjustment as rate adjustments are received from water suppliers.

### AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0  
American Water Works Association  
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Water Audit Report for: **Cleveland Utilities (TN0000117)**  
 Reporting Year: **2016** / 7/2016 - 6/2016

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.

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.

#### Master Meter and Supply Error Adjustments

Volume from own sources: <input type="text" value="2164.976"/> MG/Yr	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Water imported: <input type="text" value="1728.039"/> MG/Yr	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Water exported: <input type="text" value="2912"/> MG/Yr	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr

Enter negative % or value for under-registration  
Enter positive % or value for over-registration

---

#### WATER SUPPLIED:

**3,890.103** MG/Yr

---

#### AUTHORIZED CONSUMPTION

Billed metered: <input type="text" value="2837.931"/> MG/Yr	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Billed unmetered: <input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Unbilled metered: <input type="text" value="87.224"/> MG/Yr	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Unbilled unmetered: <input type="text" value="34.991"/> MG/Yr	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr

Click here for help using option buttons below

---

#### AUTHORIZED CONSUMPTION:

**2,960.146** MG/Yr

---

#### WATER LOSSES (Water Supplied - Authorized Consumption)

**929.957** MG/Yr

#### Apparent Losses

Unauthorized consumption: <input type="text" value="9.725"/> MG/Yr	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Customer metering inaccuracies: <input type="text" value="153.956"/> MG/Yr	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Systematic data handling errors: <input type="text" value="7.095"/> MG/Yr	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Apparent Losses: <input type="text" value="170.776"/> MG/Yr	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed  
 Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

---

#### Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:  MG/Yr

---

#### WATER LOSSES:

**929.957** MG/Yr

---

#### NON-REVENUE WATER

NON-REVENUE WATER:  MG/Yr

\* Water Losses + Unbilled Metered + Unbilled Unmetered

---

#### SYSTEM DATA

Length of mains: <input type="text" value="753.7"/> miles	<input type="text" value=""/>	<input type="text" value=""/>
Number of active AND inactive service connections: <input type="text" value="31,222"/>	<input type="text" value=""/>	<input type="text" value=""/>
Service connection density: <input type="text" value="41"/> conn./mile main	<input type="text" value=""/>	<input type="text" value=""/>
Are customer meters typically located at the curbside or property line? <input type="text" value="Yes"/>	<input type="text" value=""/>	<input type="text" value=""/>
Average length of customer service line has been set to zero and a data grading score of 10 has been applied	<input type="text" value=""/>	<input type="text" value=""/>
Average operating pressure: <input type="text" value="90.0"/> psi	<input type="text" value=""/>	<input type="text" value=""/>

(length of service line, beyond the property boundary, that is the responsibility of the utility)  
(pipe length between)

---

#### COST DATA

Total annual cost of operating water system: <input type="text" value="\$13,777,745"/> \$/year	<input type="text" value=""/>	<input type="text" value=""/>
Customer retail unit cost (applied to Apparent Losses): <input type="text" value="\$4.76"/> \$/1000 gallons (US)	<input type="text" value=""/>	<input type="text" value=""/>
Variable production cost (applied to Real Losses): <input type="text" value="\$1,033.00"/> \$/million gallons	<input type="text" value=""/>	<input type="text" value=""/>

---

#### 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, 2016**

Population (Estimated) 44,337

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	312	613	11	183	1,119
Regular Part-time	0	206	34	0	240
Seasonal Part-time	73	0	0	0	73
Total	385	819	45	183	1,432

Area of City 29.69

Miles of roads and streets:  
Asphalt 352

Miles of sidewalks 46.80

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 13

Number of sedans/suvs- radio equipped 6

Number of Fire Specialists pickup trucks - radio equipped 1

Number of fire hydrants 2,708

Per-capita fire loss \$35.02 (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 11

**CITY OF CLEVELAND, TENNESSEE  
OTHER STATISTICAL DATA - (Continued)  
June 30, 2016**

Police Protection:

Criminal offenses:

TIBRS - Part A 6,333

TIBRS - Part B 1,525

Number of vehicles - all radio equipped

Motorola 800 74

EDUCATION - PUBLIC SCHOOL SYSTEM

	Number	ADM	ADA
High School (Grades 9, 10, 11 and 12)	2	1,466	1,340
Middle School (Grades 6 through 8)	1	1,264	1,193
Elementary Schools (Grades K through 5)	6	2,581	2,456
Ungraded - Special Education		104	95
Total Students		5,415	5,084
Certificated Staff	434		
Non-Certificated Personnel	294		
Total Personnel	728		

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	174,614
Number of e-books	27,785
Number of e-Audiobooks	632
Number of e-Videos	234
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.