

CITY OF CLEVELAND

TENNESSEE



ANNUAL BUDGET

FISCAL YEAR 2018 - 19

*City of Cleveland,
Tennessee*



*Annual Budget
FY 2019*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Cleveland

Tennessee

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Merrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation the City of Cleveland for its annual budget for the fiscal year beginning July 1, 2017

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. The City of Cleveland has received the award for twenty consecutive years.

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 2018 - 2019

City Officials:

<i>Mayor:</i>	Tom Rowland
<i>City Council:</i>	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
<i>City Attorney:</i>	John F. Kimball
<i>City Judge:</i>	Barrett Painter
<i>City Manager:</i>	Joe Fivas
<i>Asst. City Manager/CFO:</i>	Shawn McKay
<i>Asst. City Manager/Operations:</i>	Melinda B. Carroll

Department Heads:

<i>Development and Engineering Services Director:</i>	Jonathan Jobe
<i>Fire Chief:</i>	Ron Harrison
<i>Human Resource Director:</i>	Jeff Davis
<i>Information Technology Director:</i>	Kris Miller
<i>Library Director:</i>	Andrew Hunt
<i>Parks & Recreation Director:</i>	Patti Petitt
<i>Police Chief:</i>	Mark Gibson
<i>Public Works Director:</i>	Tommy Myers
<i>Airport Manager:</i>	Mark Fidler
<i>Cleveland Utilities General Manager:</i>	Tim Henderson
<i>Director of Schools:</i>	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 2018 was 3.7%. The unemployment rate for Bradley County was 3.6%, the State of Tennessee was 3.4% and the national average was 4.1%. 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.

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



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



In Cleveland, utilities are provided by the following companies:

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

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

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



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

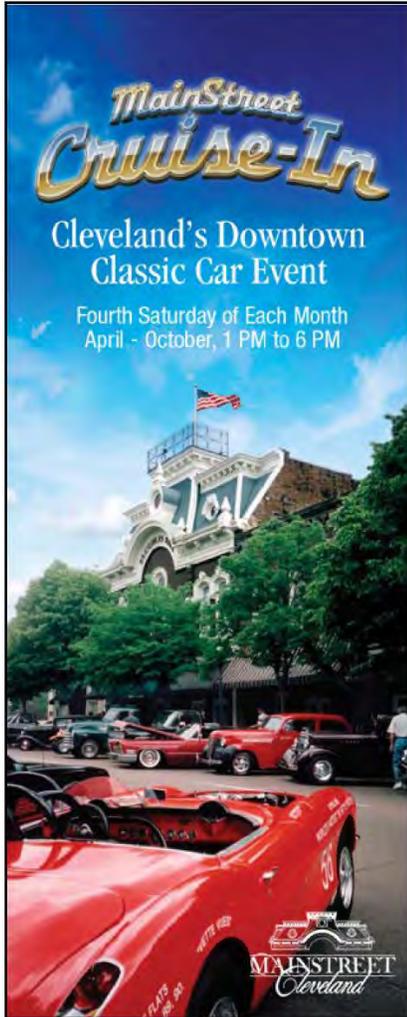


Cleveland_TN



cityofclevelandtn

"The City with Spirit"
Cleveland, Tennessee



City of Cleveland

Office of the City Manager

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190 Church Street N.E.
P.O. Box 1519
Cleveland, Tennessee 37364-1519

April 9, 2018

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 2019

Honorable Mayor Rowland & City Council

The FY 2019 budget for the City of Cleveland is submitted for your consideration. This is a balanced budget as dictated by local and state laws. The FY 2019 budget is in many ways a continuation budget of the Mayor & Council priorities from FY 2018. 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, maintains last year's increase in neighborhood street paving, a continued focus on downtown and community redevelopment, and maintains sidewalk maintenance.

CITY GROWTH:

The FY 2019 budget addresses needs of the City of Cleveland. It is always 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 local and state infrastructure and services every day.

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;
- 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:

In 2017, 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.

The city also 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) 1st Priority- Traffic Flow & Traffic Congestion
- 2) 2nd Priority- Maintenance of Streets & Sidewalks
- 3) 3rd Priority- Quality of Public Safety Services

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

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

MAYOR & CITY COUNCIL PRIORITIES:

In FY 2018, the Mayor and City Council established (7) seven key priorities. These priorities have been incorporated within the FY 2018 budget and this FY 2019 budget document. These priorities and their status are listed below:

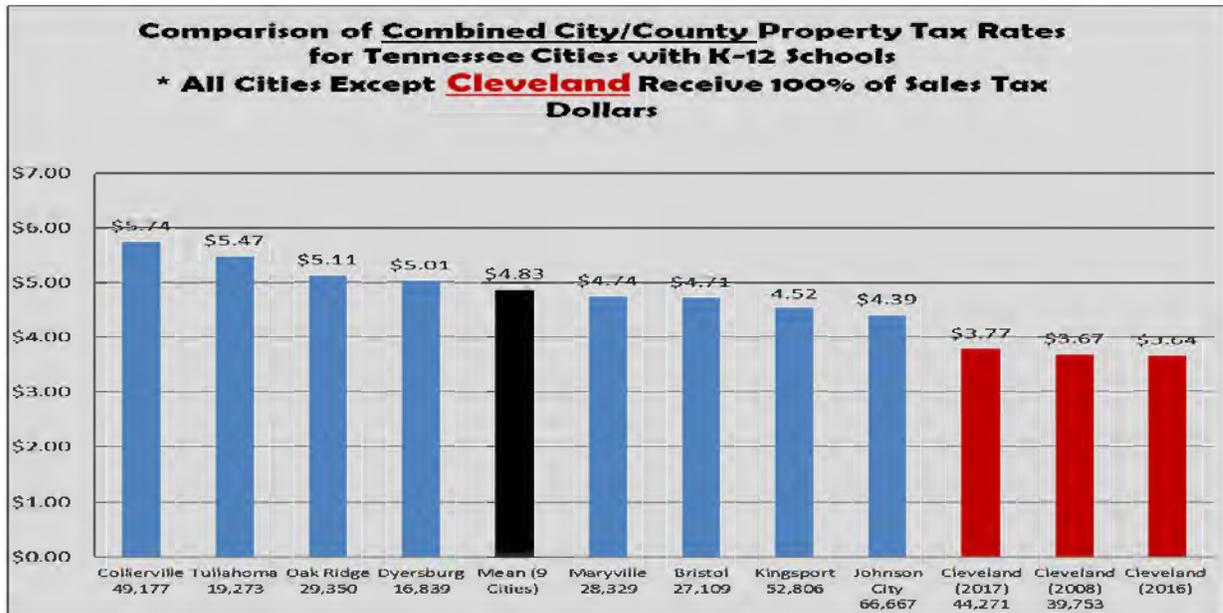
- 1) Funding for construction of the Candy’s Creek Cherokee Elementary School.
STATUS: Construction began Summer 2017, completion Summer 2019.
- 2) Construction of new Fire Station #6 & Funding for Staffing and Operations.
STATUS: Construction began Summer 2017, completion Summer 2018.
- 3) Implementation of the 2016 Police Department Study Recommendations.
STATUS: Started 2017, completed FY 2019.

- 4) Improvements to Decrease Paving Cycle from 27.5 years to approx. 20 years.
STATUS: Council increased neighborhood investment in FY 2018 and FY 2019 continues this investment.
- 5) Improvements to Traffic Congestion, Street Safety, and Intersections.
STATUS: City engineering is moving forward with construction plans for 25th St/Peerless Intersection, 25th St/Georgetown Intersection, Mouse Creek Rd/Paul Huff Rd Intersection, and Norman Chapel Rd construction.
- 6) Funding for Downtown Redevelopment & Whirlpool Site redevelopment.
STATUS: Downtown consultant has started Inman St redesign and market study
- 7) Implementation of City Compensation Plan for employees.
STATUS: Continued FY 2019

TAX RATE & FEE ASSESSMENTS:

The FY 2019 budget does not include any tax or fee increases. The city’s rate will be set to \$2.06 per hundred dollars of assessed value.

The City of Cleveland’s City/County combined tax rate is **\$3.77**. The mean or average City/County combined tax rate for similar communities with a municipal school system is **\$4.83**. In 2008, the City of Cleveland’s City/County combined tax rate was **\$3.67**. Both the City and County deserve credit for having streamlined and efficient municipal service delivery for our residents.



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 HIGHLIGHTS:

RAPTOR System: To enhance school safety and security, Cleveland City Schools want to purchase the RAPTOR system. When implemented, this system will screen for registered sex offenders, marriage custody issues, and coordinate volunteers and visitors. To assist with this purchase, the City will allocate \$15,000.

Construction of Candy's Creek Cherokee Elementary School: The City has authorized the funding of 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 are managing the construction of this project.

The new Candy's Creek Cherokee Elementary School was bid out, and after cost reductions and value engineering the final elementary school construction was \$15,691,900. This cost includes architectural and engineering fees and \$275,000 in contingency funds.

The City proposed in July 2017 to fund up to \$15,417,000 in construction costs for the new elementary school. The City will fund the project with \$10 million in bond funds, and the remainder with a combination of the County contribution. If the total construction costs do not exceed \$15,417,000 for any reason, then the City is obligated to just transfer up to the total construction cost amount.

It was agreed that City Schools will be responsible for any related construction expenditures above the \$15,417,000 amount. The City will essentially fund the entire school construction cost, with the possible exception of some contingency funds.

Furthermore, the City and City Schools have allowed Bradley County to delay the transfer of funds from the American Uniform Education Project until July 2019. When the American Uniform Education Project funds are transferred from the County to the City/City School in July 2019, the City general fund will first be reimbursed any school construction related general fund expenditures, including street improvements, per the August 8th, 2016 Council approved 'Reimbursement Resolution'. Second, the City Schools will be reimbursed for any construction costs from general fund/sales tax funds spent greater than the \$15,417,000 approved amount. Third, any remaining funds from

the American Uniform Education Project will be used to pay debt contributed to the \$10 million in bond funds used on this project. The goal is to fund the project while holding the City and City Schools general funds harmless once the reimbursement is dispersed. If there are no funds transferred from the American Uniform Education Project, then there will be no reimbursement.

Part of the 2016 agreement with the City Schools indicated the City Schools 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.

City School Positions: The City Schools' budget includes a 2% salary increase for all employees and a step increase for all employees who qualify. Also, included are three and a half new positions: two Air Force JROTC instructors and one maintenance operations manager, and one school principal for second semester.

City School Funding/Debt Service: The total operational funding for the Cleveland City Schools System equals \$49,198,240 million, including \$5.7 million for operations from the City. The City will pay \$3,160,846 for debt service for school capital projects. City Schools will also receive approximately \$975,000 for its capital projects from the sales tax referendum.

INFRASTRUCTURE HIGHLIGHTS:

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 continue allow the City to gradually reduce our 27.5 year 'Paving Cycle' to an approximately 20.0 year 'Paving Cycle'. The Public Works Department will also work to develop a 'Pavement Evaluation and Surface Rating' system to be able to a quantifiable system on the condition of our street system.

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 likely begin construction 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 has donated right-of-way for the development of this property. The funds used for this project are from the CIP.

Peerless Road/25th Street Widening: The City will likely begin construction 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 Rd. 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 has entered into a contract with WSP to determine an Inman Street Diet Plan, and conduct a Downtown Market Study. This project began in Spring 2018 and will conclude in Fall 2018. We will have substantial public input into these projects and have Steering Advisory Committee giving input to WSP.

Georgetown Road & 25th Street Intersection Widening Improvements: The City will have a 20% grant match of \$192,743 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.

Frontage Drive Connector: The City will complete a traffic reduction project near the Target Center to assist with traffic safety on Paul Huff. This project will be completed with Public Works doing the construction work.

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 complete the 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.

Parker Street Stormwater & Walkability Project: The City will construct a stormwater project and a walkability project along Parker Street through Lee University. This project will begin in May 2018 and likely be completed in Fall 2018.

Construction of New Parking Lot: The City is working with a private property owner on a lease property to construct a parking lot with 150 new downtown parking spots. City staff will present options to the City Council.

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 late FY 2019. This project will be funded from our Stormwater Fees.

Candies Lane Safety Upgrades: The City has budgeted funds to construct a turn lane into Legacy Parkway. This area has experienced substantial development and a turn lane would improve traffic control and safety.

PUBLIC SAFETY HIGHLIGHTS:

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 Deputy Fire Chief Position: This is the only new funded position included in this FY 2019 budget. Due to additional department growth and needed management staffing, we will recommend to fund a Deputy Fire Chief position in this year's budget. This position funding will begin in first quarter of 2018.

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 budget also includes funding for (6) six new full-time police who started in FY 2018. 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 had 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%.

Additional Assistant Police Chief Position: This position is not funded in this current year. However, in future budgets, we will reestablish this Assistant Police Chief position and likely drop the Captain rank down one level when they are next vacated.

New Fire Training Center: The City allocated \$200,000 for the construction of a new Fire Training Center for our public safety services from FY 2018. The City will use current Local Sales Tax to fund the remainder of this project for a total of \$600,000. Any cost overruns will be funded by the next years Local Sales Tax funds. Once the current fire training location is sold, these funds will be allocated to the Fire Department apparatus fund.

Construction of Fire Station #6: The City began the construction of Fire Station #6 in the Summer of 2017. 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.

Police Department Equipment Replacement: The Police Department has been allocated \$285,000 for the purchase of approximately (6) six fully equipped new police cars. The Police Department has requested additional vehicles, and we will review our Local Sales Tax to potentially fund up to 2 police vehicles.

QUALITY OF LIFE HIGHLIGHTS:

Deer Park Renovation: The City budget allocates funds to complete a renovation of Deer Park. This will likely add new and additional playground equipment, and stream restoration.

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.

Taylor Springs Park Construction: The budget has \$250,000 of funding for the construction and completion of Taylor Springs Park. Any additional funds in this line item would be transferred to complete the Deer Park project.

Greenway Extension-Candies Creek: The Greenway Board has received a \$100,000 donation to construct a new section Greenway under Candies Lane. This project will not begin until the fourth quarter of this fiscal year.

Jetport-Customs/Border Patrol Facility: The City is in the final stage of completing our Customs Services Center at the Cleveland Jetport. This budget has \$45,000 available to up fit currently unused space within our Jetport terminal building for use as a Customs office space.

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.

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.

ADMINISTRATIVE HIGHLIGHTS:

Redevelopment Reorganization: The City has several challenges related to the redevelopment of Downtown area, South Lee Highway area, and other areas. The new City budget authorizes the title change of the Grants Manager to Redevelopment Coordinator. This position will be housed with the Administrative area within our organization and report to the City Manager. This position will be funded with CBDG and General Funds. This person will lead the City initiatives on Downtown Redevelopment, key corridor redevelopment, Whirlpool redevelopment, and our CBDG program. We will also look to adding an additional FTE to this area in the future.

Human Resources Reorganization: In FY 2019, City will reorganize and create a Human Resources Department. As seen on the Administrative organizational chart, the new department will have three positions: Director of Human Resources, Assistant Director of Human Resources, and a Purchasing/Payroll Administrator. The Purchasing/Payroll Administrator position will be split supervision position with purchasing. The Assistant Director of Human Resources-Risk/Wellness will be a current position with a new title that will be realigned with the job responsibilities of the current Risk/Safety/Wellness Manager.

Communications Coordinator/Assistant to the City Manager: In FY 2019, we will re-title and adjust the Social Media/Grants Coordinator job description and title it Communications Coordinator/Assistant to the City Manager. This position will still focus on social media and writing grants, but take on more day-to-day communications responsibility.

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.

Community Branding: The City will continue to 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 continue to 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 FY 2019. The City will also maintain its current healthcare benefits for all of our employees. There is no increase to employees for healthcare benefits.

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 2019 budget includes \$654,000 for the Cleveland Public Library. This would be a \$9,000 increase for the 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 no increase for water customers; no increase for their wastewater customers; and a 2.1% increase for electric customers. Cleveland Utilities has funded a 3.5% step increase for their employees, and the Cleveland Utilities' budget includes 5 additional positions.

Bradley County Emergency Communication District/911: This budget includes funding for the Bradley County Emergency Communication District (9-1-1 service) to our contract amount of \$650,000.

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 Brandon, 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 April 23rd. The final reading and public hearing of the Budget Ordinance will be held on May 14th. This Budget with any revisions you the Mayor and City Council recommend will go into effect on July 1, 2018. Please contact me if you have any questions or would like to discuss the Budget in detail.

Respectfully Submitted,

A handwritten signature in blue ink that reads "J. A. Fivas". The signature is written in a cursive style with a large initial "J" and "A".

Joseph A. Fivas
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 25th Street from Keith Street to Parker Street.
 - Construct Phase III of Roadscapes Project.

Goal #4 Improve the city's ability to provide services through technology.

- Objective: Continue to improve and update the city's new website.
 - Staff will assist the Community Relations/Grant Coordinator with posting new information and features to the city's website.
- Objective: Continue collection of property taxes and fines on-line.
 - Staff will work with new financial vendors and financial institutions to provide citizens with the best service.
- Objective: Continue scanning of City files for improved access to information and improve research capabilities.
 - Provide adequate hardware and software to facilitate collection, storage and access of city data.
- Objective: Continue use of procurement cards to purchase materials for city departments.
 - Provide departments and users on-line access to procurement card statements.
- Objective: Continue installation of laptop computers in fire trucks and maintenance of computers in police cars.
 - Maintain laptop computers in fire trucks and train fire department employees to use these mobile data terminals.
 - Install software updates for police and fire computers as those become available.
 - Implement new software allowing the use of smartphones to access police data, reporting, and ticketing.

- Objective: Continue to research new ways to implement mobile computing for city employees to improve productivity.
- Research and develop best practices for wired and wireless devices.
 - Implement and maintain latest hardware and software.
 - Attend trade shows, vendor events, and visit other cities to stay informed on latest trends in technology.

Goal #5 Improve economic development efforts.

- Objective: Continue to aggressively market the Cleveland/Bradley Industrial Park and the new Spring Branch Industrial Park.
- Participate in Industrial Development Board meetings.
 - Maintain link with Bradley/Cleveland Chamber of Commerce website to promote the new Spring Branch Industrial Park.
- Objective: Continue to support the Economic Development Council and the Industrial Development Board so that a solid recruitment and retention program remains in place.
- Provide financial support to the Bradley/Cleveland Chamber of Commerce.
- Objective: Develop Spring Branch Industrial Park.
- Design and install infrastructure for new industrial park.
- Objective: Complete Local Interstate Connector roads in conjunction with proposed APD-40 Interchange and planned improvements for Exit 20.
- Design and construct Local Interstate Connector – North road project.
- Objective: Market the new Cleveland Regional Jetport
- Attend trade shows with Bradley/Cleveland Chamber of Commerce representatives.
 - Continue to expand website

Goal #6 Improve long-range planning.

- Objective: Hold annual Council Planning Retreat to determine city-wide needs and priorities.
- Identify and provide cost estimates for needed projects.
- Objective: Annually review the City’s Debt Management Policy and implement revisions as necessary to protect the City’s financial stability.
- Review the current Debt Management Policy for necessary revisions based upon changes in state law and best management practices.
- Objective: Increase the fund balance of the Debt Service Fund to 70% of the fund’s annual expenditures.
- Budget all variable rate debt at 4%.
- Objective: Prepare a long-range financial plan to be updated annually to include the City’s 15-year equipment replacement

schedule and capital projects included in the City's current Capital Improvement Needs Inventory (CINI).

- Maintain and update departmental 15-year equipment programs.

Objective: Continue Transportation Planning through the Metropolitan Planning Organization (MPO) coordinated with the Rural Planning Organization (RPO).

- Attend MPO and RPO meetings.
- Continue planning for 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

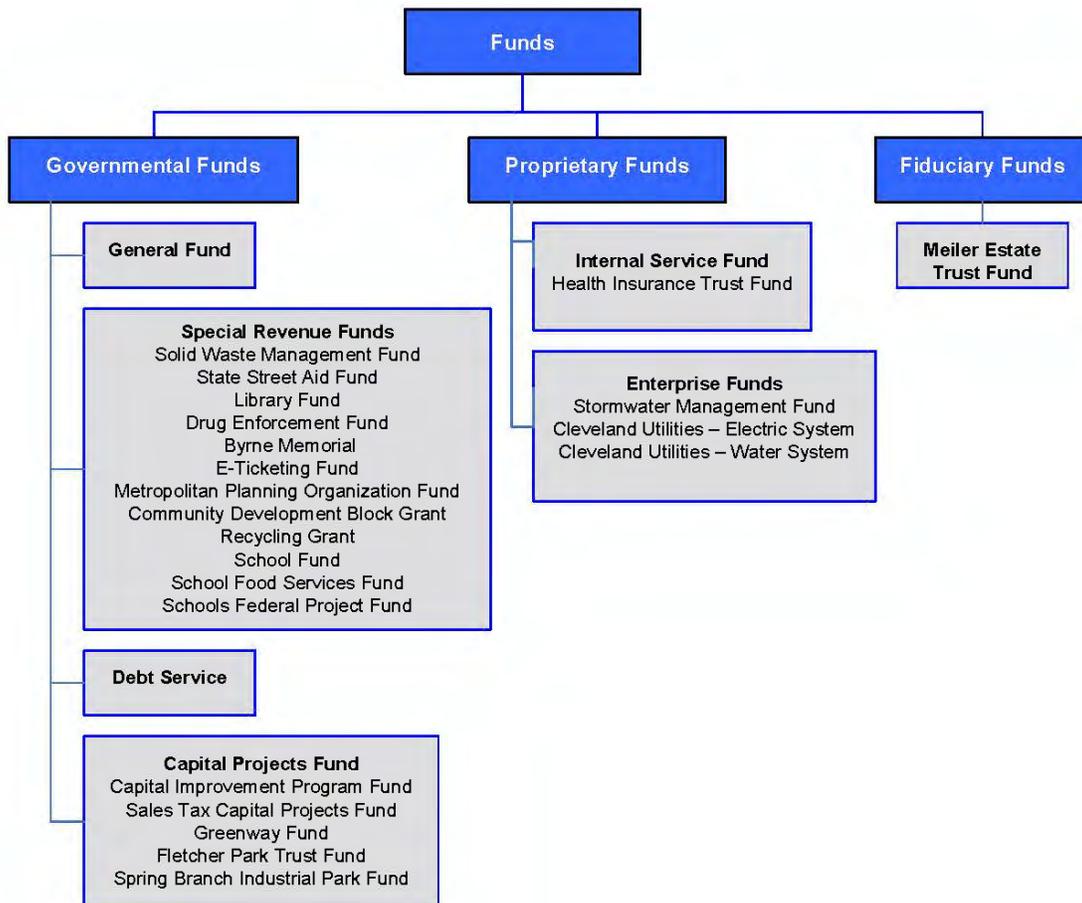
Electric Division and Water/Wastewater Division are considered major funds of the City.

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 58.5% 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 22.5% 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.

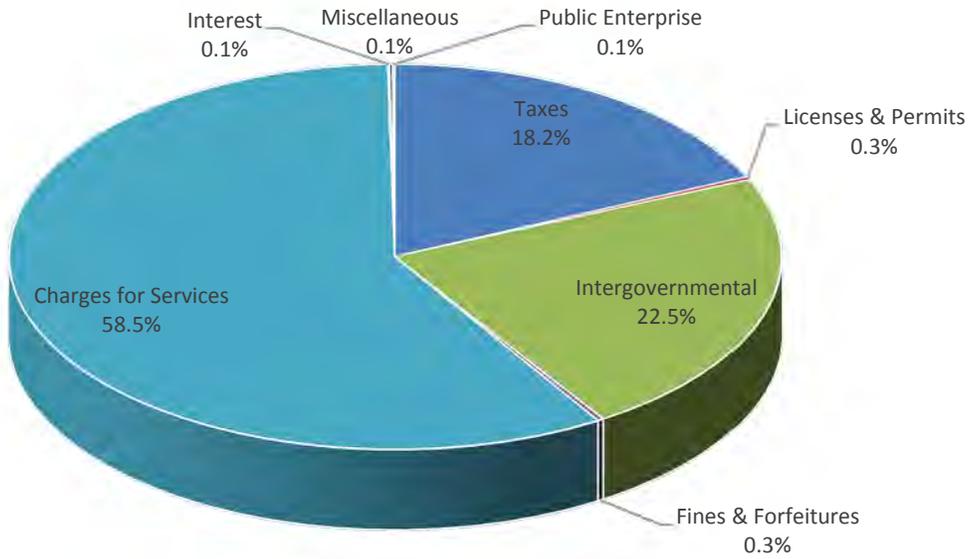
Tax revenues account for 18.2% of the total funding sources received to fund city services. Property tax and sales tax are the largest sources of tax revenues. Combined they provide 89.4% of total taxes collected. There is no change in the monthly sanitation fee of \$6.95. The budget does include a monthly 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 33.5% and education funding at 21.9%. Other significant expenditures and expenses include Cleveland Utilities' operation expenses at 11.3% and Public Safety at 8.8%.

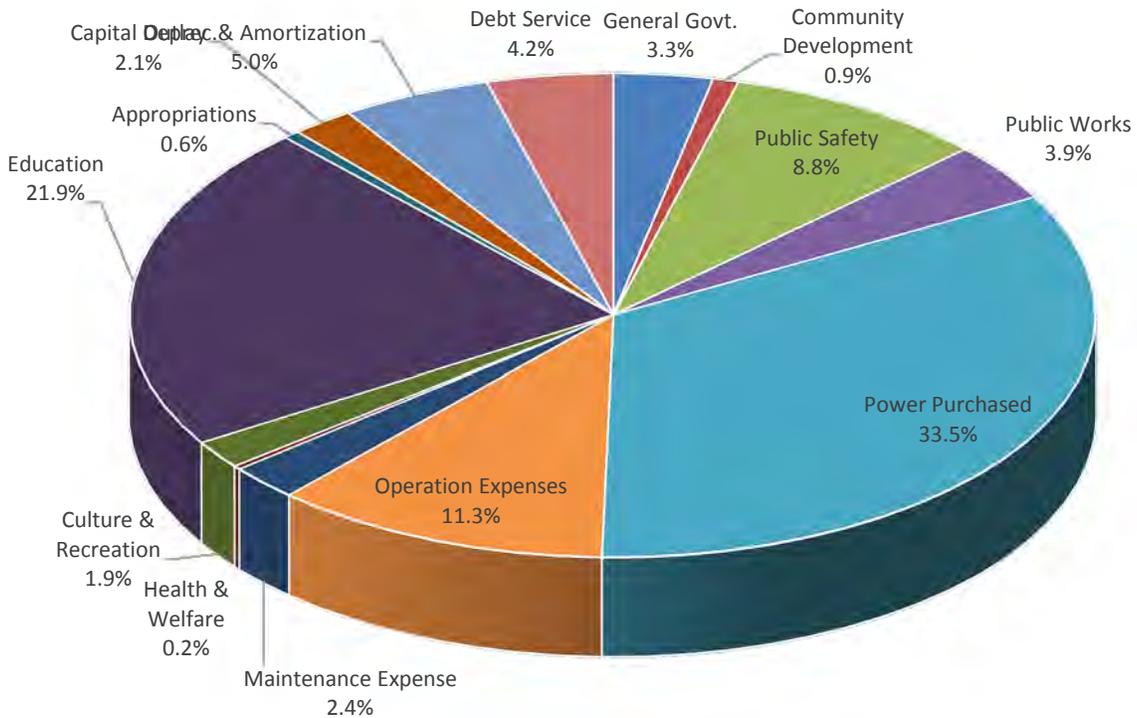
The revenue sources and expenditures of the City of Cleveland may be more easily understood by reviewing the following pie charts. Also included in this section are three-year budget spreadsheets (FY2017 actual, FY2018 budgeted, and FY2019 recommended budgets) for each of the fund categories.

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 - FY2019



Expenditures and Expenses By Use - FY2019



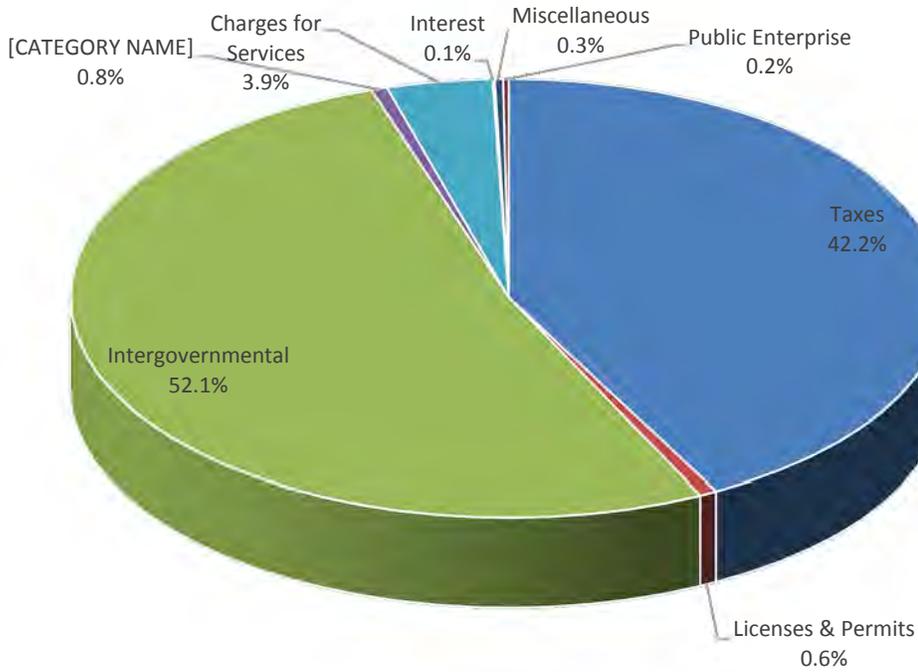
City of Cleveland, Tennessee
2017-2019 Summary of All Funds

	Governmental Funds			Proprietary Funds		
	2017 Actual	2018 Budgeted	2018 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Revenues:						
Taxes	\$ 37,905,053	\$ 43,127,500	\$ 44,267,000	\$0	\$0	\$0
Licenses & permits	628,772	630,700	674,100	0	0	0
Intergovernmental	52,724,897	66,304,978	54,703,739	0	0	0
Fines & forfeitures	517,994	632,291	617,600	0	0	0
Charges for services	3,735,272	4,065,896	4,091,785	136,262,772	138,580,318	138,418,546
Interest	205,023	203,125	81,150	187,353	79,449	87,973
Miscellaneous	903,687	843,600	321,868	60,547	0	0
Public Enterprise	213,932	237,333	218,800	0	0	0
Subtotal:	\$96,834,630	\$116,045,423	\$104,976,042	\$136,510,672	\$138,659,767	\$138,506,519
Other financial sources:						
Operating transfers in	16,450,779	20,974,992	18,315,006	0	0	0
Capital contributions	442,891	0	0	492,237	(1,025,100)	0
Proceeds from debt	2,628,550	16,342,096	-	0	0	0
Total Financial Sources	\$116,356,850	\$153,362,511	\$123,291,048	\$137,002,909	\$137,634,667	\$138,506,519
Expenditures and Expenses						
General government	\$ 3,009,050	\$ 3,485,923	\$ 4,041,575	\$4,296,836	\$3,614,289	\$3,831,146
Community development	2,010,560	2,015,227	2,050,595	0	0	0
Public safety	17,955,851	19,479,013	20,966,802	0	0	0
Public works	7,491,236	9,302,188	9,300,500	0	0	0
Power purchased	0	0	0	80,105,707	82,867,178	79,764,300
Operation expenses	0	0	0	21,717,949	26,261,189	26,887,378
Maintenance expense	0	0	0	6,139,945	5,146,965	5,633,789
Health and welfare	521,479	583,561	589,346	0	0	0
Culture and recreation	4,260,818	4,433,563	4,508,749	0	0	0
Education	47,478,551	50,220,188	52,235,623	0	0	0
Appropriations	1,192,403	1,317,236	1,311,236	0	0	0
Capital outlay	9,204,108	42,231,033	4,979,434	0	0	0
Depreciation and amortization expense	0	0	0	10,549,513	10,936,329	11,945,132
Debt service principal	4,514,324	4,678,480	5,320,000	0	0	0
Debt service interest and other	2,225,223	2,688,116	2,684,714	1,923,059	2,016,063	2,050,185
Subtotal:	\$99,863,603	\$140,434,528	\$107,988,574	\$124,733,009	\$130,842,013	\$130,111,930
Other financing uses:						
Pymt. to ref. bond escrow	2,900	5,000	5,000	0	0	0
Operating transfers out	14,013,119	18,095,873	15,649,354	2,437,660	2,879,119	2,665,652
Total Use of Resources:	\$113,879,622	\$158,535,401	\$123,642,928	\$127,170,669	\$133,721,132	\$132,777,582
Net Increase (Decrease) in Fund Balance	\$2,477,228	(\$5,172,890)	(\$351,880)	\$9,832,240	\$3,913,535	\$5,728,937
Fund Balance or Net Assets - July 1	30,388,817	32,866,045	27,693,155	130,351,498	140,183,738	144,097,273
Fund Balance or Net Assets-June 30	\$32,866,045	\$27,693,155	\$27,341,275	\$140,183,738	\$144,097,273	\$149,826,210

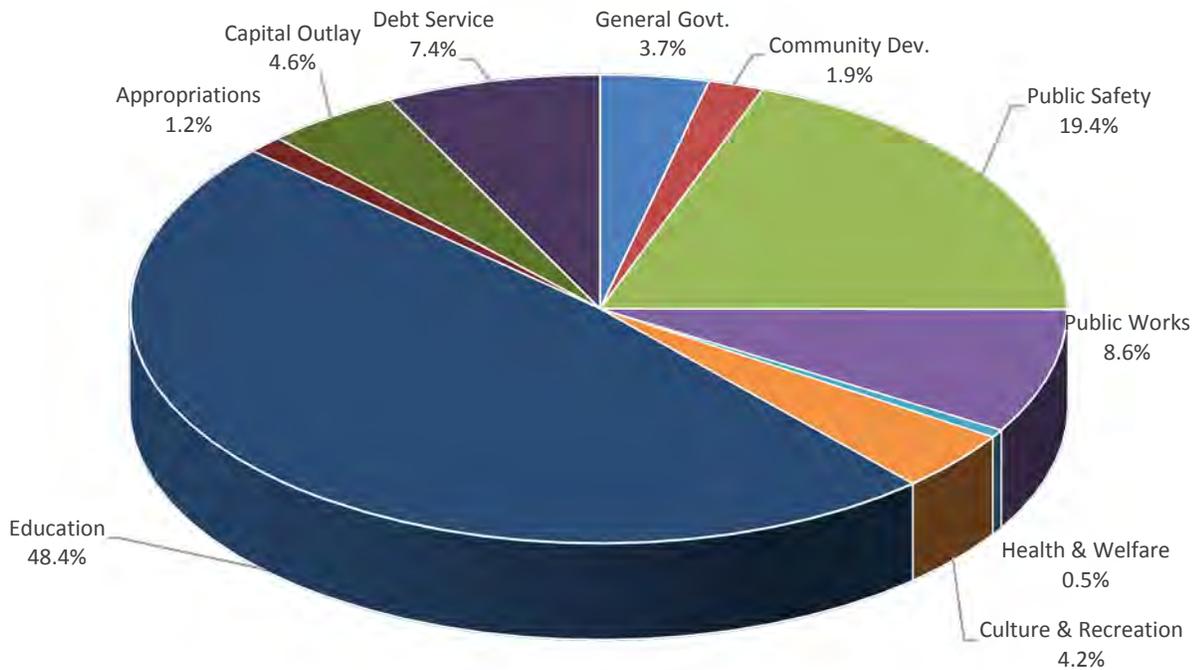
City of Cleveland, Tennessee
2017-2019 Summary of All Funds

	Fiduciary Funds			Total		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Revenues:						
Taxes	\$0	\$0	\$0	\$37,905,053	\$43,127,500	\$44,267,000
Licenses & permits	0	0	0	628,772	630,700	674,100
Intergovernmental	0	0	0	52,724,897	66,304,978	54,703,739
Fines & forfeitures	0	0	0	517,994	632,291	617,600
Charges for services	0	0	0	139,998,044	142,646,214	142,510,331
Interest	3,187	1,500	1,500	395,563	284,074	170,623
Miscellaneous				964,234	843,600	321,868
Public Enterprise	0	0	0	213,932	237,333	218,800
Subtotal:	\$3,187	\$1,500	\$1,500	\$233,348,489	\$254,706,690	\$243,484,061
Other financial sources:						
Operating transfers in	0	0	0	16,450,779	20,974,992	18,315,006
Capital contributions	0	0	0	935,128	(1,025,100)	0
Proceeds from debt	0	0	0	2,628,550	16,342,096	0
Total Financial Sources	\$3,187	\$1,500	\$1,500	\$253,362,946	\$290,998,678	\$261,799,067
Expenditures and Expenses						
General government	\$0	\$0	\$0	\$7,305,886	\$7,100,212	\$7,872,721
Community development	0	0	0	2,010,560	2,015,227	2,050,595
Public safety	0	0	0	17,955,851	19,479,013	20,966,802
Public works	0	0	0	7,491,236	9,302,188	9,300,500
Power purchased	0	0	0	80,105,707	82,867,178	79,764,300
Operation expenses	0	0	0	21,717,949	26,261,189	26,887,378
Maintenance expense	0	0	0	6,139,945	5,146,965	5,633,789
Health and welfare	0	0	0	521,479	583,561	589,346
Culture and recreation	0	0	0	4,260,818	4,433,563	4,508,749
Education	0	0	0	47,478,551	50,220,188	52,235,623
Appropriations	0	0	0	1,192,403	1,317,236	1,311,236
Capital outlay	0	0	0	9,204,108	42,231,033	4,979,434
Depreciation and amortization expense	0	0	0	10,549,513	10,936,329	11,945,132
Debt service principal	0	0	0	4,514,324	4,678,480	5,320,000
Debt service interest and other	0	0	0	4,148,282	4,704,179	4,734,899
Subtotal:	\$0	\$0	\$0	\$224,596,612	\$271,276,541	\$238,100,504
Other financing uses:						
Pymt. to ref. bond escrow	0	0	0	2,900	5,000	5,000
Operating transfers out	0	0	0	16,450,779	20,974,992	18,315,006
Total Use of Resources:	\$0	\$0	\$0	\$241,050,291	\$292,256,533	\$256,420,510
Net Increase (Decrease) in Fund Balance	\$3,187	\$1,500	\$1,500	\$12,312,655	(\$1,257,855)	\$5,378,557
Fund Balance or Net Assets - July 1	467,246	470,433	471,933	161,207,561	158,782,604	157,524,749
Fund Balance or Net Assets-June 30	\$470,433	\$471,933	\$473,433	\$173,520,216	\$157,524,749	\$162,903,306

City of Cleveland Summary of Governmental Funds Revenues By Source - FY2019



Expenditures By Source - FY2019



City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds

	General Fund			Special Revenue Funds		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Financial Sources:						
Taxes	\$33,953,720	\$39,252,500	\$40,280,000	\$0	\$0	\$0
Licenses & permits	628,772	630,700	674,100	0	0	0
Intergovernmental	5,217,151	5,436,045	5,350,900	45,678,696	48,428,781	49,205,939
Fines & forfeitures	475,083	606,600	607,600	42,911	25,691	10,000
Charges for services	836,977	1,247,767	1,071,550	2,898,295	2,818,129	3,020,235
Interest	67,987	100,000	41,000	41,825	61,425	30,550
Miscellaneous	500,962	151,930	79,000	273,548	667,827	242,868
Public Enterprise	213,932	237,333	218,800	0	0	0
Subtotal:	\$41,894,584	\$47,662,875	\$48,322,950	\$48,935,275	\$52,001,853	\$52,509,592
Other financial sources:						
Operating transfers in	2,436,262	3,358,342	2,665,652	\$7,052,108	\$7,078,894	\$7,088,700
Capital lease	0	0	0	442,891	0	0
Proceeds from debt	0	0	0	481,856	0	0
Total Financial Sources	\$44,330,846	\$51,021,217	\$50,988,602	\$56,912,130	\$59,080,747	\$59,598,292
Expenditures:						
General government	\$3,009,050	\$3,485,923	\$4,041,575	\$0	\$0	\$0
Development & Engineering	1,623,291	1,541,372	1,632,640	387,269	473,855	417,955
Public safety	17,901,458	19,412,003	20,949,302	54,393	67,010	17,500
Public works	3,543,754	5,063,394	4,901,200	3,947,482	4,238,794	4,399,300
Health and welfare	521,479	583,561	589,346	0	0	0
Culture and recreation	2,907,273	3,012,263	3,068,249	1,353,545	1,421,300	1,440,500
Education	0	0	0	47,478,551	50,220,188	52,235,623
Appropriations	1,192,403	1,317,236	1,311,236	0	0	0
Capital outlay	0	0	0	2,133,040	1,781,440	224,645
Debt service principal	34,991	0	0	161,596	0	0
Debt service int. & other	2,384	0	0	6,688	0	0
Subtotal:	\$30,736,083	\$34,415,752	\$36,493,548	\$55,522,564	\$58,202,587	\$58,735,523
Other financing uses:						
Pymt to ref. bond escrow	0	0	0	0	0	0
Operating transfers out	12,893,126	16,395,351	14,463,204	980,319	991,272	1,006,137
Total Use of Resources:	\$43,629,209	\$50,811,103	\$50,956,752	\$56,502,883	\$59,193,859	\$59,741,660
Net Increase(Decrease) in Fund Balance	701,637	210,114	31,850	409,247	(113,112)	(143,368)
Fund Balance - July 1	\$10,847,062	\$11,548,699	\$11,758,813	\$7,786,139	\$8,195,386	\$8,082,274
Fund Balance - June 30	\$11,548,699	\$11,758,813	\$11,790,663	\$8,195,386	\$8,082,274	\$7,938,906

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds

Debt Service Funds			Capital Project Funds			Total Governmental Funds		
2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
\$0	\$0	\$0	\$3,951,333	\$3,875,000	\$3,987,000	\$37,905,053	\$43,127,500	\$44,267,000
0	0	0	0	0	0	628,772	630,700	674,100
114,117	146,900	146,900	1,714,933	12,293,252	0	52,724,897	66,304,978	54,703,739
0	0	0	0	0	0	517,994	632,291	617,600
0	0	0	0	0	0	3,735,272	4,065,896	4,091,785
36,642	5,000	5,000	58,569	36,700	4,600	205,023	203,125	81,150
8,023	0	0	121,154	23,843	0	903,687	843,600	321,868
0	0	0	0	0	0	213,932	237,333	218,800
\$158,782	\$151,900	\$151,900	\$5,845,989	\$16,228,795	\$3,991,600	\$96,834,630	\$116,045,423	\$104,976,042
6,159,191	6,875,930	7,425,654	803,218	3,661,826	1,135,000	16,450,779	20,974,992	18,315,006
0	0	0	0	0	0	442,891	0	0
0	0	0	2,146,694	16,342,096	0	2,628,550	16,342,096	0
\$6,317,973	\$7,027,830	\$7,577,554	\$8,795,901	\$36,232,717	\$5,126,600	\$116,356,850	\$153,362,511	\$123,291,048
\$0	\$0	\$0	\$0	\$0	\$0	\$3,009,050	\$3,485,923	\$4,041,575
0	0	0	0	0	0	2,010,560	2,015,227	2,050,595
0	0	0	0	0	0	17,955,851	19,479,013	20,966,802
0	0	0	0	0	0	7,491,236	9,302,188	9,300,500
0	0	0	0	0	0	521,479	583,561	589,346
0	0	0	0	0	0	4,260,818	4,433,563	4,508,749
0	0	0	0	0	0	47,478,551	50,220,188	52,235,623
0	0	0	0	0	0	1,192,403	1,317,236	1,311,236
0	0	0	7,071,068	40,449,593	4,754,789	9,204,108	42,231,033	4,979,434
3,983,160	4,341,480	4,982,000	334,577	337,000	338,000	4,514,324	4,678,480	5,320,000
2,069,614	2,517,356	2,590,254	146,537	170,760	94,460	2,225,223	2,688,116	2,684,714
\$6,052,774	\$6,858,836	\$7,572,254	\$7,552,182	\$40,957,353	\$5,187,249	\$99,863,603	\$140,434,528	\$107,988,574
2,900	5,000	5,000	0	0	0	2,900	5,000	5,000
0	0	0	139,674	709,250	180,013	14,013,119	18,095,873	15,649,354
\$6,055,674	\$6,863,836	\$7,577,254	\$7,691,856	\$41,666,603	\$5,367,262	\$113,879,622	\$158,535,401	\$123,642,928
262,299	163,994	300	1,104,045	(5,433,886)	(240,662)	2,477,228	(5,172,890)	(351,880)
\$4,360,310	\$4,622,609	\$4,786,603	\$7,395,306	\$8,499,351	\$3,065,465	\$30,388,817	\$32,866,045	\$27,693,155
\$4,622,609	\$4,786,603	\$4,786,903	\$8,499,351	\$3,065,465	\$2,824,803	\$32,866,045	\$27,693,155	\$27,341,275

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	General Fund		
	2017 Actual	2018 Budgeted	2019 Proposed
Financial Sources:			
Taxes	\$33,953,720	\$39,252,500	\$40,280,000
Licenses & permits	628,772	630,700	674,100
Intergovernmental	5,217,151	5,436,045	5,350,900
Fines & forfeitures	475,083	606,600	607,600
Charges for services	836,977	1,247,767	1,071,550
Interest	67,987	100,000	41,000
Miscellaneous	500,962	151,930	79,000
Public Enterprise	213,932	237,333	218,800
Subtotal:	\$41,894,584	\$47,662,875	\$48,322,950
Other financial sources:			
Operating transfers in	2,436,262	3,358,342	2,665,652
Proceeds from bonds	0	0	0
Total Financial Sources	\$44,330,846	\$51,021,217	\$50,988,602
Expenditures:			
General government	\$3,009,050	\$3,485,923	\$4,041,575
Development & Engineering	1,623,291	1,541,372	1,632,640
Public safety	17,901,458	19,412,003	20,949,302
Public works	3,543,754	5,063,394	4,901,200
Health and welfare	521,479	583,561	589,346
Culture and recreation	2,907,273	3,012,263	3,068,249
Education	0	0	0
Appropriations	1,192,403	1,317,236	1,311,236
Capital outlay	0	0	0
Debt service principal	34,991	0	0
Debt service int. & other	2,384	0	0
Subtotal:	\$30,736,083	\$34,415,752	\$36,493,548
Other financing uses:			
Operating transfers out	12,893,126	16,395,351	14,463,204
Total Use of Resources:	\$43,629,209	\$50,811,103	\$50,956,752
Net Increase(Decrease) in Fund Balance	701,637	210,114	31,850
Fund Balance - July 1	10,847,062	11,548,699	11,758,813
Fund Balance - June 30	\$11,548,699	\$11,758,813	\$11,790,663

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Special Revenue Funds					
	State Street Aid Fund			Solid Waste Management Fund		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	1,142,702	1,300,000	1,300,000	0	0	0
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	2,512,355	2,518,800	2,541,500
Interest	3,596	8,600	8,000	4,451	3,000	9,000
Miscellaneous	0	0	0	2,191	0	0
Subtotal:	\$1,146,298	\$1,308,600	\$1,308,000	\$2,518,997	\$2,521,800	\$2,550,500
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$1,035,708	\$1,056,494	\$1,074,100
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$1,146,298	\$1,308,600	\$1,308,000	\$3,554,705	\$3,578,294	\$3,624,600
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	576,207	706,400	742,700	3,360,474	3,532,394	3,656,600
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	0	0	142,582	140,000	0
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
Subtotal:	\$576,207	\$706,400	\$742,700	\$3,503,056	\$3,672,394	\$3,656,600
Other financing uses:						
Operating transfers out	411,200	426,353	440,618	10,000	10,000	10,000
Total Use of Resources:	\$987,407	\$1,132,753	\$1,183,318	\$3,513,056	\$3,682,394	\$3,666,600
Net Increase(Decrease) in Fund Balance	158,891	175,847	124,682	41,649	(104,100)	(42,000)
Fund Balance - July 1	\$685,991	\$844,882	\$1,020,729	\$699,329	\$740,978	\$636,878
Fund Balance - June 30	\$844,882	\$1,020,729	\$1,145,411	\$740,978	\$636,878	\$594,878

City of Cleveland, Tennessee
2017-2019 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		
	2017	2018	2019	2017	2018	2019
	Actual	Budgeted	Proposed	Actual	Budgeted	Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	9,118	2572	0	0	0	0
Fines & forfeitures	30,226	14,791	10,000	0	0	0
Charges for services	0	0	0	0	0	0
Interest	518	775	100	0	0	0
Miscellaneous	2,175	0	0	0	0	0
Subtotal:	\$42,037	\$18,138	\$10,100	\$0	\$0	\$0
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$0	\$0	\$0
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$42,037	\$18,138	\$10,100	\$0	\$0	\$0
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	12,278	17,500	17,500	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	18,049	2,570	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:	\$30,327	\$20,070	\$18,600	\$0	\$0	\$0
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
Total Use of Resources:	\$30,327	\$20,070	\$18,600	\$0	\$0	\$0
Net Increase(Decrease) in Fund Balance	11,710	(1,932)	(8,500)	0	0	0
Fund Balance - July 1	\$84,920	\$96,630	\$94,698	\$0	\$0	\$0
Fund Balance - June 30	\$96,630	\$94,698	\$86,198	\$0	\$0	\$0

City of Cleveland, Tennessee
 2017-2019 Summary of Financial Sources and Uses
 Governmental Funds by Fund Type

Special Revenue Funds, Continued

	2016 Byrne Mem. Justice Asst. Grant			School Fund		
	2017	2018	2019	2017	2018	2019
	Actual	Budgeted	Proposed	Actual	Budgeted	Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	39,340	0	0	40,098,606	41,920,038	43,631,787
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	198,563	123,579	106,735
Interest	0	0	0	32,455	48,250	13,250
Miscellaneous	0	0	0	151,828	189,827	172,868
Subtotal:	\$39,340	\$0	\$0	\$40,481,452	\$42,281,694	\$43,924,640
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$5,273,600	\$5,273,600	\$5,273,600
Capital lease	0	0	0	442,891	0	0
Proceeds from bonds	0	0	0	481,856	0	0
Total Financial Sources	\$39,340	\$0	\$0	\$46,679,799	\$47,555,294	\$49,198,240
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	39,340	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	44,027,720	46,670,670	48,642,721
Appropriations	0	0	0	0	0	0
Capital outlay	0	0	0	1,803,757	459,622	0
Debt service principal	0	0	0	161,596	0	0
Debt service int. & other	0	0	0	6,688	0	0
Subtotal:	\$39,340	\$0	\$0	\$45,999,761	\$47,130,292	\$48,642,721
Other financing uses:						
Operating transfers out	0	0	0	559,119	554,919	555,519
Total Use of Resources:	\$39,340	\$0	\$0	\$46,558,880	\$47,685,211	\$49,198,240
Net Increase(Decrease) in Fund Balance	0	0	0	120,919	(129,917)	0
Fund Balance - July 1	\$0	\$0	\$0	\$4,871,018	\$4,991,937	\$4,862,020
Fund Balance - June 30	\$0	\$0	\$0	\$4,991,937	\$4,862,020	\$4,862,020

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Special Revenue Funds, Continued					
	School Food Services Fund			Library Fund		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2018 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	3,372,825	3,437,568	3,070,152	645,508	684,000	654,000
Fines & forfeitures	0	0	0	0	0	0
Charges for services	123,141	111,750	308,000	64,236	64,000	64,000
Interest	191	200	200	614	600	0
Miscellaneous	0	0	0	114,354	478,000	70,000
Subtotal:	\$3,496,157	\$3,549,518	\$3,378,352	\$824,712	\$1,226,600	\$788,000
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$645,800	\$645,800	\$654,000
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$3,496,157	\$3,549,518	\$3,378,352	\$1,470,512	\$1,872,400	\$1,442,000
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	1,353,545	1,421,300	1,440,500
Education	3,450,831	3,549,518	3,592,902	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	0	0	0	133,762	475,500	1,500
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
Subtotal:	\$3,450,831	\$3,549,518	\$3,592,902	\$1,487,307	\$1,896,800	\$1,442,000
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
Total Use of Resources:	\$3,450,831	\$3,549,518	\$3,592,902	\$1,487,307	\$1,896,800	\$1,442,000
Net Increase(Decrease) in Fund Balance	45,326	0	(214,550)	(16,795)	(24,400)	0
Fund Balance - July 1	\$659,846	\$705,172	\$705,172	\$600,384	\$583,589	\$559,189
Fund Balance - June 30	\$705,172	\$705,172	\$490,622	\$583,589	\$559,189	\$559,189

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Special Revenue Funds, Continued					
	Community Development Block Grant			Metropolitan Planning Organization		
	2017 Actual	2018 Budgeted	2018 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	234,266	884,603	350,000	136,331	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	3,000	0	0
Subtotal:	\$234,266	\$884,603	\$350,000	\$139,331	\$200,000	\$200,000
Other financial sources:						
Operating transfers in	\$30,000	\$36,000	\$20,000	\$57,000	\$57,000	\$57,000
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$264,266	\$920,603	\$370,000	\$196,331	\$257,000	\$257,000
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	216,653	221,355	165,455	170,616	252,500	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	34,890	699,248	217,545	0	4,500	4,500
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
Subtotal:	\$251,543	\$920,603	\$383,000	\$170,616	\$257,000	\$257,000
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
Total Use of Resources:	\$251,543	\$920,603	\$383,000	\$170,616	\$257,000	\$257,000
Net Increase(Decrease) in Fund Balance	12,723	0	(13,000)	25,715	0	0
Fund Balance - July 1	\$53,936	\$66,659	\$66,659	\$101,782	\$127,497	\$127,497
Fund Balance - June 30	\$66,659	\$66,659	\$53,659	\$127,497	\$127,497	\$127,497

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

Special Revenue Funds, Continued

	E-Ticketing Grant			Schools Federal Projects		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Fines & forfeitures	12,685	10,900	0	0	0	0
Charges for services	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Subtotal:	\$12,685	\$10,900	\$0	\$0	\$0	\$0
Other financial sources:						
Operating transfers in	\$0	\$0	\$0	\$0	\$0	\$0
Capital lease	0	0	0	0	0	0
Proceeds from bonds	0	0	0	0	0	0
Total Financial Sources	\$12,685	\$10,900	\$0	\$0	\$0	\$0
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	2,775	49,510	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	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:	\$2,775	\$49,510	\$0	\$0	\$0	\$0
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
Total Use of Resources:	\$2,775	\$49,510	\$0	\$0	\$0	\$0
Net Increase(Decrease) in Fund Balance	9,910	(38,610)	0	0	0	0
Fund Balance - July 1	\$18,865	\$28,775	(\$9,835)	\$0	\$0	\$0
Fund Balance - June 30	\$28,775	(\$9,835)	(\$9,835)	\$0	\$0	\$0

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Special Revenue Funds, Continued					
	Recycling Grant			Total Special Revenue Funds		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	45,678,696	48,428,781	49,205,939
Fines & forfeitures	0	0	0	42,911	25,691	10,000
Charges for services	0	0	0	2,898,295	2,818,129	3,020,235
Interest	0	0	0	41,825	61,425	30,550
Miscellaneous	0	0	0	273,548	667,827	242,868
Subtotal:	\$0	\$0	\$0	\$48,935,275	\$52,001,853	\$52,509,592
Other financial sources:						
Operating transfers in	\$10,000	\$10,000	\$10,000	\$7,052,108	\$7,078,894	\$7,088,700
Capital lease	0	0	0	442,891	0	0
Proceeds from bonds	0	0	0	481,856	0	0
Total Financial Sources	\$10,000	\$10,000	\$10,000	\$56,912,130	\$59,080,747	\$59,598,292
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	387,269	473,855	417,955
Public safety	0	0	0	54,393	67,010	17,500
Public works	10,801	0	0	3,947,482	4,238,794	4,399,300
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	1,353,545	1,421,300	1,440,500
Education	0	0	0	47,478,551	50,220,188	52,235,623
Appropriations	0	0	0	0	0	0
Capital outlay	0	0	0	2,133,040	1,781,440	224,645
Debt service principal	0	0	0	161,596	0	0
Debt service int. & other	0	0	0	6,688	0	0
Subtotal:	\$10,801	\$0	\$0	\$55,522,564	\$58,202,587	\$58,735,523
Other financing uses:						
Operating transfers out	0	0	0	980,319	991,272	1,006,137
Total Use of Resources:	\$10,801	\$0	\$0	\$56,502,883	\$59,193,859	\$59,741,660
Net Increase(Decrease) in Fund Balance	(801)	10,000	10,000	409,247	(113,112)	(143,368)
Fund Balance - July 1	\$10,068	\$9,267	\$19,267	\$7,786,139	\$8,195,386	\$8,082,274
Fund Balance - June 30	\$9,267	\$19,267	\$29,267	\$8,195,386	\$8,082,274	\$7,938,906

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Debt Service Fund		
	2017 Actual	2018 Budgeted	2019 Proposed
Financial Sources:			
Taxes	\$0	\$0	\$0
Licenses & permits	0	0	0
Intergovernmental	114,117	146,900	146,900
Fines & forfeitures	0	0	0
Charges for services	0	0	0
Interest	36,642	5,000	5,000
Miscellaneous	8,023	0	0
Subtotal:	\$158,782	\$151,900	\$151,900
Other financial sources:			
Operating transfers in	6,159,191	6,875,930	7,425,654
Proceeds from bonds	0	0	0
Total Financial Sources	\$6,317,973	\$7,027,830	\$7,577,554
Expenditures:			
General government	\$0	\$0	\$0
Community development	0	0	0
Public safety	0	0	0
Public works	0	0	0
Health and welfare	0	0	0
Culture and recreation	0	0	0
Education	0	0	0
Appropriations	0	0	0
Capital outlay	0	0	0
Debt service principal	3,983,160	4,341,480	4,982,000
Debt service int. & other	2,069,614	2,517,356	2,590,254
Subtotal:	\$6,052,774	\$6,858,836	\$7,572,254
Other financing uses:			
Pymt to ref. bond escrow	2,900	5,000	5,000
Operating transfers out	0	0	0
Total Use of Resources:	\$6,055,674	\$6,863,836	\$7,577,254
Net Increase(Decrease) in Fund Balance	\$262,299	\$163,994	\$300
Fund Balance - July 1	4,360,310	4,622,609	4,786,603
Fund Balance - June 30	\$4,622,609	\$4,786,603	\$4,786,903

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

	Capital Project Funds					
	Sales Tax Capital Projects Fund			Capital Improvement Program		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Financial Sources:						
Taxes	\$3,951,333	\$3,875,000	\$3,987,000	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	1,714,933	12,293,252	0
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Interest	16,437	4,600	4,600	14,497	30,000	0
Miscellaneous	0	0	0	107,904	8,843	0
Subtotal:	\$3,967,770	\$3,879,600	\$3,991,600	\$1,837,334	\$12,332,095	\$0
Other financial sources:						
Operating transfers in	0	0	0	803,218	3,661,826	1,135,000
Proceeds notes/bonds	0	0	0	1,706,769	13,342,096	0
Total Financial Sources	\$3,967,770	\$3,879,600	\$3,991,600	\$4,347,321	\$29,336,017	\$1,135,000
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	3,169,716	5,592,019	3,619,789	3,545,944	31,860,574	1,135,000
Debt service principal	334,577	337,000	338,000	0	0	0
Debt service int. & other	100,337	98,760	94,460	46,200	54,000	0
Subtotal:	\$3,604,630	\$6,027,779	\$4,052,249	\$3,592,144	\$31,914,574	\$1,135,000
Other financing uses:						
Operating transfers out	0	0	0	0	529,223	0
Total Use of Resources:	\$3,604,630	\$6,027,779	\$4,052,249	\$3,592,144	\$32,443,797	\$1,135,000
Net Increase(Decrease) in Fund Balance	\$363,140	(\$2,148,179)	(\$60,649)	\$755,177	(\$3,107,780)	\$0
Fund Balance - July 1	\$2,383,456	\$2,746,596	\$598,417	\$3,495,179	\$4,250,356	\$1,142,576
Fund Balance - June 30	\$2,746,596	\$598,417	\$537,768	\$4,250,356	\$1,142,576	\$1,142,576

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

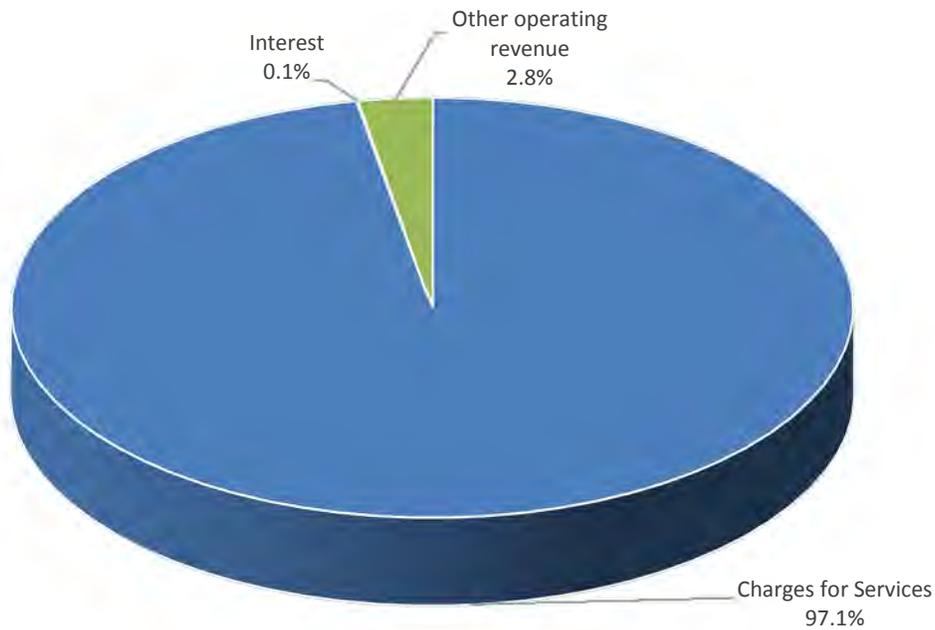
	Capital Project Funds, Continued					
	Fletcher Park Trust Fund			Greenway Fund		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Interest	0	0	0	87	100	0
Miscellaneous	0	0	0	13,250	15,000	0
Subtotal:	\$0	\$0	\$0	\$13,337	\$15,100	\$0
Other financial sources:						
Operating transfers in	0	0	0	0	0	0
Proceeds notes/bonds	0	0	0	0	0	0
Total Financial Sources	\$0	\$0	\$0	\$13,337	\$15,100	\$0
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	5,403	0	0	15,569	15,000	0
Debt service principal	0	0	0	0	0	0
Debt service int. & other	0	0	0	0	0	0
Subtotal:	\$5,403	\$0	\$0	\$15,569	\$15,000	\$0
Other financing uses:						
Operating transfers out	0	0	0	0	0	0
Total Use of Resources:	\$5,403	\$0	\$0	\$15,569	\$15,000	\$0
Net Increase(Decrease) in Fund Balance	(\$5,403)	\$0	\$0	(\$2,232)	\$100	\$0
Fund Balance - July 1	\$5,403	\$0	\$0	\$11,185	\$8,953	\$9,053
Fund Balance - June 30	\$0	\$0	\$0	\$8,953	\$9,053	\$9,053

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Governmental Funds by Fund Type

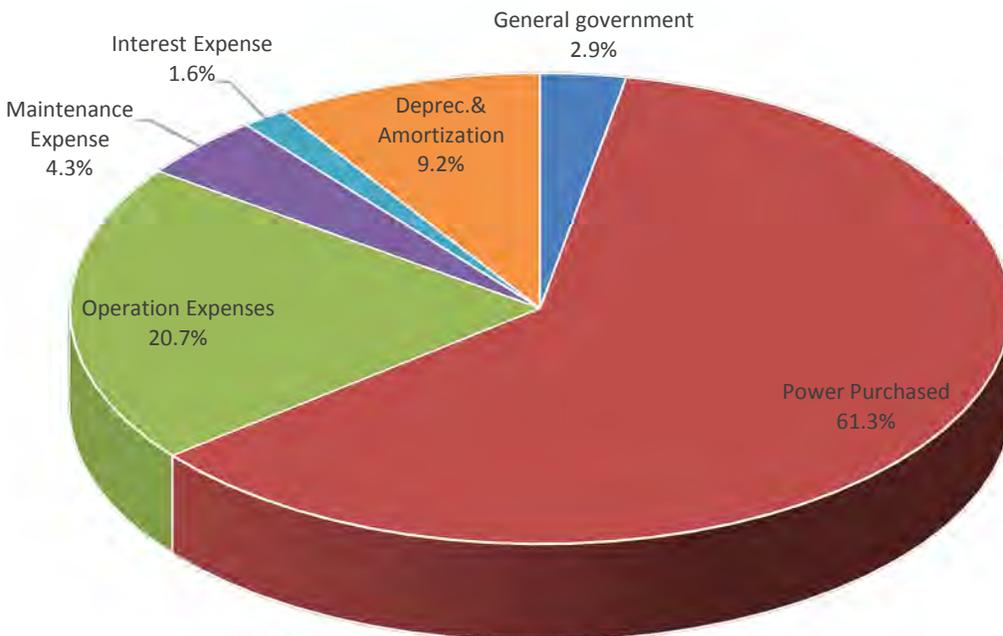
Capital Project Funds, Continued

	Spring Branch Industrial Park Fund			Total Capital Project Funds		
	2017	2018	2019	2017	2018	2019
	Actual	Budgeted	Proposed	Actual	Budgeted	Proposed
Financial Sources:						
Taxes	\$0	\$0	\$0	\$3,951,333	\$3,875,000	\$3,987,000
Licenses & permits	0	0	0	0	0	0
Intergovernmental	0	0	0	1,714,933	12,293,252	0
Fines & forfeitures	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Interest	27,548	2,000	0	58,569	36,700	4,600
Miscellaneous	0	0	0	121,154	23,843	0
Subtotal:	\$27,548	\$2,000	\$0	\$5,845,989	\$16,228,795	\$3,991,600
Other financial sources:						
Operating transfers in	0	0	0	803,218	3,661,826	1,135,000
Proceeds notes/bonds	439,925	3,000,000	0	2,146,694	16,342,096	0
Total Financial Sources	\$467,473	\$3,002,000	\$0	\$8,795,901	\$36,232,717	\$5,126,600
Expenditures:						
General government	\$0	\$0	\$0	\$0	\$0	\$0
Community development	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	0	0	0	0	0	0
Health and welfare	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0
Education	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Capital outlay	334,436	2,982,000	0	7,071,068	40,449,593	4,754,789
Debt service principal	0	0	0	334,577	337,000	338,000
Debt service int. & other	0	18,000	0	146,537	170,760	94,460
Subtotal:	\$334,436	\$3,000,000	\$0	\$7,552,182	\$40,957,353	\$5,187,249
Other financing uses:						
Operating transfers out	139,674	180,027	180,013	139,674	709,250	180,013
Total Use of Resources:	\$474,110	\$3,180,027	\$180,013	\$7,691,856	\$41,666,603	\$5,367,262
Net Increase(Decrease) in Fund Balance	(\$6,637)	(\$178,027)	(\$180,013)	\$1,104,045	(\$5,433,886)	(\$240,662)
Fund Balance - July 1	\$1,500,083	\$1,493,446	\$1,315,419	\$7,395,306	\$8,499,351	\$3,065,465
Fund Balance - June 30	\$1,493,446	\$1,315,419	\$1,135,406	\$8,499,351	\$3,065,465	\$2,824,803

City of Cleveland Summary of Proprietary Funds Revenues By Use - FY2019



Expenses By Use - FY2019



City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Proprietary Funds

	Enterprise Funds			Internal Service Funds		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Operating Revenues:						
Charges for services	\$127,729,225	\$131,061,967	\$130,560,015	\$4,756,959	\$3,714,359	\$3,974,364
Other operating revenues	3,776,588	3,803,992	3,884,167	0	0	0
Total Operating Revenues	\$131,505,813	\$134,865,959	\$134,444,182	\$4,756,959	\$3,714,359	\$3,974,364
Operating Expenses:						
General government	\$0	\$0	\$0	\$4,296,836	\$3,614,289	\$3,831,146
Public works	0	0	0	0	0	0
Recreation	0	0	0	0	0	0
Power purchased	80,105,707	82,867,178	79,764,300	0	0	0
Operation expenses	21,717,949	26,261,189	26,887,378	0	0	0
Maintenance expense	6,139,945	5,146,965	5,633,789	0	0	0
Depreciation and amortization	10,515,275	10,936,329	11,945,132	34,238	0	0
Total Operating Expenses:	\$118,478,876	\$125,211,661	\$124,230,599	\$4,331,074	\$3,614,289	\$3,831,146
Operating Income (Loss)	\$13,026,937	\$9,654,298	\$10,213,583	\$425,885	\$100,070	\$143,218
Nonoperating Revenues (Expenses):						
Interest income	185,698	79,449	87,973	1,655	0	0
Interest expense	(1,923,059)	(2,016,063)	(2,050,185)	0	0	0
Other income	55996	-	0	4,551	0	0
Total Nonoperating Revenues (Expenses):	(1,681,365)	(1,936,614)	(1,962,212)	6,206	0	0
Change In Net Assets Before Capital Contributions and Transfers:	\$11,345,572	\$7,717,684	\$8,251,371	\$432,091	\$100,070	\$143,218
Capital contributions	492,237	0	0	0	(1,025,100)	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	(2,437,660)	(2,640,322)	(2,665,652)	0	(238,797)	0
Change In Net Assets	\$9,400,149	\$5,077,362	\$5,585,719	\$432,091	(\$1,163,827)	\$143,218
Est. Net Assets - July 1	128,904,071	138,304,220	143,381,582	1,447,427	1,879,518	715,691
Est. Net Assets - June 30	\$138,304,220	\$143,381,582	\$148,967,301	\$1,879,518	\$715,691	\$858,909

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Proprietary Funds

	Total Proprietary Funds		
	2017 Actual	2018 Budgeted	2019 Proposed
Operating Revenues:			
Charges for services	\$132,486,184	\$134,776,326	\$134,534,379
Other operating revenues	\$3,776,588	\$3,803,992	\$3,884,167
Total Operating Revenues	\$136,262,772	\$138,580,318	\$138,418,546
Operating Expenses:			
General government	\$4,296,836	\$3,614,289	\$3,831,146
Public works	0	0	0
Recreation	0	0	0
Power purchased	80,105,707	82,867,178	79,764,300
Operation expenses	21,717,949	26,261,189	26,887,378
Maintenance expense	6,139,945	5,146,965	5,633,789
Depreciation and amortization	10,549,513	10,936,329	11,945,132
Total Operating Expenses:	\$122,809,950	\$128,825,950	\$128,061,745
Operating Income (Loss)	\$13,452,822	\$9,754,368	\$10,356,801
Nonoperating Revenues (Expenses):			
Interest income	187,353	79,449	87,973
Interest expense	(1,923,059)	(2,016,063)	(2,050,185)
Other income	60,547	0	0
Total Nonoperating Revenues (Expenses):	(1,675,159)	(1,936,614)	(1,962,212)
Change In Net Assets Before Capital Contributions and Transfers:	\$11,777,663	\$7,817,754	\$8,394,589
Capital contributions	492,237	(1,025,100)	0
Operating transfers in	0	0	0
Operating transfers out	(2,437,660)	(2,879,119)	(2,665,652)
Change In Net Assets	\$9,832,240	\$3,913,535	\$5,728,937
Est. Net Assets - July 1	130,351,498	140,183,738	144,097,273
Est. Net Assets - June 30	\$140,183,738	\$144,097,273	\$149,826,210

City of Cleveland, Tennessee
2017-2019 Summary of Estimated Revenues, Expenses and Changes in Net Assets
Enterprise Funds

	Enterprise Funds					
	Cleveland Utilities Electric Division			Cleveland Utilities Water/Wastewater Division		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Operating Revenues:						
Charges for services	\$99,537,202	\$102,431,615	\$101,295,229	\$26,706,394	\$27,034,652	\$27,669,086
Other operating revenues	1,540,155	1,583,307	1,603,406	2,236,433	2,220,685	2,266,761
Total Operating Revenues	\$101,077,357	\$104,014,922	\$102,898,635	\$28,942,827	\$29,255,337	\$29,935,847
Operating Expenses:						
General and administrative	\$0	\$0	\$0	\$0	\$0	\$0
Public works	0	0	0	0	0	0
Recreation	0	0	0	0	0	0
Power purchased	80,105,707	82,867,178	79,764,300	0	0	0
Operation expenses	6,609,517	8,486,855	8,560,554	14,635,407	16,434,343	16,716,301
Maintenance expense	3,399,774	2,871,526	3,224,564	2,740,171	2,275,439	2,409,225
Depreciation and amortization	4,713,127	4,853,191	4,866,517	5,762,921	5,883,138	6,758,615
Total Operating Expenses:	\$94,828,125	\$99,078,750	\$96,415,935	\$23,138,499	\$24,592,920	\$25,884,141
Operating Income (Loss)	\$6,249,232	\$4,936,172	\$6,482,700	\$5,804,328	\$4,662,417	\$4,051,706
Nonoperating Revenues (Expenses):						
Interest income	99,991	45,332	48,706	79,549	31,317	36,467
Interest expense	(467,188)	(511,205)	(551,140)	(1,455,871)	(1,504,858)	(1,499,045)
Other income (expense)	57,620	0	0	(7,576)	0	0
Total Nonoperating Revenues (Expenses):	(309,577)	(465,873)	(502,434)	(1,383,898)	(1,473,541)	(1,462,578)
Change in Net Assets Before Contributions and Transfers:	\$5,939,655	\$4,470,299	\$5,980,266	\$4,420,430	\$3,188,876	\$2,589,128
Capital contributions	0	0	0	492,237	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	(2,005,116)	(2,146,242)	(2,211,629)	(431,146)	(444,080)	(454,023)
Change in Net Assets	\$3,934,539	\$2,324,057	\$3,768,637	\$4,481,521	\$2,744,796	\$2,135,105
Est. Net Assets, July 1	57,014,679	60,949,218	63,273,275	71,351,660	75,833,181	78,577,977
Est. Net Assets, June 30	\$60,949,218	\$63,273,275	\$67,041,912	\$75,833,181	\$78,577,977	\$80,713,082

City of Cleveland, Tennessee
2017-2019 Summary of Estimated Revenues, Expenses and Changes in Net Assets
Enterprise Funds

	Enterprise Funds, Continued					
	Stormwater			Total Enterprise Funds		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Operating Revenues:						
Charges for services	\$1,485,629	\$1,595,700	\$1,595,700	\$127,729,225	\$131,061,967	\$130,560,015
Other operating revenues	0	0	14,000	3,776,588	3,803,992	3,884,167
Total Operating Revenues	\$1,485,629	\$1,595,700	\$1,609,700	\$131,505,813	\$134,865,959	\$134,444,182
Operating Expenses:						
General and administrative	\$0	\$0	\$0	\$0	\$0	\$0
Public works	0	0	0	0	0	0
Recreation	0	0	0	0	0	0
Power purchased	0	0	0	80,105,707	82,867,178	79,764,300
Operation expenses	473,025	1,339,991	1,610,523	21,717,949	26,261,189	26,887,378
Maintenance expense	0	0	0	6,139,945	5,146,965	5,633,789
Depreciation and amortization	39,227	200,000	320,000	10,515,275	10,936,329	11,945,132
Total Operating Expenses:	\$512,252	\$1,539,991	\$1,930,523	\$118,478,876	\$125,211,661	\$124,230,599
Operating Income (Loss)	\$973,377	\$55,709	(\$320,823)	\$13,026,937	\$9,654,298	\$10,213,583
Nonoperating Revenues (Expenses):						
Interest income	6,158	2,800	2,800	185,698	79,449	87,973
Interest expense	0	0	0	(1,923,059)	(2,016,063)	(2,050,185)
Other income (expense)	5,952	0	0	55,996	0	0
Total Nonoperating Revenues (Expenses):	12,110	2,800	2,800	(1,681,365)	(1,936,614)	(1,962,212)
Change in Net Assets Before Contributions and Transfers:	\$985,487	\$58,509	(\$318,023)	\$11,345,572	\$7,717,684	\$8,251,371
Capital contributions	0	0	0	492,237	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	(1,398)	(50,000)	0	(2,437,660)	(2,640,322)	(2,665,652)
Change in Net Assets	\$984,089	\$8,509	(\$318,023)	\$9,400,149	\$5,077,362	\$5,585,719
Est. Net Assets, July 1	537,732	1,521,821	1,530,330	128,904,071	138,304,220	143,381,582
Est. Net Assets, June 30	\$1,521,821	\$1,530,330	\$1,212,307	\$138,304,220	\$143,381,582	\$148,967,301

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Internal Service Funds

	Health Insurance Fund			Fleet Management Fund		
	2017 Actual	2018 Budgeted	2019 Proposed	2017 Actual	2018 Budgeted	2019 Proposed
Operating Revenues:						
Charges for services	\$3,744,910	\$3,714,359	\$3,974,364	\$1,012,049	\$0	\$0
Other operating revenues	0	0	0	0	0	0
Total Operating Revenues	\$3,744,910	\$3,714,359	\$3,974,364	\$1,012,049	\$0	\$0
Operating Expenses:						
General government	\$3,314,412	\$3,614,289	\$3,831,146	\$982,424	\$0	\$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	34,238	0	0
Total Operating Expenses:	\$3,314,412	\$3,614,289	\$3,831,146	\$1,016,662	\$0	\$0
Operating Income (Loss)	\$430,498	\$100,070	\$143,218	(\$4,613)	\$0	\$0
Nonoperating Revenues (Expenses):						
Interest income	1,541	0	0	114	0	0
Interest expense	0	0	0	0	0	0
Other income	0	0	0	4,551	0	0
Total Nonoperating Revenues (Expenses):	1,541	0	0	4,665	0	0
Change In Net Assets Before Capital Contributions and Transfers:	\$432,039	\$100,070	\$143,218	\$52	\$0	\$0
Capital contributions	0	0	0	0	(1,502,694)	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	238,797	0
Change In Net Assets	\$432,039	\$100,070	\$143,218	\$52	(\$1,263,897)	\$0
Est. Net Assets - July 1	183,582	615,621	715,691	1,263,845	1,263,897	0
Est. Net Assets - June 30	\$615,621	\$715,691	\$858,909	\$1,263,897	\$0	\$0

City of Cleveland, Tennessee
2017-2019 Summary of Financial Sources and Uses
Internal Service Funds

	Total Internal Service Fund		
	2017 Actual	2018 Budgeted	2019 Proposed
Operating Revenues:			
Charges for services	\$4,756,959	\$3,714,359	\$3,974,364
Other operating revenues	\$0	\$0	\$0
Total Operating Revenues	\$4,756,959	\$3,714,359	\$3,974,364
Operating Expenses:			
General government	\$4,296,836	\$3,614,289	\$3,831,146
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	34,238	0	0
Total Operating Expenses:	\$4,331,074	\$3,614,289	\$3,831,146
Operating Income (Loss)	\$425,885	\$100,070	\$143,218
Nonoperating Revenues (Expenses):			
Interest income	1,655	0	0
Interest expense	0	0	0
Other income	4,551	0	0
Total Nonoperating Revenues (Expenses):	6,206	0	0
Change In Net Assets Before Capital Contributions and Transfers:	\$432,091	\$100,070	\$143,218
Capital contributions	0	(1,502,694)	0
Operating transfers in	0	0	0
Operating transfers out	0	238,797	0
Change In Net Assets	\$432,091	(\$1,163,827)	\$143,218
Est. Net Assets - July 1	1,447,427	1,879,518	715,691
Est. Net Assets - June 30	\$1,879,518	\$715,691	\$858,909

City of Cleveland, Tennessee
 2017-2019 Summary of Financial Sources and Uses
 Fiduciary Funds by Fund Type

	Meiler Estate Animal Shelter Nonexpendable Trust Fund		
	2017	2018	2019
	Actual	Budgeted	Proposed
Financial Sources:			
Taxes	\$0	\$0	\$0
Licenses & permits	0	0	0
Intergovernmental	0	0	0
Fines & forfeitures	0	0	0
Charges for services	0	0	0
Interest	3,187	1,500	1,500
Miscellaneous	0	0	0
Subtotal:	\$3,187	\$1,500	\$1,500
Other financial sources:			
Operating transfers in	0	0	0
Proceeds from bonds	0	0	0
Total Financial Sources	\$3,187	\$1,500	\$1,500
Expenditures:			
General government	\$0	\$0	\$0
Community Development	0	0	0
Public safety	0	0	0
Public works	0	0	0
Health and welfare	0	0	0
Culture and recreation	0	0	0
Education	0	0	0
Appropriations	0	0	0
Capital outlay	0	0	0
Debt service principal	0	0	0
Debt service int. & other	0	0	0
Subtotal:	\$0	\$0	\$0
Other financing uses:			
Operating transfers out	0	0	0
Total Use of Resources:	\$0	\$0	\$0
Net Increase(Decrease) in Fund Balance	3,187	1,500	1,500
Fund Balance - July 1	\$467,246	\$470,433	\$471,933
Fund Balance - June 30	\$470,433	\$471,933	\$473,433

FUND DESCRIPTION MATRIX

Department/Agency	GOVERNMENTAL			PROPRIETARY		FIDUCIARY
	General Fund	Capital Projects	Other Govt.	Internal Service Fund	Enterprise Funds	Trust Funds
City Departments						
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		
Other Agencies						
City Schools	x	x				
Cleveland/Bradley Public Library	x			x		
Stormwater				x	x	
Cleveland Utilities					x	

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

ORDINANCE NO: 2018-15

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

BE IT ORDAINED by the City of Cleveland as follows:

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

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

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

Whereas, the financial plan developed in this process being the document to communicate the plan the City of Cleveland has decided to implement for the coming fiscal year;

SECTION 1: **REVENUES.** That the City of Cleveland estimates anticipated revenues of the municipality from all sources including current and delinquent taxes, nontax revenues, and proceeds from the sale of debt to be \$261,799,067. All of these sources are available for appropriation.

Anticipated Revenues	2016-2017 <u>(ACTUAL)</u>	2017-2018 <u>(ESTIMATED)</u>	2018-2019 <u>PROPOSED</u>
Revenues:			
General Fund	\$41,894,584	\$47,662,875	\$48,322,950
Special Revenue Funds:			
Solid Waste Management	2,518,997	2,521,800	2,550,500
State Street Aid	1,146,298	1,308,600	1,308,000
General Purpose School	40,481,452	42,281,694	43,924,640
Schools Food Service	3,496,157	3,549,518	3,378,352
Cleveland Public Library	824,712	1,226,600	788,000
Drug Enforcement	42,037	18,138	10,100
2015 Byrne Mem. Justice Asst. Grant	0	0	0
2016 Byrne Mem. Justice Asst. Grant	39,340	0	0
Community Dev. Block Grant	234,266	884,603	350,000
E-Ticketing	12,685	10,900	0
Recycling Grant	0	0	0
Schools Federal Projects	0	0	0
Metropolitan Planning Organization	139,331	200,000	200,000
Debt Service	158,782	151,900	151,900

Anticipated Revenues, cont'd:	2016-2017 (ACTUAL)	2017-2018 (ESTIMATED)	2018-2019 PROPOSED
Revenues:			
Capital Projects Funds:			
Fletcher Park	0	0	0
Greenway Fund	13,337	15,100	0
Capital Improvements Program	1,837,334	12,332,095	0
Sales Tax Capital Projects Fund	3,967,770	3,879,600	3,991,600
Spring Branch Industrial Park Fund	27,548	2,000	0
Enterprise Funds:			
Stormwater Management	1,497,739	1,598,500	1,612,500
Cleveland Utilities Electric Division	101,234,968	104,060,254	102,947,341
Cleveland Utilities Water/Wastewater Division	29,022,376	29,286,654	29,972,314
Trust Funds:			
Meiler Trust Fund	3,187	1,500	1,500
Internal Service Fund:			
Fleet Management	1,012,049	0	0
Health Insurance Trust Fund	3,744,910	3,714,359	3,974,364
Total Revenues	233,349,859	254,706,690	243,484,061
Other financial sources			
Operating transfers in:			
General Fund:	2,436,262	3,358,342	2,665,652
Special Revenue Funds:			
Solid Waste Management	1,035,708	1,056,494	1,074,100
State Street Aid	0	0	0
General Purpose School	5,273,600	5,273,600	5,273,600
Cleveland Public Library	645,800	645,800	654,000
Community Dev. Block Grant	30,000	36,000	20,000
Recycling Grant	10,000	10,000	10,000
Metropolitan Planning Organization	57,000	57,000	57,000
Debt Service	6,159,191	6,875,930	7,425,654
Capital Projects Funds:			
Capital Improvement Program	803,218	3,661,826	1,135,000
Greenway Fund	0	0	0
Enterprise Funds:			
Stormwater Management	0	0	0
Total Operating Transfer In:	\$16,450,779	\$20,974,992	\$18,315,006

Anticipated Revenues	2016-2017 (ACTUAL)	2017-2018 (ESTIMATED)	2018-2019 PROPOSED
Other financial sources:			
Operating transfers in, cont'd:			
Capital Contributions			
Enterprise Funds:			
Stormwater Management	0	0	0
Cleveland Utilities Electric Division	0	0	0
Cleveland Utilities Water/Wastewater Division	492,237	0	0
Internal Service Funds:			
Fleet Management	0	(1,502,694)	0
Total Capital Contributions:	492,237	(1,502,694)	0
Bond & Note Proceeds and Capital Lease			
General Fund	0	0	0
General Purpose School Fund	924,747	0	0
Capital Improvement Program	1,706,769	13,342,096	0
Spring Branch Industrial Park	439,925	3,000,000	0
Debt Service	0	0	0
Total Bond & Note Proceeds:	\$3,071,441	\$16,342,096	\$0
Total Other Financing Sources	\$20,014,457	\$35,814,394	\$18,315,006
Total Revenues and Other Financing Sources	\$253,364,316	\$290,521,084	\$261,799,067

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

SECTION 2: **APPROPRIATIONS.**

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

Expenditures	2016-2017 (ACTUAL)	2017-2018 (ESTIMATED)	2018-2019 PROPOSED
General Fund	\$30,736,083	\$34,415,752	\$36,493,548
Special Revenue Funds:			
Solid Waste Management	3,503,056	3,672,394	3,656,600
State Street Aid	576,207	706,400	742,700
General Purpose School	45,999,761	47,130,292	48,642,721
Schools Food Service	3,450,831	3,549,518	3,592,902
Cleveland Public Library	1,487,307	1,896,800	1,442,000
Drug Enforcement	30,327	20,070	18,600
2015 Byrne Mem. Justice Asst. Grant	0	0	0
2016 Byrne Mem. Justice Asst. Grant	39,340	0	0
Community Dev. Block Grant	251,543	920,603	383,000
E Ticketing	2,775	49,510	0
Recycling Grant	10,801	0	0
Schools Federal Project	0	0	0
Metropolitan Planning Organization	170,616	257,000	257,000
Debt Service	6,052,774	6,858,836	7,572,254
Capital Projects Funds:			
Fletcher Park	5,403	0	0
Greenway Fund	15,569	15,000	0
Capital Improvements Program	3,592,144	31,914,574	1,135,000
Sales Tax Capital Projects Fund	3,604,630	6,027,779	4,052,249
Spring Branch Industrial Park Fund	334,436	3,000,000	0
Enterprise Funds:			
Stormwater Management	512,252	1,539,991	1,930,523
Cleveland Utilities Electric Division	94,828,125	99,078,750	96,415,935
Cleveland Utilities Water/Wastewater Division	23,138,499	24,592,920	25,884,141
Trust Funds:			
Meiler Estate Trust Fund	0	0	0
	-	-	-
Internal Service Fund:			
Fleet Management	1,016,662	0	0
Health Insurance Trust Fund	3,314,412	3,614,289	3,831,146
Total Expenditures	222,673,553	269,260,478	236,050,319
	2016-2017 (ACTUAL)	2017-2018 (ESTIMATED)	2018-2019 PROPOSED
Nonoperating Revenues (Expenses)			
Enterprise Funds:			
Stormwater Management	0	0	0
Cleveland Utilities Electric Division	(467,188)	(511,205)	(551,140)
Cleveland Utilities Water/Wastewater Division	(1,463,447)	(1,504,858)	(1,499,045)
Debt Service	(2,900)	(5,000)	(5,000)
Internal Service Fund:			
Health Insurance Trust Fund	1,541	0	0
Fleet Management	4,665	0	0
Total Nonoperating Revenues (Expenses)	(1,927,329)	(2,021,063)	(2,055,185)

Other Financing Uses	2016-2017 (ACTUAL)	2017-2018 (ESTIMATED)	2018-2019 PROPOSED
Operating Transfers Out			
General Fund	12,893,126	16,395,351	14,463,204
Special Revenue Funds:			
Solid Waste Management	10,000	10,000	10,000
State Street Aid	411,200	426,353	440,618
General Purpose School	559,119	554,919	555,519
Schools Federal Project	0	0	0
Capital Projects Funds:			
Capital Improvements Program	0	529,223	0
Spring Branch Industrial Park Fund	139,674	180,027	180,013
Enterprise Funds:			
Stormwater Management	1,398	50,000	0
Cleveland Utilities Electric Division	2,005,116	2,146,242	2,211,629
Cleveland Utilities Water/Wastewater Division	431,146	444,080	454,023
Internal Service Fund:			
Fleet Management	0	238,797	0
Nonexpendable Trust Funds:			
Meiler Estate Trust Fund	0	0	0
Total Operating Transfers Out	16,450,779	20,974,992	18,315,006
Total Other Financing Uses	18,378,108	22,996,055	20,370,191
Total Expenditures and Other Financing Uses	241,051,661	292,256,533	256,420,510

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

Increase (Use) of Fund Balance or Net Assets	2016-2017 (ACTUAL)	2017-2018 (ESTIMATED)	2018-2019 PROPOSED
General Fund	701,637	210,114	31,850
Special Revenue Funds:			
Solid Waste Management	41,649	(104,100)	(42,000)
State Street Aid	158,891	175,847	124,682
General Purpose School	120,919	(129,917)	0
Schools Food Service	45,326	0	(214,550)
Cleveland Public Library	(16,795)	(24,400)	0
Drug Enforcement	11,710	(1,932)	(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	2016-2017 (ACTUAL)	2017-2018 (ESTIMATED)	2018-2019 PROPOSED
Special Revenue Funds cont'd:			
Commun. Development Block Grant	12,723	0	(13,000)
E Ticketing	9,910	(38,610)	0
Recycling Grant	(801)	10,000	10,000
Schools Federal Project	0	0	0
Metro. Planning Organization (MPO)	25,715	0	0
Debt Service	262,299	163,994	300
Capital Projects Funds:			
Capital Improvements Program	755,177	(3,107,780)	0
Fletcher Park	(5,403)	0	0
Greenway Fund	(2,232)	100	0
Sales Tax Capital Projects Fund	363,140	(2,148,179)	(60,649)
Spring Branch Industrial Park Fund	(6,637)	(178,027)	(180,013)
Enterprise Funds:			
Stormwater Management	984,089	8,509	(318,023)
Cleveland Utilities Electric Division	3,934,539	2,324,057	3,768,637
Cleveland Utilities Water/Wastewater Division	4,481,521	2,744,796	2,135,105
Internal Service Fund:			
Fleet Management	52	(1,263,897)	0
Trust Funds:			
Meiler Estate Trust Fund	3,187	1,500	1,500
Health Insurance Trust Fund	432,039	100,070	143,218
Total Incr. (Use) of Fund Balance or Net Assets	12,312,655	(1,257,855)	5,378,557

SECTION 3: **STATEMENT OF BALANCE/DEFICIT.** At end of the current fiscal year, the City of Cleveland estimates that it will use none of its \$11,548,699 General Fund fund balance and none of the \$4,622,609 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: April 23, 2018

Final Reading: May 14, 2018

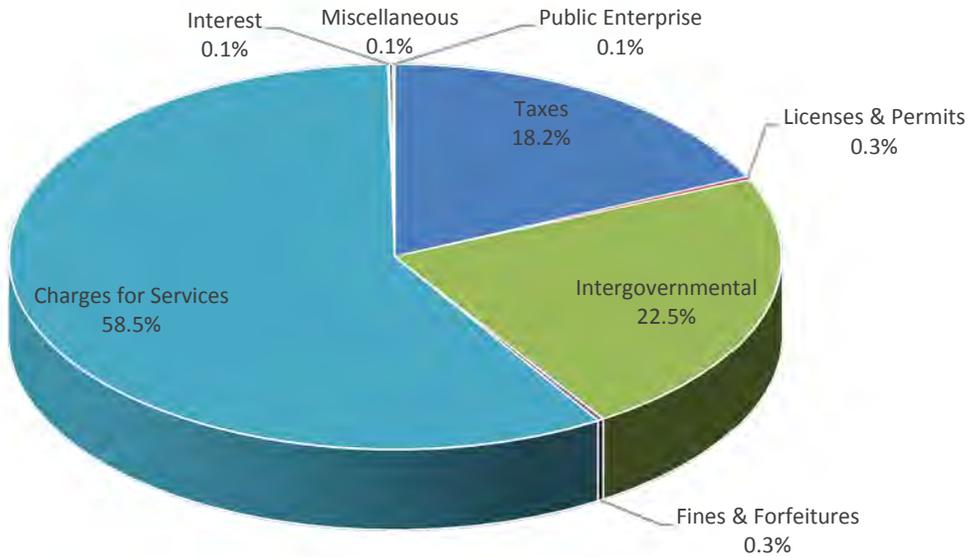
APPROVED AS TO FORM:

City Attorney

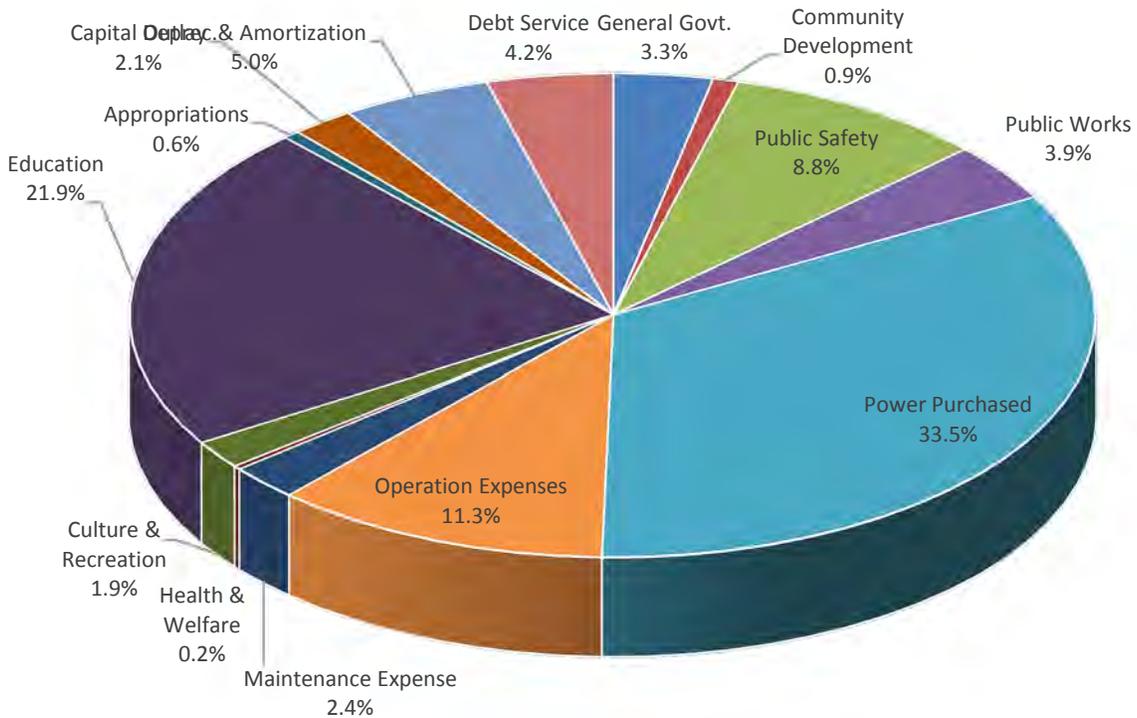
Mayor

City Clerk

City of Cleveland Summary of All Funds Revenues By Source - FY2019



Expenditures and Expenses By Use - FY2019



**City of Cleveland, Tennessee
Schedule of Debt Payments
For Fiscal Year 2019**

Loan Type	Loan Name	Authorized and Unissued at 6/30/18	Amount Outstanding at 6/30/18	Payment Fund	Principal	Interest	Total Debt Service
FY2019 Debt Requirement Excluding Cleveland Utilities							
Loan Agreements:							
	Loan - 2008 TMBF-County	0	1,132,000	County's General Fund	90,000	56,600	146,600
	2009 QSCB	0	2,126,644	School Fund	259,577	67,184	326,761
	Loan - 2012 TMBF-Whirlpool	0	673,000	General Fund	64,000	26,920	90,920
	Loan - 2012 TMBF-LIC	0	1,277,000	School Fund	78,000	29,626	107,626
	Loan - 2012 TMBF-Airport Terminal Bldg.	0	1,009,000	Airport	95,000	40,360	135,360
	Loan - 2012 TMBF-Spring Branch Ind Pk	0	4,376,000	General Fund	365,000	175,040	540,040
	Loan - 2014 TMBF-Airport	0	3,606,000	Airport	185,000	95,198	280,198
	Loan - 2014 TMBF-Refunding	0	20,931,000	General Fund	979,000	525,368	1,504,368
	Loan - 2015 TMBF-Refunding	0	6,173,000	General Fund	605,150	112,349	717,499
				State St. Aid	325,850	60,495	386,345
	Loan - 2016 TMBF Airport - Hangars	0	954,000	Airport	46,000	28,620	74,620
	Loan - 2016 TMBF Raider Arena	0	5,188,000	General Fund	278,000	155,640	433,640
	Loan - 2016 TMBF-Refunding	0	4,009,000	General Fund	116,219	48,125	164,344
				School Fund	187,781	77,758	265,538
	2017 Capital Bank Corporation	0	5,009,000	General Fund	212,000	115,221	327,221
	Loan- 2017 Spring Branch	0	3,000,000	General Fund	102,000	114,716	216,716
	Loan- 2018 TMBF	0	10,000,000	General Fund	396,000	233,288	629,288
	2018 ESG Equip/Facility Improv	0	8,222,294	School Fund	301,235	259,331	560,566
	Total Loan Agreements:	\$ -	\$ 77,685,938		\$ 4,685,812	\$ 2,221,840	\$ 6,907,652
General Obligation Bonds:							
	Gen Improv. Bonds - Series 2009-C	0	13,675,000	General Fund	25,000	572,781	597,781
	Series 2009-D	0	3,970,000	General Fund	870,000	137,502	1,007,502
				State St. Aid	40,000	14,273	54,273
	Total Gen. Oblig. Bonds:	\$ -	\$ 17,645,000		\$ 935,000	\$ 724,556	\$ 1,659,556
	Total Long-term Debt Excluding Cleveland Utilities	\$ -	\$ 95,330,938		\$ 5,620,812	\$ 2,946,396	\$ 8,567,208

FY2019 Debt Requirement for Cleveland Utilities

Loan Type	Loan Name	Authorized and Unissued at 6/30/18	Amount Outstanding at 6/30/18	Payment Fund	Principal	Interest	Total Debt Service
Tax and Revenue Refunding Bonds :							
	Series 2009-C	0	6,820,000	Water/Sewer	475,000	292,281	767,281
	Series 2009-D	0	2,720,000	Electric	455,000	126,113	581,113
	Series 2009-D	0	5,645,000	Water/Sewer	1,090,000	262,375	1,352,375
	Series 2014-Refunding	0	4,260,000	Water/Sewer	800,000	160,770	960,770
	Series 2016-B Refunding		797,798	Electric	30,753	26,017	56,770
	Series 2016-B Refunding		5,947,202	Water/Sewer	229,247	193,941	423,188
	Total Tax & Revenue Refunding Bonds:	\$ -	\$ 26,190,000		\$ 3,080,000	\$ 1,061,497	\$ 4,141,497

**City of Cleveland, Tennessee
Schedule of Debt Payments
For Fiscal Year 2019**

Loan Type	Loan Name	Authorized and Unissued at 6/30/18	Amount Outstanding at 6/30/18	Payment Fund	Principal	Interest	Total Debt Service
FY2019 Debt Requirement for Cleveland Utilities							
Tax and Revenue Bonds:							
	Series 2010	0	3,900,000	Electric	325,000	131,609	\$ 456,609
	Series 2010	0	1,530,000	Water	100,000	51,621	\$ 151,621
	Total Tax and Revenue Bonds:	\$ -	\$ 5,430,000		\$ 425,000	\$ 183,230	\$ 608,230
Tax and Revenue Loan:							
	Series 2012 TMBF	0	\$ 2,437,500	Water	\$ 187,500	\$ 105,000	\$ 292,500
	Series 2012 TMBF-Spring Branch	0	\$ 1,320,334	Electric	\$ 121,667	\$ 58,347	\$ 180,014
	Series 2014 TMBF	0	\$ 2,718,750	Electric	\$ 181,250	\$ 116,000	\$ 297,250
	Series 2014 TMBF	0	\$ 2,062,500	Water	\$ 137,500	\$ 88,000	\$ 225,500
	Series 2015 TMBF	0	\$ 2,250,000	Electric	\$ 127,000	\$ 27,573	\$ 154,573
	Series 2015 TMBF	0	\$ 2,454,000	Water	\$ 139,000	\$ 77,790	\$ 216,790
	New Loan	2,500,000	0	Electric	0	87,500	\$ 87,500
	Total Tax & Revenue Loan:	\$ 2,500,000	\$ 13,243,084		\$ 893,917	\$ 560,210	\$ 1,454,127
State Revolving Fund Loan:							
	SRF Loan	0	\$ 427,947	Sewer	\$ 38,731	\$ 11,280	\$ 50,011
	ARRA Loan	0	\$ 85,589	Sewer	0	0	0
	SRF-CWO 319	0	\$ 1,230,364	Sewer	\$ 62,448	\$ 14,544	\$ 76,992
	SRF-CWP 320	\$ 1,452,726	\$ 6,721,274	Sewer	\$ 369,840	\$ 87,852	\$ 457,692
	2014 DG2 14-151	0	\$ 1,684,290	Water	\$ 89,820	\$ 25,992	\$ 115,812
	2015 CG4 15-349	0	\$ 2,015,796	Water	\$ 104,496	\$ 28,596	\$ 133,092
	2016 DWF 16-172	\$ 846,210	\$ 2,879,290	Water	\$ 169,164	\$ 38,640	\$ 207,804
	2017 CG3 17-379	0	\$ 93,589	Water	\$ 4,872	\$ 852	\$ 5,724
	2017 DWS 17-192	\$ 11,873	\$ 988,127	Water	\$ 34,764	\$ 12,000	\$ 46,764
	2017 DWF 17-193	0	\$ 195,000	Water	\$ 8,472	\$ 2,928	\$ 11,400
	2017 DWF 18-205	\$ 55,000	\$ 375,000	Water	\$ 18,936	\$ 5,520	\$ 24,456
	New Loan	\$ 4,500,000	0	Water	0	\$ 112,500	\$ 112,500
	New Loan	\$ 10,700,000	0	Sewer	0	\$ 160,500	\$ 160,500
	Total State Revolving Fund Loan:	\$ 17,565,809	\$ 16,696,266		\$ 901,543	\$ 501,204	\$ 1,402,747
Total Long-term Debt-Cleveland Utilities							
		\$ 20,065,809	\$ 61,559,350		\$ 5,300,460	\$ 2,306,141	\$ 7,606,601

Combined Debt Requirement for FY2019

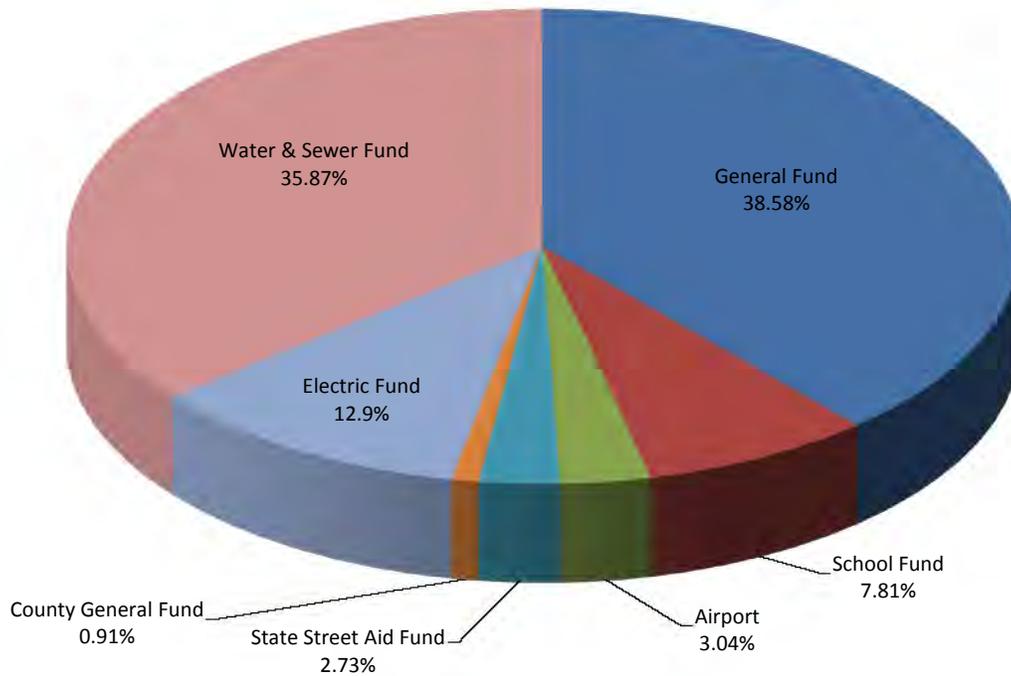
Loan Type	Loan Name	Authorized and Unissued at 6/30/18	Amount Outstanding at 6/30/18	Principal	Interest	Total Debt Service
Loan Agreements		0	77,685,938	4,685,812	2,221,840	6,907,652
General Obligation Bonds		0	17,645,000	935,000	724,556	1,659,556
Tax & Revenue Refunding Bonds		0	26,190,000	3,080,000	1,061,497	4,141,497
Tax & Revenue Bonds		0	5,430,000	425,000	183,230	608,230
Tax & Revenue Loan		2,500,000	13,243,084	893,917	560,210	1,454,127
State Revolving Fund Loan		17,565,809	16,696,266	901,543	501,204	1,402,747
Combined Debt Requirement:		\$ 20,065,809	\$ 156,890,288	\$ 10,921,272	\$ 5,252,537	\$16,173,809

**City of Cleveland, Tennessee
Schedule of Debt Payments
For Fiscal Year 2019**

FY2019 Debt Service By Fund:

Fund	Principal	Interest	Debt Service
General Fund	4,012,369	2,216,950	6,229,319
School Fund	826,593	433,899	1,260,492
State Street Aid Fund	365,850	74,768	440,618
Airport	326,000	164,178	490,178
Electric Fund	1,240,670	547,142	1,787,812
Water & Sewer Fund	4,059,790	1,732,982	5,792,772
County General Fund	90,000	56,600	146,600
Total:	\$ 10,921,272	\$ 5,226,520	\$ 16,147,792

Debt Service by Fund



ORDINANCE NO: 2018-14

TAX ORDINANCE - YEAR 2018

AN ORDINANCE TO PROVIDE AND FIX FOR THE CITY OF CLEVELAND, TENNESSEE, FOR THE YEAR 2018, 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 2018-2019:

Adopted this 14th day of May, 2018.

APPROVED AS TO FORM:

John F. Kimball, City Attorney

Tom Rowland, Mayor

Shawn McKay, City Clerk

	FUND 110-GENERAL FUND	DEPT-51500- APPROPRIATIONS				
OBJECT CODE		2016-2017 ACTUAL BUDGET	2017-2018 ORIGINAL BUDGET	2017-2018 AMENDED BUDGET	2018-2019 REQUESTED BUDGET	2018-2019 PROPOSED BUDGET
Operating expenditures:						
General government:						
700	JOINTLY FUNDED	0	9,300	9,300	5,376	5,376
701	CLEVE/BRAD REG MUSEUM	42,300	42,300	42,300	42,300	42,300
702	MTAS - BENCHMARKING	0	4,000	4,000	0	0
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%)	52,949	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	1,000	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	135,000	135,000	135,000	135,000	135,000
719	HVAC @ MUSEUM	12,000	12,000	12,000	12,000	12,000
	Total General government	369,808	389,500	389,500	381,576	381,576
Public safety:						
713	CLEVE/BRAD COMM CTR (49.5%)	550,000	650,000	650,000	650,000	650,000
714	EMERGENCY MGMT (20%)	89,201	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
	Total Public safety	643,201	742,300	742,300	742,300	742,300
Health & welfare:						
717	VETERANS AFFAIRS (20%)	24,875	22,600	22,600	22,600	22,600
718	BEHAVIORAL RESEARCH	-	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
	Total Health & welfare	125,475	125,200	125,200	125,200	125,200
Parks & recreation:						
725	CLEVELAND YOUTH FOOTBALL	8,000	8,000	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	13,242	14,000	14,000	14,000	14,000
728	BRADLEY/CLEV FOOTBALL	-	0	0	0	0
729	WATER DOGS	0	0	0	2,000	2,000
730	CLEVELAND YOUTH SOFTBALL	4,000	4,000	4,000	0	0
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
	Total Parks & recreation	37,242	38,000	38,000	36,000	36,000
Education:						
735	VOCATIONAL SCHOOL (20%)	16,677	22,236	22,236	26,160	26,160
	Total Education	16,677	22,236	22,236	26,160	26,160
TOTAL DEPARTMENT 51500		1,192,403	1,317,236	1,317,236	1,311,236	1,311,236

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 \$2,147,000 in tax equivalents for FY2019.

Section 2. This resolution shall become effective July 1, 2018 the public welfare requiring it.

Adopted this 14th day of May, 2018.

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 \$232,000 in tax equivalents for FY2019.

Section 2. This resolution shall become effective July 1, 2018 the public welfare requiring it.

Adopted this 14th day of May, 2018.

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 \$215,000 in tax equivalents for FY2019.

Section 2. This resolution shall become effective July 1, 2018 the public welfare requiring it.

Adopted this 14th day of May, 2018.

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 14th day of May, 2018, 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 14th day of May, 2018.

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 FY2019. 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.

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, proprietary funds and fiduciary 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 types:

Fiduciary Funds. The City has one fiduciary fund. The Other Post-Employment Benefits Trust Fund holds assets that have been set aside to fund the OPEB liability of Cleveland Utilities. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and employs accounting principles similar to proprietary funds. The City's fiduciary fund is presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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 (LGIP), 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. The regulatory oversight for the LGIP is the State Funding Board. The City's net position in the pool is the same as the pool shares.

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 acquisition 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 2017 rates for the Electric Division and Water Divisions were 3.6% and 2.9% 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 \$127,927, and \$211,187 for Cleveland Utilities Electric Division and Water Division respectively. The following schedule reconciles this allocation of depreciation expense:

Depreciation and amortization per statement of revenues, expenses and changes in net position	<u>\$ 10,501,088</u>
Depreciation charged to clearing account	<u>339,114</u>
Depreciation and amortization per statement of cash flows	<u>\$ 10,840,202</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 (2017 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, 2017, outstanding bond proceeds totaled \$291,130.

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 \$11,525,922, and increase budgeted expenditures by \$26,835,245. 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.

N. Subsequent Events

Management has evaluated events and transactions that occurred between June 30, 2017, and December 11, 2017 which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

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 1st as required in the City Charter. Copies are available to the public for review at both the City Clerk's Office and the public library. A public hearing is scheduled for one of the regular meetings in May, after which the budget is voted on first reading. Second and final reading of the budget ordinance is held at the next meeting, and the budget becomes effective July 1st. In the event the Council cannot agree on a budget before July 1st, an Interim Budget is adopted, which is simply a continuation budget from the previous year. At that point, the 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 FY2019 BUDGET

- January 24 Finance Director releases budget preparation memo to Departmental Budget Officers.
- February 14 All budget requests and revisions to city-wide goals and objectives are submitted to the Finance Director.
- March 2 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 5-9 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.
- March 26 City Council sets date for Budget Session to be held at Municipal Building.
- April 4 Finance Director's Office prepares Agenda packets, including budget requests, CINI, and distributes to the City Council.
- April 9 City Council Budget Session at Municipal Building.
- April 9 City Council schedules a Public Hearing on the Budget for the April 23rd City Council Meeting.
- April 10-18 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 18 Budget distributed to the City Council, Department Heads, and News Media.
- April 23 City Council holds Public Hearing concerning the Budget.
- April 23 City Council adopts the Budget and on First Reading.
- May 14 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.

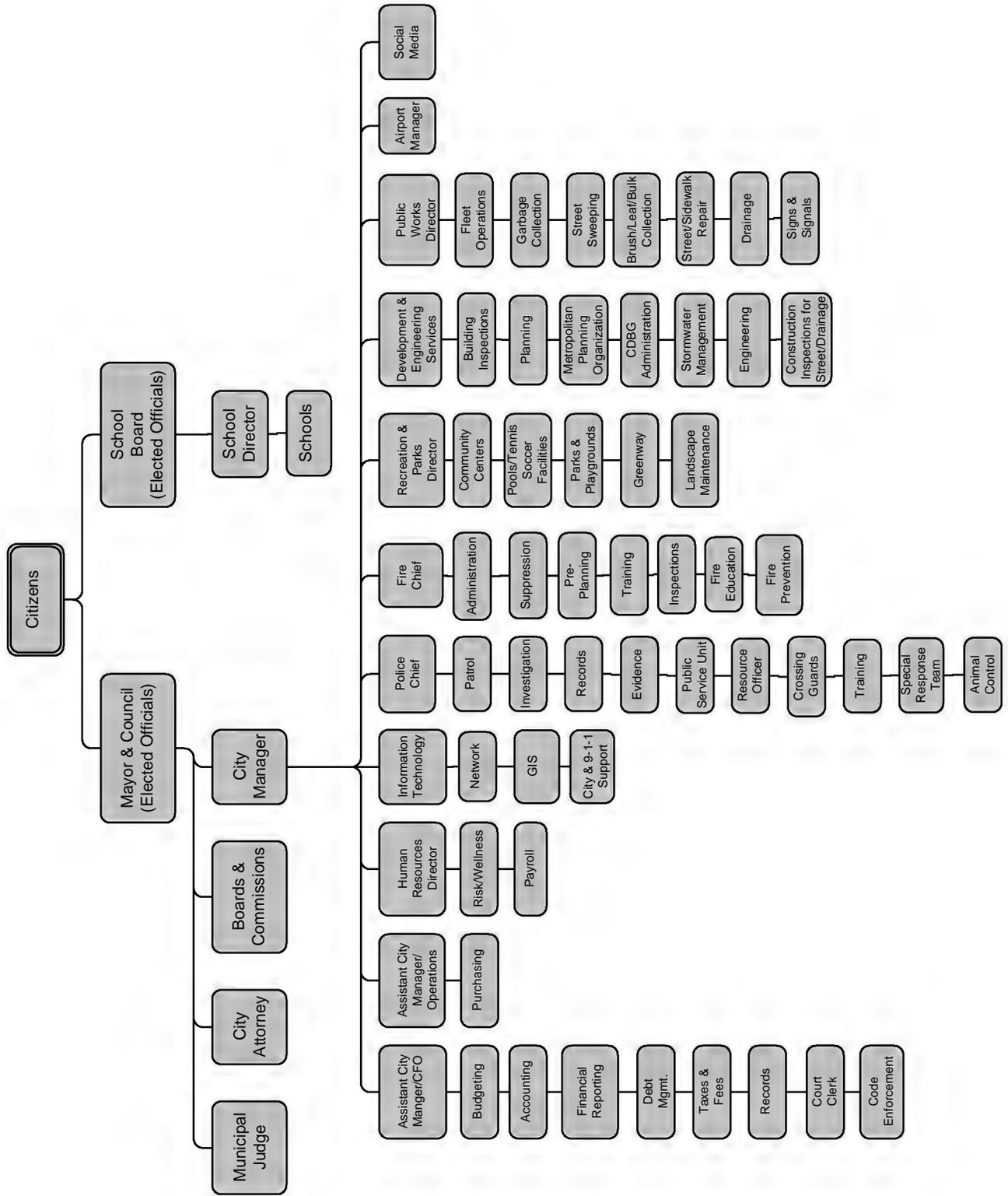
The City participates in the Tennessee Consolidated Retirement System (TCRS), the state system that is open to local government employees also. When the State institutes a benefit enhancement, local governments can choose whether to offer that as an option.

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 FY2019 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 FY2019 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

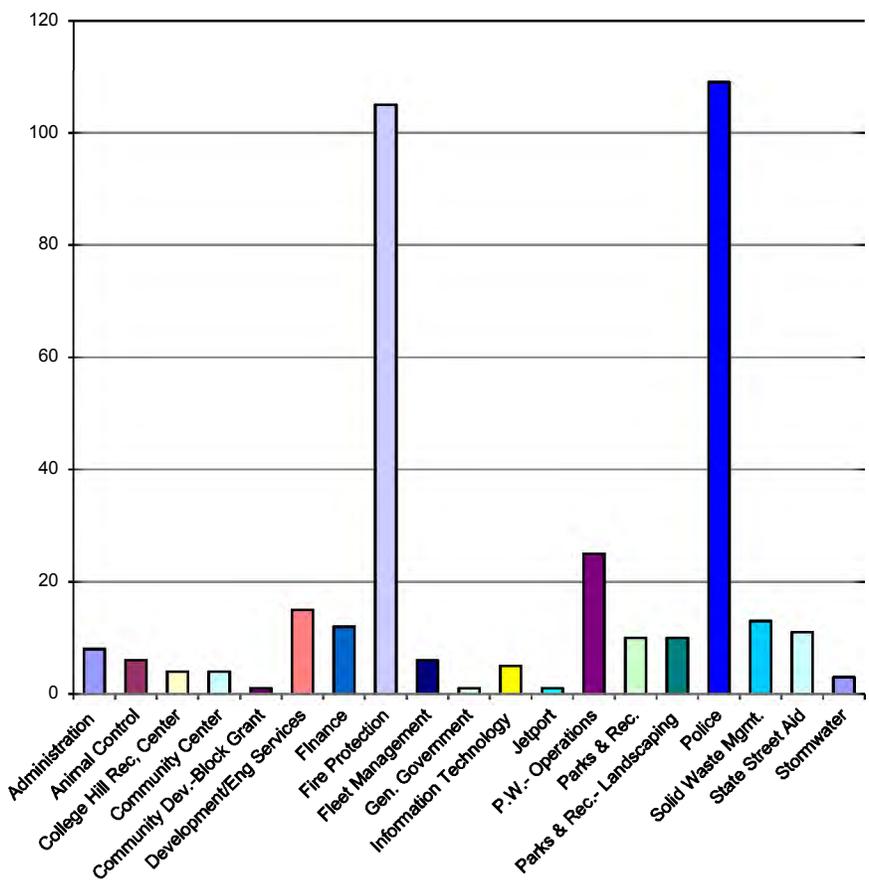
The City opened a new airport facility in 2013, the Cleveland Regional Jetport. The Cleveland Municipal Airport Authority hired an Airport Manager who works for the City Manager and in conjunction with the Cleveland Municipal Airport Authority and the airport Fixed Base Operator (FBO) to ensure the airport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

Departments	2015/16 Adopted	2016/17 Adopted	2017/18 Adopted	2018/19 Adopted
Administration	7	7	7	8
Animal Control	6	6	6	6
College Hill Rec, Center	4	4	4	4
Community Center	4	4	4	4
Community Dev.-Block Grant	2	2	2	1
Development/Eng Services	15	15	15	15
Finance	12	12	12	12
Fire Protection	92	92	92	105
Fleet Management	6	6	6	6
Gen. Government	1	1	1	1
Information Technology	4	4	5	5
Jetport	1	1	1	1
P.W.- Operations	21	21	25	25
Parks & Rec.	10	10	10	10
Parks & Rec.- Landscaping	9	10	10	10
Police	104	104	109	109
Solid Waste Mgmt.	13	13	13	13
State Street Aid	11	11	11	11
Stormwater	3	3	3	3
Total FTE's	325	326	336	349

City of Cleveland FY2019 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

	FY2017 ACTUAL BUDGET	FY2018 ORIGINAL BUDGET	FY2018 AMENDED BUDGETED	FY2019 PROPOSED BUDGET	% OF TOTAL
<i>Revenues and Other</i>					
<i>Financial Resources</i>					
Local Taxes	\$33,953,720	\$38,580,000	\$39,252,500	\$40,280,000	79.1%
Licenses and Permits	\$628,772	\$630,700	\$630,700	\$674,100	1.3%
Intergovernmental Revenues	\$5,217,151	\$5,696,800	\$5,436,045	\$5,350,900	10.5%
Charges for Services	\$1,049,909	\$1,290,800	\$1,485,100	\$1,290,350	2.5%
Fines and Forfeitures	\$475,083	\$733,100	\$606,600	\$607,600	1.2%
Interest (Investment) Income	\$67,987	\$17,500	\$100,000	\$41,000	0.1%
Miscellaneous Revenues	\$501,962	\$68,500	\$151,930	\$79,000	0.2%
Transfer from Other Funds	\$2,436,262	\$2,981,085	\$3,358,342	\$2,665,652	5.2%
<i>Total Revenues and Other</i>					
<i>Financial Resources</i>	\$44,330,846	\$49,998,485	\$51,021,217	\$50,988,602	100.0%
<i>Expenditures and Other</i>					
<i>Financing Uses</i>					
Legislative and Judicial Administration	\$575,758	\$584,015	\$579,816	\$602,601	1.2%
Finance	\$0	\$955,620	\$967,476	\$1,063,205	2.1%
Information Technology	\$0	\$795,695	\$493,895	\$837,455	1.6%
Codes Enforcement	\$265,918	\$295,750	\$295,750	\$321,840	0.6%
Development and Engineering Services	\$1,357,373	\$1,532,900	\$1,541,372	\$1,632,640	3.2%
Police Department	\$9,397,736	\$10,082,918	\$10,313,331	\$10,755,997	21.1%
Fire Department	\$8,503,722	\$9,089,025	\$9,098,672	\$10,193,305	20.0%
Public Works Department:					
Operations Division	\$1,992,255	\$2,551,700	\$2,577,265	\$2,472,600	4.9%
Street Lighting and Signals	\$1,335,319	\$1,507,800	\$1,507,800	\$1,452,100	2.9%
Fleet Management	\$0	\$680,200	\$717,500	\$713,300	1.4%
Cleveland Regional Jetport	\$216,180	\$243,050	\$260,829	\$263,200	0.5%
Animal Control	\$521,479	\$528,797	\$583,561	\$589,346	1.2%
Risk, Safety & Wellness Program	\$151,138	\$159,665	\$161,651	\$169,601	0.3%
Parks and Recreation:					
Administration and Maintenance	\$1,025,973	\$1,012,275	\$1,081,922	\$1,137,525	2.2%
Landscape Maintenance	\$589,410	\$622,500	\$655,887	\$650,100	1.3%
College Hill Recreation Center	\$428,044	\$450,000	\$450,000	\$454,100	0.9%
Cleveland Community Center	\$397,361	\$432,910	\$433,026	\$428,200	0.8%
Tinsley Park	\$466,485	\$350,600	\$354,052	\$368,600	0.7%
Parks and Recreation Leases	\$37,375	\$37,376	\$37,376	\$29,724	0.1%
Grants and Other Agency Support	\$1,192,403	\$1,317,236	\$1,317,236	\$1,311,236	2.6%
Transfers to Other Funds	\$12,893,126	\$15,285,131	\$16,395,351	\$14,463,204	28.3%
<i>Total Expenditures and</i>					
<i>Other Financing Uses</i>	\$ 43,629,209	\$ 49,501,798	\$ 50,811,103	\$ 50,956,752	100.0%
<i>Increase (Decrease) in Fund Balance</i>	\$ 701,637	\$ 496,687	\$ 210,114	\$ 31,850	
<i>Fund Balance at Beginning of FY</i>	\$ 10,847,062	\$ 11,548,699	\$ 11,548,699	\$ 11,758,813	
<i>Fund Balance at End of FY</i>	\$ 11,548,699	\$ 12,045,386	\$ 11,758,813	\$ 11,790,663	

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 FY2018 are estimated to be \$6,690,371 higher than FY2017. 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 FY2019, property taxes are projected to grow \$752,500 which is an estimated 3.1% increase. The property tax rate will stay the same at \$2.04. The monthly sanitation fee will continue to be \$6.95. In addition, the stormwater user fee for residents inside the city will generate approximately \$1.6 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 \$305,000 or 3%, while intergovernmental revenues will decrease \$85,145 as State income tax continues to be phased out.

The City has budgeted to use none of the General Fund balance in FY2019 for general operations.

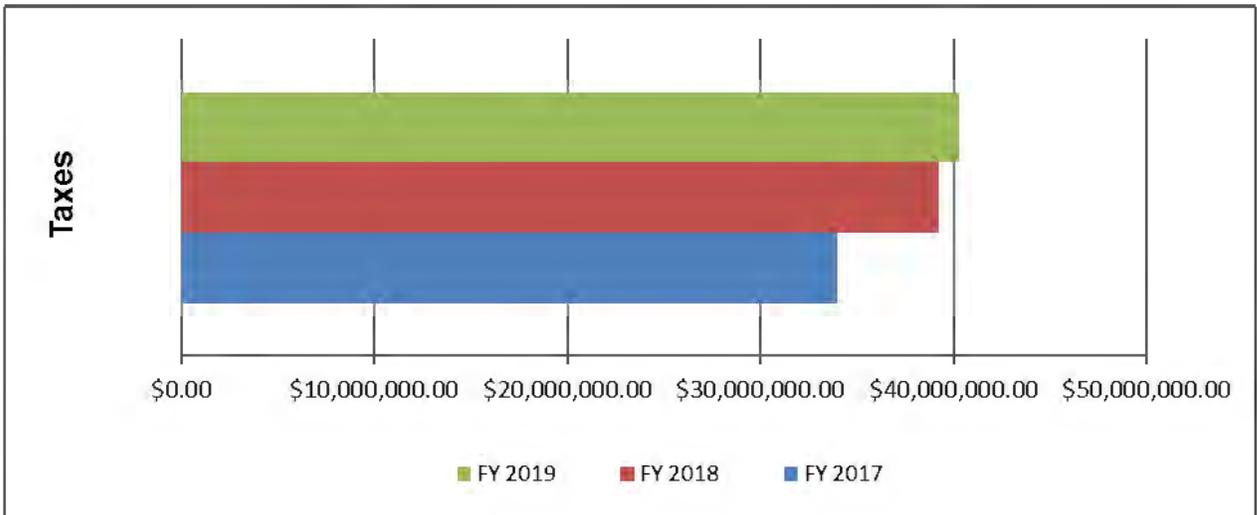
Local Taxes:

The City Council adopted a new tax rate of \$2.04 in FY2018. Property tax is the largest source of revenue in the General Fund. At \$25,380,000 it represents 49.7% of total General Fund revenues.

The Local Option Sales Tax is projected to increase in FY2019 by 3%. This is the second largest revenue source in the General Fund at \$10,405,000, representing 20.4% of total General Fund revenues.

Local Taxes represent \$40,280,000 of the \$50,916,950 General Fund revenues, or 79.1%. Combined, the Property Tax and Local Option Sales Tax represent 70.3% of the total General Fund.

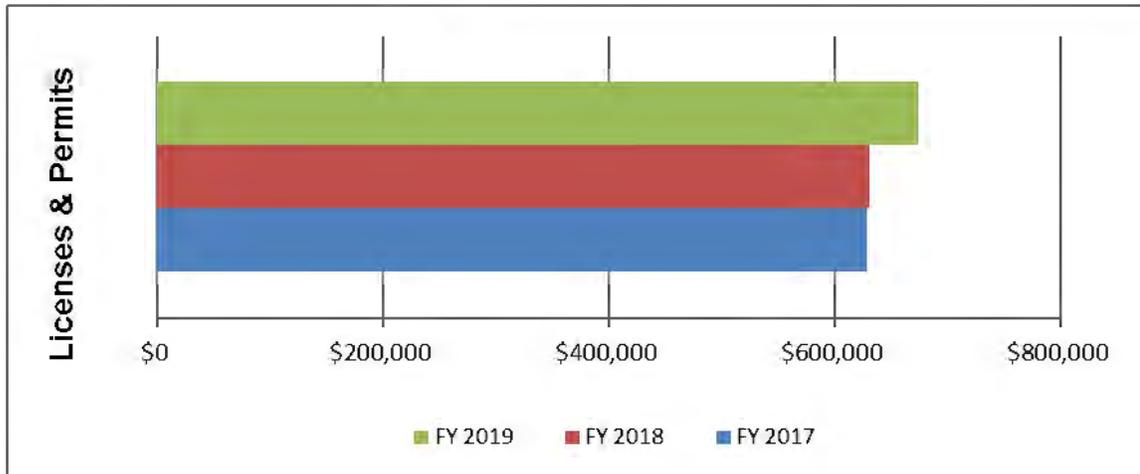
Acct #	Taxes	FY 2017	FY 2018	% (+/-)	FY 2019	% (+/-)
31110/11	Property Tax	\$19,952,051	\$24,627,500	23.4%	\$25,380,000	3.1%
31310	Interest & Penalty on Tax	218,748	220,000	0.6%	225,000	2.3%
31510/11	In Lieu of Tax	336,281	440,000	30.8%	320,000	-27.3%
31610	Local Sales Tax	9,741,888	10,100,000	3.7%	10,405,000	3.0%
31710	Wholesale Beer Tax	1,509,444	1,600,000	6.0%	1,600,000	0.0%
31820	Gross Receipts Tax	1,315,875	1,265,000	-3.9%	1,350,000	6.7%
31910	Franchise Tax	879,433	1,000,000	13.7%	1,000,000	0.0%
	Total Taxes	\$33,953,720	\$39,252,500	15.6%	\$40,280,000	2.6%



Licenses and Permits:

Licenses and Permits are projected to increase by 6.9%. At \$674,100 Licenses and Permits represent 1.3% of total General Fund revenues.

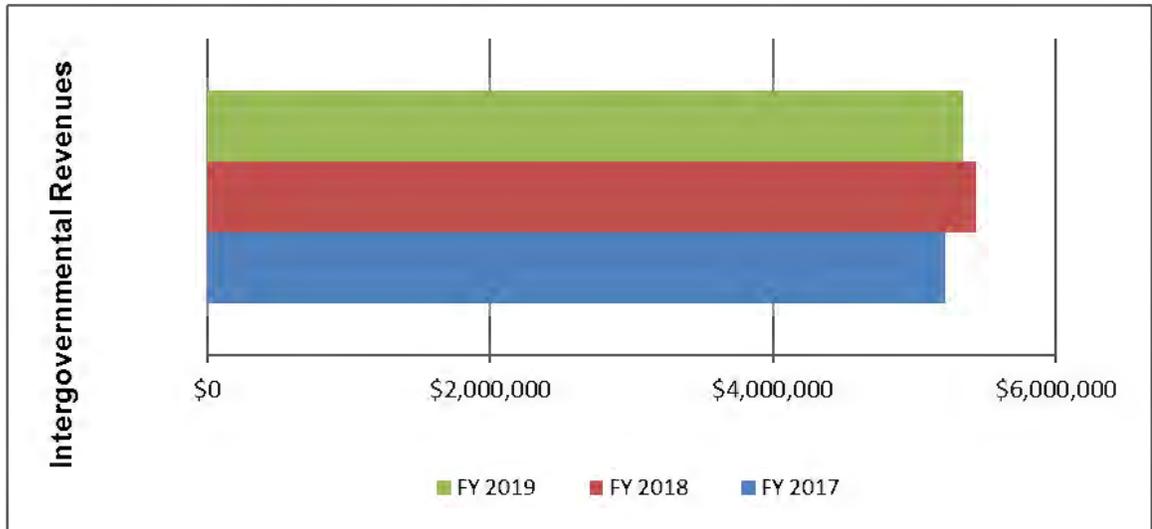
		FY 2017	FY 2018	% (+/-)	FY 2019	% (+/-)
Licenses & Permits						
32210	Beer Licenses	\$3,300	\$4,000	21.2%	\$4,000	0.0%
32211	Beer Renewal Fee	14,734	15,500	5.2%	15,500	0.0%
32221	Liquor License Renewal	26,635	27,500	3.2%	27,500	0.0%
32222	Wine Inspection Fee	105,234	100,000	-5.0%	125,000	25.0%
32610	Building Permits	222,512	235,000	5.6%	245,000	4.3%
32620	Electrical Permits	10,835	8,000	-26.2%	11,000	37.5%
32622	Electrical Licenses	18,200	18,000	-1.1%	18,000	0.0%
32625	Mechanical Permits	21,193	17,500	-17.4%	22,000	25.7%
32626	Mechanical Licenses	8,550	8,200	-4.1%	8,500	3.7%
32630	Plumbing Permits	38,412	45,000	17.2%	45,000	0.0%
32632	Plumbing Licenses	9,448	10,500	11.1%	10,500	0.0%
32640	Natural Gas Permits	3,025	3,000	-0.8%	3,000	0.0%
32650	Street Cut Permits	70,941	81,000	14.2%	81,000	0.0%
32651	Land Disturbance Permits	13,846	8,500	-38.6%	0	-100.0%
32660	Rezoning Fee	0	2,000	N/A	0	-100.0%
32661	PUD Rezoning Fee	9,705	2,000	-79.4%	5,000	150.0%
32662	Zoning Appeal Fee	2,250	2,000	-11.1%	2,500	25.0%
32663	Zoning Letter Fee	725	1,200	65.5%	1,200	0.0%
32664	Minor Encroachment Fee	400	500	25.0%	500	0.0%
32665	Certificate of Appropriateness	975	800	-17.9%	800	0.0%
32690	Recr. Permits/Maint. Fee	8,873	8,000	-9.8%	9,000	12.5%
32691	Plat Review Fee	3,440	3,500	1.7%	3,500	0.0%
32692	Plans Review Fee	22,244	20,000	-10.1%	22,500	12.5%
32693	Certificate of Occupancy	11,550	8,000	-30.7%	11,500	43.8%
32694	Alley/Street Abandonment	535	500	-6.5%	500	0.0%
32991	Wrecker Permit Fees	1,100	500	-54.5%	1,000	100.0%
32992	Taxicab Driver Fees	110	0	-100.0%	100	N/A
Total		\$628,772	\$630,700	0.3%	\$674,100	6.9%



Intergovernmental Revenues:

Intergovernmental Revenues are projected to decrease 1.6%, 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 \$5,350,900, this revenue source is 10.5% of the total General Fund.

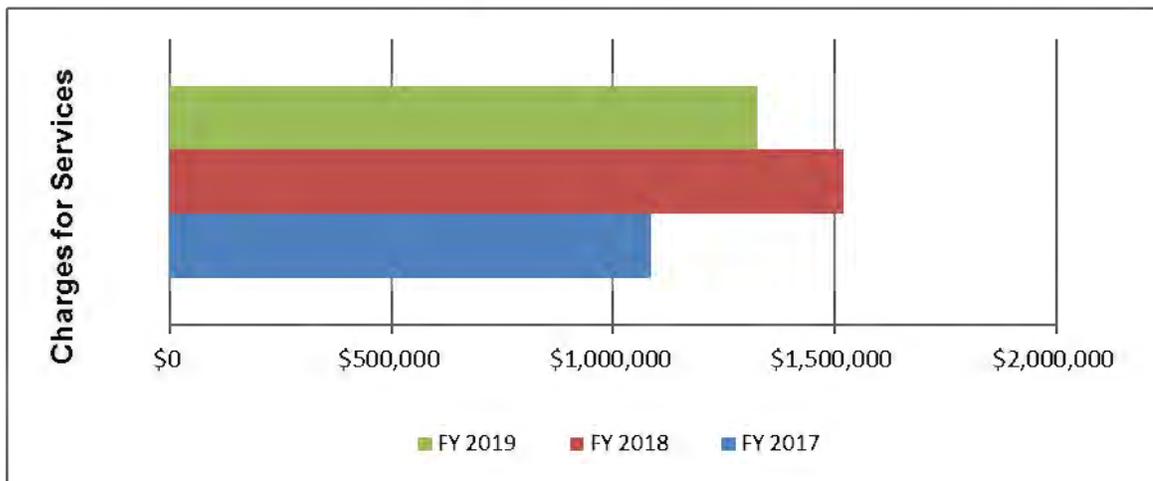
	FY 2017	FY 2018	% (+/-)	FY 2019	% (+/-)
Intergovernmental					
33200 Federal Grant-Prot. Vests	\$5,960	\$0	-100.0%	\$0	N/A
33204 State Grt-Stepping It Up	7,304	\$5,300	-27.4%	\$0	-100.0%
33205 State Grt-Railroad Crossing	2,222	\$0	-100.0%	\$0	N/A
33206 State Grt-Tourism Enhancement	15,000	\$0	-100.0%	\$0	N/A
33410 Police Training Supp.	50,400	54,600	8.3%	54,600	0.0%
33411 Fire Training Supplement	52,800	52,800	0.0%	60,000	13.6%
33412 State-Highway Safety Grant	5,000	5,000	0.0%	0	-100.0%
33413 State-Child Safety Grant	0	7,768	100.0%	0	-100.0%
33510 State Sales Tax	3,424,704	3,572,000	4.3%	3,685,000	3.2%
33520 State Income Tax	606,911	630,000	3.8%	425,000	-32.5%
33530 State Beer Tax	19,934	22,500	12.9%	22,500	0.0%
33540 State Mixed Drink Tax	139,171	135,000	-3.0%	147,500	9.3%
33552 State Gas Inspection Tax	83,388	91,300	9.5%	91,300	0.0%
33559 State Hwy Maintenance	171,816	171,777	0.0%	175,000	1.9%
33591 TVA-In Lieu of Taxes	466,579	503,000	7.8%	505,000	0.4%
33593 State Excise Tax	165,962	185,000	11.5%	185,000	0.0%
Total	\$5,217,151	\$5,436,045	4.2%	\$5,350,900	-1.6%



Charges for Services:

Charges for Services are projected to decrease by 12.85% to \$1,326,350. This revenue source represents 2.9% of total General Fund revenues.

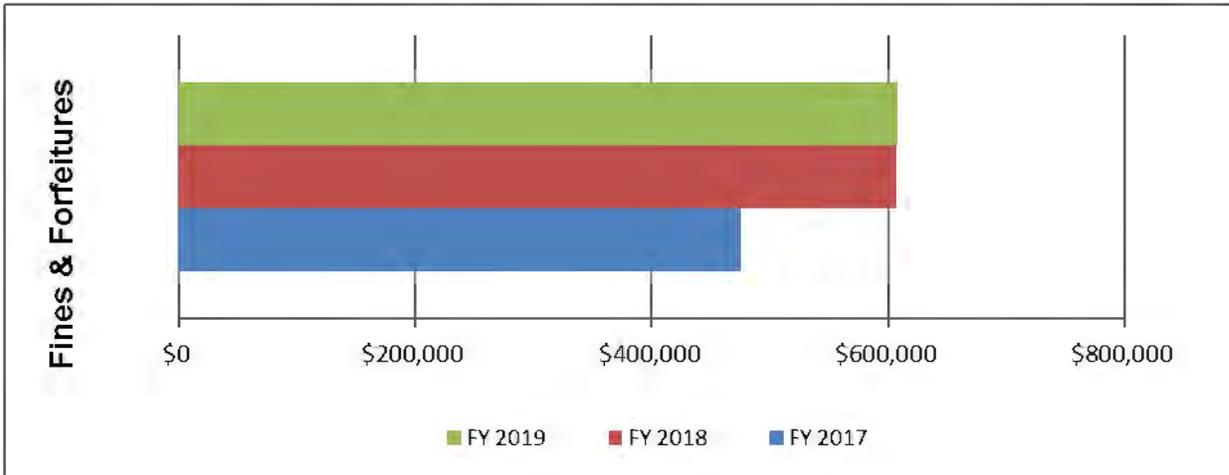
		FY 2017	FY 2018	% (+/-)	FY 2019	% (+/-)
Charges for services						
34211	CHA Police Protection	\$50,000	\$50,000	0.0%	\$50,000	0.0%
34221	Fire Inspection Fees	1,155	1,800	55.8%	1,800	0.0%
34241	Police Accident Reports	7,948	5,000	-37.1%	7,500	50.0%
34260	Police Dept-Cont Svcs	133,982	180,000	34.3%	0	-100.0%
34262	CBC ECD 911-Contracted Svcs	123,469	120,000	-2.8%	125,000	4.2%
34316	Airport Grounds Maintenance	17,049	14,300	-16.1%	0	-100.0%
34330	Fleet Chgs for Svs-City	0	191,000	N/A	150,000	-21.5%
34331	Fleet Chgs for Svs-O/S Agencies	0	110,000	N/A	110,000	0.0%
34351	PW Services - Stormwater	0	101,300	N/A	104,850	3.5%
34352	GIS Services - Stormwater	30,000	30,000	0.0%	30,000	0.0%
34353	GIS Services - 911 Center	6,000	6,000	0.0%	6,000	0.0%
34510	Animal Control-Sale/BD Fees	41,520	35,000	-15.7%	35,000	0.0%
34721-43	Tinsley Park	28,617	61,300	114.2%	29,000	-52.7%
34744	Cleveland Comm Center	13,436	12,500	-7.0%	15,000	20.0%
34745-91	College Hill Recreation Center	23,038	22,600	-1.9%	27,100	19.9%
34799	Parks & Rec-Misc	7,109	2,500	-64.8%	7,500	200.0%
36205	Waterville Lease	36,000	36,000	0.0%	36,000	0.0%
37511	Jetport - Jet Fuel	17,735	0	-100.0%	\$0	N/A
37513	Jetport - AvGas	798	0	-100.0%	0	N/A
37514	Jetport - Ground/Land Lease	89,653	78,300	-12.7%	126,500	61.6%
37516	Jetport - T-Hangar Rent	28,600	30,000	4.9%	30,000	0.0%
37517	Jetport - Terminal Bldg Rental	2,208	5,000	126.4%	5,400	8.0%
37519	Jetport - Community Hangar	16,500	18,000	9.1%	21,000	16.7%
37520	Donations - Terminal Building	35,000	17,500	-50.0%	17,500	0.0%
37522	Jetport - Video Advertisement	5,000	10,000	100.0%	5,000	-50.0%
37524	Jetport - Special Events	0	5,000	N/A	0	-100.0%
37526	Fuel Flowage Fee	29,639	30,000	1.2%	34,800	16.0%
37527	Variable Rent-CFM	23,799	25,000	5.0%	26,400	5.6%
34912	SRO-City Schools	317,654	323,000	1.7%	325,000	0.6%
Total		\$1,085,909	\$1,521,100	40.1%	\$1,326,350	-12.8%



Fines and Forfeitures:

Fines and Forfeitures are projected to increase slightly. The largest revenue source by far is traffic tickets from Municipal Court, followed by fines from General Sessions Court and drug fines. At \$607,600, this revenue source is 1.2% of total General Fund revenues.

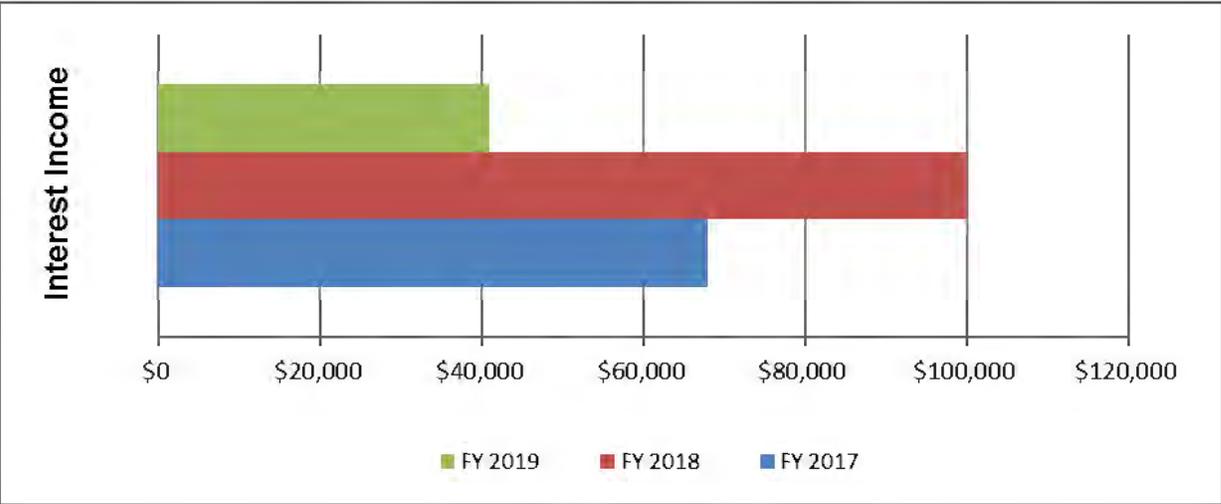
		FY 2017	FY 2018	% (+/-)	FY 2019	% (+/-)
Fines & Forfeitures						
35110	Traffic Tickets	\$295,367	\$400,000	35.4%	\$400,000	0.0%
35111	Parking Tickets	14,811	25,000	68.8%	25,000	0.0%
35112	Animal Shelter	400	600	50.0%	600	0.0%
35113	Code Enforcement Fines	850	3,000	252.9%	2,500	-16.7%
35115	Garnishments	97	0	-100.0%	0	N/A
35116	Court Clerk Fees	2,552	3,500	37.1%	3,500	0.0%
35140	Bradley Co.-Drug Fines	15,292	15,000	-1.9%	15,500	3.3%
35160	Sessions Court	42,840	46,500	8.5%	46,500	0.0%
35161	Circuit Court	8,608	15,000	74.3%	15,000	0.0%
35162	Officers-Sessions	77,154	80,000	3.7%	80,000	0.0%
35163	Officers-Circuit	5,987	7,000	16.9%	7,000	0.0%
35164	State Refunds	2,275	1,000	-56.0%	2,000	100.0%
35166	Sex Offender Registry	8,850	10,000	13.0%	10,000	0.0%
		\$475,083	\$606,600	27.7%	\$607,600	0.2%



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 decrease 59% to \$41,000.

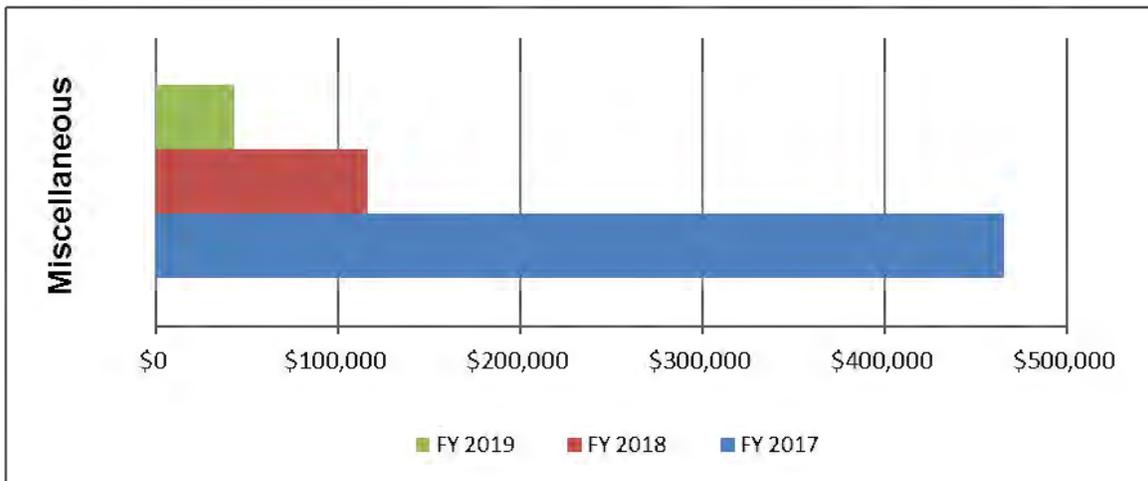
		FY 2017	FY 2018	% (+/-)	FY 2019	% (+/-)
Interest Income						
36110	Interest Income	\$67,987	\$100,000	47.1%	\$41,000	-59.0%
		\$67,987	\$100,000	47.1%	\$41,000	-59.0%



Miscellaneous Revenues:

Miscellaneous Revenues are projected to decrease by \$72,930, or 62.9%. 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.

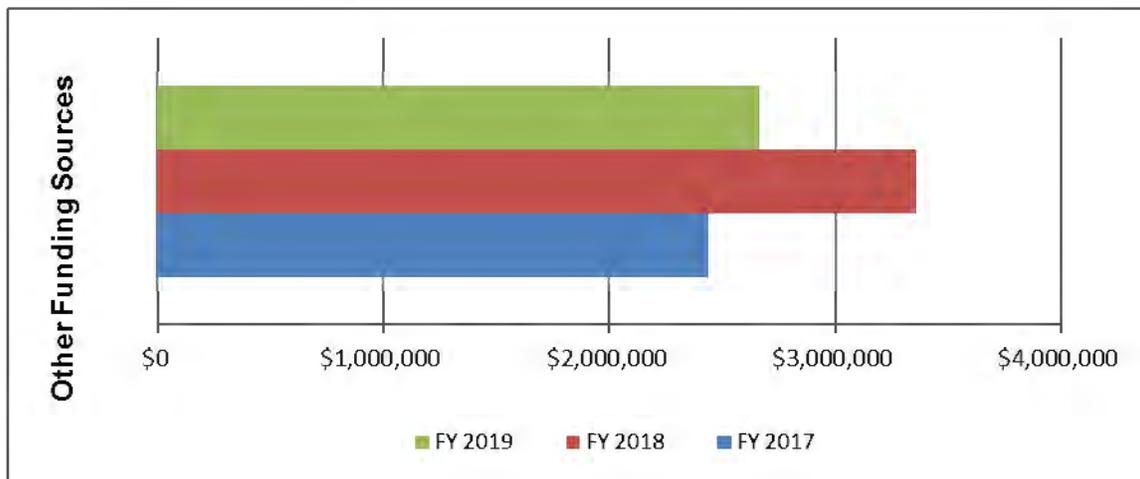
	FY 2017	FY 2018	% (+/-)	FY 2019	% (+/-)
Miscellaneous					
36511 Sale of Maps-Engr.	57	0	-100.0%	0	N/A
36313 Sale of Vehicles	5,776	0	-100.0%	0	N/A
36514 Sale of Scrap Metal	1,324	193	-85.4%	0	-100.0%
36704 Donation-Memorial Trees	18,100	10,775	-40.5%	0	-100.0%
36706 Old Timers Banquet Revenue	5,390	2,500	-53.6%	2,500	0.0%
36710 Sign/Decal Reimbursement	3,315	1,500	-54.8%	1,500	0.0%
36711 Donations-CHA for Drug Canine	14,000	0	-100.0%	0	N/A
36712 Donations-Fire Dept	2,484	2,092	-15.8%	0	-100.0%
36715 Donation-Lyndhurst Foundation	20,000	0	-100.0%	0	N/A
36716 Police-Misc Donations	500	526	5.2%	0	-100.0%
36720 TML Safety Grant-Matching	3,000	2,000	-33.3%	2,000	0.0%
36721 TML Package Bonus	5,000	5,000	0.0%	5,000	0.0%
36722 TML Driver Safety Grant	4,996	5,000	0.1%	5,000	0.0%
36723 TML Property Conservation Grant	1,793	2,500	39.4%	2,500	0.0%
36724 Greenway Benches/Pavilion Rental	0	0	N/A	1,000	N/A
36728 Misc. Insurance Revenue	3,438	1,442	-58.1%	0	-100.0%
36731 Animal Control Donations	260	0	-100.0%	0	N/A
36732 Animal Control Sponser Adoptions	5,277	7,535	42.8%	0	-100.0%
36735 Donations-City Photo Contest	0	700	N/A	0	-100.0%
36797 TML-Tinsley Playground Equip	96,443	0	-100.0%	0	N/A
36980 TML Reimb.-Police Vehicle	116,495	21,392	-81.6%	0	-100.0%
36982 Fire Misc/Reports	15	0	-100.0%	0	N/A
36983 TML-Reimb. for Property Damage	101,787	29,275	-71.2%	0	-100.0%
36984 TML-Work Comp Salary Reimb	10,066	0	-100.0%	0	N/A
36985 Employee Jury Duty Reimb.	11		-100.0%		N/A
36990 Sundry Income	37,716	23,500	-37.7%	23,500	0.0%
36996 Misc. Seized/Confiscated Funds	8,719	0	-100.0%	0	N/A
Total	\$465,962	\$115,930	-75.1%	\$43,000	-62.9%



Other Funding Sources:

Payments received as a transfer from Cleveland Utilities include \$236,538 for In-Lieu of Tax – Water and \$217,485 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 \$2,211,629 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 5.2% of the total General Fund revenues.

	FY 2017	FY 2018	% (+/-)	FY 2019	% (+/-)
Other Funding Sources					
Transfer from CU - Water	\$225,146	\$231,900	3.0%	\$236,538	2.0%
Transfer from CU - Wastewater	206,000	212,180	3.0%	217,485	2.5%
Transfer from CU - Electric	2,005,116	2,146,242	7.0%	2,211,629	3.0%
Transfer from CIP	0	529,223	N/A	0	-100.0%
Transfer from Fleet	0	238,797	N/A	0	-100.0%
	\$2,436,262	\$3,358,342	37.8%	\$2,665,652	-20.6%



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

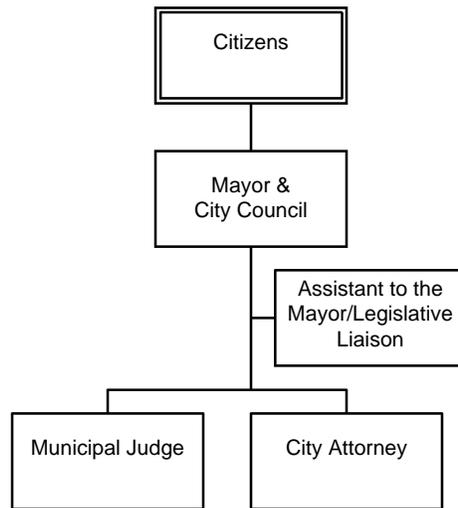


David May, Jr.
District 4



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.

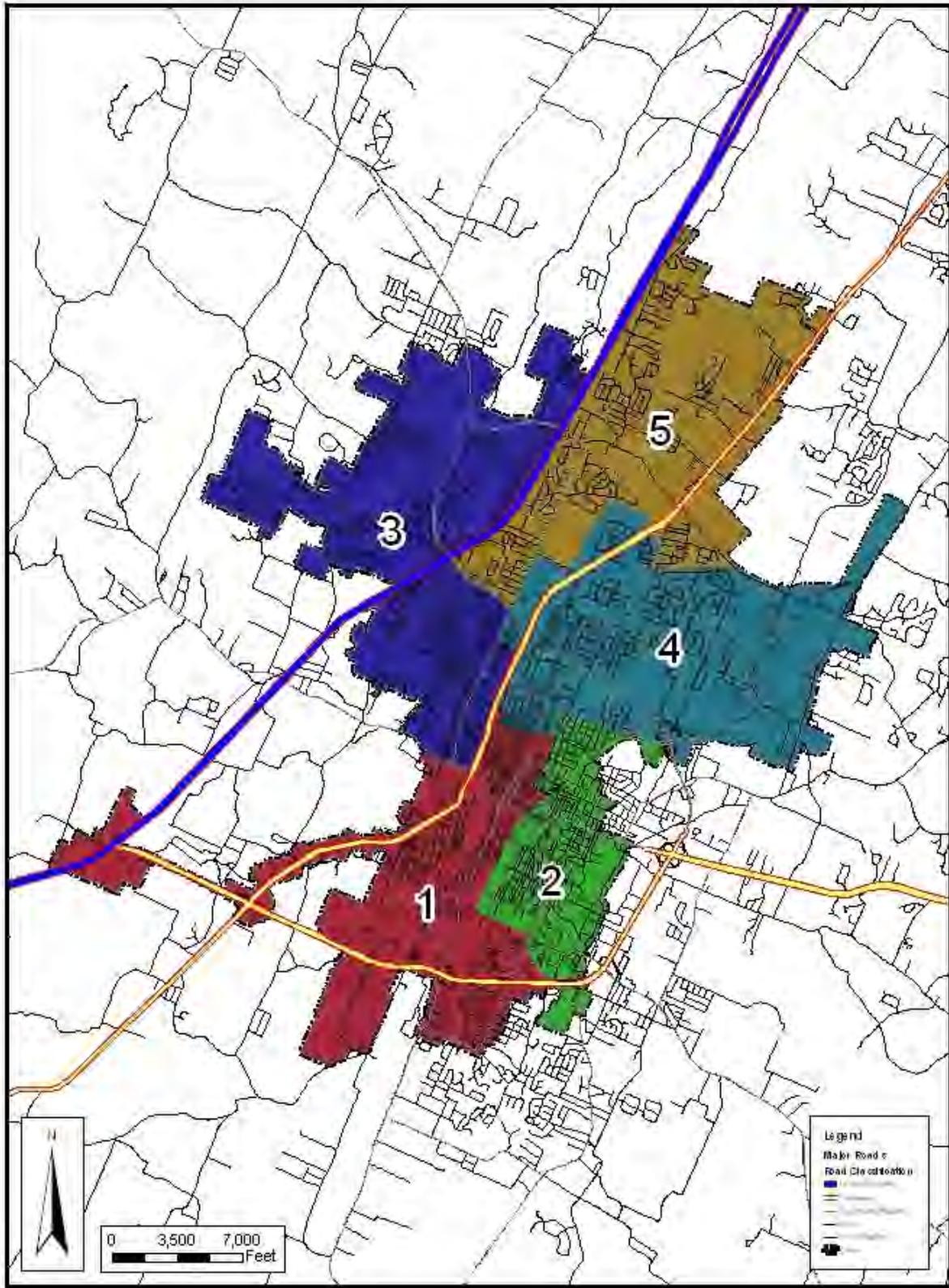
EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$337,811	\$353,515	\$353,515	\$357,851	1.2%
Operating	\$237,947	\$229,000	\$224,801	\$241,750	7.5%
Capital Outlay & Debt Service	\$0	\$1,500	\$1,500	\$3,000	100.0%
Total Expenditures	\$575,758	\$584,015	\$579,816	\$602,601	3.9%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Asst. to the Mayor/Legislative Liaison	29	1.00	1.00	1.00	1.00	1.00
Total		1.00	1.00	1.00	1.00	1.00

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 FY2019.
- Attract seven new retail businesses and seven restaurants in FY2019.
- 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	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
Number of City Council Meetings	25	22	22	23
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	4
# of Jobs Created	70	100	100	100
# of new restaurants	4	5	7	6
# of new retail businesses	5	5	6	8



City of Cleveland Voting Districts

Administration Department



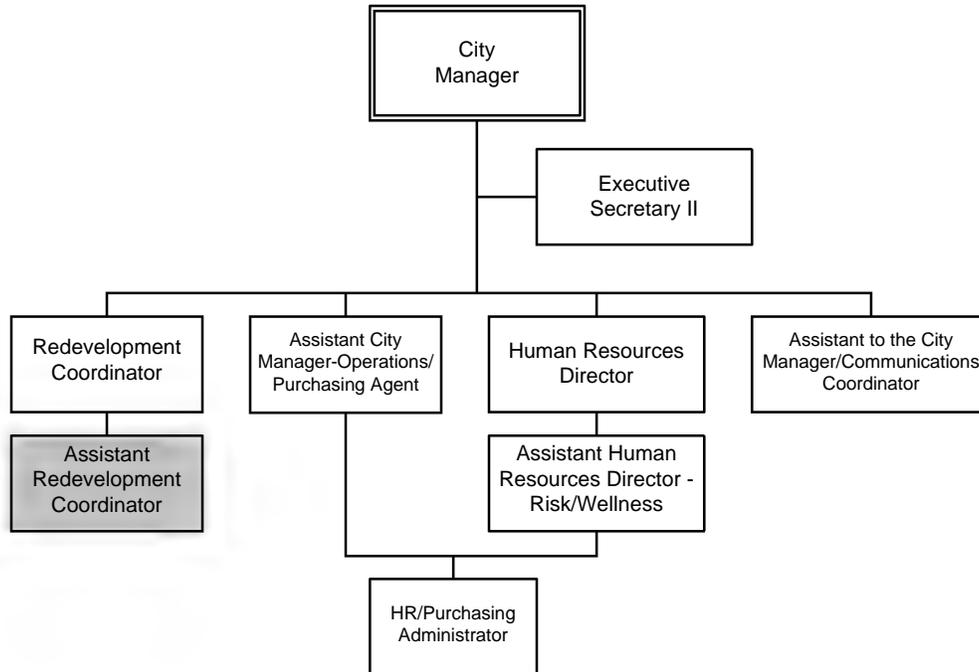
Joe Fivas
City Manager



Melinda Carroll
Assistant City Manager/
Purchasing Director



Administration Department



Note: Assistant Redevelopment Coordinator (Future)

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 Assistant to the City Manager/Communications 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 Assistant to the City Manager/Communications 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.

EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$1,740,033	\$797,435	\$797,435	\$860,810	7.9%
Operating	\$542,121	\$170,200	\$175,900	\$172,900	-1.7%
Capital Outlay & Debt Service	\$0	\$19,000	\$14,000	\$13,163	-6.0%
Total Expenditures	\$2,282,154	\$986,635	\$987,335	\$1,046,873	6.0%

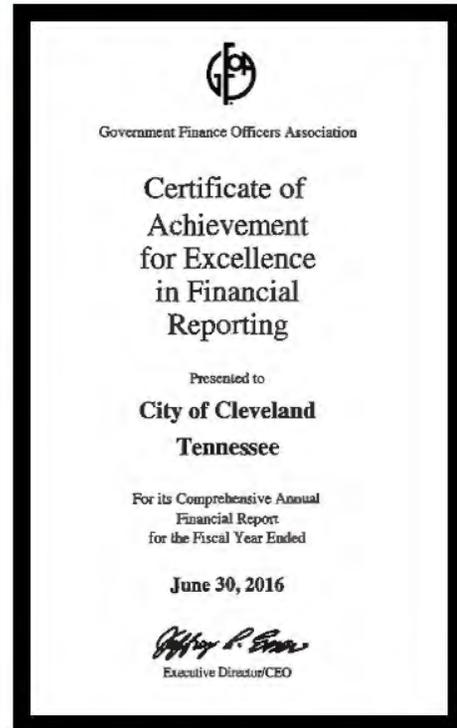
In FY2018, Administration and Finance budget, was divided into separate departments.

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
City Manager	34	1.00	1.00	1.00	1.00	1.00
Assistant City Manager/Operations	33	1.00	1.00	1.00	1.00	1.00
Human Resources Director	31	1.00	1.00	1.00	1.00	1.00
Asst. HR Director-Risk/Wellness	29	1.00	1.00	1.00	1.00	1.00
Redevelopment Coordinator	28	0.00	0.00	0.00	0.00	1.00
HR/Purchasing Administrator	27	1.00	1.00	1.00	1.00	1.00
Executive Secretary II	26	1.00	1.00	1.00	1.00	1.00
Asst. to the City Manager/Comm. Coord	26	1.00	1.00	1.00	1.00	1.00
Total		7.00	7.00	7.00	7.00	8.00

Goals and Objectives:

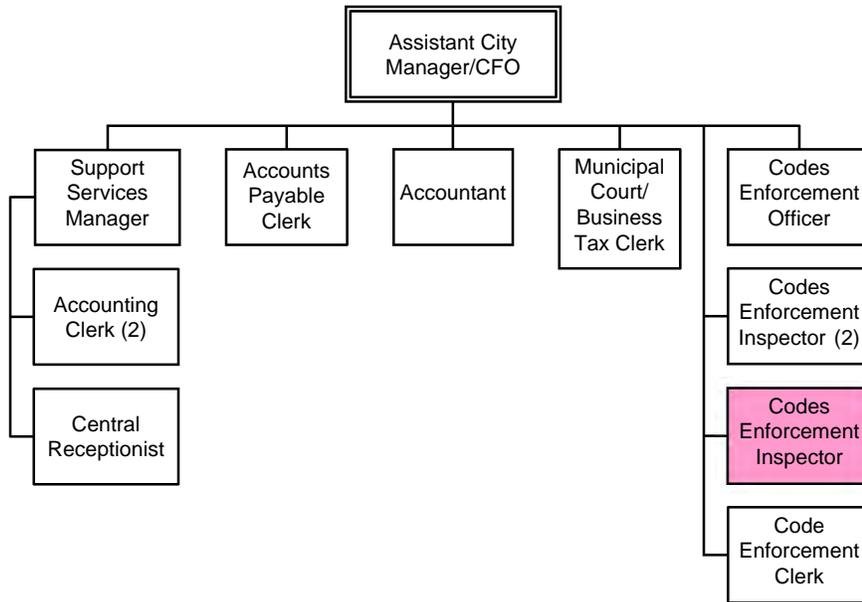
- Improve the level of public safety within the City of Cleveland.
- Improve the facilities within the City of Cleveland.
- Improve the city’s ability to provide services through technology.
- Continue use of procurement cards to purchase materials for city departments.
- Continue to research new ways 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



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 20,040 parcels of property for the 2018 tax year, of which approximately 418 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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$0	\$547,370	\$556,385	\$579,620	4.2%
Operating	\$0	\$400,750	\$398,991	\$426,750	7.0%
Capital Outlay & Debt Service	\$0	\$7,500	\$12,100	\$56,835	369.7%
Total Expenditures	\$0	\$955,620	\$967,476	\$1,063,205	9.9%

In FY2019, Administration and Finance budget was divided into separate departments.

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Assistant City Manager/CFO	33	1.00	1.00	1.00	1.00	1.00
Sr. Accountant	28	1.00	1.00	1.00	1.00	1.00
Support Services Manager	27	1.00	1.00	1.00	1.00	1.00
Codes Enforcement Officer	26	1.00	1.00	1.00	1.00	1.00
Codes Enforcement Inspector	25	2.00	2.00	2.00	2.00	2.00
Municipal Court/Business Tax Clerk	24	1.00	1.00	1.00	1.00	1.00
Accounts Payable Clerk	23	1.00	1.00	1.00	1.00	1.00
Accounting Clerk	22	2.00	1.00	1.00	1.00	1.00
Codes Enforcement Clerk	22	1.00	2.00	2.00	2.00	2.00
Central Receptionist	21	1.00	1.00	1.00	1.00	1.00
Part-time Janitorial	N/A	0.38	0.38	0.38	0.38	0.38
Part-time, by FTE	N/A	0.20	0.20	0.20	0.20	0.20
Part-time, by FTE		12.58	12.58	12.58	12.58	12.58

Code Enforcement:

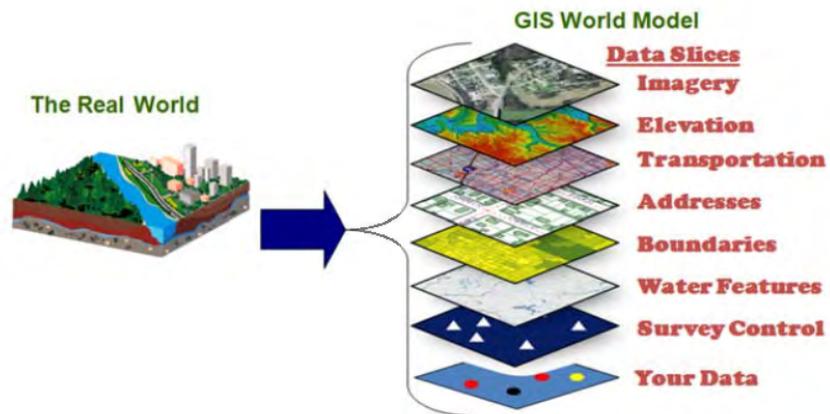
EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$240,994	\$263,850	\$263,850	\$277,990	5.4%
Operating	\$17,991	\$31,900	\$31,900	\$31,900	0.0%
Capital Outlay & Debt Service	\$6,933	\$0	\$0	\$11,950	100.0%
Total Expenditures	\$265,918	\$295,750	\$295,750	\$321,840	8.8%

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 FY2019.
- 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	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
Clean Audit Opinion Received	Yes	Yes	Yes	Yes
Bad Debt Write-off	\$22,317	\$10,843	\$18,920	\$25,000
# of Financial Policies Not Met	None	None	None	None
# of Transactions Processed by Revenue Collection Division	43,666	41,972	41,238	41,500
# of online Property Tax Payments	257	322	418	450
# of Business Licenses Processed	273	393	410	424
# of Municipal Court Cases Handled	1,722	1,468	1,450	1,450
# of Checks written	3,703	3,726	3,780	3,800
Dollar amount of Procurement Card purchases	\$675,612	\$662,927	\$688,286	\$680,000
# of Moving Citations Entered	4,891	3,906	4,100	4,200
# of Parking Citations Entered	994	939	950	975
% of moving Citations Collected (written during this fiscal year)	77%	79%	80%	80%
% of parking Citations collected (written during this fiscal year)	80%	77%	80%	80%
% of moving Citations outstanding	19%	19%	19%	19%
% of parking Citations outstanding	17%	18%	18%	17%

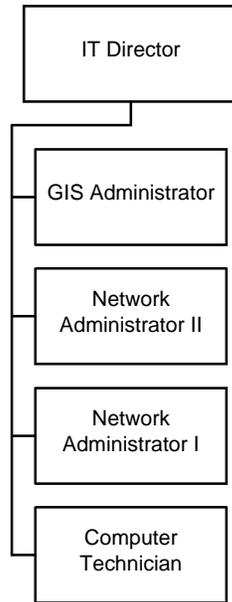
Information Technology



Director Kris Miller



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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$0	\$767,995	\$464,995	\$519,773	11.8%
Operating	\$0	\$27,700	\$28,900	\$34,463	19.2%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$283,219	100.0%
Total Expenditures	\$0	\$795,695	\$493,895	\$837,455	69.6%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
IT Director	31	1.00	1.00	1.00	1.00	1.00
GIS Administrator	29	0.00	1.00	1.00	1.00	1.00
Network Administrator II	27	1.00	1.00	1.00	1.00	1.00
Network Administrator I	26	1.00	1.00	1.00	1.00	1.00
Computer Technician	25	1.00	1.00	1.00	1.00	1.00
Total		4.00	5.00	5.00	5.00	5.00

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.

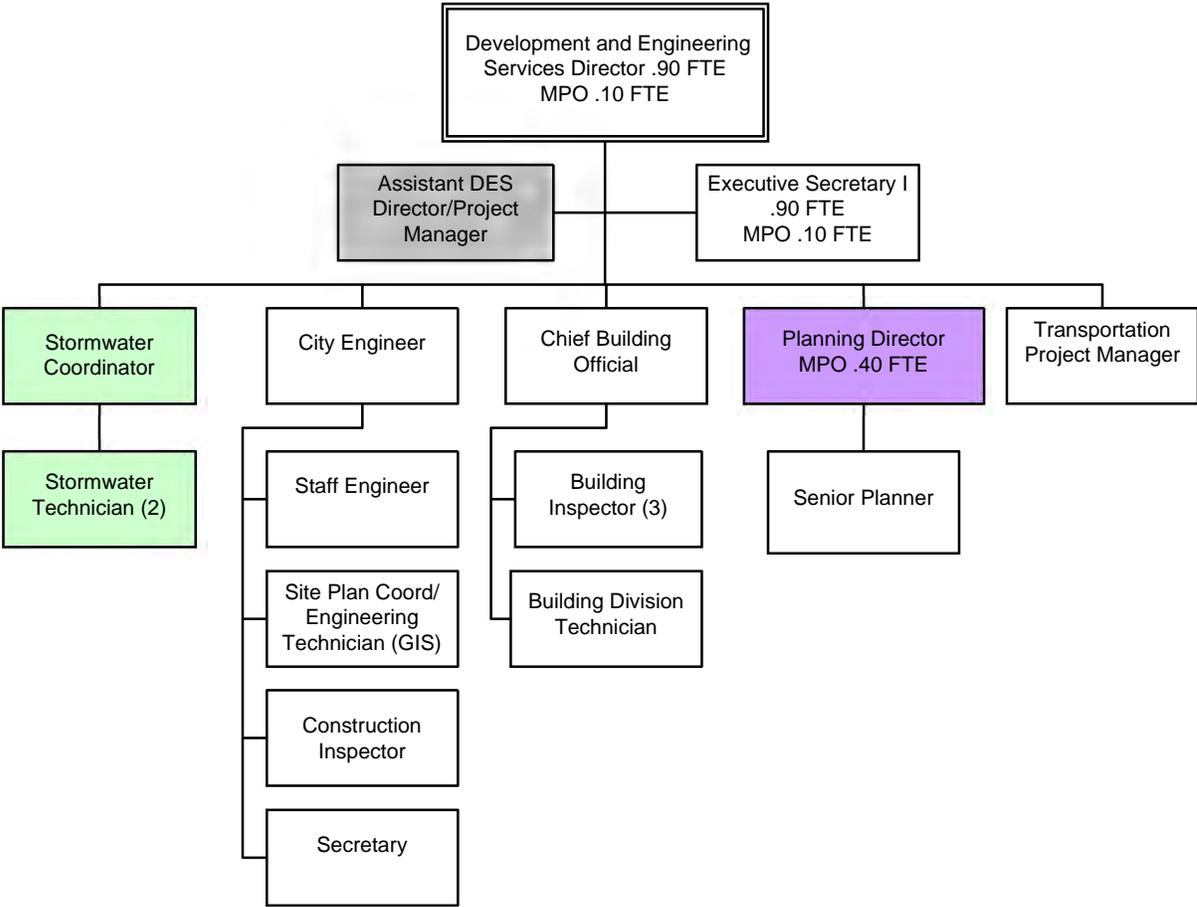
Development and Engineering Services



Director Jonathan Jobe



Development and Engineering Services



Note: Positions funded by the Stormwater Management Fund

Note: Position funded by the Metropolitan Planning Organization Fund

Note: Assistant DES Director/Project Manager (Future)

Development and Engineering Services

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. 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.

EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$1,166,726	\$1,287,200	\$1,287,200	\$1,341,275	4.2%
Operating	\$183,531	\$236,200	\$241,672	\$240,200	-0.6%
Capital Outlay & Debt Service	\$7,116	\$9,500	\$12,500	\$51,165	309.3%
Total Expenditures	\$1,357,373	\$1,532,900	\$1,541,372	\$1,632,640	5.9%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
DES Director	32	1.00	1.00	1.00	1.00	1.00
City Engineer	31	1.00	1.00	1.00	1.00	1.00
Planning Director	30	1.00	1.00	1.00	1.00	1.00
Transportation Project Manager	30	1.00	1.00	1.00	1.00	1.00
Chief Building Official	29	1.00	1.00	1.00	1.00	1.00
Staff Engineer	28	1.00	1.00	1.00	1.00	1.00
Senior Planner	28	0.00	0.00	1.00	1.00	1.00
Planner	27	1.00	1.00	0.00	0.00	0.00
Plans Examiner/Inspector	27	1.00	1.00	0.00	0.00	0.00
Property Maintenance Official	27	0.00	0.00	0.00	0.00	0.00
Building Inspector	26	2.00	2.00	3.00	3.00	3.00
Site Plan Coord./Engineering Technician	26	1.00	1.00	1.00	1.00	1.00
Construction Inspector	26	1.00	1.00	1.00	1.00	1.00
Building Division Technician	25	1.00	1.00	1.00	1.00	1.00
Executive Secretary I	25	1.00	1.00	1.00	1.00	1.00
Secretary/Permit Clerk	23	1.00	1.00	1.00	1.00	1.00
Part-time Janitorial, by FTE	N/A	0.38	0.38	0.38	0.38	0.38
Total		15.38	15.38	15.38	15.38	15.38

Performance Measures:

PERFORMANCE MEASURES	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
Population (Estimate)	43,898	44,337	44,780	45,228
# of Building Permits	289	415	360	425
Value of Building Permits	\$220,498	\$215,805	\$335,000	\$330,000
Value of Construction Permitted	\$70,217,885	\$61,147,618	\$110,000,000	\$100,000,000
# of Plumbing Permits	814	703	830	825
# of Mechanical Permits	314	504	525	500
# of Rezoning Cases	20	20	25	25
# of Subdivision Plats Approved	35	40	30	35
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
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. 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.

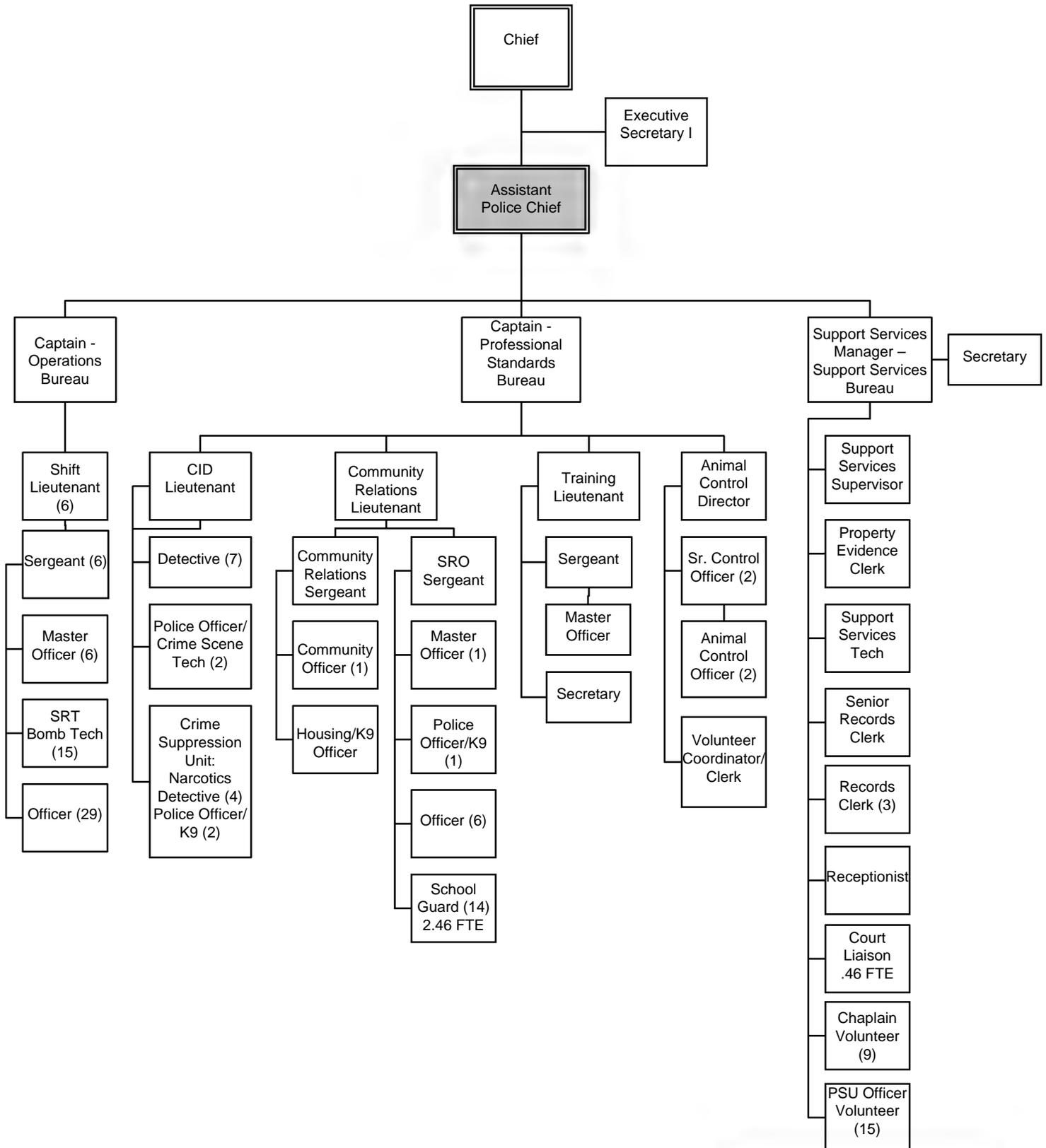
Cleveland Police Department



Chief of Police Mark Gibson



Police Department



Note: Assistant Police Chief (Future)

Police Department

Programs, Services, and Functions:

The Cleveland Police Department provides 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 five (5) 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 97 sworn officers. In FY2019 the department will be authorized for 2.26 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, Neighborhood Watch Programs and Youth Police Academies. Our Public Service Unit provides vehicle unlocks and funeral escorts. School Crossing Guards direct foot traffic in our school zones. Both units assist with annual events such as the July 4th Fireworks Display, Halloween Block Party and Christmas Parade, in addition to other special events throughout the year.

The department maintains national accreditation by CALEA, the Commission on the Accreditation for Law Enforcement Agencies, Inc. We completed an assessment in March 2018 and will receive our Fourth Award for CALEA Accreditation with Excellence in July 2018. 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 May 2017, we received a bond issue to purchase a Mobile Command Post. In January 2018 our Crime Interdiction and Suppression Team was organized. The City Council's continued support of increased sworn personnel would be instrumental in achieving several of our departmental goals in the foreseeable future. We continue 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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$7,796,847	\$8,598,970	\$8,730,970	\$9,080,809	4.0%
Operating	\$1,569,405	\$1,446,448	\$1,544,362	\$1,498,300	-3.0%
Capital Outlay & Debt Service	\$31,484	\$37,500	\$37,999	\$176,888	365.5%
Total Expenditures	\$9,397,736	\$10,082,918	\$10,313,331	\$10,755,997	4.3%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Police Chief	32	1.00	1.00	1.00	1.00	1.00
Captain	30	2.00	2.00	2.00	2.00	2.00
Lieutenant	28	9.00	9.00	9.00	9.00	9.00
Sergeant	27	9.00	9.00	9.00	9.00	9.00
Detective	27	9.00	9.00	11.00	11.00	11.00
Support Services Manager	27	1.00	1.00	1.00	1.00	1.00
Crime Scene Technician	26	2.00	0.00	0.00	0.00	1.00
Codes Enforcement Officer*	26	1.00	0.00	0.00	0.00	0.00
Master Police Officer (2 SRO)	25+1	2.00	8.00	8.00	8.00	8.00
Police Officer/CST	25+1	0.00	2.00	2.00	2.00	1.00
Police Officer/K-9 (SRO)	25+1	2.00	3.00	3.00	3.00	3.00
Police Officer/Bomb Tech/SRT(-3 SRO)	25+1	15.00	15.00	15.00	15.00	15.00
Community Police Officers	25+1	2.00	2.00	2.00	2.00	1.00
Executive Secretary I	25	1.00	1.00	1.00	1.00	1.00
Police Officer (3 SRO)	25	37.00	30.00	34.00	34.00	35.00
Housing Officer/K-9**	25	1.00	1.00	1.00	1.00	1.00
Quartermaster	24	1.00	1.00	1.00	1.00	1.00
Property/Evidence Clerk	23	1.00	1.00	1.00	1.00	1.00
Secretary	23	3.00	3.00	3.00	3.00	3.00
Records Clerk	22	4.00	4.00	4.00	4.00	4.00
Receptionist	21	1.00	1.00	1.00	1.00	1.00
PT Court Liaison by FTE	22	0.46	0.46	0.46	0.46	0.46
PT School Crossing Guards by FTE (14)	N/A	2.46	2.46	2.64	2.64	2.64
Total		106.92	105.92	112.10	112.10	112.10

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:

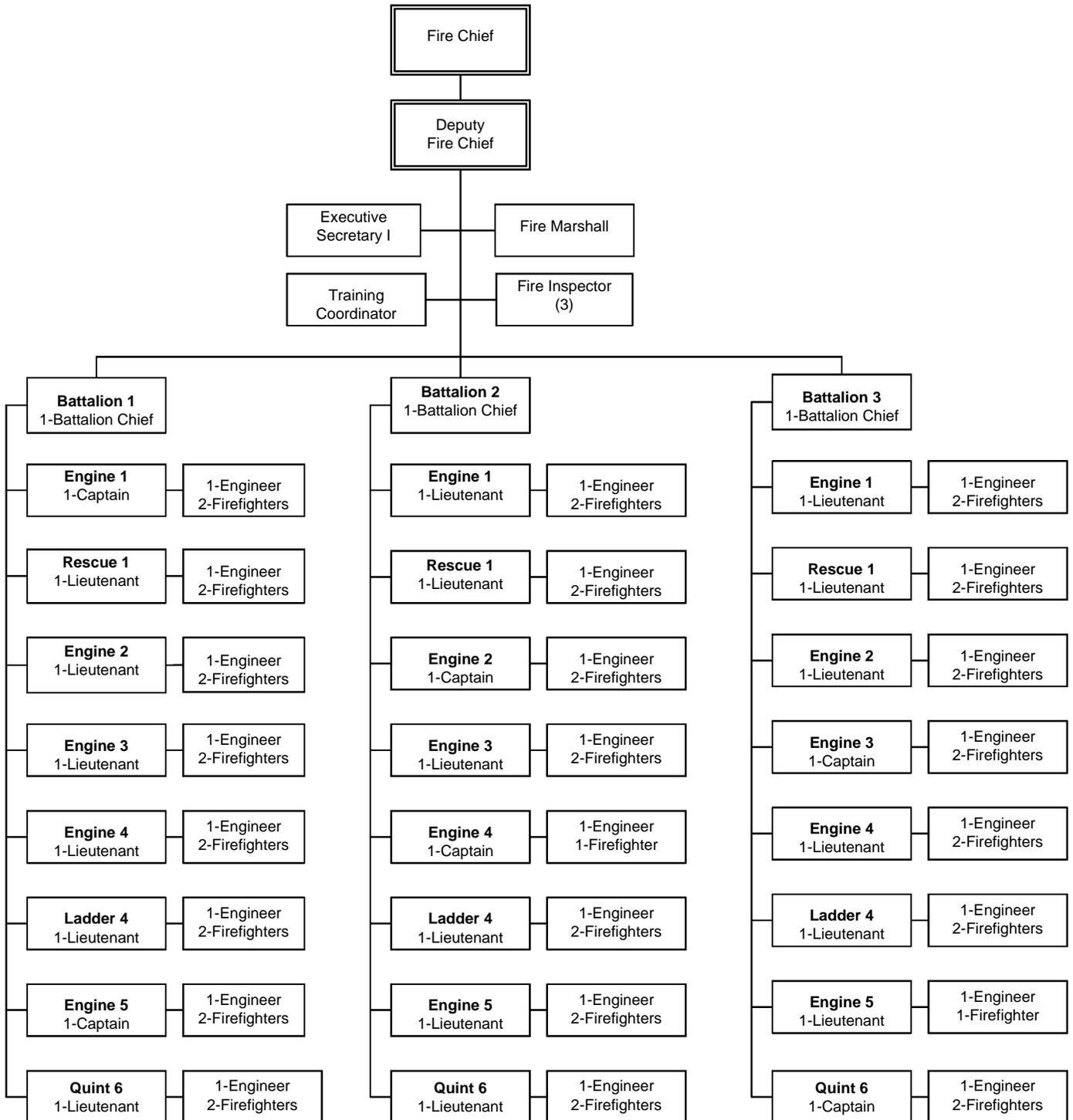
PERFORMANCE MEASURES	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
Population (Estimate)	43,898	44,337	44,780	45,228
# of Sworn Officers	91	91	97	102
Sworn Officers per 1,000 Population	2.08	2.06	2.17	2.26
Annual Training Hours for Sworn Personnel	4,300	6,400	6,000	6,300
Clearance Rate for Detectives	77%	74%	78%	80%
# Job-related Injuries requiring medical treatment	5	8	8	6
Traffic Accidents	3,172	3,055	3,100	2,945
Traffic Accidents w/ Injury	338	329	310	305
Traffic Accidents – Alcohol Related	29	30	30	30
Response Time (in minutes)	8.2	7.5	7.10	7.00
Calls for Service	52,991	56,254	59,800	62,000
DUI Citations/Arrests	93	104	75	100
Homicide	3	1	1	1
Sexual Offenses	20	30	35	30
Robbery	34	50	50	45
Aggravated Assault	313	336	275	260
Automobile Theft	174	252	190	190
Thefts	2,000	2,033	1,900	1,800
Moving Citations	4,744	4,236	4,700	5,000
Parking Citations	975	1,036	900	1,250

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 ninety-seven (97) full-time operating personnel and seven (8) staff positions. Staff personnel include the Fire Chief, Executive Secretary, Deputy Fire Chief, Training Officer, Fire Marshal, and three (3) Fire Inspectors. The department currently works out of five (5) stations with the 6th station going on-line in October 2018.

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 FY2017 were 1,288.

The City of Cleveland Fire Department responded to 2,898 calls for service during FY2017. The estimated value of property saved was 148,873,014 and the estimated property loss due to fire was \$1,681,984.

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 39,674 hours of classroom and hands-on training for FY2017. Through continuous training, City of Cleveland firefighters demonstrate their dedication and commitment to their community, citizens, and fellow firefighters.

The Fire Prevention Division conducted 4,258 inspections during FY2017 with 3,077 of these being annual Fire & Life Safety inspections. They also participated in 36 Fire Prevention/Education presentations spreading the message of fire safety to 8,600 adults and children. Portable Fire Extinguisher training was provided to 11 different businesses and industrial locations with 1,337 adults attending.

EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$7,644,041	\$8,222,525	\$8,222,525	\$9,264,125	12.7%
Operating	\$755,551	\$800,800	\$806,737	\$839,050	4.0%
Capital Outlay & Debt Service	\$104,130	\$65,700	\$69,410	\$90,130	29.9%
Total Expenditures	\$8,503,722	\$9,089,025	\$9,098,672	\$10,193,305	12.0%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Fire Chief	32	1.00	1.00	1.00	1.00	1.00
Deputy Fire Chief	30	0.00	0.00	0.00	0.00	1.00
Battalion Commander	29	3.00	3.00	3.00	3.00	3.00
Fire Marshall	28	1.00	1.00	1.00	1.00	1.00
Captain	28	5.00	5.00	5.00	5.00	6.00
Training Captain	28	1.00	1.00	1.00	1.00	1.00
Lieutenant	27	16.00	16.00	16.00	16.00	18.00
Fire Inspector	27	3.00	3.00	3.00	3.00	3.00
Driver/Engineer	26	21.00	21.00	21.00	21.00	24.00
Executive Secretary I	25	1.00	1.00	1.00	1.00	1.00
Firefighter	25	40.00	40.00	40.00	40.00	46.00
Total		92.00	92.00	92.00	92.00	105.00

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, and 12 open positions due to the opening of Station 6.
 - Complete a new fire station (CFD Station Six) at Westland Drive/APD 40 to service the CFD District 6 in 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 Assessments are held annually to ensure all operations division personnel are physically capable of performing their jobs.
 - One hour per day is dedicated to physical fitness.
- Continue to replace fire administration and inspection vehicles over the next several years.
- Purchase new Quint Apparatus in FY2021 to replace the 16-year-old Ladder 4.
 - This apparatus will have an anticipated cost of \$1,250,000 and will require 10-12 months to build.

PERFORMANCE MEASURES	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
Property Loss (\$) Due to Fire	\$914,477	\$1,681,984	\$1,740,850	\$1,700,000
Property Saved (\$)	\$59,938,211	\$148,873,014	\$154,083,500	\$159,476,500
Calls for Service	2,909	2,898	2,950	3,000
Number of Fatalities	0	2	1	0
Number of Injuries	4	5	4	3
Number of Certified Personnel	91	91	91	103
Number of EMRs	41	40	40	52
Number of EMTs - Basic	2	3	3	5
Number of AEMTs	34	35	35	37
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	\$187,992	\$205,216	\$228,445	\$230,707
Fire Inspections per 1,000 Population	29.39	69.40	46.90	48.65
Number of Buildings Inspected	1,303	3,077	2,100	2,200
Number of Fire Education Classes	40	60	65	65
Structure/Vehicle Fire Calls per 1,000 Population	2.53	2.39	2.23	2.21
Number of Structure/Vehicle Fires	112	106	100	100
Fire Cause Determined	92%	95.2%	96.5%	97%
Restricted Duty During the Year	0	0	0	0
Cost per Structure/Vehicle Fire Call	\$74,420	\$85,837	\$102,300	\$104,344
Average Response Time from Dispatch	4 min/02 sec	4 min/21 sec	4 min/02 sec	4 min/00 sec

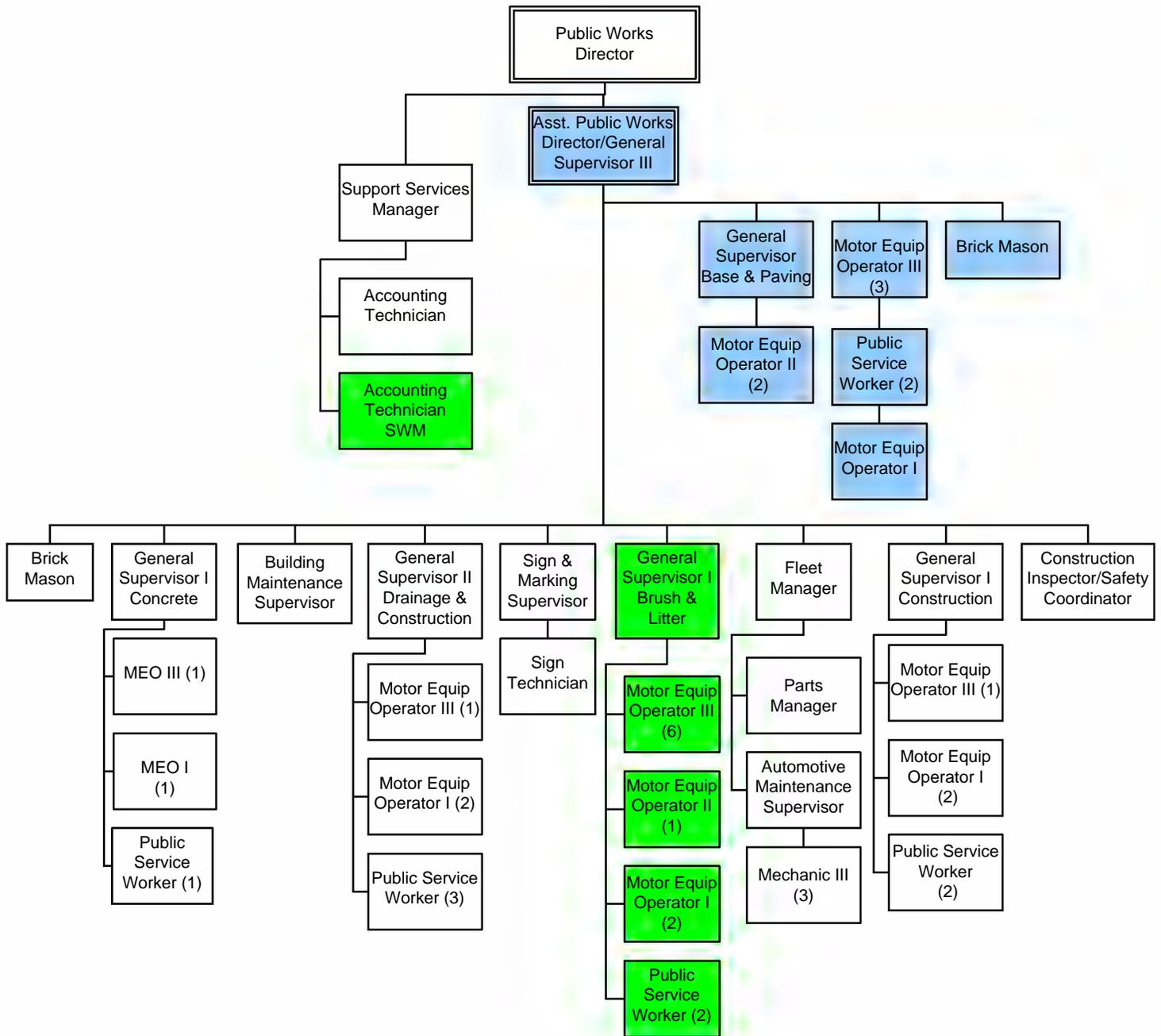
Public Works



Director Tommy Myers



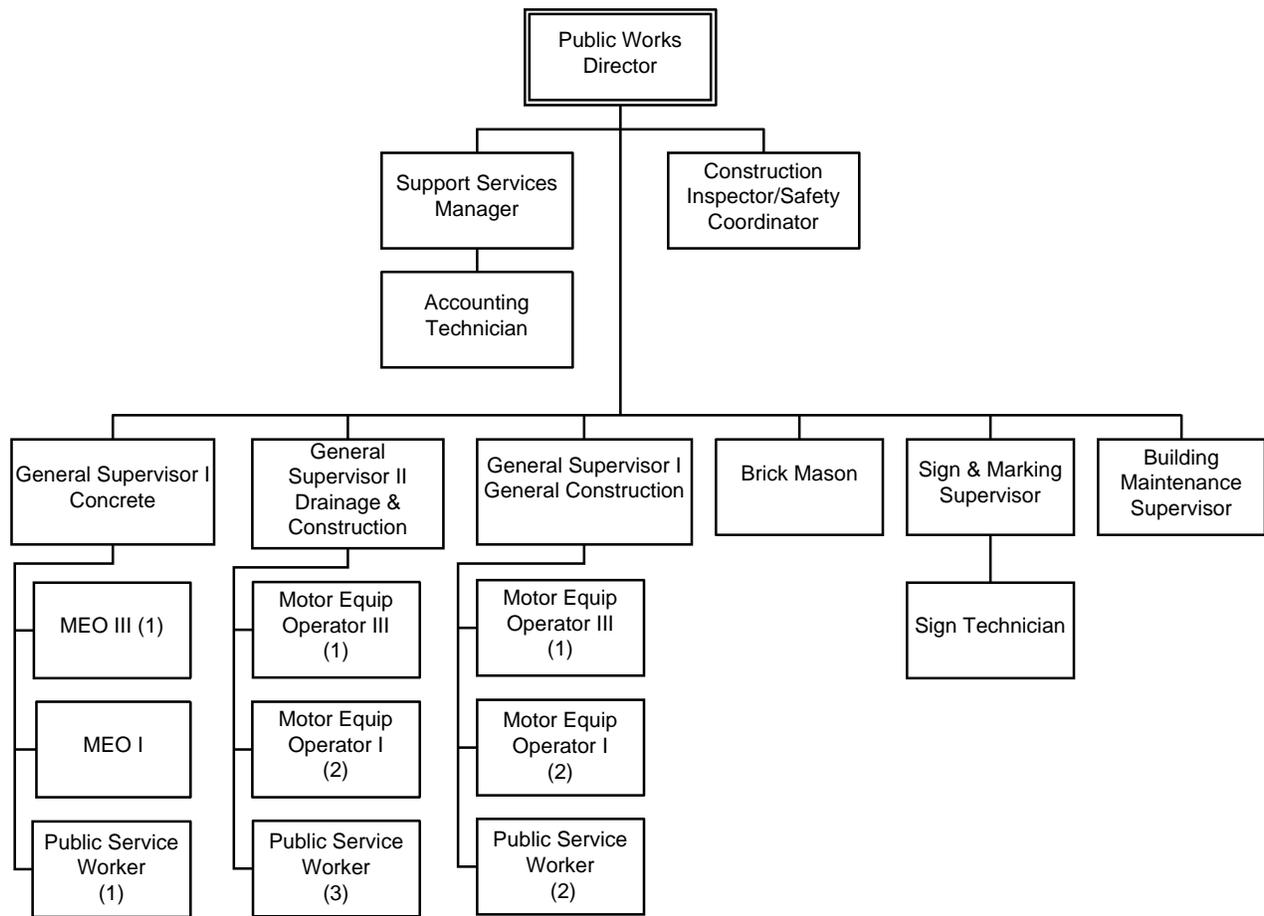
Public Works Department



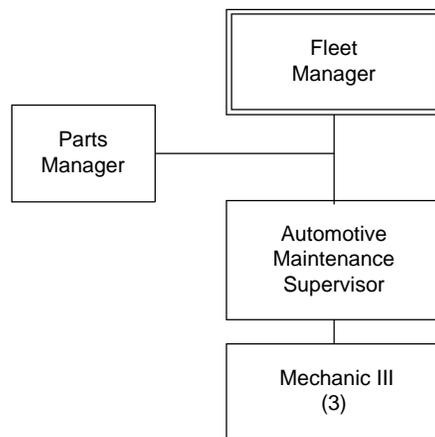
Note: Positions funded by the State Street Aid Fund

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.

Administration 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. This also 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 and 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 collection site 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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$1,206,809	\$1,647,200	\$1,520,626	\$1,519,300	-0.1%
Operating	\$768,500	\$899,700	\$934,489	\$941,000	0.7%
Capital Outlay & Debt Service	\$16,946	\$4,800	\$122,150	\$12,300	-89.9%
Total Expenditures	\$1,992,255	\$2,551,700	\$2,577,265	\$2,472,600	-4.1%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Director of Public Works	32	1.00	1.00	1.00	1.00	1.00
General Supervisor II	27	1.00	1.00	1.00	1.00	1.00
Construction Inspector/Safety Coord.	27	1.00	1.00	1.00	1.00	1.00
Support Services Manager	27	1.00	1.00	1.00	1.00	1.00
General Supervisor I	26	1.00	1.00	2.00	2.00	2.00
Building Maint. Supervisor	26	1.00	1.00	1.00	1.00	1.00
Sign & Marking Supervisor	26	1.00	1.00	1.00	1.00	1.00
Brick Mason	24	1.00	1.00	1.00	1.00	1.00
MEO III	24	2.00	2.00	3.00	3.00	3.00
Accounting Technician	23	1.00	1.00	1.00	1.00	1.00
MEO II	23	0.00	0.00	0.00	0.00	0.00
Sign Technician	22	2.00	1.00	1.00	1.00	1.00
MEO I	22	3.00	4.00	5.00	5.00	5.00
Public Service Worker	21	5.00	5.00	6.00	6.00	6.00
P.T. Janitorial	N/A	0.375	0.50	0.50	0.50	0.50
Total		21.375	21.50	25.50	25.50	25.50

PW Street Lighting and Signals:

EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$1,335,319	\$1,507,800	\$1,501,305	\$1,448,300	-3.5%
Capital Outlay & Debt Service	\$0	\$0	\$6,495	\$3,800	-41.5%
Total Expenditures	\$1,335,319	\$1,507,800	\$1,507,800	\$1,452,100	-3.7%

No personnel funded through this budget.

Fleet Management:

EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$0	\$489,900	\$489,625	\$512,500	4.7%
Operating	\$0	\$187,800	\$225,875	\$171,700	-24.0%
Capital Outlay & Debt Service	\$0	\$2,500	\$2,000	\$29,100	1355.0%
Total Expenditures	\$0	\$680,200	\$717,500	\$713,300	-0.6%

In FY2019, Fleet Management was moved to the General Fund

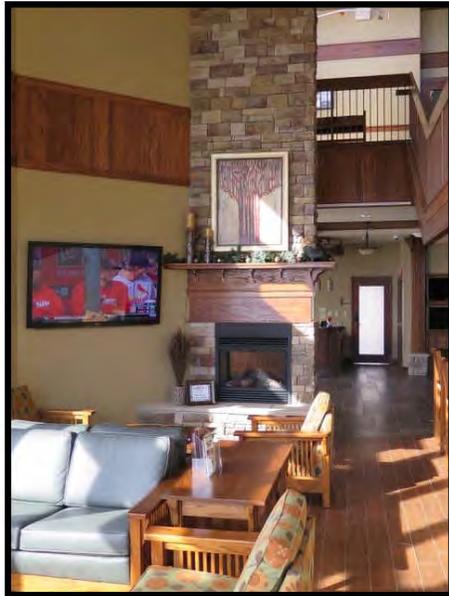
STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Fleet Manager	28	0.00	0.00	1.00	1.00	1.00
Auto Maintenance Supervisor	26	0.00	0.00	1.00	1.00	1.00
Mechanic III	26	0.00	0.00	3.00	3.00	3.00
Parts Manager	25	0.00	0.00	1.00	1.00	1.00
Total		0.00	0.00	6.00	6.00	6.00

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.
- Study new technology and methods to prevent failure of street cuts.

PERFORMANCE MEASURES	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
	\$1,427,4			
Value of Street Repaving Contract	54	\$863,730	\$1,257,518	\$1,300,000
Value of Sidewalk, Curb, & Gutter Construction	\$19,225	\$37,865	\$33,554	\$65,000
# of Major Drainage Projects Completed	7	5	4	5
New Drainage Construction Costs (GASB)	\$161,191	\$255,201	\$150,000	\$200,000
Linear Feet of Drainage Pipe Installed	6,706	5,529	5,000	6,000
# of Stormwater Structures Installed	296	271	360	290
# of Utility Cut Permits	185	234	274	235
Value of Utility Cut Permits	\$59,632	\$69,086	\$74,500	\$70,000
# of Tons of Asphalt Used on Potholes	1,520	1,407	1,400	1,400
# Cubic Yards of Concrete/Flowable Fill for Street Cut Repair & Drainage Projects	485	768	700	700
# of Vehicles and Heavy Equipment (Fleet Maintains)	319	450	459	475
# of Fleet Personnel	6	6	6	6
# of Fleet Repair Orders	1,922	1,770	1,800	1,850
# of complaints/work order requests	332	665	626	600
% of complaint/work orders completed/closed	97%	91%	95%	95%
# of complaint/work orders per 1,000 population	7.48	14.99	13.97	13.26

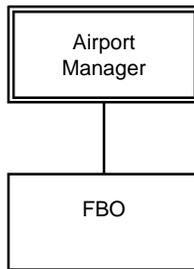
Cleveland Regional Jetport



Airport Director Mark Fidler



Cleveland Regional Jetport



Cleveland Regional Jetport

Programs, Services, and Functions:

Recently celebrating its fifth year of operations, Cleveland's award-winning Regional Jetport continues development at an astounding rate. Beautiful architecture coupled with state-of-the art services continue to attract customers and visitors alike to one of Cleveland's greatest assets.

Facility development at the Jetport has been, and continues to be, an ongoing endeavor. Our goal of extension of the runway 700' was realized in late October, 2017. The runway now is 6,200' in length: more than enough runway to accommodate almost any size business jet or medium-size airliner. With the extension completed, a new category of aircraft operators previously not served, now consider KRZR in their travel plans. Additionally, operators of large turbine-powered business aircraft now can "base" their aircraft at the Jetport with its extended runway, previously restricted by insurance requirements. Aircraft performance limitations imposed by runway length are now, for all practical purposes, a thing of the past. Completion of the runway extension project is, by any standard, one of the most important steps in the continued development of the Jetport.

In concert with the runway extension project, private hangar development continues as well. A massive new 28,800 square foot hangar currently under construction will house multiple jet aircraft operated by local business enterprise. Similarly, smaller private hangar development has continued at a brisk pace. The Jetport has, at this time, no significant property available for lease until our next phase of development is undertaken. When asked about property leasing, we are for now, "sold out". Funding for design and engineering has been approved by TDOT-AERO and, pending design acceptance and construction funding, we hope to aggressively move ahead as soon as possible, availing more property for future development purposes. All of this represents significant financial commitment by investors in an airport that continues to provide superb services for Cleveland and the flying community.

Management and oversight of the Jetport is the responsibility of the Airport Director. Working with local, state and Federal agencies, the Director is focused on maintaining the Jetport in safe and legally-compliant status. Available 24/7, the Airport Director must be prepared to resolve airport operations/maintenance issues as well as frequently interact with customers and prospects visiting the Cleveland, considering relocation or development in the area. The Director's responsibilities often necessitate visiting the Jetport after hours, at the request of the FAA for verification of an arriving aircraft status.

Committed to a superb customer experience, the Jetport retains Contour Flight Support as our Fixed Base Operations service provider. Contour's experienced staff assists our guests with attentive care and a myriad of travel related support services. Hotel reservations, car rentals, catering, aircraft fueling and cleaning, aircraft storage, flight training and more: all are provided by Contour's experienced and qualified staff. Their goal is to exceed the customer's expectations, recognizing that we are often the initial point of contact for many on their first visit to Cleveland. We are pleased to have an opportunity to serve them and remain grateful that they have chosen to join us. It is our honor to serve them as our guests.

EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$113,226	\$125,900	\$125,600	\$131,100	4.4%
Operating	\$101,066	\$115,750	\$133,829	\$128,700	-3.8%
Capital Outlay & Debt Service	\$1,888	\$1,400	\$1,400	\$3,400	142.9%
Total Expenditures	\$216,180	\$243,050	\$260,829	\$263,200	0.9%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Airport Manager	31	1.00	1.00	1.00	1.00	1.00
Grounds Maintenance	N/A	0.00	0.00	0.20	0.20	0.20
Total		1.00	1.00	1.20	1.20	1.20

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	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
Total number of meetings booked for conference rooms	21	30	33	35
Total number of special events held	4	4	5	5
Total number of hangars on site	47	51	54	56
Total number of hangars occupied	47	51	54	56
Total aircraft based at airport	48	55	60	63
Total gallons of fuel sold	262,068	267,512	275,540	280,000
Number of inspections by State departments	2	2	2	2
Number of public meetings held by Airport Authority	9	8	6	6

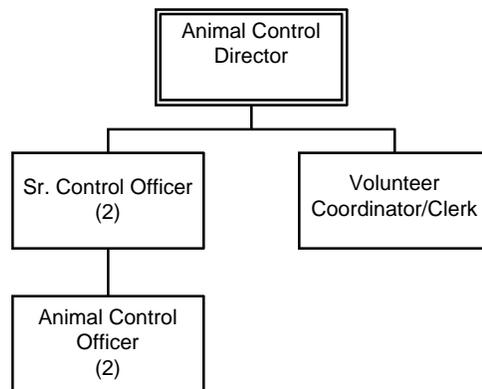
Animal Control



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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$359,654	\$392,701	\$392,701	\$403,004	2.6%
Operating	\$161,521	\$134,396	\$189,130	\$181,842	-3.9%
Capital Outlay & Debt Service	\$304	\$1,700	\$1,730	\$4,500	160.1%
Total Expenditures	\$521,479	\$528,797	\$583,561	\$589,346	1.0%

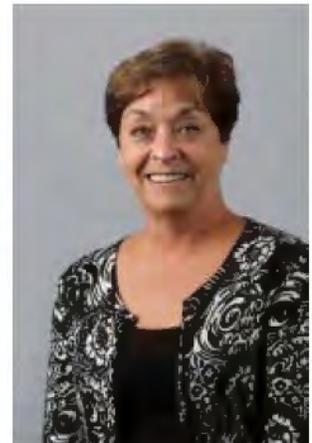
STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Animal Control Director	27	1.00	1.00	1.00	1.00	1.00
Senior Animal Control Officer	24	2.00	2.00	2.00	2.00	2.00
Animal Control Officer	23	2.00	2.00	2.00	2.00	2.00
Volunteer Coordinator/Clerk	23	0.00	0.00	0.00	0.00	1.00
Records Clerk	22	1.00	1.00	1.00	1.00	0.00
Total		6.00	6.00	6.00	6.00	6.00

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.

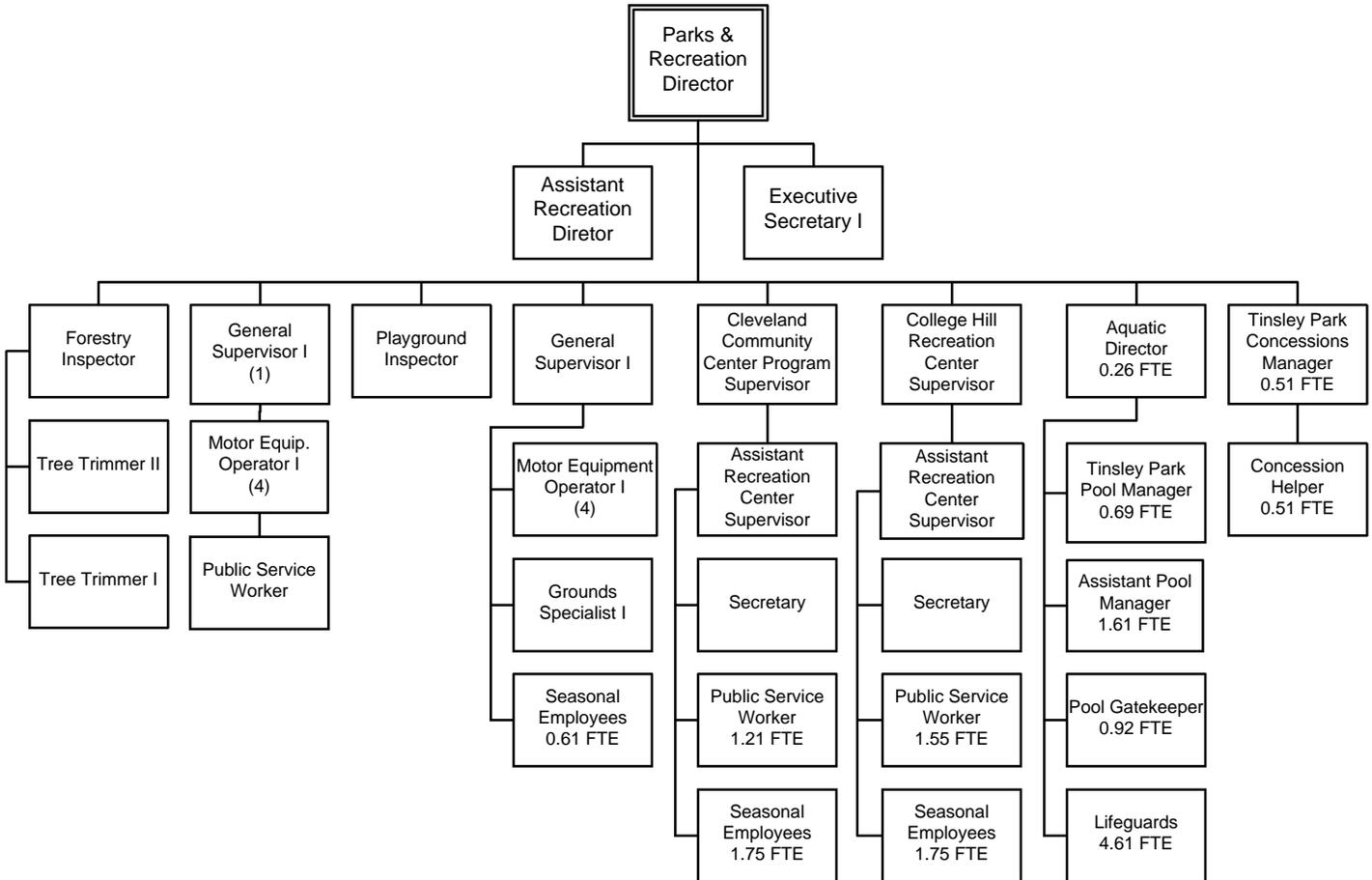
PERFORMANCE MEASURES	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
# of Animals Picked-up in City	1,449	1,533	1,460	1,500
# of Calls in City	3,591	3,516	3,400	3,500
# of Animals Picked-up in County	1	0	0	0
# of Calls from County residents	366	390	300	300
# of Animals Adopted	746	857	700	800
# of Animals Euthanized	117	104	120	120
# of Animals Handled per Employee	242	255	243	250
Cost per Animal Handled	\$345.21	\$340.97	\$362.69	\$400.62
% of Animals Adopted vs. Euthanized	7%	8%	7%	8%
# of Animals Brought in from other Counties	4	1	0	0
# of Complaints Regarding Animals	3,927	3,906	3,600	3,600
# of Complaints Regarding Animal Cruelty	156	144	150	150
# of Educational Programs	1	1	1	1
# of Employees	6	6	6	6
# of Certified Animal Control Officers	4	4	4	4

Parks and Recreation

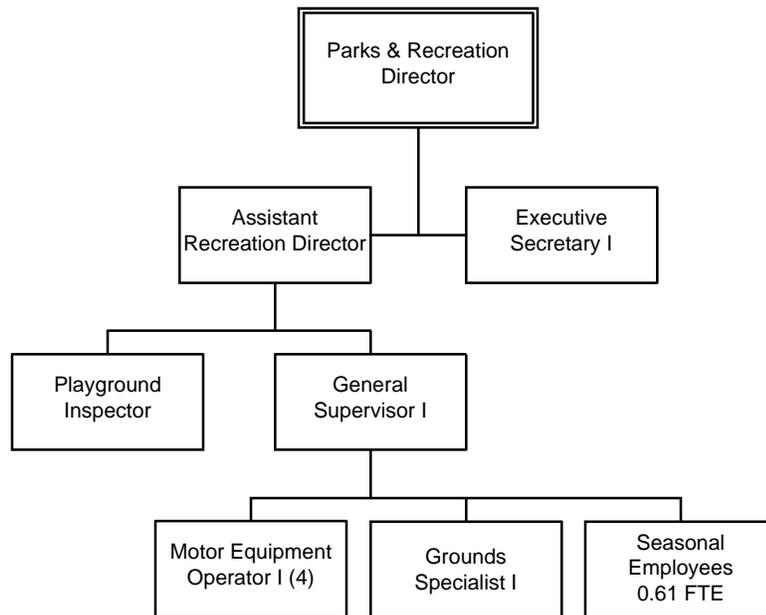


Director Patti Petitt

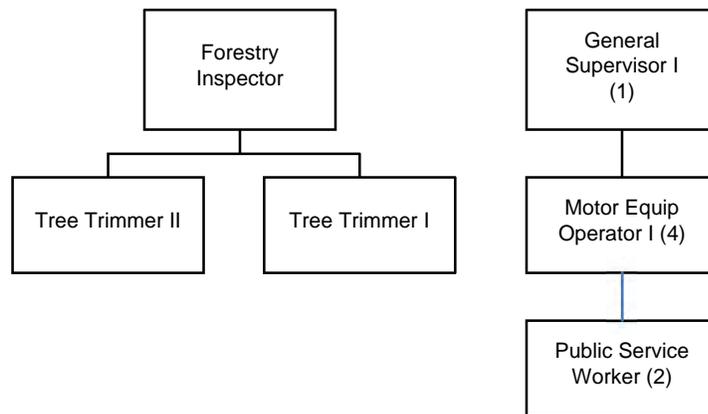
Parks & Recreation Department



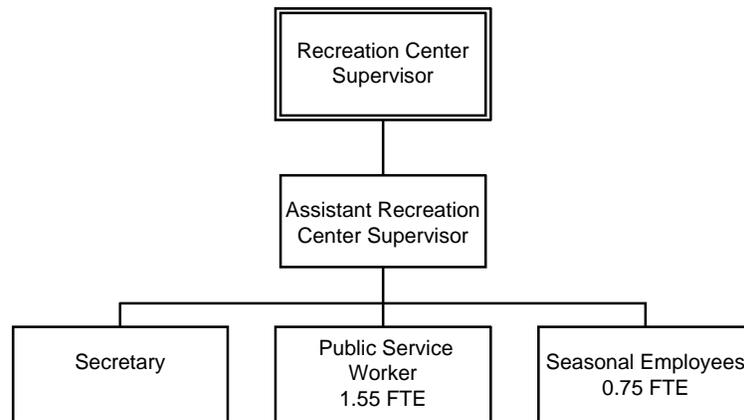
Parks & Recreation Administration & Maintenance Division



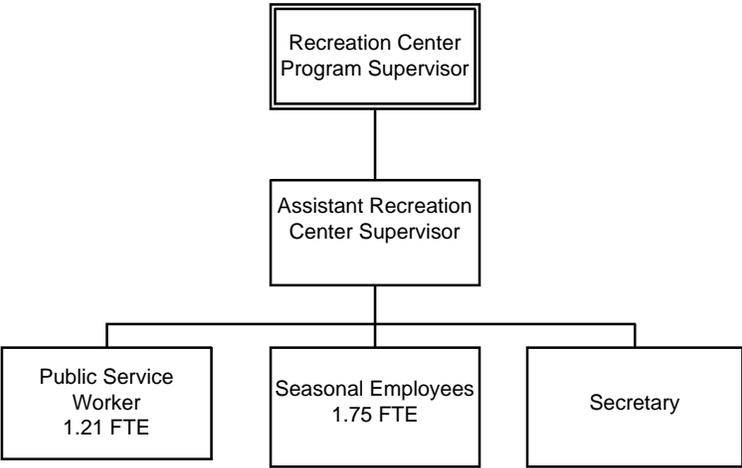
Parks & Recreation Landscape Maintenance



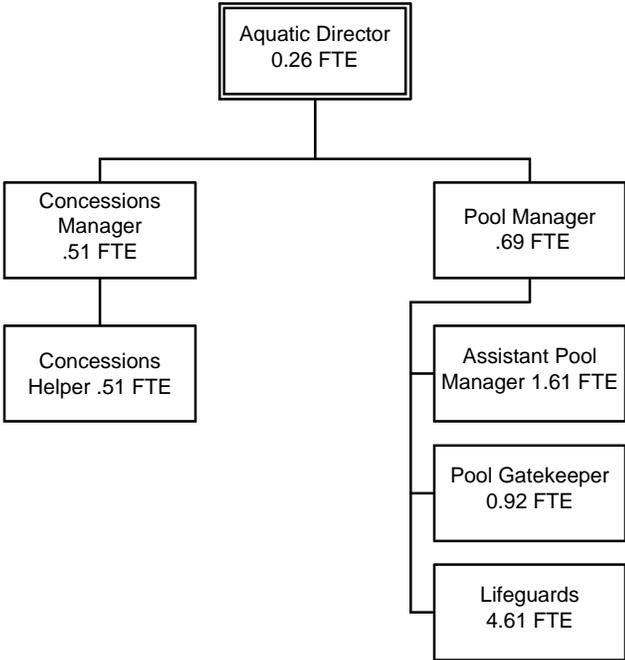
College Hill Recreation Center



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
- 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, revitalizing Deer Park and building Blythe/Bower Park.

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

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$723,902	\$746,225	\$746,225	\$842,375	12.9%
Operating	\$279,792	\$263,550	\$288,323	\$282,650	-2.0%
Capital Outlay & Debt Service	\$22,279	\$2,500	\$47,374	\$12,500	-73.6%
Total Expenditures	\$1,025,973	\$1,012,275	\$1,081,922	\$1,137,525	5.1%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Director of Parks & Recreation	32	1.00	1.00	1.00	1.00	1.00
Assistant Director of Parks & Rec.	30	1.00	1.00	1.00	1.00	1.00
Playground Inspector	26	1.00	1.00	1.00	1.00	1.00
General Supervisor I	26	1.00	1.00	1.00	1.00	1.00
Executive Secretary I	25	1.00	1.00	1.00	1.00	1.00
Grounds Specialist I	24	1.00	1.00	1.00	1.00	1.00
MEO I	22	4.00	4.00	4.00	4.00	4.00
Seasonal, by FTE	N/A	0.61	0.61	0.61	0.61	0.61
Total		10.61	10.61	10.61	10.61	10.61

Landscape Maintenance:

EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$442,714	\$500,500	\$518,106	\$526,700	1.7%
Operating	\$143,045	\$121,000	\$136,781	\$122,400	-10.5%
Capital Outlay & Debt Service	\$3,651	\$1,000	\$1,000	\$1,000	0.0%
Total Expenditures	\$589,410	\$622,500	\$655,887	\$650,100	-0.9%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Forestry Inspector	26	1.00	1.00	1.00	1.00	1.00
General Supervisor I	26	2.00	1.00	1.00	1.00	1.00
Tree Trimmer II	24	1.00	1.00	1.00	1.00	1.00
Tree Trimmer I	23	1.00	1.00	1.00	1.00	1.00
MEO II	23	0.00	0.00	0.00	0.00	1.00
MEO I	22	4.00	4.00	4.00	4.00	3.00
Public Service Worker	21	0.00	2.00	2.00	2.00	2.00
Total		9.00	10.00	10.00	10.00	10.00

College Hill Recreation Center:

EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$240,717	\$258,000	\$258,000	\$268,200	4.0%
Operating	\$154,060	\$192,000	\$192,000	\$185,900	-3.2%
Capital Outlay & Debt Service	\$33,267	\$0	\$0	\$0	0.0%
Total Expenditures	\$428,044	\$450,000	\$450,000	\$454,100	0.9%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Recreation Center Supervisor	26	1.00	1.00	1.00	1.00	1.00
Asst. Rec. Center Supervisor	23	1.00	1.00	1.00	1.00	1.00
Recreation Asst.	21	1.00	1.00	1.00	1.00	1.00
Public Service Worker	21	1.00	1.00	1.00	1.00	1.00
P.T. Janitorial	N/A	0.55	0.55	0.55	0.55	0.55
Seasonal, by FTE	N/A	0.75	0.75	0.75	0.75	0.75
Total		5.30	5.30	5.30	5.30	5.30

Cleveland Community Center:

EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$274,308	\$277,860	\$277,860	\$287,850	3.6%
Operating	\$108,114	\$143,050	\$143,166	\$140,350	-2.0%
Capital Outlay & Debt Service	\$14,939	\$12,000	\$12,000	\$0	-100.0%
Total Expenditures	\$397,361	\$432,910	\$433,026	\$428,200	-1.1%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Rec. Ctr./Program Supervisor	26	1.00	1.00	1.00	1.00	1.00
Asst. Rec. Center Supervisor	23	1.00	1.00	1.00	1.00	1.00
Secretary	23	1.00	1.00	1.00	1.00	1.00
Public Service Worker	21	1.00	1.00	1.00	1.00	1.00
P.T. Janitorial	N/A	0.21	0.21	0.21	0.21	0.21
Seasonal, by FTE	N/A	1.75	1.75	1.75	1.75	1.75
Total		5.96	5.96	5.96	5.96	5.96

Tinsley Park Operations:

EXPENDITURES	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Increase
Personnel	\$200,659	\$189,300	\$189,300	\$193,500	2.2%
Operating	\$170,498	\$161,300	\$164,752	\$175,100	6.3%
Capital Outlay & Debt Service	\$95,328	\$0	\$0	\$0	0.0%
Total Expenditures	\$466,485	\$350,600	\$354,052	\$368,600	4.1%

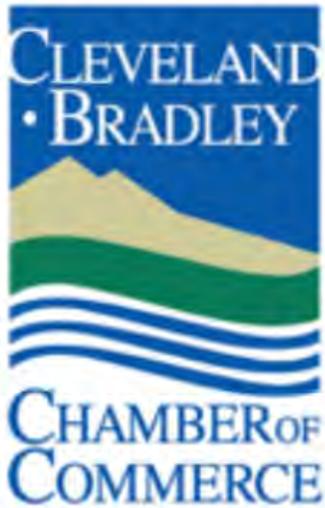
STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Aquatic Director	N/A	0.26	0.26	0.26	0.26	0.26
Manager-Concession	N/A	0.51	0.51	0.51	0.51	0.51
Concession Helper	N/A	0.51	0.51	0.51	0.51	0.51
Custodian	N/A	0.00	0.00	0.00	0.00	0.00
Laborer	N/A	0.00	0.00	0.00	0.00	0.00
Park Gatekeeper	N/A	0.00	0.00	0.00	0.00	0.00
Pool Manager	N/A	0.69	0.69	0.69	0.69	0.69
Assistant Pool Manager	N/A	1.61	1.61	1.61	1.61	1.61
Pool Gatekeeper	N/A	0.92	0.92	0.92	0.92	0.92
Lifeguard	N/A	4.61	4.61	4.61	4.61	4.61
Total		9.11	9.11	9.11	9.11	9.11

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 25th Street.
- Continue to be recognized as a Tree City.
- Increase Cleveland’s green footprint by planting 5% more trees annually.
- Identify trees and place signage for various species living along the greenway.
- Improvements to Deer Park.

PERFORMANCE MEASURES	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
# of Softball League Participants	450	425	425	425
# of Basketball League Participants	220	220	220	220
# of Soccer League Participants	1,010	2,169	2,000	2,000
# of Football League Participants	150	150	150	150
# of Aqua Tigers Participants	135	135	135	135
# Mosby Park Water Dogs	124	124	124	124
# of Sports for Youth Participants	975	950	950	950
# of Softball Tournaments	18	5	5	10
# Acres of Parks and Recreation Facilities	289	289	289	289
# of Trees Trimmed Annually	762	2,574	2,000	1,000
# of Trees Planted Annually	237	557	300	300

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		2016-2017 ACTUAL BUDGET	2017-2018 ORIGINAL BUDGET	2017-2018 AMENDED BUDGET	2018-2019 REQUESTED BUDGET	2018-2019 PROPOSED BUDGET
Operating expenditures:						
General government:						
700	JOINTLY FUNDED	0	9,300	9,300	5,376	5,376
701	CLEVE/BRAD REG MUSEUM	42,300	42,300	42,300	42,300	42,300
702	MTAS - BENCHMARKING	0	4,000	4,000	0	0
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%)	52,949	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	1,000	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	135,000	135,000	135,000	135,000	135,000
719	HVAC @ MUSEUM	12,000	12,000	12,000	12,000	12,000
	Total General government	369,808	389,500	389,500	381,576	381,576
Public safety:						
713	CLEVE/BRAD COMM CTR (49.5%)	550,000	650,000	650,000	650,000	650,000
714	EMERGENCY MGMT (20%)	89,201	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
	Total Public safety	643,201	742,300	742,300	742,300	742,300
Health & welfare:						
717	VETERANS AFFAIRS (20%)	24,875	22,600	22,600	22,600	22,600
718	BEHAVIORAL RESEARCH	-	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
	Total Health & welfare	125,475	125,200	125,200	125,200	125,200
Parks & recreation:						
725	CLEVELAND YOUTH FOOTBALL	8,000	8,000	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	13,242	14,000	14,000	14,000	14,000
728	BRADLEY/CLEV FOOTBALL	-	0	0	0	0
729	WATER DOGS	0	0	0	2,000	2,000
730	CLEVELAND YOUTH SOFTBALL	4,000	4,000	4,000	0	0
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
	Total Parks & recreation	37,242	38,000	38,000	36,000	36,000
Education:						
735	VOCATIONAL SCHOOL (20%)	16,677	22,236	22,236	26,160	26,160
	Total Education	16,677	22,236	22,236	26,160	26,160
TOTAL DEPARTMENT 51500		1,192,403	1,317,236	1,317,236	1,311,236	1,311,236

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 FY2019 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 FY2019 is \$3,160,846. The transfer to the Debt Service Fund for the city is \$2,940,952.

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 \$654,000, which is an increase of \$8,200 from FY2018.

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 \$20,000 to the Community Development Block Grant Fund. In total, the General Fund is budgeted to transfer \$14,463,204 in FY2019 to these other funds.

FUND 110-GENERAL FUND		DEPT-51600- TRANSFERS TO OTHER FUNDS				
OBJECT CODE		2016-2017 ACTUAL BUDGET	2017-2018 ORIGINAL BUDGET	2017-2018 AMENDED BUDGET	2018-2019 REQUESTED BUDGET	2018-2019 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	2,333,421	2,879,080	2,879,080	2,940,952	2,940,952
763	TRANSFER TO LIBRARY FUND	645,800	645,800	645,800	654,000	654,000
764	TRANS-SOLID WASTE MGMT	1,035,708	1,074,100	1,056,494	1,074,100	1,074,100
766	TRANSFER TO CIP	803,218	2,485,000	3,611,826	1,135,000	1,135,000
768	TRANS-DEBT SVC-FIRE	190,000	144,032	144,032	147,706	147,706
769	TRANS-DEBT SVC-SCHOOLS	2,524,379	2,691,519	2,691,519	3,160,846	3,160,846
776	TRANSFER TO MPO FUND	57,000	57,000	57,000	57,000	57,000
782	TRANSFER TO CDBG	30,000	35,000	36,000	20,000	20,000
TOTAL	DEPARTMENT 51600	12,893,126	15,285,131	16,395,351	14,463,204	14,463,204
	GRAND TOTAL EXPENSES	43,629,209	49,501,798	50,811,103	50,956,752	50,956,752

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.

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 82.6% 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 82.6% 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 5.1% 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 11.9% of their funds as a transfer from other funds. The city's General Fund will transfer more than \$5 million to the School Fund for education, \$1,074,100 to the Solid Waste Management program, \$654,000 to support the Cleveland Public Library, \$57,000 for the Metropolitan Planning program and \$20,000 to the Community Development Block 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

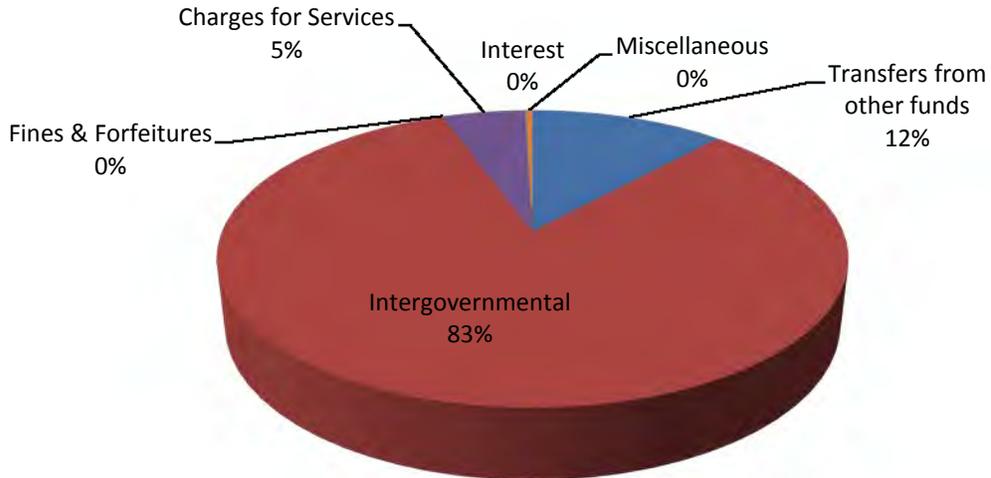
More than 87.4%, or \$52.28 million, of the \$59.7 million in total expenditures and other financing uses of the Special Revenue Funds is spent on education. Almost 7.4% is spent on public works including projects and programs within the State Street Aid Fund and Solid Waste Management Fund.

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.

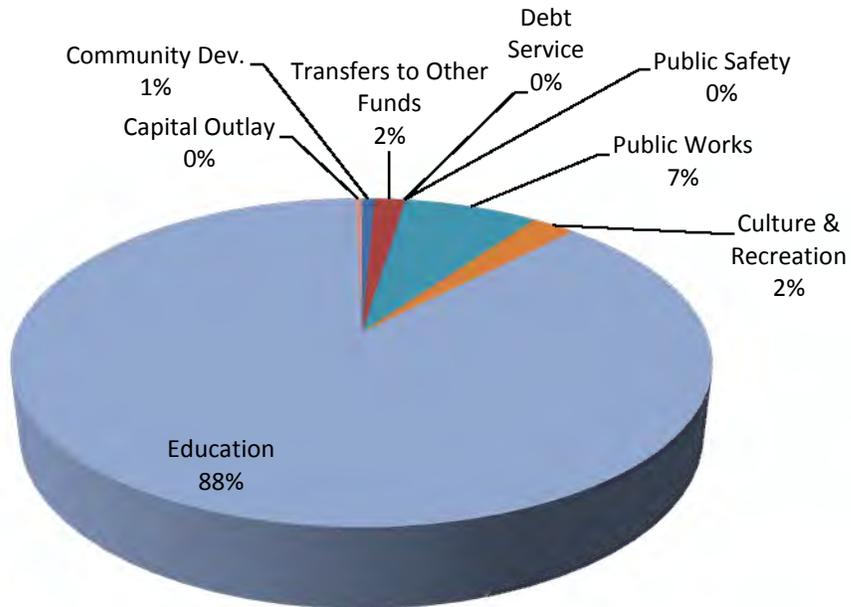
Special Revenue Funds Budget Summary

	FY2017 ACTUAL BUDGET	FY2018 ORIGINAL BUDGET	FY2018 AMENDED BUDGETED	FY2019 PROPOSED BUDGET	% OF TOTAL BUDGET
<i>Revenues and Other Financial Resources</i>					
Intergovernmental Revenues	\$45,678,696	\$46,949,066	\$48,428,781	\$49,205,939	82.6%
Charges for Services	\$2,898,295	\$2,958,015	\$2,818,129	\$3,020,235	5.1%
Fines and Forfeitures	\$42,911	\$10,000	\$25,691	\$10,000	0.0%
Interest (Investment) Income	\$41,825	\$17,500	\$61,425	\$30,550	0.1%
Miscellaneous Revenues	\$273,548	\$242,868	\$667,827	\$242,868	0.4%
Transfer from Other Funds	\$7,976,855	\$7,095,500	\$7,078,894	\$7,088,700	11.9%
<i>Total Revenues and Other Financial Resources</i>	\$56,912,130	\$57,272,949	\$59,080,747	\$59,598,292	100.0%
<i>Expenditures and Other Financing Uses</i>					
Community Development	\$387,269	\$417,955	\$473,855	\$417,955	0.7%
Public Safety	\$54,393	\$17,500	\$67,010	\$17,500	0.0%
Public Works	\$3,947,482	\$4,266,400	\$4,238,794	\$4,399,300	7.4%
Culture and Recreation	\$1,353,545	\$1,424,100	\$1,421,300	\$1,440,500	2.4%
Education	\$47,478,551	\$49,883,480	\$50,220,188	\$52,235,623	87.4%
Capital Outlay	\$2,133,040	\$224,645	\$1,781,440	\$224,645	0.4%
Debt Service Principal	\$161,596	\$0	\$0	\$0	0.0%
Debt Service Interest & Other	\$6,688	\$0	\$0	\$0	0.0%
Transfers to Other Funds	\$980,319	\$991,272	\$991,272	\$1,006,137	1.7%
<i>Total Expenditures and Other Financing Uses</i>	\$56,502,883	\$57,225,352	\$59,193,859	\$59,741,660	100.0%
<i>Increase (Decrease) in Fund Balance</i>	\$ 409,247	\$ 47,597	\$ (113,112)	\$ (143,368)	
<i>Fund Balance at Beginning of FY</i>	\$ 7,786,139	\$ 8,195,386	\$ 8,195,386	\$ 8,082,274	
<i>Fund Balance at End of FY</i>	\$ 8,195,386	\$ 8,242,983	\$ 8,082,274	\$ 7,938,906	

Summary of Special Revenue Funds Revenue and Other Sources - FY2019

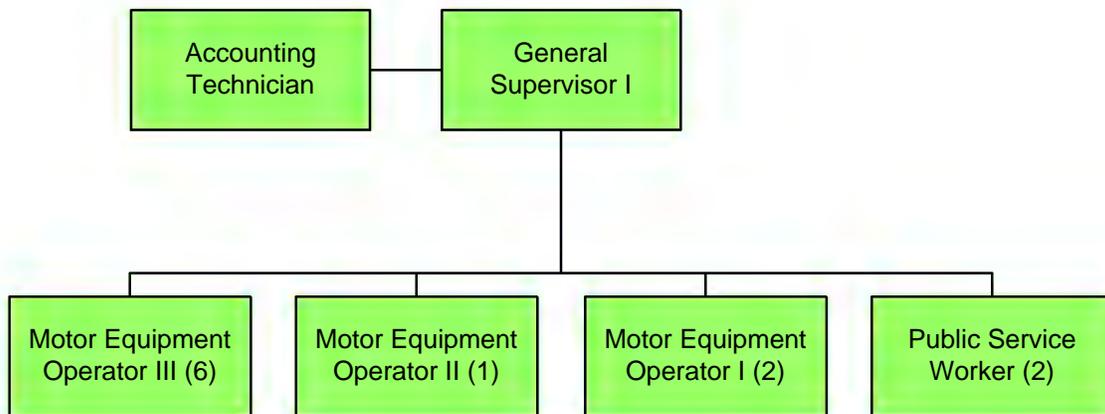


Summary of Special Revenue Funds Expenditures and Other Uses - FY2019



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 currently contracted with Waste Connections of Tennessee, Inc. Other collections and services are provided “in-house” by the Public Works Department.

The City is set to rebid the contract for solid waste services. The current contract will end December 31, 2018.

Residential garbage collection and disposal is provided once per week with curbside pickup. The City pays Waste Connections \$6.00 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 \$1.53 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 \$1.42 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 include a section with a civil penalty for non-compliance.

Route Collection System – Capital Investment: A new knuckleboom was added to the solid waste fleet last year. This will allow older equipment to essentially be used as a spare. 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 with 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 with 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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$3,554,705	\$3,595,900	\$3,578,294	\$3,624,600	1.3%
Personnel	\$779,654	\$914,200	\$876,017	\$968,300	10.5%
Operating	\$2,570,412	\$2,625,000	\$2,645,577	\$2,676,700	1.2%
Capital Outlay & Debt Service	\$162,990	\$20,800	\$160,800	\$21,600	-86.6%
Total Expenditures	\$3,513,056	\$3,560,000	\$3,682,394	\$3,666,600	-0.4%
NET INCOME	\$41,649	\$35,900	-\$104,100	-\$42,000	-59.7%
BEGINNING FUND BALANCE	\$699,329	\$740,978	\$740,978	\$636,878	-14.0%
ENDING FUND BALANCE	\$740,978	\$776,878	\$636,878	\$594,878	-6.6%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
General Supervisor	26	1.00	1.00	1.00	1.00	1.00
MEO III	24	6.00	6.00	6.00	6.00	6.00
Accounting Technician	23	1.00	1.00	1.00	1.00	1.00
MEO II	23	1.00	1.00	1.00	1.00	1.00
MEO I	22	2.00	2.00	2.00	2.00	2.00
Public Service Worker	21	2.00	2.00	2.00	2.00	2.00
Total		13.00	13.00	13.00	13.00	13.00

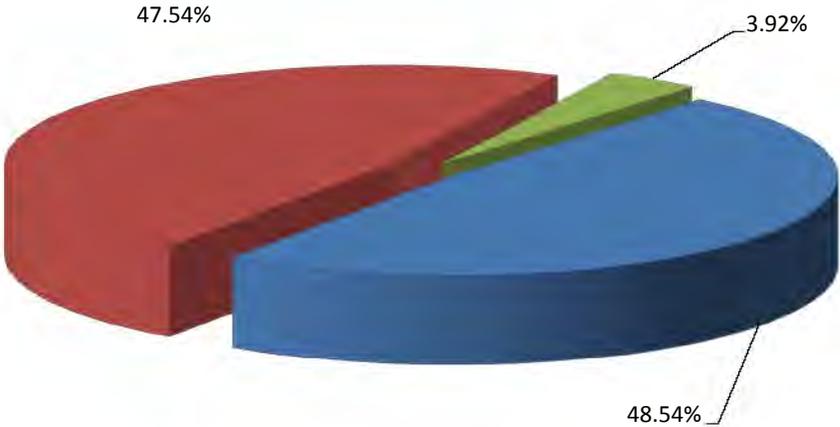
Goals and Objectives:

- 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	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
Solid Waste Contract:				
Number of residential customers	14,061	13,869	13,983	14,000
Number of commercial customers	1,219	1,253	1,240	1,250
Total residential tons collected	12,662	12,584	12,500	12,800
Total commercial tons collected	15,670	13,524	13,540	14,000
Number of residential tons collected per 1,000 population	282	283	279	283
Number of residential tons collected per 1,000 collection points – curbside	900	907	893	914
Cost per ton collected – curbside	\$77.39	\$77.89	\$79.47	\$80.00
Cost per collection point – curbside	\$69.69	\$70.68	\$71.04	\$72.00
Cost to the city per residential unit	\$5.78	\$5.83	\$6.00	\$6.00
Cost to the city per cubic yard for commercial collection	\$1.51	\$1.50	\$1.53	\$1.53
Cost to the city for commercial recycling	\$1.36	\$1.37	\$1.42	\$1.42
Number of lost days due to inclement weather	0	0	0	0
% of CPI increase and gas index on contracts	-3.53	.45	3.99	Rebid
Brush Chipping:				
Number of days chipped	43	55	60	60
Number of hours chipped	324	357	390	390
Number of tons chipped (collection by PW)	8,633	10,721	11,500	11,500
Average number of hours of run time per day	7.53	6.49	6.5	6.5
Chipping cost per hour	\$350.00	\$354.20	\$363.05	\$377.53
Public Works Route System:				
Number of days loose leaves were collected	37	48	63	50
Number of tons of loose leaves collected	2,320	3,136	2,800	3,000
Landfill tonnage from route collections	7,224	7,370	8,686	7,400
Number of delayed route collection days	3	1	1	0

Residential Standard \$993,400
 Commercial Standard \$972,800
 Commercial Recycle \$80,200

**Solid Waste Management
 2017-18 Service Contract
 \$2,038,700**

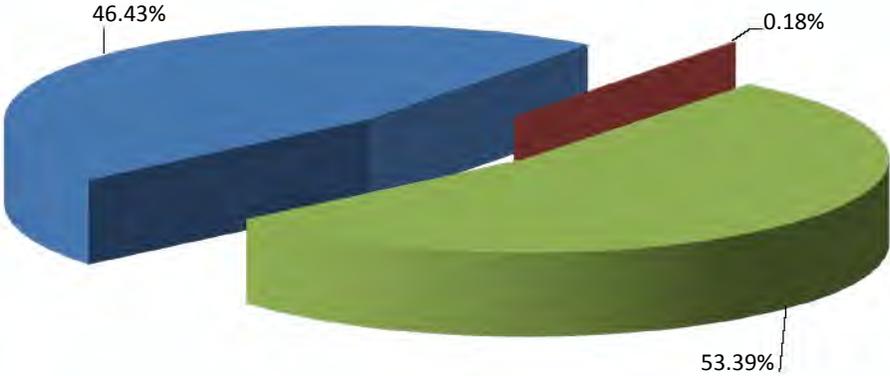


- Residential Standard \$993,400
- Commercial Standard \$972,800
- Commercial Recycle \$80,200

Waste Connections Transfer Station-\$156,000
 Bradley County Landfill-\$600
 Contracted Brush Chipping-\$179,400

Solid Waste Management 2017-18 Disposal Expenses

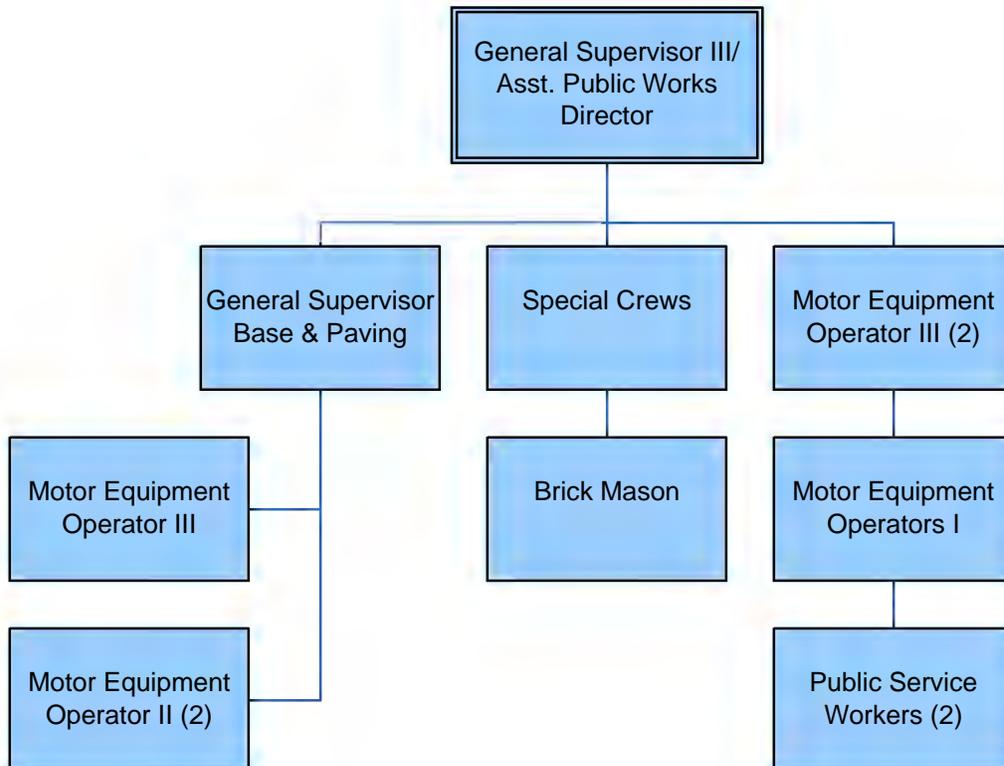
\$336,000



- 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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$1,146,298	\$1,151,000	\$1,308,600	\$1,308,000	0.0%
Personnel	\$557,898	\$687,000	\$666,500	\$697,700	4.7%
Operating	\$18,309	\$19,400	\$39,900	\$45,000	12.8%
Capital Outlay & Debt Service	\$411,200	\$426,353	\$426,353	\$440,618	3.3%
Total Expenditures	\$987,407	\$1,132,753	\$1,132,753	\$1,183,318	4.5%
NET INCOME	\$158,891	\$18,247	\$175,847	\$124,682	-29.1%
BEGINNING FUND BALANCE	\$685,991	\$844,882	\$844,882	\$1,020,729	20.8%
ENDING FUND BALANCE	\$844,882	\$863,129	\$1,020,729	\$1,145,411	12.2%

STAFFING	Grade	FY2016	FY2017	FY2018	FY2018	FY2019
		Actual	Actual	Original	Amended	Adopted
Asst PW Director/Gen Supervisor III	29	1.00	1.00	1.00	1.00	1.00
General Supervisor	26	1.00	1.00	1.00	1.00	1.00
MEO III	24	3.00	3.00	3.00	3.00	3.00
Brick Mason	24	1.00	1.00	1.00	1.00	1.00
MEO II	23	1.00	1.00	1.00	1.00	1.00
MEO I	22	2.00	2.00	2.00	2.00	2.00
Public Service Worker	21	2.00	2.00	2.00	2.00	2.00
Total		11.00	11.00	11.00	11.00	11.00

Goals and Objectives:

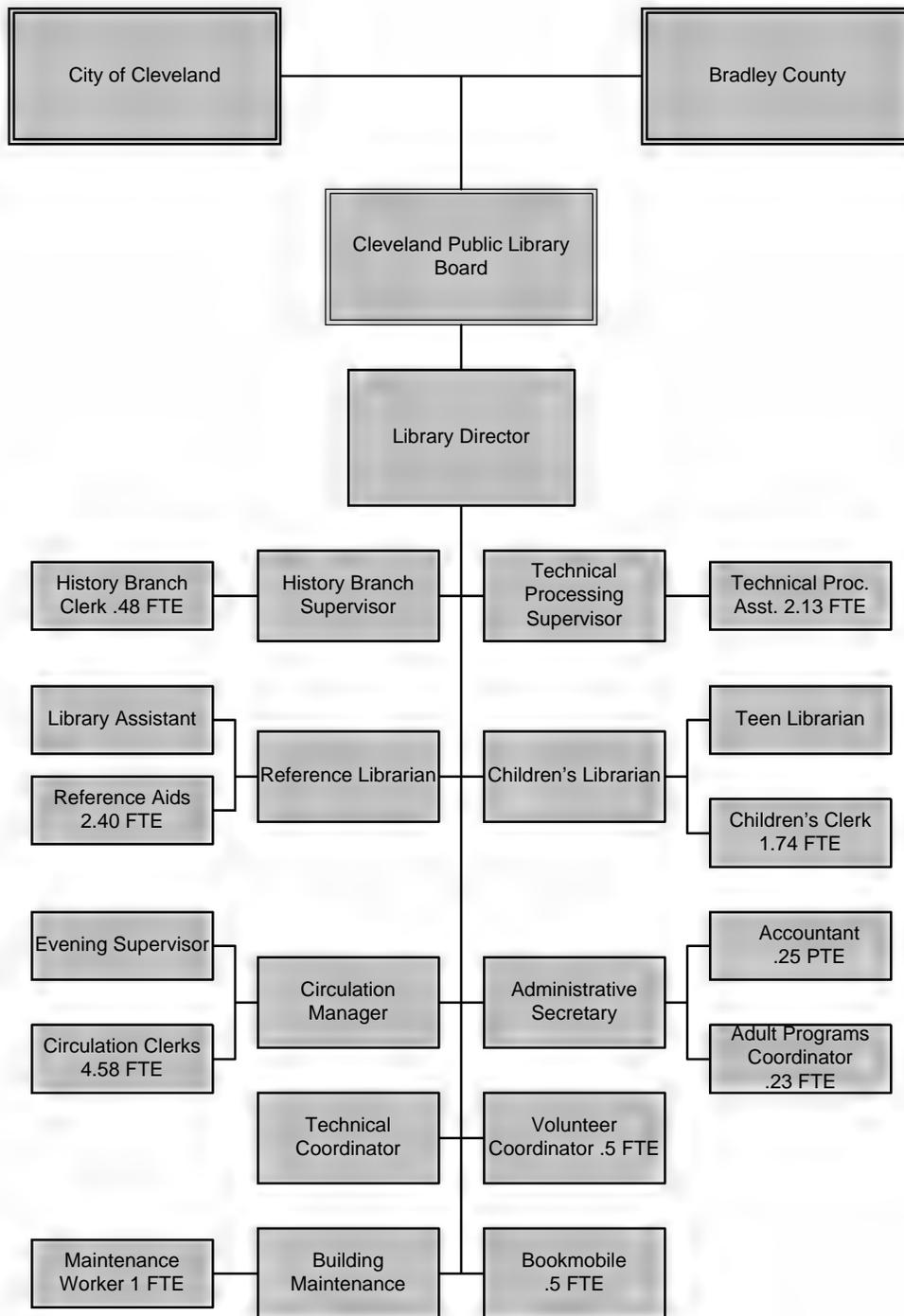
The goals and objectives of the Public Works Department are listed in the General Fund. As funds are available, this budget provides funding for major drainage, street paving and materials, and sidewalk projects. Therefore, the goal for this fund is to complete as many projects as possible which can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

SUMMARY	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$1,470,512	\$1,425,600	\$1,872,400	\$1,442,000	-23.0%
Personnel	\$953,775	\$1,021,900	\$1,015,700	\$1,063,400	4.7%
Operating	\$399,770	\$402,200	\$405,600	\$377,100	-7.0%
Capital Outlay & Debt Service	\$133,762	\$1,500	\$475,500	\$1,500	-99.7%
Total Expenditures	\$1,487,307	\$1,425,600	\$1,896,800	\$1,442,000	-24.0%
NET INCOME	-\$16,795	\$0	-\$24,400	\$0	-100.0%
BEGINNING FUND BALANCE	\$600,384	\$583,589	\$583,589	\$559,189	-4.2%
ENDING FUND BALANCE	\$583,589	\$583,589	\$559,189	\$559,189	0.0%

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 FY2019.
- 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	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 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.

The Cleveland Police Department continued in an agreement with the 10th 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 2019.

SUMMARY	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentag e Change
Total Revenues	\$42,037	\$10,100	\$18,138	\$10,100	-44.3%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$12,278	\$17,500	\$17,500	\$17,500	0.0%
Capital Outlay & Debt Service	\$18,049	\$1,100	\$2,570	\$1,100	-57.2%
Total Expenditures	\$30,327	\$18,600	\$20,070	\$18,600	-7.3%
NET INCOME	\$11,710	-\$8,500	-\$1,932	-\$8,500	340.0%
BEGINNING FUND BALANCE	\$84,920	\$96,630	\$96,630	\$94,698	-2.0%
ENDING FUND BALANCE	\$96,630	\$88,130	\$94,698	\$86,198	-9.0%

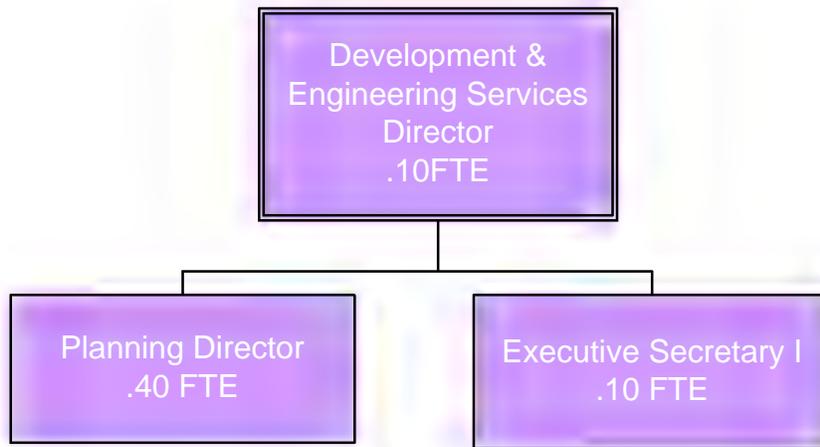
Goals and Objectives:

- 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	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
Drug-related Arrests	22	16	55	70
Drug-related Citations	12	9	10	25
Drug-related Investigations	35	45	35	60
Marijuana Seized (grams)	468	577.5	400	700
Cocaine Seized (grams)	1	5	5	10
Heroin Seized (grams)	0.1	11.85	15	20
Meth Seized (grams)	57.65	119.8	100	150
Prescription Pills Seized	511	271	250	300
Firearms Seized	15	4	5	7
Vehicles Seized	3	7	3	8
Cash Seized	\$12,272	\$14,185	\$25,000	\$25,000

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).

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$196,331	\$257,000	\$257,000	\$257,000	0.0%
Personnel	\$159,954	\$229,400	\$229,400	\$229,400	0.0%
Operating	\$10,662	\$23,100	\$23,100	\$23,100	0.0%
Capital Outlay & Debt Service	\$0	\$4,500	\$4,500	\$4,500	0.0%
Total Expenditures	\$170,616	\$257,000	\$257,000	\$257,000	0.0%
NET INCOME	\$25,715	\$0	\$0	\$0	0.0%
BEGINNING FUND BALANCE	\$101,782	\$127,497	\$127,497	\$127,497	0.0%
ENDING FUND BALANCE	\$127,497	\$127,497	\$127,497	\$127,497	0.0%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
DES Director	32	0.10	0.10	0.10	0.10	0.10
Planning Director	30	0.40	0.40	0.40	0.40	0.40
Executive Secretary I	25	0.10	0.10	0.10	0.10	0.10
Total		0.60	0.60	0.60	0.60	0.60

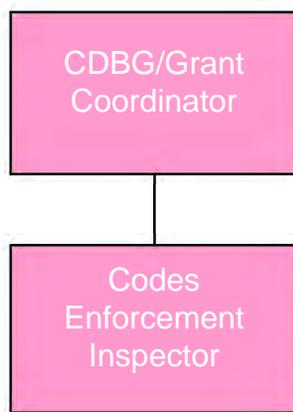
Goals and Objectives

- 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	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 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 \$350,000 from the United States Department of Housing and Urban Development (HUD) through the Community Development Block Grant Entitlement Program (CDBG) in FY2019. The City will provide an additional \$20,000 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.

The following activities are recommended to the City Council:

Codes Enforcement	\$ 71,600
Capital Projects	\$ 216,155
Administration	<u>\$ 82,548</u>
TOTAL	\$ 370,000

SUMMARY	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$264,266	\$385,000	\$920,603	\$370,000	-59.8%
Personnel	\$150,472	\$152,180	\$152,430	\$139,328	-8.6%
Operating	\$66,181	\$13,275	\$68,925	\$14,820	-78.5%
Capital Outlay & Debt Service	\$34,890	\$217,545	\$699,248	\$216,155	-69.1%
Total Expenditures	\$251,543	\$383,000	\$920,603	\$370,303	-59.8%
NET INCOME	\$12,723	\$2,000	\$0	-\$303	-100.0%
BEGINNING FUND BALANCE	\$53,936	\$66,659	\$66,659	\$66,659	0.0%
ENDING FUND BALANCE	\$66,659	\$68,659	\$66,659	\$66,356	-0.5%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
CDBG/Grant Coordinator	28	1.00	1.00	1.00	1.00	0.00
Codes Enforcement Inspector	25	1.00	1.00	1.00	1.00	1.00
Total		2.00	2.00	2.00	2.00	1.00

Goals and Objectives

- Continue implementation of CDBG citizen participation plan
- Conduct agency consultations and public hearings for CDBG Consolidated Plan/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 and City Fields 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
- Prepare 5-Year Consolidated Plan/Action Plan and update Analysis of Impediments to Fair Housing

PERFORMANCE MEASURES	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 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	\$500,000	\$350,000
Number of target area code enforcement contacts	824	892	500	500
Number of LMI families assisted into homeownership	0	0	3	7

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$12,685	\$0	\$10,900	\$0	-100.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$2,775	\$0	\$49,510	\$0	-100.0%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$0	0.0%
Total Expenditures	\$2,775	\$0	\$49,510	\$0	-100.0%
NET INCOME	\$9,910	\$0	-\$38,610	\$0	-100.0%
BEGINNING FUND BALANCE	\$18,865	\$28,775	\$28,775	-\$9,835	-134.2%
ENDING FUND BALANCE	\$28,775	\$28,775	-\$9,835	-\$9,835	0.0%

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.

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.

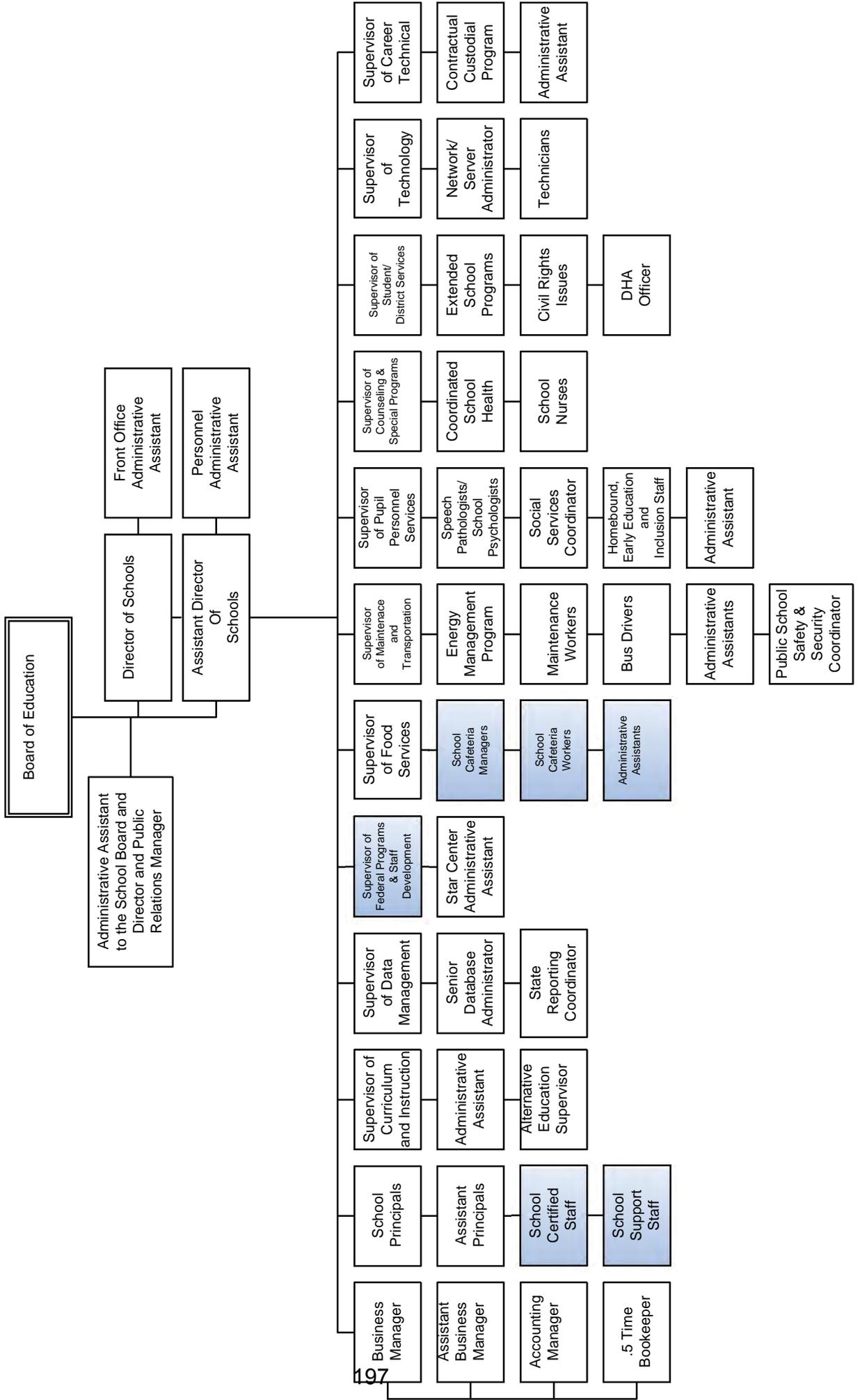
Goals and Objectives:

- 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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$10,000	\$10,000	\$10,000	\$10,000	0.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$10,801	\$10,000	\$0	\$0	0.0%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$0	0.0%
Total Expenditures	\$10,801	\$10,000	\$0	\$0	0.0%
NET INCOME	-\$801	\$0	\$10,000	\$10,000	0.0%
BEGINNING FUND BALANCE	\$10,068	\$9,267	\$9,267	\$19,267	107.9%
ENDING FUND BALANCE	\$9,267	\$9,267	\$19,267	\$29,267	0.0%

***Cleveland
City
Schools***

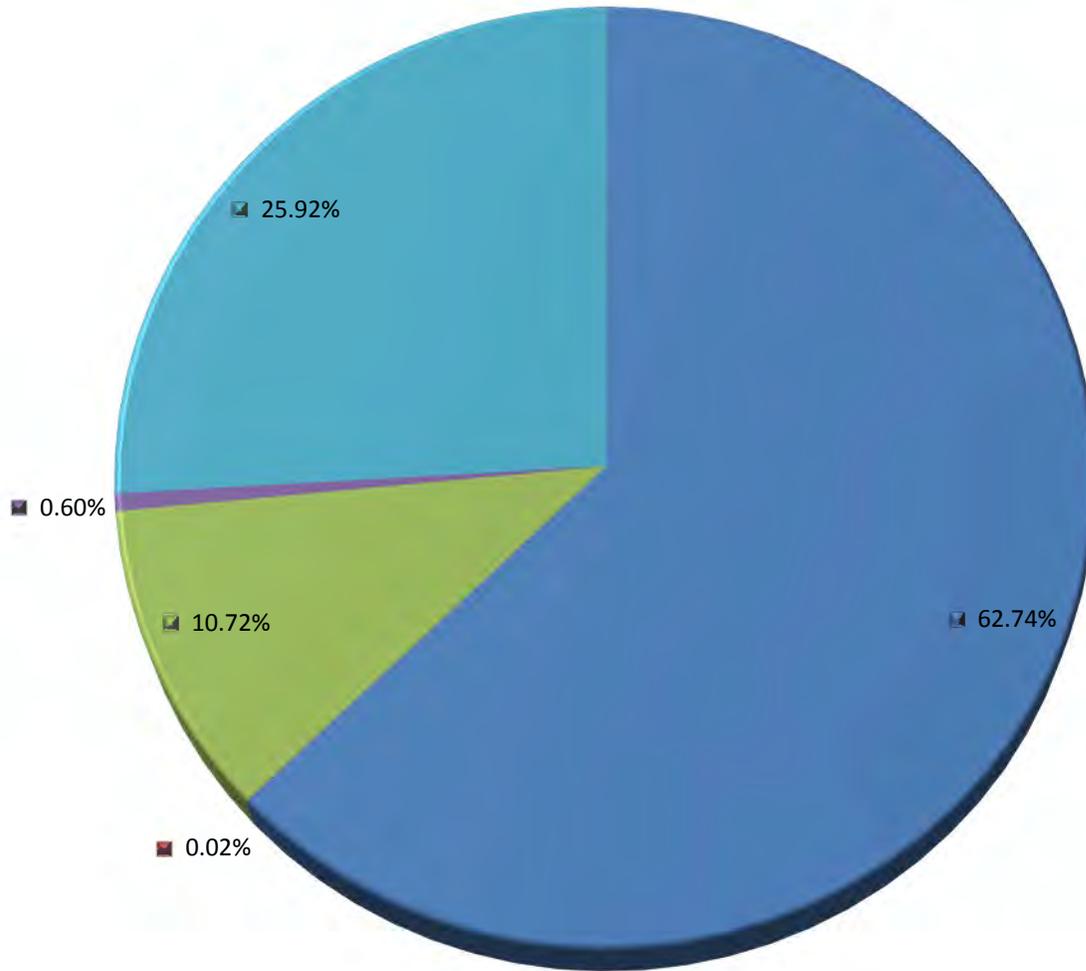
CLEVELAND CITY SCHOOLS



School General Fund Budget Summary

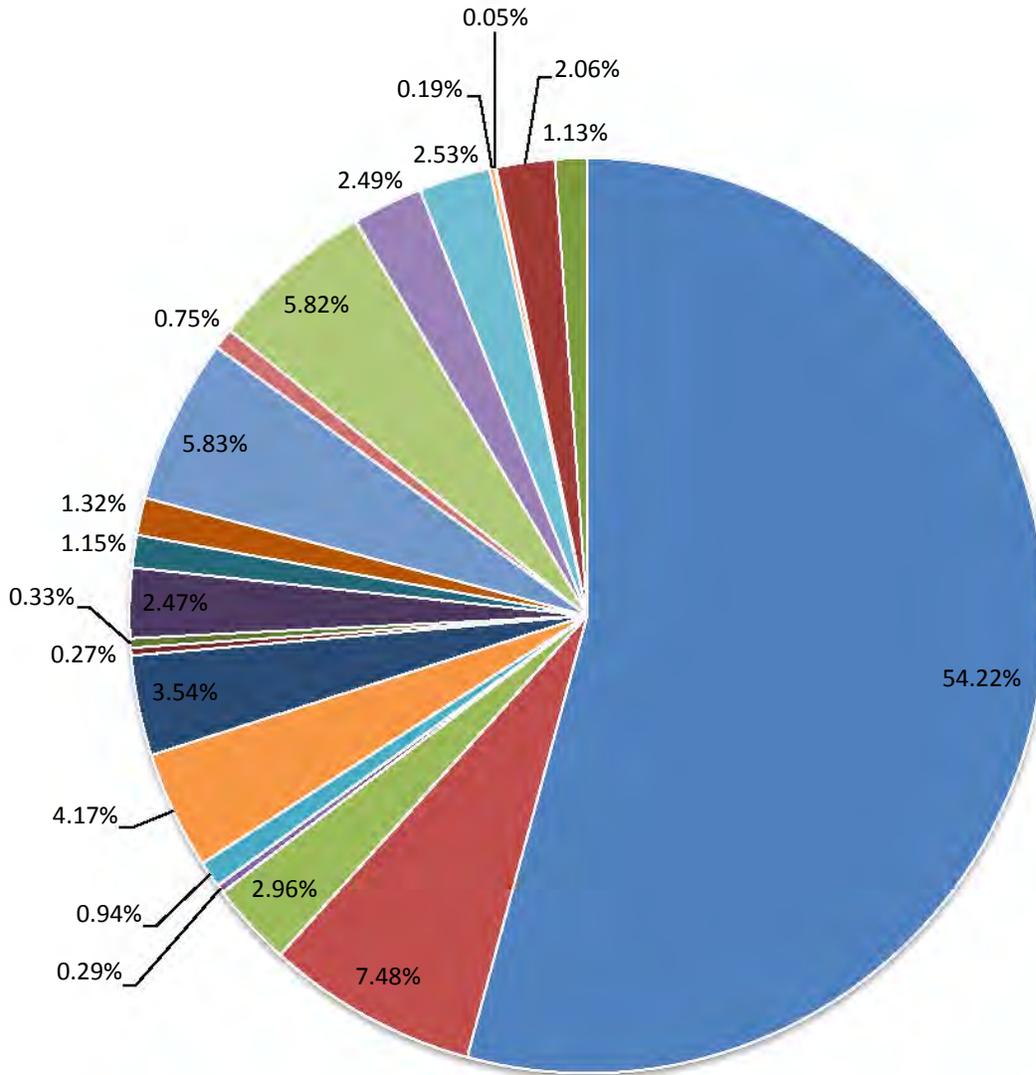
	FY 2017 ACTUAL BUDGET	FY 2018 ORIGINAL BUDGET	FY 2018 AMENDED BUDGET	FY 2019 PROPOSED BUDGET	% OF TOTAL
<i>Revenues and Other</i>					
<i>Financial Sources</i>					
Federal Government	\$22,569	\$22,570	\$10,896	\$10,896	0.0%
State of Tennessee	\$27,585,571	\$28,919,299	\$29,450,308	\$30,867,082	62.7%
Bradley County	\$12,490,466	\$12,154,979	\$12,458,834	\$12,753,809	25.9%
Other Revenues	\$382,846	\$421,333	\$361,656	\$292,853	0.6%
Other Financing Sources:					
Transfers from Other Funds	\$6,198,347	\$5,273,600	\$5,273,600	\$5,273,600	10.7%
<i>Total Revenues and Other</i>					
<i>Financial Sources</i>	\$46,679,799	\$46,791,781	\$47,555,294	\$49,198,240	100.0%
<i>Expenditures and Other</i>					
<i>Financing uses</i>					
Regular Instruction	\$23,837,645	\$24,933,749	\$25,491,119	\$26,676,904	54.2%
Special Education	\$3,178,497	\$3,515,051	\$3,544,573	\$3,681,979	7.5%
Vocational Education	\$1,456,177	\$1,507,024	\$1,577,473	\$1,455,543	3.0%
Attendance	\$125,675	\$131,399	\$131,656	\$143,912	0.3%
Health Services	\$428,443	\$0	\$464,425	\$463,302	0.9%
Other Student Support	\$1,889,531	\$1,939,994	\$1,987,592	\$2,049,936	4.2%
Instructional Staff	\$1,588,352	\$1,785,016	\$1,623,353	\$1,741,966	3.5%
Special Education Program	\$121,541	\$128,311	\$128,533	\$132,533	0.3%
Vocational Education Program	\$148,386	\$155,109	\$155,643	\$161,149	0.3%
Technology	\$892,025	\$970,498	\$974,241	\$1,213,818	2.5%
General Administration	\$645,982	\$555,507	\$605,047	\$565,047	1.1%
Office of the Superintendent	\$587,954	\$572,504	\$615,201	\$650,681	1.3%
Office of the Principal	\$2,379,104	\$2,659,765	\$2,686,128	\$2,866,921	5.8%
Business Administration	\$299,552	\$327,319	\$350,290	\$369,945	0.8%
Operation of Plant	\$2,609,107	\$2,772,101	\$2,772,866	\$2,862,212	5.8%
Maintenance of Plant	\$1,123,847	\$1,140,719	\$1,172,181	\$1,226,267	2.5%
Transportation	\$1,157,141	\$1,229,263	\$1,229,451	\$1,246,410	2.5%
Food Service	\$86,193	\$91,484	\$91,796	\$95,592	0.2%
Community Services	\$284,080	\$344,020	\$55,498	\$25,000	0.1%
Early Childhood Education	\$1,013,604	\$1,013,604	\$1,013,604	\$1,013,604	2.1%
Other Programs	\$174,884	\$0	\$0	\$0	0.0%
Capital Outlay	\$1,803,757	\$0	\$459,622	\$0	0.0%
Debt Service	\$168,284	\$0	\$0	\$0	0.0%
Other Financing Uses:					
Transfers to other Funds	\$559,119	\$554,919	\$554,919	\$555,519	1.1%
<i>Total Expenditures and</i>					
<i>Other Financing uses</i>	\$46,558,880	\$46,327,356	\$47,685,211	\$49,198,240	100.0%
<i>Increase (Decrease) in Fund Balance</i>	\$120,919	\$464,425	(\$129,917)	\$0	
<i>Fund Balance at Beginning of FY</i>	\$4,871,018	\$4,991,937	\$4,991,937	\$4,862,020	
<i>Fund Balance at End of FY</i>	\$4,991,937	\$5,456,362	\$4,862,020	\$4,862,020	

2018-2019 REVENUES SUMMARY



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

Summary of Expenditures by Category



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

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$46,679,799	\$46,791,781	\$47,555,294	\$49,198,240	3.5%
Personnel & Operating	\$44,027,720	\$45,772,437	\$46,670,670	\$48,642,721	4.2%
Capital Outlay & Debt Service	\$1,972,041	\$0	\$459,622	\$0	-100.0%
Transfers to Other Funds	\$559,119	\$554,919	\$554,919	\$555,519	0.1%
Total Expenditures	\$46,558,880	\$46,327,356	\$47,685,211	\$49,198,240	3.2%
NET INCOME	\$120,919	\$464,425	-\$129,917	\$0	-100.0%
BEGINNING FUND BALANCE	\$4,871,018	\$4,991,937	\$4,991,937	\$4,862,020	-2.6%
ENDING FUND BALANCE	\$4,991,937	\$5,456,362	\$4,862,020	\$4,862,020	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
click on Government,
click on Departments & Agencies,
click on E, Education,
click on Report Card

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$3,496,157	\$3,646,618	\$3,549,518	\$3,378,352	-4.8%
Personnel	\$1,645,042	\$1,795,500	\$1,752,000	\$1,804,000	3.0%
Operating	\$1,805,789	\$1,851,118	\$1,797,518	\$1,788,902	-0.5%
Capital Outlay & Debt Service	\$0	\$0	\$0	\$0	0.0%
Total Expenditures	\$3,450,831	\$3,646,618	\$3,549,518	\$3,592,902	1.2%
NET INCOME	\$45,326	\$0	\$0	-\$214,550	0.0%
BEGINNING FUND BALANCE	\$659,846	\$705,172	\$705,172	\$705,172	0.0%
ENDING FUND BALANCE	\$705,172	\$705,172	\$705,172	\$490,622	1.0%

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	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
Number of breakfasts served	569,405	532,466	591,037	592,000
Number of lunches served	735,696	750,799	788,338	789,000
Number of total meals served	1,305,101	1,283,265	1,379,375	1,380,000
Number of personnel in food service	80	82	84	85
Number of meals served per personnel	16,313	15,649	16,421	16,500
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 \$127,709,993. The City currently has \$57,780,463 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 In Lieu of Tax Payment from their water and wastewater divisions and a tax equivalency payment from their electric division.

At June 30, 2017, the City of Cleveland had total bonded debt outstanding of \$141,681,096. Of this amount, \$51,817,480 comprises debt backed solely by the full faith and credit of the city. The city also issues bonds secured by specified revenue sources (i.e. revenue bonds); however, in the event of default, the full faith and credit of the city are irrevocably pledged. The city had \$39,185,000 in revenue bonds outstanding at the end of the fiscal year. The city also finances capital projects through loans from bond proceeds issued by the Public Building Authority of Sevier and Blount Counties, Tennessee, including \$23,867,578 for city general projects and \$26,835,113 for Cleveland Utilities. The city also has a capital lease on lighting upgrades for the City Schools and mowing equipment for the recreation department in the amount of \$488,149.

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 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 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 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 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 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 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 reduced the loan from \$7,700,000 in general obligation notes to \$5,200,000, a reduction of \$2,500,000 from the Public Authority of the City of Clarksville, Tennessee. The loan was reduced since a portion of the loan was planned to be used for the Spring Branch Industrial Park, which cannot use tax exempt loan proceeds. The \$5,200,000 proceeds of this loan are being used for the city's share of 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.

2017 TMBF Note:

In August 2017, the City Council approved the issuance of \$3,000,000 for building infrastructure at the Spring Branch Industrial Park located off Exit 20. This note is for 20 years and will mature August 2037.

2018 TMBF Note:

In late Spring of 2018, the City Council will approve the issuance of \$10,000,000 for the remaining construction cost of the new Candy Creek Elementary School on Georgetown Road. The remaining cost will come from the county as they borrow funds for their new middle school. This note is for 20 years and will mature December 2037.

2018 Energy System Group (ESG):

The goal of the Energy System Group (ESG) project is to reduce energy and operational costs and to enhance the quality of the learning environment. The following projects have been approved: LED lighting/Occupancy Sensors/Switching Upgrades, Control System replacements and integrations, Electric & Water Sub Metering, Water Conservation, Gym De-stratification Fans (five gyms), Ross HVAC replacement, Yates HVAC replacement, CHAS East Wing Outside Air Addition, Denning Pool Upgrades, Denning RTU replacements, Stuart Boilers/Ducting Upgrades/Kitchen High Water Heater. The debt service payments are made by the Cleveland City School System.

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
REVENUES					
INTEREST	\$36,642	\$5,000	\$5,000	\$5,000	0.0%
INTERGOVERNMENTAL	\$101,067	\$146,900	\$146,600	\$146,600	0.0%
TRANSFERS	\$6,172,241	\$6,875,930	\$6,875,930	\$7,425,654	8.0%
PROCEEDS OF BONDS	\$0	\$0	\$0	\$0	0.0%
MISCELLANEOUS	\$8,023	\$0	\$0	\$0	0.0%
Total Revenues	\$6,317,973	\$7,027,830	\$7,027,530	\$7,577,254	7.8%
EXPENDITURES					
DEBT SERVICE - PRINCIPAL PAYMENTS	\$3,983,160	\$4,439,480	\$4,341,480	\$4,982,000	14.8%
DEBT SERVICE - INTEREST PAYMENTS	\$2,069,614	\$2,582,550	\$2,517,352	\$2,590,254	2.9%
BOND PAYING AGENTS FEES	\$2,900	\$5,000	\$5,000	\$5,000	0.0%
Total Expenditures	\$6,055,674	\$7,027,030	\$6,863,832	\$7,577,254	10.4%
NET INCOME	\$262,299	\$800	\$163,698	\$0	-100.0%
BEGINNING FUND BALANCE	\$4,360,310	\$4,622,609	\$4,622,609	\$4,786,307	3.5%
ENDING FUND BALANCE	\$4,622,609	\$4,623,409	\$4,786,307	\$4,786,307	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.

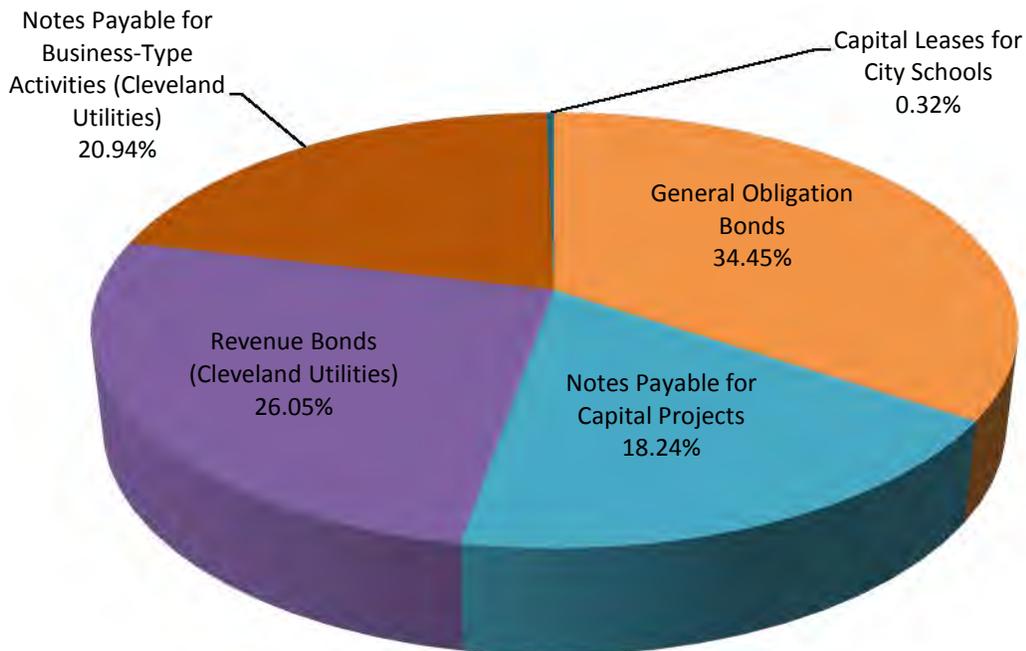
PERFORMANCE MEASURES	FY2016 Actual	FY2017 Actual	FY2018 Estimated	FY2019 Target
Debt Limit Policy % (Outstanding Net Bonded Debt/Total Assessed Valuation)	66.80%	62.52%	54.76%	49.19%
Debt Margin per Policy	\$36,057,928	42,457,562	\$57,780,463	\$66,836,672
General Government Net Bonded Debt per Capita	\$1,251	\$1,171	\$1,562	\$1,431

CITY OF CLEVELAND, TENNESSEE

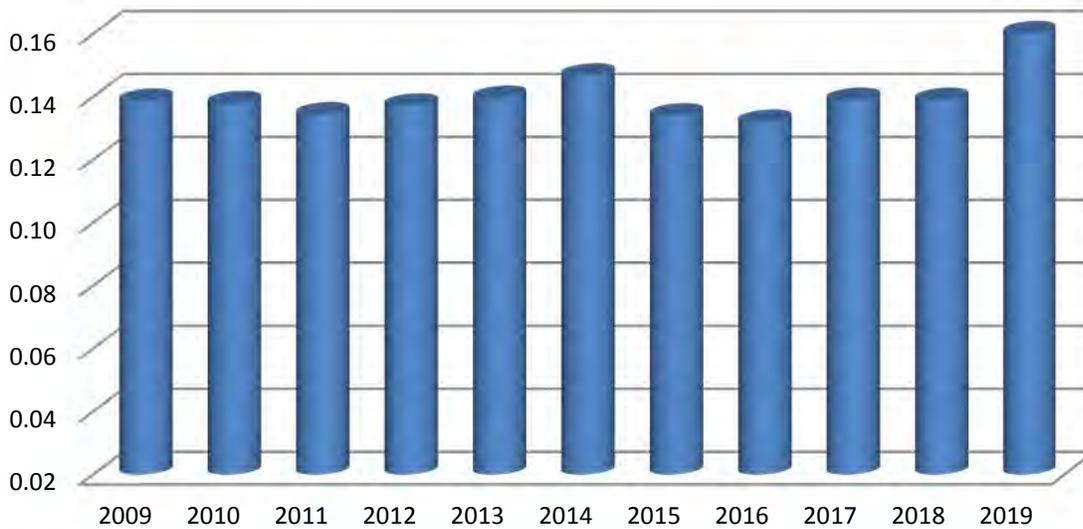
Existing/Proposed Long-term Bonded Debt Payment Schedule as of 6/30/2018

Fiscal Year	Existing Debt Principal	New Debt Principal	Total Principal	Future Debt Principal	Grand Total Principal
2019	5,620,812	0	5,620,812	0	5,620,812
2020	5,834,314	0	5,834,314	0	5,834,314
2021	6,034,114	0	6,034,114	0	6,034,114
2022	6,173,223	0	6,173,223	0	6,173,223
2023	6,366,652	0	6,366,652	0	6,366,652
2024	6,644,410	0	6,644,410	0	6,644,410
2025	5,876,507	0	5,876,507	0	5,876,507
2026	9,076,506	0	9,076,506	0	9,076,506
2027	8,720,656	0	8,720,656	0	8,720,656
2028	5,622,364	0	5,622,364	0	5,622,364
2029	4,781,928	0	4,781,928	0	4,781,928
2030	4,673,889	0	4,673,889	0	4,673,889
2031	6,269,259	0	6,269,259	0	6,269,259
2032	2,276,050	0	2,276,050	0	2,276,050
2033	2,224,276	0	2,224,276	0	2,224,276
2034	2,273,951	0	2,273,951	0	2,273,951
2035	2,060,088	0	2,060,088	0	2,060,088
2036	1,771,703	0	1,771,703	0	1,771,703
2037	1,656,811	0	1,656,811	0	1,656,811
2038	1,373,426	0	1,373,426	0	1,373,426
	<u>95,330,938</u>	<u>0</u>	<u>95,330,938</u>	<u>0</u>	<u>95,330,938</u>

Long Term Debt by Category



Ratio of Debt Service to General Fund Expenditures



Cleveland Utilities Debt

Outstanding Issues Projected

As of June 30, 2018, 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		3,420,000	3,875,000
(2) 2009D Series Revenue and Tax Refunding Issue	3,175,000	5,130,000	1,605,000
(3) 2010 Series Revenue and Tax Issue (BAB)	4,225,000	1,630,000	
(4) 2014 Series Revenue and Tax Refunding Issue		509,231	4,550,769
(5) 2016B Series Revenue and Tax Refunding Issue	828,551	2,763,403	3,413,046
Total Bonds Payable	<u>8,228,551</u>	<u>13,452,634</u>	<u>13,443,815</u>

<u>Description Loan Issues</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
(6) State Revolving Loan			552,266
(7) 2012 TMBF Loan		2,625,000	
(8) 2012 TMBF Spring Branch Industrial Park	1,442,001		
(9) 2014 TMBF - EL	2,900,000		
(10) 2014 TMBF _WT		2,200,000	
(11) 2014 SRF DG2 14-151 - WT		1,774,110	
(12) 2015 SRF CG4 15-349 WT		2,120,292	
(13) 2015 TMBF - EL	2,377,000		
(14) 2015 TMBF - WT		2,593,000	
(15) State Revolving Loan CWO 13-319 - SW			1,292,812
(16) State Revolving Loan CWO 13-320 - SW			6,721,274
(17) 2016 SRF DWF 16-172		2,879,290	
(18) 2017 SRF CG3 17-379		98,551	
(19) 2017 SRF DW6 17-192		123,127	
(20) 2017 SRF DWF 17-193		195,000	
(21) 2018 SRF DWF 18-205		-	
Total Loans Payable	<u>6,719,001</u>	<u>14,608,370</u>	<u>8,566,352</u>
Total Bonds & Loans Payable	<u>14,947,552</u>	<u>28,061,004</u>	<u>22,010,168</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

Cleveland Utilities Debt

Outstanding Issues Projected

(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		<u>815,400</u>
	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:	1,983,334	
	Maturity:	5/25/2028	
	Average Var Rate:	4.00	
	Purpose:	To fund portion of Spring Branch Industrial Park in the Electric Division	

Cleveland Utilities Debt

Outstanding Issues Projected

- (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

Cleveland Utilities Debt

Outstanding Issues Projected

- (16) Issue Date: 12/5/2013
Total Amount: 8,174,000
Maturity: 6/20/2037
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
- (19) Issue Date: 6/22/2017
Total Amount: 1,000,000
Forgiveness: 200,000
Total 800,000
Maturity: 6/20/2037
Average Var Rate: 1.60
Purpose: To fund capital projects in the Water Division
- (20) Issue Date: 6/22/2017
Total Amount: 195,000
Maturity: 6/20/2037
Average Var Rate: 1.60
Purpose: To fund capital projects in the Water Division
- (21) Issue Date: 1/25/2018
Total Amount: 430,000
Maturity: 6/20/2038
Average Var Rate: 1.31
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.

Cleveland Utilities Debt

Outstanding Issues Projected

Future Issues

The following represents all projected (as of June 30, 2018) bond and/or note issues for Cleveland Utilities by fiscal year.

<u>Fiscal Year</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
2019	2,500,000	4,500,000	10,700,000
2020	1,500,000	4,000,000	2,000,000
2021	1,500,000	4,000,000	2,000,000
2022	2,500,000	3,000,000	2,500,000
2023	2,500,000	2,500,000	2,500,000
2024	2,500,000	1,000,000	3,500,000
2025	2,500,000	1,500,000	2,500,000
2026	-	-	1,000,000
2027	-	-	1,000,000
2028			1,500,000

These issues will be necessary (projected) to complete the capital projects identified in the long-term capital improvements plan included in the fiscal year 2019 budget.

CLEVELAND UTILITIES

EXISTING DEBT (PRINCIPAL)
PAYMENT SCHEDULE AS OF 06/30/18

	ELECTRIC	WATER	SEWER	TOTAL
2019	1,240,670	2,234,399	1,825,392	5,300,461
2020	1,254,755	2,300,830	1,804,035	5,359,620
2021	1,281,938	2,357,046	1,840,326	5,479,310
2022	1,221,638	2,402,230	1,871,557	5,495,425
2023	1,224,745	2,135,064	1,859,916	5,219,725
2024	1,249,777	1,865,454	1,696,303	4,811,534
2025	1,268,552	1,903,942	1,455,345	4,627,839
2026	920,057	1,947,136	1,408,412	4,275,605
2027	903,981	1,955,835	1,362,754	4,222,570
2028	912,239	1,860,631	1,342,152	4,115,022
2029	693,605	1,301,416	1,078,938	3,073,959
2030	696,196	1,280,342	724,548	2,701,086
2031	700,153	1,298,817	722,517	2,721,487
2032	377,745	1,158,449	701,724	2,237,918
2033	380,336	981,677	709,969	2,071,982
2034	381,928	992,526	718,284	2,092,738
2035	203,860	867,919	729,085	1,800,864
2036	52,043	644,186	739,969	1,436,198
2037	-	292,033	506,052	798,085
2038	-	24,208	-	24,208
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
	14,964,218	29,804,140	23,097,278	67,865,637

CLEVELAND UTILITIES

PROJECTED ADDITIONAL DEBT (PRINCIPAL)
PAYMENT SCHEDULE AS OF 06/30/18

	ELECTRIC	WATER	SEWER	TOTAL
2019	-	-	615,250	615,250
2020	125,000	225,000	731,238	1,081,238
2021	200,000	425,000	861,225	1,486,225
2022	275,000	625,000	1,023,213	1,923,213
2023	400,000	775,000	1,183,013	2,358,013
2024	525,000	900,000	1,408,125	2,833,125
2025	650,000	950,000	1,562,675	3,162,675
2026	775,000	1,025,000	1,613,788	3,413,788
2027	775,000	1,025,000	1,614,025	3,414,025
2028	775,000	1,025,000	1,645,888	3,445,888
2029	775,000	1,025,000	1,645,888	3,445,888
2030	775,000	1,025,000	1,645,888	3,445,888
2031	775,000	1,025,000	1,645,888	3,445,888
2032	775,000	1,025,000	1,645,888	3,445,888
2033	775,000	1,025,000	1,645,888	3,445,888
2034	775,000	1,025,000	1,645,888	3,445,888
2035	775,000	1,025,000	1,645,888	3,445,888
2036	775,000	1,025,000	1,645,888	3,445,888
2037	775,000	1,025,000	1,645,888	3,445,888
2038	775,000	1,025,000	1,645,888	3,445,888
2039	775,000	1,025,000	1,030,638	2,830,638
2040	650,000	800,000	914,650	2,364,650
2041	575,000	600,000	784,663	1,959,663
2042	500,000	400,000	622,675	1,522,675
2043	375,000	250,000	462,875	1,087,875
2044	250,000	125,000	237,763	612,763
2045	125,000	75,000	83,213	283,213
2046	-	-	32,100	32,100
2047	-	-	31,863	31,863
	15,500,000	20,500,000	32,917,760	68,917,760

CLEVELAND UTILITIES

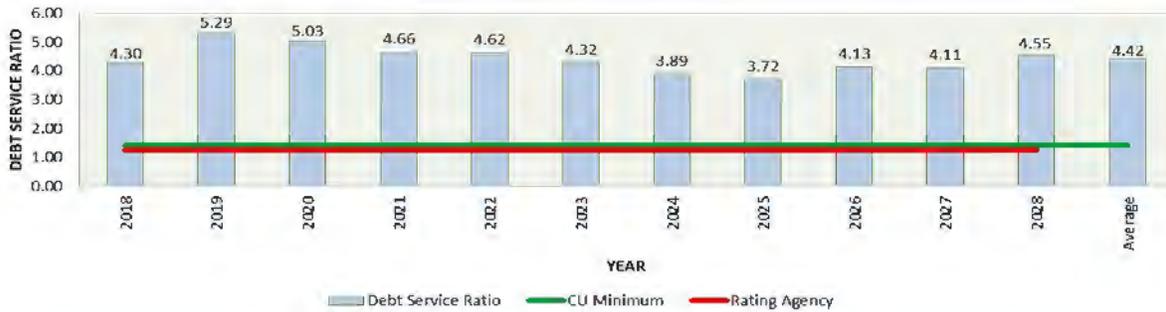
TOTAL DEBT (CURRENT & PROJECTED)
PAYMENT SCHEDULE AS OF 06/30/18

	ELECTRIC	WATER	SEWER	TOTAL
2019	1,240,670	2,459,399	2,440,642	6,140,711
2020	1,379,755	2,725,830	2,535,273	6,640,858
2021	1,481,938	2,982,046	2,701,551	7,165,535
2022	1,496,638	3,177,230	2,894,770	7,568,638
2023	1,624,745	3,035,064	3,042,929	7,702,738
2024	1,774,777	2,815,454	3,104,428	7,694,659
2025	1,918,552	2,928,942	3,018,020	7,865,514
2026	1,695,057	2,972,136	3,022,200	7,689,393
2027	1,678,981	2,980,835	2,976,779	7,636,595
2028	1,687,239	2,885,631	2,988,040	7,560,910
2029	1,468,605	2,326,416	2,724,826	6,519,847
2030	1,471,196	2,305,342	2,370,436	6,146,974
2031	1,475,153	2,323,817	2,368,405	6,167,375
2032	1,152,745	2,183,449	2,347,612	5,683,806
2033	1,155,336	2,006,677	2,355,857	5,517,870
2034	1,156,928	2,017,526	2,364,172	5,538,626
2035	978,860	1,892,919	2,374,973	5,246,752
2036	827,043	1,669,186	2,385,857	4,882,086
2037	775,000	1,317,033	2,151,940	4,243,973
2038	775,000	1,049,208	1,645,888	3,470,096
2039	775,000	800,000	1,030,638	2,605,638
2040	650,000	600,000	914,650	2,164,650
2041	575,000	400,000	784,663	1,759,663
2042	500,000	250,000	622,675	1,372,675
2043	375,000	125,000	462,875	962,875
2044	250,000	75,000	237,763	562,763
2045	125,000	-	83,213	208,213
2046	-	-	32,100	32,100
2047	-	-	31,863	31,863
	<u>30,464,218</u>	<u>50,304,140</u>	<u>56,015,038</u>	<u>136,783,397</u>

CLEVELAND UTILITIES ELECTRIC DIVISION BOND COVERAGE 2018 - 2028

Target Ratios

Rating Agencies (1.25)
CU Minimum (1.40)



Debt Service Ratio CU Minimum Rating Agency

CLEVELAND UTILITIES WATER / WASTEWATER DIVISION BOND COVERAGE 2018 - 2028

Target Ratios

Rating Agencies (1.25)
CU Minimum (1.40)



Debt Service Ratio Rating Agency CU Minimum

Capital Projects Funds

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

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

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

Greenway Fund: This fund is being closed and consolidated into the General Fund of the Parks and Recreation Department for FY 2019.

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 funds such as Cleveland Utilities' Electric Fund and Water/Wastewater 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. 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.

Cleveland Utilities prepares a separate document for its water, wastewater, and electric capital improvements.

SOURCE OF CAPITAL PROJECT FUNDS FOR FY2019

The capital projects funded in FY2019 total \$5,126,600. Major capital funds are summarized below.

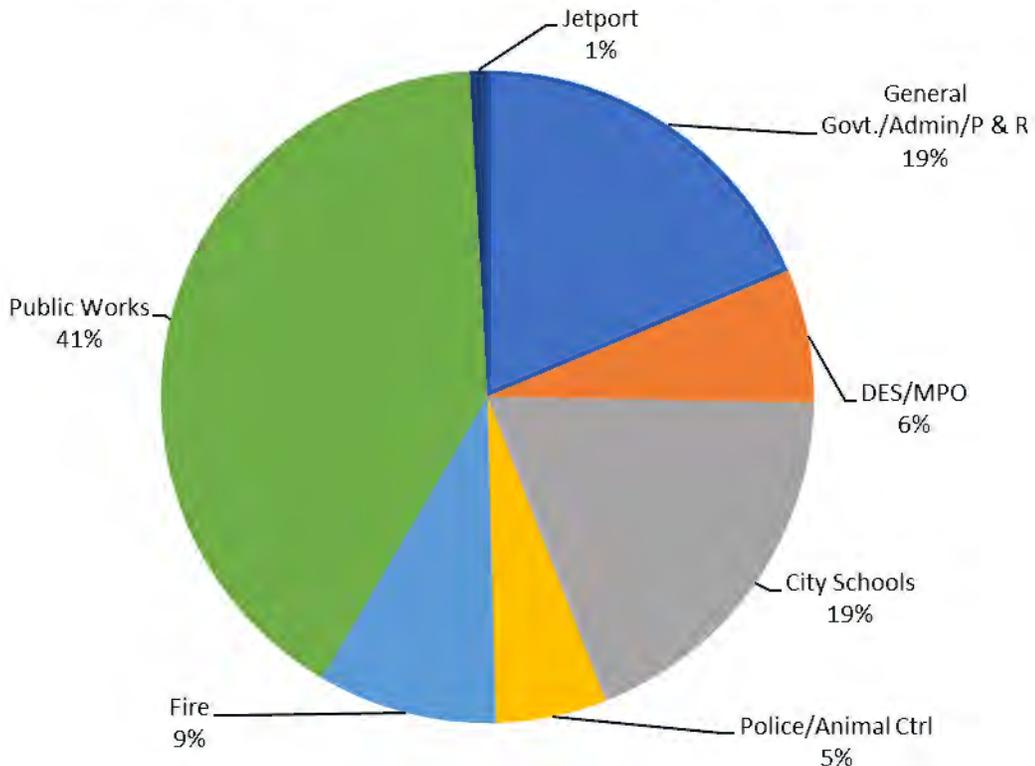
Sales Tax Capital Projects Fund:

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 \$3,012,000 has been budgeted in FY2019 for city projects and \$975,000 for school projects.

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

Capital Improvement Program Fund \$1,135,000

FY2019 Major Uses of Capital Project Funds



**FY 2019 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.

Cleveland City Schools – RAPTOR System \$ 15,000

To increase school safety, the City will fund the RAPTOR System for all city schools. When implemented, this system will assist school administrators with screening for registered sex offenders, managing custody issues and coordinating volunteers.

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.

Parks and Recreation

Tinsley Park Sign \$ 20,000

With the recent addition of the Casteel Connector through Tinsley Park, the city plans to enhance the park entrance with new signage and landscape.

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 Replacement Program \$ 400,000

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

Fire Station 4 Roof Improvements \$ 60,000

This funding will replace the station #4 roof per inspection that was completed.

General Government

Downtown Redevelopment \$ 49,000

Additional funds will be allocated to complete the comprehensive plan and market analysis of the Inman Street corridor with the goal of making downtown Cleveland a more desirable destination.

Administration & Finance/Codes

2 Vehicles for Code Inspectors \$ 45,000

Replacing two older vehicles with a smaller utility vehicle that offers better fuel economy.

Chieftain @ Museum Center \$ 20,000

Highly recognized as the symbol of the City, funds will be allocated to restore the Cherokee Chieftain. Carved by sculptor Peter Toth and given to the City in 1974, the Chieftain is a proud reminder of the region's significant Cherokee Indian heritage.

Development & Engineering Services

CMAQ Park & Ride \$ 150,000

The city will fund its initial commitment of for the CMAQ Park and Ride Project. This project, developed with the Tennessee Department of Transportation, will construct a parking and transportation facility in downtown. When completed, daily bus service will be established connecting Cleveland with Chattanooga.

City-Wide Computer Info Systems

GIS Flyover & Rover maintenance cost \$ 26,000

This supplies funding to assist the city's GIS system upgrades.

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 Improvements

MPO-Peerless Road Ext. (Phase 1)	\$	150,000
Multi-Modal Access Grant		43,249
Hwy. 60 Improv @ New Elem School		50,000
Candies Lane Improv @ Legacy		50,000
Downtown South Connector		25,000
Downtown Parking Lot		75,000
Frontage Connector @ Target		<u>80,000</u>
	\$	<u>473,249</u>

This funding will add intersection improvements to seven different sections of road throughout the city. Also, provided additional funding for one grant revisions.

Taylor Springs \$ 250,000

The Historic Birthplace of Cleveland, the City will partner with Bradley County and private donors to develop a park at the spring. The project is possible through the generosity of the late Jim Webb, whose law office covered the spring and donated the building to the City.

Public Works Equipment

GMC Dump Truck \$ 150,000

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 & Recreation

Playground Equipment \$ 64,000

This funding will allow for additional playground equipment to be purchased during FY 2019.

Jetport

Customs/Border Patrol Facility \$ 45,000

When the Jetport terminal building opened in January 2013, a large room was left unfinished on the 2nd floor and it has been used as storage till now. The US Customs and Border Protection Service is hoping to establish C/BP services at our facility for our international flights. This funding will be used to renovate the room for our new customer.

Long-Range Financial Planning

In FY2019, the City of Cleveland will continue to focus on downtown redevelopment, increasing public safety, improving education, addressing transportation needs and enhancing recreational opportunities. The capital budget includes \$600,000 for infrastructure needs near the old Whirlpool site and \$250,000 for the construction of a park at Taylor's Spring, the birthplace of Cleveland. Additional public works projects include \$1.3 million for street paving, \$150,000 for the extension of Peerless Road and \$80,000 for a connector at Frontage Road. In anticipation of the opening of Candy's Creek Cherokee Elementary School, the City will spend \$100,000 on safety projects on Highway 60 and Candies Lane.

The Tinsley Pool will be replaced at an estimated cost of \$2 million in FY2020. 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. When completed, the pool will have updated water features including zero entry and a splash pad; and will also facilitate swimming competitions. The City intends to use \$1,500,000 of sales tax funds to cover its portion of the construction costs, with the balance from a Tennessee Parks and Recreation grant. In addition, the City will designate \$300,000 to purchase land and develop plans for Fire Station 7.

In FY2021, the City will start construction of a surface lot and transportation center at the Old Woolen Mill adjacent to downtown. At an estimated cost of \$1.0 million, this facility will enhance travel to Enterprise South in Chattanooga and is an 80/20 project through the Congestion Mitigation Air Quality program.

As the northern section of the City continues to grow, the construction of Fire Station 7 is anticipated in FY2022. The City expects to issue up to \$2.0 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 \$900,000 in FY2023. The debt service on the bond issue will be \$140,000 annually.

In FY2023, the City will allocate \$750,000 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.

To address transportation concerns, the public works department will initiate several projects in FY2024. A priority is to improve parking in downtown district. The City will allocate \$600,000 to address traffic flow and parking issues.

LONG-RANGE FINANCIAL PLANNING						
6 Year Capital Funding Summary						
DEPARTMENT	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Funding Use:						
Administration/Finance/IT	805,000	825,000	835,000	835,000	845,000	850,000
Development & Engineering	150,000	175,000	1,000,000	26,000	26,000	30,000
City Schools	990,000	985,000	995,000	1,100,000	1,125,000	1,125,000
Fire	460,000	775,000	450,000	3,400,000	400,000	400,000
Parks & Recreation	85,000	2,069,000	69,000	69,000	1,069,000	75,000
Police	285,000	285,000	285,000	285,000	285,000	295,000
Public Works	2,348,249	1,580,000	1,600,000	1,675,000	1,695,000	2,295,000
Total:	5,123,249	6,694,000	5,234,000	7,390,000	5,445,000	5,070,000
IMPACT ON OPERATIONS:						
Administration/Finance/IT	(2,500)	(3,000)	(2,500)	(3,500)	(4,000)	(2,500)
Development & Engineering	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
City Schools	(5,000)	(5,250)	(5,500)	(5,500)	(5,500)	(5,800)
Fire	900,000	931,000	963,000	997,000	1,897,000	1,940,000
Parks & Recreation	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,500)
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)	(35,000)
Required Funding:	6,002,749	7,603,750	6,176,000	8,365,000	7,319,500	6,956,700
Funding Source:						
<i>Sales Tax & CIP Funds</i>						
Administration/Finance/IT	(805,000)	(825,000)	(835,000)	(835,000)	(845,000)	(850,000)
Development & Engineering	(150,000)	(175,000)	(176,000)	(24,000)	(24,000)	(30,000)
City Schools	(990,000)	(985,000)	(995,000)	(1,100,000)	(1,125,000)	(1,125,000)
Fire	(460,000)	(775,000)	(450,000)	(1,400,000)	(400,000)	(400,000)
Parks & Recreation	(85,000)	(1,569,000)	(69,000)	(69,000)	(819,000)	(75,000)
Police	(285,000)	(285,000)	(285,000)	(285,000)	(285,000)	(295,000)
Public Works	(2,348,249)	(1,580,000)	(1,600,000)	(1,675,000)	(1,695,000)	(2,295,000)
Subtotal:	(5,123,249)	(6,194,000)	(4,410,000)	(5,388,000)	(5,193,000)	(5,070,000)
<i>Bond Issues</i>	-	-	-	(2,000,000)	-	-
<i>Grants</i>	-	(500,000)	(600,000)	-	(250,000)	-
<i>Estimated Tax Growth</i>	(765,000)	(792,000)	(820,000)	(848,000)	(878,000)	(908,500)
Total Funding:	(5,888,249)	(7,486,000)	(5,830,000)	(8,236,000)	(6,321,000)	(5,978,500)
Use (Source) of Fund Balance:	114,500	117,750	346,000	129,000	998,500	978,200

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 \$1,135,000 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.

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
REVENUES					
GRANTS	\$1,714,933	\$0	\$12,293,252	\$0	-100.0%
INTEREST INCOME	\$14,497	\$0	\$30,000	\$0	-100.0%
ASSET DISPOSAL	\$0	\$0	\$0	\$0	0.0%
TRANSFERS	\$803,218	\$2,485,000	\$3,661,826	\$1,135,000	-69.0%
NOTE PROCEEDS	\$1,706,769	\$9,054,000	\$13,342,096	\$0	-100.0%
INTERGOVERNMENTAL	\$0	\$0	\$0	\$0	0.0%
MISCELLANEOUS	\$107,904	\$0	\$8,843	\$0	-100.0%
Total Revenues	\$4,347,321	\$11,539,000	\$29,336,017	\$1,135,000	-96.1%
EXPENDITURES					
GENERAL GOVERNMENT	\$236,474	\$60,000	\$2,491,426	\$685,000	-72.5%
ADMINISTRATION & FINANCE	\$0	\$0	\$681,530	\$0	-100.0%
DEVELOPMENT & ENGINEERING	\$242,831	\$0	\$607,915	\$0	-100.0%
CITY-WIDE COMPUTER INFO SYS	\$592,168	\$220,000	\$215,000	\$0	-100.0%
POLICE DEPARTMENT	\$3,077	\$0	\$298,863	\$0	-100.0%
FIRE DEPARTMENT	\$1,103,729	\$20,000	\$2,353,196	\$0	-100.0%
PUBLIC WORKS - OPERATIONS	\$174,802	\$915,000	\$11,927,353	\$365,000	-96.9%
PUBLIC WORKS - STATE STREET AID	\$0	\$250,000	\$348,776	\$0	-100.0%
ANIMAL SHELTER	\$1,180	\$0	\$0	\$0	0.0%
PARKS & RECREATIONS	\$296,387	\$300,000	\$1,464,097	\$85,000	-94.2%
EDUCATION	\$587,763	\$8,487,621	\$8,602,986	\$0	-100.0%
ISSUANCE COSTS	\$46,200	\$54,000	\$54,000	\$0	-100.0%
TRANSFERS	\$0	\$529,223	\$529,223	\$0	100.0%
REGIONAL JETPORT	\$307,533	\$0	\$2,397,669	\$0	-100.0%
CDBG	\$0	\$0	\$0	\$0	0.0%
Total Expenditures	\$3,592,144	\$10,835,844	\$31,972,034	\$1,135,000	-96.5%
NET INCOME	\$755,177	\$703,156	-\$2,636,017	\$0	-100.0%
BEGINNING FUND BALANCE	\$3,495,179	\$4,250,356	\$4,250,356	\$1,614,339	-62.0%
ENDING FUND BALANCE	\$4,250,356	\$4,953,512	\$1,614,339	\$1,614,339	0.0%

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
REVENUES					
LOCAL SALES TAX	\$2,924,626	\$2,925,000	\$2,925,000	\$3,012,000	3.0%
SCHOOLS 1/2 CENT SALES TAX	\$1,026,707	\$950,000	\$950,000	\$975,000	2.6%
INTEREST	\$13,836	\$2,000	\$2,000	\$2,000	0.0%
INTEREST-SCHOOLS SINKING FUND	\$2,601	\$17,000	\$17,000	\$2,600	-84.7%
LAWSUIT-CITY'S SHARE (BRAD CO)	\$0	\$0	\$0	\$0	0.0%
LAWSUIT-SCHOOL'S SHARE (BRAD CO)	\$0	\$0	\$0	\$0	0.0%
Total Revenues	\$3,967,770	\$3,894,000	\$3,894,000	\$3,991,600	2.5%
EXPENDITURES					
DEVELOPMENT & ENGINEERING	\$22,957	\$56,000	\$56,000	\$150,000	167.9%
GENERAL GOVERNMENT	\$80,927	\$350,000	\$362,030	\$109,000	-69.9%
CITY-WIDE COMPUTER INFO SYS	\$350,173	\$322,000	\$347,299	\$26,000	-92.5%
POLICE DEPARTMENT	\$382,455	\$285,000	\$285,000	\$285,000	0.0%
FIRE DEPARTMENT	\$198,693	\$430,000	\$1,087,907	\$460,000	-57.7%
PUBLIC WORKS	\$1,219,583	\$1,249,832	\$2,649,525	\$1,938,249	-26.8%
PARKS & RECREATIONS	\$170,078	\$105,000	\$184,367	\$64,000	-65.3%
JETPORT	\$0	\$92,200	\$92,200	\$45,000	100.0%
CITY SCHOOLS	\$1,179,764	\$950,000	\$963,451	\$975,000	1.2%
Total Expenditures	\$3,604,630	\$3,840,032	\$6,027,779	\$4,052,249	-32.8%
NET INCOME	\$363,140	\$53,968	-\$2,133,779	-\$60,649	-97.2%
BEGINNING FUND BALANCE	\$2,383,456	\$2,746,596	\$2,746,596	\$612,817	-77.7%
ENDING FUND BALANCE	\$2,746,596	\$2,800,564	\$612,817	\$552,168	-9.9%

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.

In FY2019, the Greenway Fund was transferred to the General Fund Parks & Recreation Department.

SUMMARY	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$13,337	\$0	\$15,100	\$0	-100.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$0	\$0	\$0	\$0	0.0%
Capital Outlay & Debt Service	\$15,569	\$0	\$15,000	\$0	-100.0%
Total Expenditures	\$15,569	\$0	\$15,000	\$0	-100.0%
NET INCOME	-\$2,232	\$0	\$100	\$0	-100.0%
BEGINNING FUND BALANCE	\$11,185	\$8,953	\$8,953	\$9,053	1.1%
ENDING FUND BALANCE	\$8,953	\$8,953	\$9,053	\$9,053	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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$467,473	\$0	\$3,002,000	\$0	-100.0%
Personnel	\$0	\$0	\$0	\$0	0.0%
Operating	\$0	\$0	\$0	\$0	0.0%
Capital Outlay & Debt Service	\$474,110	\$180,027	\$3,180,027	\$180,013	-94.3%
Total Expenditures	\$474,110	\$180,027	\$3,180,027	\$180,013	-94.3%
NET INCOME	-\$6,637	-\$180,027	-\$178,027	-\$180,013	1.1%
BEGINNING FUND BALANCE	\$1,500,083	\$1,493,446	\$1,493,446	\$1,315,419	-11.9%
ENDING FUND BALANCE	\$1,493,446	\$1,313,419	\$1,315,419	\$1,135,406	-13.7%

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.

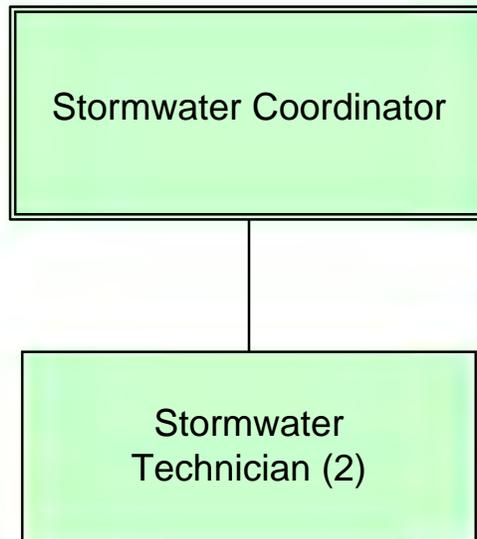
Stormwater Management Fund: This fund is used to meet the National Pollutant Discharge Elimination System requirements.

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 which is 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.

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.

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$1,496,341	\$1,598,500	\$1,598,500	\$1,612,500	0.9%
Personnel	\$214,586	\$236,100	\$236,100	\$250,600	6.1%
Operating	\$173,460	\$568,900	\$624,950	\$750,950	20.2%
Capital Outlay & Debt Service	\$124,206	\$637,021	\$728,941	\$928,973	27.4%
Total Expenditures	\$512,252	\$1,442,021	\$1,589,991	\$1,930,523	21.4%
NET INCOME	\$984,089	\$156,479	\$8,509	-\$318,023	-3837.5%
BEGINNING FUND BALANCE	\$537,732	\$1,521,821	\$1,521,821	\$1,530,330	0.6%
ENDING FUND BALANCE	\$1,521,821	\$1,678,300	\$1,530,330	\$1,212,307	-20.8%

STAFFING	Grade	FY2016 Actual	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted
Storm Water Coordinator	27	0.00	1.00	1.00	1.00	1.00
Storm Water Coordinator	26	1.00	0.00	0.00	0.00	0.00
Storm Water Technician	25	2.00	2.00	2.00	2.00	2.00
Total		3.00	3.00	3.00	3.00	3.00

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 FY2019.
- 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	FY2016 Actual	FY2017 Estimated	FY2018 Projected	FY2019 Projected
Number of Drainage Projects Completed	3	3	7	9
Public Education and Outreach	6	6	7	8
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 2019 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 31,500 electric customers, 31,500 water customers, and 19,000 sewer customers in the City of Cleveland and a large portion of Bradley County.

All financial transactions of Cleveland Utilities take place in one of two enterprise funds. The transactions of the electric division are recorded in the "electric" fund and those of the water/wastewater operations are recorded in the "water/wastewater" fund. Entries in the water/wastewater fund are maintained individually throughout the year for rate-setting and monitoring purposes and combined at year-end for audit reporting purposes.

Cleveland Utilities is operated by the Board of Public Utilities for the City of Cleveland. The Board appoints a General Manager with the responsibility of managing the daily operation of the utility. The rates, annual budget, and long-term bonded debt of the utility require the approval of the City Council. In addition, the electric rates require the approval of the Tennessee Valley Authority.

The annual budget for Cleveland Utilities is prepared individually for the electric, water and wastewater operating departments of the utility. The budget for Cleveland Utilities is not an appropriated budget. Other than for the purchase of goods and services in the normal course of business, no transfers are made from any fund of the City of Cleveland to the enterprise funds of Cleveland Utilities. Transfers are made to the City general fund from the electric and water funds for in lieu of tax payments. The budgets are flexible operating budgets. The accuracy of the

revenues and expenses in the budgets will be determined in a large part by the demand for the goods and services provided by Cleveland Utilities. The demand for those goods and services will be determined by uncontrollable weather and economic factors. An increase in demand will not only increase revenues but will also increase expenses. Historical averages, along with known changes, are used in the preparation of the budgets, but averages can be subject to significant variances from year to year.

Selected FY 2019 budget highlights are presented in the following table.

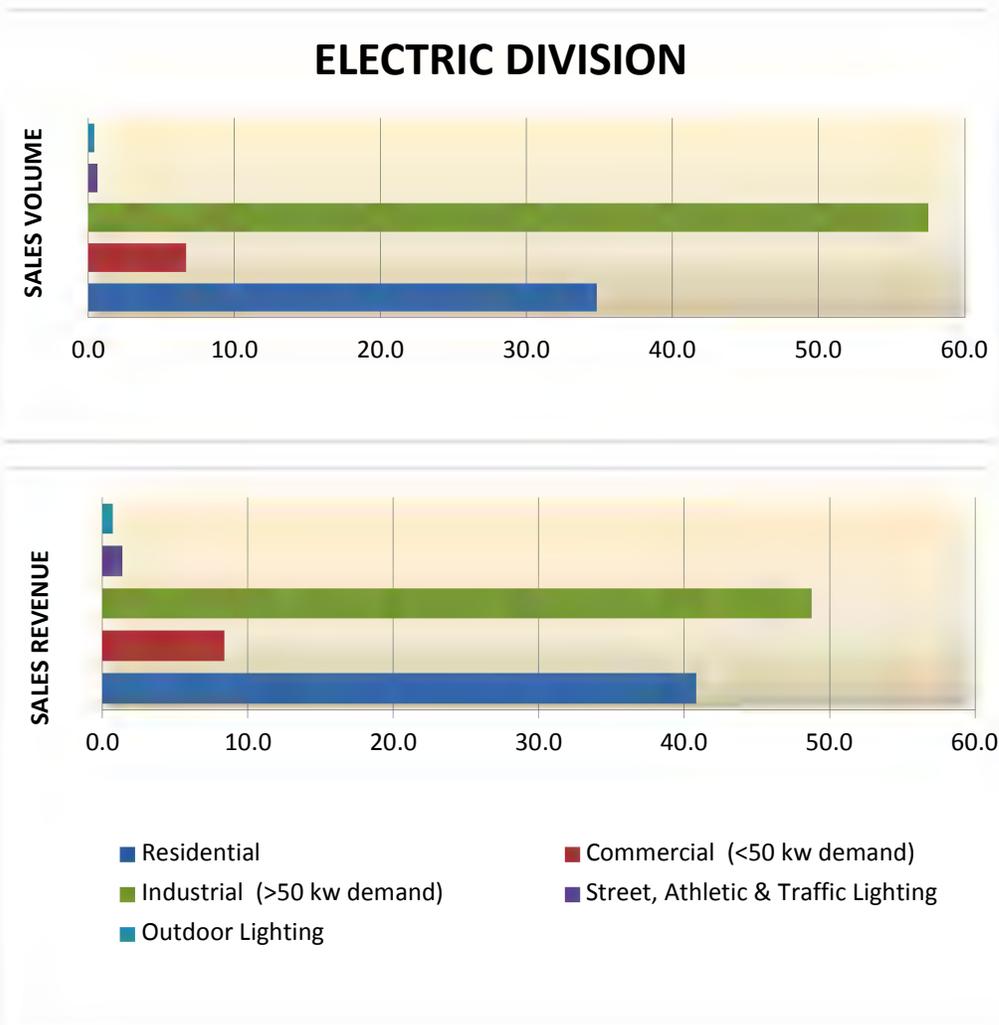
		Electric	Water	Sewer
Volume	KWH's	1,033,314,826		
Volume	Gallons		2,925,031,890	1,961,273,718
Avg Revenue	KWH	\$9.96		
Avg Revenue	1000 Gallons		\$5.66	\$6.84
Rate Adjustments		2.10%	1.13%	0.00%
Revenue (Sales and Other)		102,947,341	16,548,841	13,423,472
Expenses		99,178,704	15,657,294	12,179,914
Net Income		3,768,637	891,547	1,243,558
Tax Equivalents		2,211,629	236,538	217,485
Depreciation (Expensed)		4,866,517	2,797,808	3,718,913
Cash Generated		8,832,274	3,178,498	4,694,293
Additions to Plant		9,658,000	5,914,723	14,579,244
Beginning Bond Balance		13,505,551	29,305,413	21,644,551
Additional Bonds		2,500,000	5,413,083	12,152,726
Bond Payments		1,119,003	2,234,399	1,825,392
Ending Bond Balance		14,886,548	32,484,097	31,971,884
Bond Coverage		5.29	1.31	2.40

FY 19 Budget Details

Electric

The electric budget for FY 19 is based on the assumption 1,033,314,826 kilowatt hours of electricity will be sold at an average price of 9.96 cents per kilowatt hour. This volume represents a 0% increase over the anticipated FY 18 volume. Kilowatt hour sales are expected to be made to five specific classes of customers in the following percentages.

<u>Type of Customer</u>	<u>Volume</u> %	<u>Revenue</u> %
Residential	34.80	40.81
Commercial (<50 kw demand)	6.69	8.36
Industrial (>50 kw demand)	57.48	48.74
Street, Athletic & Traffic Lighting	0.63	1.38
Outdoor Lighting	0.39	0.70



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 7.720 cents per kilowatt hour. The margin expected to be generated between the sale of electricity and the cost of electricity is \$21,530,929. 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 \$4,866,517 and a transfer to the city general fund for tax equivalents of \$2,211,629.

The expected net income in the electric department for FY 18 is \$3,768,637. This level of net income will produce a net cash generation amount of \$8,832,274 when adjusted for non-cash items. When added to the anticipated cash balance of \$9,422,819 at the beginning of the year, \$18,255,093 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 \$9,658,000 and debt retirement of \$1,240,670.

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

CLEVELAND UTILITIES-ELECTRIC
CAPITAL EXPENDITURES - 2019

BUILDINGS AND GROUNDS	\$	665,000
COMPUTERS		206,000
SUPERVISORY CONTROL SYSTEM		40,000
ENGINEERING		65,000
TRANSPORTATION AND GARAGE		683,000
GEOGRAPHIC INFORMATION SYSTEM		38,000
COMMERCIAL		200,000
INDUSTRIAL		150,000
RESIDENTIAL-OVERHEAD		30,000
RESIDENTIAL-UNDERGROUND		750,000
LINE		1,889,000
METER LAB		323,000
SUBSTATIONS		3,723,000
OFFICE		15,000
METER READING		5,000
ELECTRONICS & COMMUNICATIONS		78,000
STOREROOM		-
TRAFFIC LIGHTING		422,000
STREET LIGHTING		151,000
SECURITY LIGHTING		125,000
FIBER OPTICS		100,000
TOTAL	<u>\$</u>	<u>9,658,000</u>

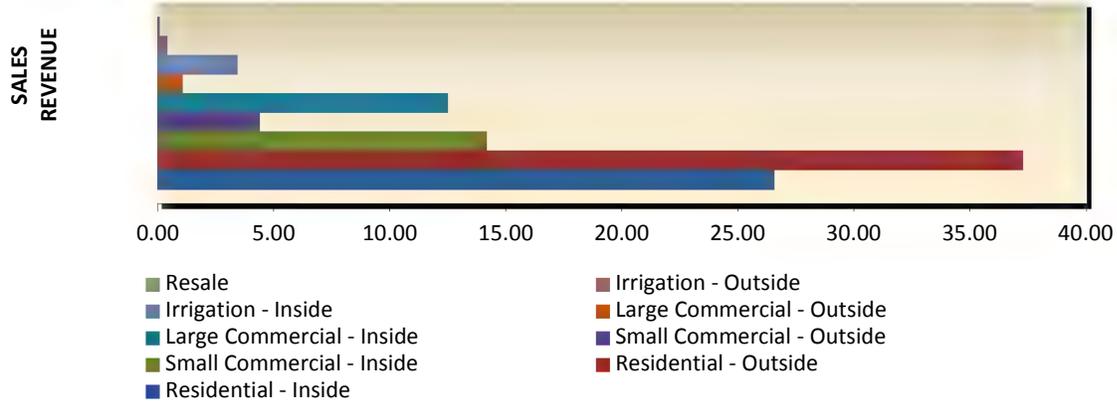
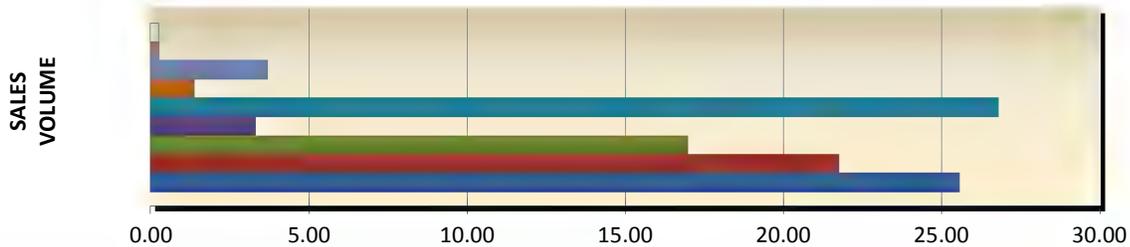
The anticipated cash balance at year end is \$8,527,206 of which \$3,393,390 represents the balance on hand from deposits paid by customers to guarantee payment of utility bills.

Water

The water department budget for FY 19 is based on the assumption 2,925,031,890 gallons of water will be sold at an average retail price of \$5.66 per 1,000 gallons. The rate charged for water will increase 1.13% from FY 18. This volume represents a 1.67% change over the anticipated FY 18 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	25.55	26.55
Residential - Outside	21.75	37.27
Small Commercial - Inside	16.98	14.19
Small Commercial - Outside	3.31	4.41
Large Commercial - Inside	26.78	12.50
Large Commercial - Outside	1.39	1.09
Irrigation - Inside	3.70	3.46
Irrigation - Outside	0.27	0.44
Resale	0.26	0.10

WATER DIVISION



The expected revenue from the sale of the water, plus revenue from other sources, is \$16,548,841 for FY 19. Anticipated expenses, including depreciation of \$2,797,808 and tax equivalents of \$236,538, total \$15,657,294 leaving revenue in excess of expenses of \$891,547. These results will produce a net cash generation amount of \$3,178,498 when adjusted for non-cash items. When added to the anticipated cash balance of \$1,482,857 at the beginning of the year, \$4,711,355 of cash will be available for reinvestment in plant assets and for debt retirement. In addition, a \$5,413,083 bond issue is planned for FY 19. The demands on this anticipated cash reserve will come from the anticipated cost of capital requirements of \$5,914,723 and debt retirement of \$2,234,399. The anticipated cash balance at year end is \$1,975,317 of which \$1,007,992 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 - 2019

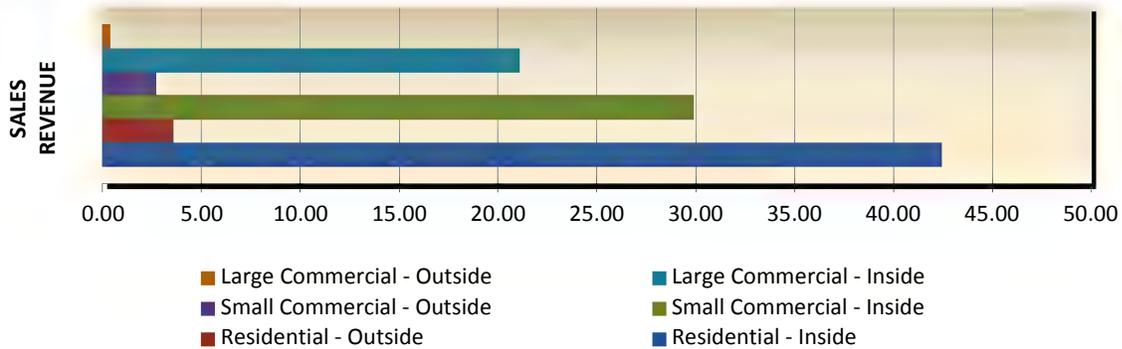
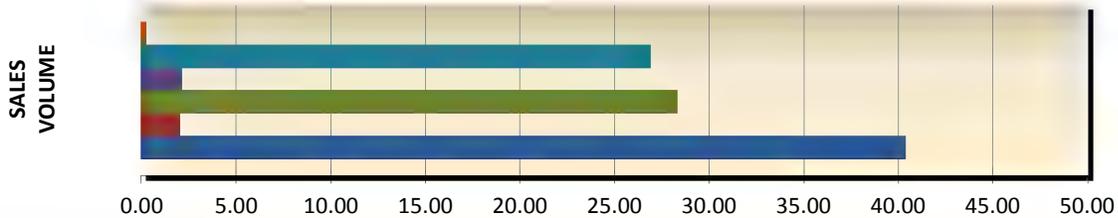
ENGINEERING - DISTRIBUTION	\$ 2,160,000
WATER - DISTRIBUTION	932,000
FACILITIES MAINTENANCE DEPARTMENT	103,600
WATER TREATMENT FACILITIES	1,631,833
ENGINEERING - OFFICE	34,500
INFORMATION SYSTEMS (Includes AMI)	180,000
OFFICE EQUIPMENT	2,250
TRANSPORTATION	140,000
BUILDINGS AND GROUNDS	370,000
PAYROLL PROJECTED FOR CAPITAL PROJECTS	360,540
TOTAL	<u><u>\$ 5,914,723</u></u>

Wastewater

The wastewater department budget for FY 19 is based on the assumption 1,961,273,718 gallons of wastewater will be billed for treatment by Cleveland Utilities. The average price paid by these customers will be \$6.84 per 1,000 gallons. The rate charged will increase 0% from FY 18. This volume represents a 2.217% increase over the anticipated FY 18 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	40.35	42.41
Residential - Outside	2.06	3.56
Small Commercial - Inside	28.32	29.88
Small Commercial - Outside	2.15	2.69
Large Commercial - Inside	26.89	21.08
Large Commercial - Outside	0.24	0.37

SEWER DIVISION



The expected revenue from this volume, plus revenue from other sources, is \$13,423,472 for FY 19. Anticipated expenses, including depreciation of \$3,718,913 and tax equivalents of \$217,485 total \$12,179,914 leaving revenue in excess of expenses totaling \$1,243,558. These results will produce a net cash generation amount of \$4,694,293 when adjusted for other items. When added to the anticipated cash balance of \$4,887,823 at the beginning of the year, \$10,333,116 of cash will be available for reinvestment in plant assets and for debt retirement. In addition, a \$12,152,726 bond issue is planned for FY 19. The demands on this anticipated cash reserve will come from the anticipated cost of capital requirements of \$14,579,244 and debt retirement of \$1,825,392. The anticipated balance at year end is \$6,086,206 of which \$1,095,092 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 - 2019

ENGINEERING - COLLECTION	\$ 3,830,000
WASTEWATER REHABILITATION DEPARTMENT	8,586,405
FACILITIES MAINTENANCE DEPARTMENT	100,000
WASTEWATER TREATMENT PLANT	1,036,000
MACHINERY & EQUIPMENT	20,000
INFORMATION SYSTEMS	139,000
ENGINEERING - OFFICE	10,000
TRANSPORTATION	210,000
ADMINISTRATION - BUILDINGS AND GROUNDS	370,000
PAYROLL PROJECTED FOR CAPITAL PROJECTS	277,839
TOTAL	<u><u>\$ 14,579,244</u></u>

In addition to preparing a budget for the upcoming fiscal year, Cleveland Utilities prepares an estimated budget for nine years beyond the upcoming budget year. The long-range plan included with the FY 19 budget covers fiscal year 2019 through 2028. 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 2017 Actual	FY 2018 Projected	FY 2019 Projected
KWH Purchased	1,093,318,270	1,065,927,652	1,064,939,653
KWH Sold	1,059,807,534	1,033,260,306	1,033,314,826
KWH Unsold (line loss)	33,510,736	32,667,346	31,624,827
% KWH in Line Loss	3.07%	3.06%	2.97%
Average Retail Price of KWH (Based on kwh's Sold)	9.39	9.44	9.80
Number of Customers			
Residential	26,872	26,938	27,004
Commercial	3,846	3,863	3,880
Industrial	612	608	608
Other	177	173	175
Total	<u>31,507</u>	<u>31,582</u>	<u>31,667</u>
Total Revenues	101,369,962	99,418,111	102,947,341
Net Income	3,934,532	1,975,660	3,768,637
Additional Investment in Plant	5,212,781	5,054,847	9,658,000
Long-term Debt	14,632,371	13,505,551	14,886,548
Number of Customers per Employee	404	381	377

Cleveland Utilities-Electric Fund Budget Summary

	FY 2017 ACTUAL	FY 2018 BUDGETED	FY 2019 PROPOSED
Revenues for Electric System			
Residential	\$ 40,295,283	\$ 40,938,730	\$ 41,340,074
Commercial	8,799,553	8,392,499	8,472,026
Industrial	48,948,301	50,949,239	49,373,556
Street, Athletic, & Traffic	1,435,867	1,444,810	1,398,506
Outdoor Lighting	676,104	706,338	711,064
Change in Accrued Revenue	(497,179)		
Total Electric Sales Revenue	\$ 99,657,929	\$ 102,431,616	\$ 101,295,226
Other Operating Revenue			
Other Operating Revenue	\$ 1,612,042	\$ 1,580,888	\$ 1,603,406
Interest	99,991	47,751	48,706
Total Other Revenues	\$ 1,712,033	\$ 1,628,639	\$ 1,652,112
Total Revenues	\$ 101,369,962	\$ 104,060,255	\$ 102,947,338
Operating Expense			
Purchased Power	\$ 80,105,707	\$ 82,867,178	\$ 79,764,300
Other Operating Expenses	5,508,648	5,619,344	5,633,206
Maintenance	2,884,244	2,871,526	3,224,564
Depreciation and Amortization	4,713,136	4,881,175	4,894,502
Tax Equivalents & FICA	3,756,507	4,904,769	5,110,990
Total Operating Expenses	\$ 96,968,242	\$ 101,143,992	\$ 98,627,562
Other Expenses			
Interest Expense	\$ 467,188	\$ 511,205	\$ 551,140
Total Other Expenses	\$ 467,188	\$ 511,205	\$ 551,140
Total Expenses	\$ 97,435,430	\$ 101,655,197	\$ 99,178,702
Net Revenues	\$ 3,934,532	\$ 2,405,058	\$ 3,768,636

**CLEVELAND UTILITIES - ELECTRIC
CASH FLOW ANALYSIS
FY 2019**

Sources of Cash:

Net Income		\$ 3,768,637
Add: Non-Cash Items		
Depreciation - Expensed	\$ 4,866,517	
Depreciation - Cleared	176,841	
Amortization	20,279	
Total Non-Cash Items		5,063,637
Total Cash Generated From Operations		\$ 8,832,274
Add: Beginning Cash Balance		9,422,819
Bond Issues (Net)		2,500,000
OPEB Trust Funding		(299,563)
GASB 68 Adjustment		(1,021,857)
Anticipated FEMA Reimbursement		-
Working Capital Adjustments		-
Total Cash Available		\$ 19,433,673

Uses of Available Cash:

Debt Repayment - Bonds/Loans	\$ 1,248,466	
Capital Improvements & Additions	9,658,000	
Total Uses of Cash		\$ 10,906,466
Cash at End of Year		\$ 8,527,207
Less Estimated Customer Deposits		\$ 3,393,390
Unrestricted		\$ 5,133,817

**CLEVELAND UTILITIES - ELECTRIC
FINANCIAL FORECAST
FOR THE YEAR ENDING JUNE 30, 2019**

2019 BUDGET						
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	KWHs (000)
REVENUES						
Residential	11,486,796	8,776,404	12,607,507	8,469,367	41,340,074	359,611
Commercial	2,525,836	1,852,298	2,095,166	1,998,726	8,472,026	69,149
Industrial	14,154,972	11,557,146	11,211,559	12,449,879	49,373,556	593,945
Street, Athletic & Traffic	359,079	347,583	333,576	358,268	1,398,506	6,555
Outdoor Lighting	176,777	177,306	178,800	178,181	711,064	4,055
Total Electric Sales Revenue	28,703,460	22,710,737	26,426,608	23,454,421	101,295,229	1,033,315
Purchased Power	22,602,363	17,883,429	20,809,469	18,469,038	79,764,300	
Operating Margin:	6,101,097	4,827,308	5,617,139	4,985,383	21,530,929	
OTHER REVENUE						
Customer Penalties	106,852	84,543	98,376	87,312	377,083	
Service Revenue	102,169	80,837	94,064	83,484	360,555	
Rents	204,192	204,192	204,192	204,192	816,772	
Miscellaneous Income	13,883	10,984	12,783	11,348	48,996	
Interest	13,801	10,920	12,708	11,277	48,706	
Total Other Revenue	440,897	391,476	422,123	397,613	1,652,112	
TOTAL REVENUE	6,541,994	5,218,784	6,039,262	5,382,996	23,183,041	
EXPENSES						
Transmission-Operations	11,996	11,996	11,996	11,996	47,984	
Transmission-Maintenance	12,003	12,003	12,003	12,003	48,013	
Distribution-Operations	470,417	470,417	470,417	470,417	1,881,668	
Distribution-Maintenance	794,138	794,138	794,138	794,138	3,176,551	
Meter Reading	27,258	27,258	27,258	27,258	109,032	
Billing & Collecting	302,431	302,431	302,431	302,431	1,209,724	
Customer Service & Information	54,450	54,450	54,450	54,450	217,798	
Rebates & Inspections	0	0	0	0	0	
Administrative O & M	523,938	523,938	523,938	523,938	2,095,753	
Economic Development	17,812	17,812	17,812	17,812	71,247	
Employee Benefits, FICA & Safety	724,840	724,840	724,840	724,840	2,899,361	
Depreciation	1,167,964	1,204,463	1,228,796	1,265,294	4,866,517	
Tax Equivalents	552,907	552,907	552,907	552,907	2,211,629	
Acquisition Adjustment	6,996	6,996	6,996	6,996	27,985	
Interest on Deposits	5,433	5,433	5,433	5,433	21,730	
Interest on Bonds	121,764	129,706	135,000	142,941	529,410	
Bond Cost Amortization	0	0	0	0	0	
TOTAL EXPENSES	4,794,347	4,838,788	4,868,415	4,912,854	19,414,402	
NET INCOME	1,747,647	379,996	1,170,847	470,142	3,768,637	

CLEVELAND UTILITIES ELECTRIC DIVISION 5YR PROJECTED CAPITAL BUDGET FY 2020 - FY 2024						
DESCRIPTION	FY 2020	FY2021	FY2022	FY2023	FY2024	TOTAL
MAJOR PROJECTS PLAN						
1 Industrial, Commercial, Residential oh & ug service, line construction projects, substation projects	2,000,000	2,250,000	2,500,000	2,500,000	2,500,000	11,750,000
2 Garage, GIS, Computers, Engineering, SCADA, Meter Lab, Electronics, Fiber, Office Furn.	500,000	525,000	550,000	550,000	550,000	2,675,000
3 Street Lighting, security lighting, and traffic lighting (LED lighting projects)	650,000	660,000	670,000	680,000	690,000	3,350,000
4 Buildings and Grounds	110,000	120,000	130,000	140,000	150,000	650,000
Annexation Projects:						
5 Omega Center Annexation						
6 Laurel Ridge Subdivision Phase I	72,000					72,000
7 Laurel Ridge Subdivision Phase II		147,000				147,000
8 Laurel Ridge Subdivision Phase III			74,000			74,000
9 Laurel Ridge Subdivision Phase IV				151,000		151,000
10 Laurel Ridge Subdivision Phase V					77,000	77,000
Major Line Projects (69KV & 13 KV):						
11 Construct new 3-phase line for New South Industrial Park Phase III (Spring Branch Industrial Park)						
12 Reconductor Benton Pike						
13 District to Lang Street reconductor Phase II						
14 District to Lang Street reconductor Phase III	400,000					400,000
15 East Cleveland 69KV addition of 4th circuit Phase I - Line Design & R.O.W. acquisition	200,000					200,000
16 East Cleveland 69KV addition of 4th circuit Phase II - Line Construction		250,000				250,000
17 East Cleveland 69KV addition of 4th circuit Phase III - Line Construction			250,000			250,000
18 Construct new 13KV circuit out of Sequoia substation to serve North Lee Hwy Phase I	300,000					300,000
19 Construct new 13KV circuit out of Sequoia substation to serve North Lee Hwy Phase II		300,000				300,000
20 Complete double conductor of SC614 along APD-40 Phase I				1,200,000		1,200,000
21 Complete double conductor of SC614 along Blue Springs Rd to Church St Phase II					825,000	825,000
22 Complete double conductor of SC624 along South Lee Hwy to Payne Gap Phase I		875,000				875,000
23 Complete double conductor of SC624 from Payne Gap to Smith Dr Phase II			725,000			725,000
24 Pole testing Phase I		375,000				375,000
25 Pole testing Phase II			375,000			375,000
Smart Grid and AMI projects:						
26 Fiber Optics/New Smart Grid Equipment/Distribution Automation	200,000	200,000	200,000	200,000	200,000	1,000,000
Substation Projects:						
27 Install new control house, relaying, ground switch, batteries & charger @ Springbrook Substation						-
28 Install new control house, relaying, ground switch, batteries & charger @ Wildwood substation		250,000				250,000
29 Install new control house, relaying, ground switch, batteries & charger @ Burlington Substation			250,000			250,000
30 Install new control house, relaying, ground switch, batteries & charger @ Payne Gap Substation				250,000		250,000
31 Expand Ocoee Substation to include additional transformer and control building					1,250,000	1,250,000
32 Site work at Burlington Substation		175,000				175,000
33 Transformers at East Cleveland 161kV/69kV						-
34 Construct new Exit 20 Industrial Park Substation (Phase I)						-
35 Construct new Exit 20 Industrial Park Substation (Phase II)	1,000,000					1,000,000
36 Load side isolation breaker at East Cleveland Substation						-
37 Lang St Substation - Construction (Phase I)						-
38 Lang St Substation - Construction (Phase II)	2,000,000					2,000,000
39 Purchase and install privacy/security fence on three sides of Mouse Creek Substation		250,000				250,000
40 Purchase property for future substation site			250,000			250,000
41 Begin development and site work on future substation			500,000	500,000		1,000,000
Utility Vehicle Replacements:						
42 Tool box for garage vehicle						-
43 Compressor, generator, welder, and booster set up for new unit #102						-
44 Unit #200 - replace 1995 model air compressor and trailer						-
45 Unit #118 - 55' bucket truck						-
46 Unit #179 - 55' bucket truck						-
47 Unit #138 - 41' bucket truck						-
48 Unit #144A - portable sign trailer						-
49 Replacement air compressor for garage						-
50 Unit #117A - Ditch Witch Trencher	60,000					60,000
51 Unit #144 - 35' bucket truck	120,000					120,000
52 Unit #106 - International 4700 Flatbed	40,000					40,000
53 Unit #101 - 1/2 Ton Pickup		35,000				35,000
54 Unit #119 - 1/2 Ton Pickup		35,000				35,000
55 Unit #176 - 1/2 Ton Pickup		35,000				35,000
56 Unit #110 - 3/4 Ton with utility bed			55,000			55,000
57 Unit #116 - 3/4 Ton with utility bed			55,000			55,000
58 Unit #114 - Engineering SUV		35,000				35,000
59 Unit #149 - 1998 Komatsu Forklift			60,000			60,000
61 Unit #134 - Engineering pickup			35,000			35,000
62 Unit #139 - 1/2 Ton Pickup				35,000		35,000
63 Unit #104 - 1/2 Ton Pickup				35,000		35,000
64 Unit #143 - Standby Bucket Truck				35,000		35,000
65 Unit #117 - General Digger Derrick					270,000	270,000
66 Unit #121 - Bobcat Skidsteer					60,000	60,000
67 Unit #138 - 41' bucket truck					180,000	180,000
68 Unit #185 - 1/2 Ton Pickup Truck - Standby					35,000	35,000
Miscellaneous Projects:						
69 Upgrade the main building's exterior, to include drive-thru plans and a new design						-
70 Fence and pole racks on the lower yard of the Harrison Property						-
71 Kiosk on the south end of the system			100,000			100,000
72 Pole yard renovations on Guthrie Drive (pole racks and sheds)	210,000	100,000				310,000
TOTAL	7,862,000	6,617,000	6,779,000	6,276,000	6,787,000	34,321,000

CLEVELAND UTILITIES WATER/WASTEWATER FUND

Programs, Services, and Functions:

This enterprise fund accounts for the revenues and expenses (including depreciation) recorded in the Water and Wastewater Divisions of Cleveland Utilities. Cleveland Utilities is operated by the Board of Public Utilities for the City of Cleveland. The rates, annual budget, and long-term debt require the approval of the City Council. The policies and operating procedures, including daily operations, are not under the direct control of the City Council.

Utility rates are presented in the Appendix. There are three major rate categories for water charges: residential; small commercial and large commercial. Sewer charges are tied to these water categories and consumption.

Cleveland Utilities owns and operates an eight million gallon per day drinking water facility sourced by the Hiwassee River as well as a two million gallon per day facility sourced by Waterville Springs. Cleveland Utilities also contractually operates and maintains the Hiwassee Utilities Commission drinking water treatment facility, also sourced by the Hiwassee River. Cleveland Utilities maintains a contractual agreement with the Hiwassee Utilities Commission to purchase over 9.7 million gallons per day. Other purchased water sources include Eastside and Savannah Utility Districts in order to ensure that Cleveland's water system demands are met.

Cleveland's water system can be supplied with up to 21.1 million gallons of water a day from the water sources listed above and can store up to 15.3 million gallons of water in the 10 water storage tanks which distribute the water through 753 miles of water mains within the Cleveland water distribution system. The Cleveland water system's overall water demand (to include purchased water) during the summer of 2017 was 14.5 million gallons and the lowest daily demand (to include purchased water) during the winter of 2017 was 4.932 million gallons.

This FY 2019 Budget calls for improvement in the water system totaling \$5,914,723.

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 2017 Actual	FY 2018 Projected	FY 2019 Proposed
MG of Treated Water Pumped	4,100,002,571	3,850,003,134	3,904,584,470
MG of Treated Water Sold	3,076,149,000	2,887,000,000	2,925,000,000
% of Treated Water Loss	24.97%	25.01%	25.09%
MG of Treated Wastewater	3,350,999,000	1,918,700,000	1,961,300,000
% Inflow/Infiltration	42.15%	50.00%	50.50%
Number of Water Customers			
Residential	27,874	28,028	28,183
Commercial	3,143	3,173	3,203
Irrigation	567	539	523
Sales for Resale	2	2	2
Total	31,586	31,742	31,911
Number of Wastewater Customers			
Residential	16,197	16,322	16,448
Commercial	2,572	2,593	2,614
Industrial	63	62	63
Total	18,832	18,977	19,125
Total Revenues (Combined)	29,081,358	29,755,315	29,972,313
Net Income (Combined)	4,481,533	3,579,001	2,135,105
*Investment in Plant and Equipment	9,549,928	13,573,020	20,493,967
Long-term Debt	51,387,742	50,949,964	64,455,983
# of Customers per W/WW Employee	431	445	433

*Funded from revenue and debt

Cleveland Utilities-Water/Wastewater System Budget Summary

	FY 2017 ACTUAL	FY 2018 BUDGETED	FY 2019 PROPOSED
Revenues for Water System			
Residential	\$ 9,274,511	\$ 9,659,263	\$ 9,666,455
Commercial	4,460,816	4,614,763	4,874,934
Irrigation	663,067	607,307	589,764
Sales for Resale	106,618		14,871
Change in Accrued Revenue	(36,862)	-	-
Total Water Revenue	\$ 14,468,150	\$ 14,881,332	\$ 15,146,023
Sewer Revenues	\$ 12,297,226	\$ 12,153,320	\$ 12,523,065
Other Operating Revenue	2,239,856	2,220,685	2,266,761
Interest	76,126	31,317	36,467
Total Other Revenues	\$ 14,613,208	\$ 14,405,322	\$ 14,826,293
Total Revenues	\$ 29,081,358	\$ 29,286,654	\$ 29,972,316
Operating Expense			
Operations	\$ 11,444,952	\$ 12,102,683	\$ 12,580,156
Maintenance	2,457,280	2,275,439	2,409,225
Depreciation and Amortization	5,753,631	5,883,138	6,758,615
Tax Equivalent & FICA	3,971,048	4,775,740	4,590,166
Total Operating Expenses	\$ 23,626,911	\$ 25,037,000	\$ 26,338,162
Interest Expense	\$ 1,465,151	\$ 1,504,858	\$ 1,499,045
Total Other Expenses	\$ 1,465,151	\$ 1,504,858	\$ 1,499,045
Total Expenses	\$ 25,092,062	\$ 26,541,858	\$ 27,837,207
Operating Income (Loss)	\$ 3,989,296	\$ 2,744,796	\$ 2,135,109
Contribution In Aid of Construction	\$ 492,237	\$ -	\$ -
Net Revenues	\$ 4,481,533	\$ 2,744,796	\$ 2,135,109

**CLEVELAND UTILITIES - WATER
CASH FLOW ANALYSIS
FY 2019**

Sources of Cash:

Net Income **\$ 891,547**

Add:	Non-Cash Items	
	Depreciation - Expensed	\$ 2,797,808
	Depreciation - Cleared	182,678
	Amortization	7,256
		2,987,742

Total Non-Cash Items 2,987,742

Total Cash Generated From Operations **\$ 3,879,289**

Add:	Beginning Cash Balance	\$ 1,482,857
	Bond Issues (Net)	\$ 5,413,083
	Grants & Contributions In Aid	\$ 50,000
	GASB 68 Adjustment	\$ (488,522)
	OPEB Trust Funding	\$ (212,268)

Total Cash Available **\$ 10,124,439**

Uses of Available Cash:

Debt Repayment - Bonds/Loans	\$ 2,234,399
Capital Improvements & Additions	5,914,723
	8,149,122

Total Uses of Cash **\$ 8,149,122**

Cash at End of Year **\$ 1,975,317**

Less Sinking Fund Requirements 1,007,992

Unrestricted **\$ 967,325**

CLEVELAND UTILITIES - WATER
Financial Forecast
For the Year Ending June 30, 2019

2019 Budget						
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	GALLONS (000)
REVENUES						
Residential-Inside	1,143,453	979,512	911,498	986,673	4,021,136	747,284
Residential-Outside	1,566,011	1,358,055	1,325,847	1,395,406	5,645,319	636,101
Small Commercial-Inside	597,986	523,305	494,116	533,665	2,149,072	496,745
Small Commercial-Outside	194,790	164,717	147,276	160,457	667,240	96,933
Large Commercial-Inside	513,528	451,465	434,764	493,542	1,893,299	783,401
Large Commercial-Outside	25,027	27,095	41,307	71,894	165,323	40,748
Irrigation-Inside	216,166	118,587	74,916	114,108	523,777	108,336
Irrigation-Outside	28,951	16,385	7,937	12,714	65,987	7,984
Resale	4,320	5,465	2,928	2,158	14,871	7,499
Total Water Revenue	4,290,232	3,644,586	3,440,589	3,770,617	15,146,021	2,925,031
OTHER REVENUE						
Sprinkler Taps & Service	65,513	55,654	52,538	57,577	231,283	
Access Fees	90,041	76,490	72,209	79,135	317,876	
HUC Reimbursement	94,066	79,910	75,437	82,673	332,086	
Customer Penalties	58,868	50,007	47,208	51,736	207,820	
Miscellaneous (Service Revenue)	85,576	72,697	68,628	75,211	302,113	
Interest	3,298	2,801	2,645	2,898	11,642	
Total Other Revenue	397,362	337,559	318,665	349,230	1,402,820	
TOTAL REVENUE	4,687,594	3,982,145	3,759,254	4,119,847	16,548,841	
EXPENSES						
Purchased Water	721,996	613,341	579,010	634,550	2,548,897	
T & D Operations	399,000	399,000	399,000	399,000	1,595,998	
T & D Maintenance	276,153	276,153	276,153	276,153	1,104,609	
Pumping Expense	526,637	447,382	422,342	462,853	1,859,213	
Meter Reading	36,498	36,498	36,498	36,498	145,993	
Billing & Collecting	177,765	177,765	177,765	177,765	711,065	
Customer Service & Information	13,800	13,800	13,800	13,800	55,196	
Administrative O & M	311,115	311,115	311,115	311,115	1,244,455	
Employee Benefits, FICA & Safety	597,966	597,966	597,966	597,966	2,391,869	
Depreciation	671,474	692,458	706,447	727,430	2,797,808	
Interest	201,692	214,846	223,616	236,770	876,924	
Bond Costs Amortization	22,182	22,182	22,182	22,182	88,728	
Tax Equivalent	59,136	59,136	59,136	59,136	236,538	
TOTAL EXPENSES	4,015,414	3,861,642	3,825,030	3,955,218	15,657,294	
NET INCOME (LOSS)	672,180	120,503	(65,776)	164,629	891,547	

**CLEVELAND UTILITIES - WASTEWATER
CASH FLOW ANALYSIS
FY 2019**

Sources of Cash:

Net Income **\$ 1,243,558**

Add:	Non-Cash Items	
	Depreciation - Expensed	\$ 3,718,913
	Depreciation - Cleared	76,854
	Amortization	<u>115,792</u>

Total Non-Cash Items 3,911,559

Total Cash Generated From Operations **\$ 5,155,117**

Add:	Beginning Cash Balance	4,887,823
	CWSRF Loan Forgiveness (Grant)	75,000
	GASB 68 Adjustment	(301,573)
	Bond Issues (Net)	12,152,726
	Grants & Contribution In Aid	676,000
	Sale of Mouse Creek WWTP	5,000
	OPEB Trust Funding	<u>(159,251)</u>

Total Cash Available **\$ 22,490,842**

Uses of Available Cash:

Debt Repayment - Bonds/Loans	\$ 1,825,392
Capital Improvements & Additions	<u>14,579,244</u>

Total Uses of Cash **16,404,636**

Cash at End of Year **\$ 6,086,206**

Less Sinking Fund Requirements \$ 1,095,092

Unrestricted **\$ 4,991,114**

**CLEVELAND UTILITIES - WASTEWATER
FINANCIAL FORECAST
For the Year Ending June 30, 2019**

2019 Budget						
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	GALLONS (000)
REVENUES						
Residential-Inside	1,289,513	1,235,234	1,376,199	1,410,343	5,311,289	791,325
Residential-Outside	111,729	105,221	115,215	113,970	446,135	40,323
Small Commercial - Inside	977,697	920,057	921,522	922,883	3,742,159	555,342
Small Commercial - Outside	79,043	84,504	84,621	88,975	337,143	42,160
Large Commercial - Inside	712,400	640,177	608,374	679,285	2,640,236	527,432
Large Commercial - Outside	11,279	10,494	12,020	12,306	46,099	4,692
Total Wastewater Revenue	3,181,661	2,995,687	3,117,951	3,227,762	12,523,065	1,961,274
OTHER REVENUE						
Access Fees	55,159	51,934	54,054	55,959	217,104	
Miscellaneous Revenue	108,200	101,876	106,033	109,766	425,876	
Interest	6,306	5,939	6,180	6,398	24,825	
Customer Penalties	59,097	55,641	57,913	59,952	232,603	
Total Other Revenue	228,762	215,390	224,180	232,075	900,408	
TOTAL REVENUE	3,410,423	3,211,077	3,342,131	3,459,837	13,423,472	
EXPENSES						
Wastewater Plant-Operations	333,695	314,189	327,012	338,531	1,313,428	
Wastewater Plant-Maintenance	309	291	302	314	1,216	
Wastewater Plant-Operations-Biosolids	98,221	92,480	96,254	99,643	386,599	
Wastewater Plant-Maintenance-Biosolids	0	0	0	0	0	
Wastewater Collection Operations	72,849	72,849	72,849	72,849	291,399	
Wastewater Collection Maintenance	31,902	31,902	31,902	31,902	127,613	
Wastewater Collection Operations MOM	93,795	93,795	93,795	93,795	375,182	
Wastewater Collection Maintenance MOM	108,330	108,330	108,330	108,330	433,315	
Wastewater Rehab Operations MOM	2,634	2,634	2,634	2,634	10,541	
Wastewater Rehab Maintenance MOM	117	117	117	117	472	
Administration Operations	185,346	185,346	185,346	185,346	741,383	
Administration Operations MOM	6,753	6,753	6,753	6,753	27,013	
Engineering Operations	59,409	59,409	59,409	59,409	237,635	
Engineering Operations MOM	1,935	1,935	1,935	1,935	7,734	
E & R Wastewater Plant Operations	43,064	40,547	42,202	43,688	169,502	
E & R Wastewater Plant Maintenance	1,265	1,191	1,239	1,283	4,979	
E & R Operations FOG MOM	14,202	14,202	14,202	14,202	56,808	
E & R Maintenance FOG MOM	0	0	0	0	0	
E & R Operations SM MOM	1,218	1,218	1,218	1,218	4,871	
E & R Maintenance SM MOM	0	0	0	0	0	
Facilities Maintenance Operations WWTP	0	0	0	0	0	
Facilities Maintenance Maintenance WWTP	159,022	149,726	155,836	161,325	625,909	
Facilities Maintenance Operations MOM	58,536	58,536	58,536	58,536	234,139	
Facilities Maintenance Maintenance MOM	27,777	27,777	27,777	27,777	111,112	
Customer Records and Collection	113,508	113,508	113,508	113,508	454,026	
Customer Service and Assistance	15,399	15,399	15,399	15,399	61,599	
Employee Benefits, FICA & Safety	436,068	436,068	436,068	436,068	1,744,274	
Meter Reading	11,871	11,871	11,871	11,871	47,480	
Depreciation	892,539	920,430	939,026	966,918	3,718,913	
Tax Equivalent	54,372	54,372	54,372	54,372	217,485	
Interest	143,088	152,420	158,640	167,973	622,121	
Bond Costs Amortization	38,292	38,292	38,292	38,292	153,166	
TOTAL EXPENSES	3,005,516	3,005,587	3,054,824	3,113,988	12,179,914	
NET INCOME (LOSS)	404,907	205,490	287,307	345,849	1,243,558	

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$661,724	\$0	\$0	\$0	0.0%
Personnel	\$452,493	\$0	\$0	\$0	0.0%
Operating	\$207,581	\$0	\$0	\$0	0.0%
Capital Outlay & Debt Service	\$1,598	\$0	\$0	\$0	0.0%
Total Expenditures	\$661,672	\$0	\$0	\$0	0.0%
NET INCOME	\$52	\$0	\$0	\$0	0.0%
BEGINNING FUND BALANCE	\$1,263,845	\$0	\$0	\$0	0.0%
ENDING FUND BALANCE	\$1,263,897	\$0	\$0	\$0	0.0%

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$3,746,451	\$3,714,359	\$3,714,359	\$3,974,364	7.0%
Claims	\$2,715,233	\$2,966,285	\$2,966,285	\$3,144,262	6.0%
Administrative Fees	\$599,179	\$648,004	\$648,004	\$686,884	6.0%
Total Expenditures	\$3,314,412	\$3,614,289	\$3,614,289	\$3,831,146	0.0%
NET INCOME	\$432,039	\$100,070	\$100,070	\$143,218	43.1%
BEGINNING FUND BALANCE	\$183,582	\$615,621	\$615,621	\$715,691	16.3%
ENDING FUND BALANCE	\$615,621	\$715,691	\$715,691	\$858,909	20.0%

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	FY2017 Actual	FY2018 Original	FY2018 Amended	FY2019 Adopted	Percentage Change
Total Revenues	\$3,187	\$1,500	\$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%
NET INCOME	\$3,187	\$1,500	\$1,500	\$1,500	0.0%
BEGINNING FUND BALANCE	\$467,246	\$470,433	\$470,433	\$471,933	0.3%
ENDING FUND BALANCE	\$470,433	\$471,933	\$471,933	\$473,433	0.3%

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

A

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.

ACCRA - American Chamber of Commerce Research Association (aka Council for Commerce and Economic Research)

ACT – American College Test- A comprehensive test that measures aptitude and critical thinking.

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.

ADA – American with Disabilities Act

ADA – Average Daily Attendance

ADM – Average Daily Membership

AED – Automated External Defibrillator

AEMT – Advanced Emergency Medical Technician

Allot - To divide an appropriation into amounts, which may be encumbered or expended during an allotment period.

AMI – Advanced Metering Infrastructure – an integrated system of smart meters, communications networks, and data management system that enables two-way communication between utilities and customers.

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 – An authorization granted by the Board to make budgeted expenditures and to incur obligations for the purpose specified in the budget ordinances.

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.

B

Balanced Budget – Occurs when planned expenditures equal anticipated revenues. In Tennessee, it is a requirement that the budget be approved.

Base Budget - Cost of continuing the existing levels of service in the current budget year.

BCEMS – Bradley County Emergency Medical Service

BCRS – Bradley County Rescue Squad

BCVFD – Bradley County Volunteer Fire Department

BEP – Basic Education Program

BFI – Browning-Ferris Industries

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.

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.

Budget Amendment- A formal change of budgeted appropriations requiring three readings by the Board.

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.

C

CAFR – Comprehensive Annual Financial Report

CALEA – Communications Assistance in Law Enforcement Act

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 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.

CBCPL – Cleveland Bradley County Public Library

CCS – Cleveland City Schools

CDBG – Community Development Block Grant

CFD – Cleveland Fire Department

CHS – Cleveland High School

CID – Criminal Investigations Division

CINI – Capital Improvement Needs Inventory

CIP – Capital Improvement Programs- 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.

COLA – Cost of Living Adjustment- An increase in salaries to offset the adverse effect of inflation on compensation.

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.

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.

CPI- Consumer Price Index - 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).

CPR- Cardiopulmonary Resuscitation

CRJ – Cleveland Regional Jetport

CSA – Central Service Association

CUAMPC – Cleveland Urban Area Metro Planning Organization

CUB – Cleveland Utility Board

D

DARE- Drug Awareness and Resistance Education

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.

DEFY – Drug Education for Youth

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.

E

ECD – Bradley County E 911 ECD- An abbreviation to represent the 911 dispatch center.

EDC – Economic Development Council- an organization dedicated to helping economic developers do their job more effectively.

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.

ESG - Energy System Group – an energy service provider that specializes in developing sustainable energy solutions which allows building owners to maximize their energy efficiency and operational performance, while reducing their carbon footprint.

EMR – Emergency Medical Responder

EMT – Emergency Medical Technician

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.

ERU – Equivalent Residential Unit

ESOL – English as a Second of Other Language

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.

F

FFA- Federal Aviation Administration- Federal agency to regulate aspects of civil aviation.

FASB – Financial Accounting Standard Board- A board set to establish and improve GAAP (Generally Accepted Accounting Principles)

FBO- Fixed Base Operator- An organization granted the rights to regulate and provide services in an airport, such as: fueling, hangaring, tie-down, and parking.

FHWA- Federal Highway Administration- A cabinet-level organization of the Executive branch that ensure that the US highways and public roads are in good shape and technologically up to date.

Fiscal Policy - A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City's fiscal year is July 1st through June 30th.

Fixed Assets - Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

FLSA- Fair Labor Standards Act- a law created to enact labor regulations such as minimum wage, overtime pay and child labor limitations.

FMLA- Family Medical Leave Act- Allows employees to take off up to 12 work weeks in a 12 month period for birth, adoption, care of a family member, and serious health conditions

FOLA- Friends of the Library Association- An organization to promote and financially support the resources needed in an academic library.

FTA- Federal Transit Administration- An federal agency that provides financial and technical assistance to local public transportation systems.

FTE- Full Time Equivalency- Personal who work 2,080 hours per year.

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.

G

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.

GED- General Equivalency Diploma

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.)

General Obligation (G.O.) Bond - This type of bond is backed by the full faith, credit and taxing power of the government.

GFOA – Government Finance Officer Association- Professional association to promote excellence in state and local government financial management.

GIS – Geographic Information System- A system designed to capture, store, manipulate, analyze, manage, and present all types of geographical data.

GLTDAG – General Long-Term Debt Accounting Group

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.

GPS - Global Positioning System

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.

H

HCI- Healthy Community Initiative

HUD- Housing and Urban Development

HVAC-Heating, Ventilation and Air Conditioning

I

ICEAS- Intermittent Cycle Extended Aeration System

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.

ISO- Insurance Services Office

K

KWH- Kilowatt-hour - A unit of work or energy equal to that expended by one kilowatt in one hour.

L

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.

LEAF- Law Enforcement Academic and Fitness Academy

LED-Lighting-Emitting Diode

Levy - To impose taxes for the support of government activities.

LGIP- Local Government Investment Pool

LIC- Local Interstate Connector

Line-item Budget - A budget prepared along departmental lines that focuses on what is to be bought.

LMI- Low and Moderate Income

Long-term Debt - Debt with a maturity of more than one year after the date of issuance.

L RTP- Long Range Transportation Plan

M

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.

MHz – Megahertz

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.

MPO- Metropolitan Planning Organization

MSDS- Material Planning Organization

N

NCIC- National Crime Information Center

NDB- Non-Directional Beacon

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.

NPDES- National Pollutant Discharge Elimination System

O

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.

OPEB- Other Post-Employment Benefits

Operating Expenses - The cost of personnel, materials and equipment required for a department to function.

Operating Revenue - Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

OSHA- Occupational Safety and Health Administration

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.

P

PARTAS- parks and Recreation Technical Assistance Service

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.

PPE – Personal Protective Equipment

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.

PHA- Public Housing Authority

PILOT- Payment in Lieu of Taxes

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.

PSPP- Political Subdivision Pension Plan

R

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.

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.

RFID- Radio Frequency Identification

RPO- Rural Planning Organization

RTP- Recreation Trails Program

RTU-Roof-top Units

S

SBCCI- Southern Building Code Congress International

SCI- Smart Communities Initiative

Service Level - Services or products which comprise actual or expected out-put of a given program. Focus is on results, not measures of workload.

SETHEPI- State Employees, Teachers, and Higher Education Employee Pension Plan

SETHRA- Southeast Tennessee Human Resource Agency

SFU- Single Family Unit

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.

SRF- TN State Revolving Loan Fund

SRT- Special Response Team

SR-2- Soil Restoration and Recycling

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.

STP- Surface Transportation Program

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.

T

TAMP- Traffic Access Management Program

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.

TAC- Tennessee Code Annotated

TCC- Technical Coordinating Committee

TCRS- Tennessee Consolidated Retirement System

TDEC- Tennessee Department of Environment and Conservation

TDML- Total Daily Maximum Loads

TDOT- Tennessee Department of Transportation

THDA- Tennessee Housing Development Agency

TIP- Transportation Improvement Plan

TMBF- Tennessee Municipal Bond Fund

TML- Tennessee Municipal League

TOSHA- Tennessee Occupational Safety and Health Act

TRAC- Total Resource Against Crime

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.

U

UA- US Census Urban Area- A program to ensure all residential people in urban areas are accounted for.

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.

UPWP- Unified Planning Work Program- A statement of work identifying the planning priorities and activities to be carried out in a metropolitan planning area.

User Charges - The payment of a fee for direct receipt of a public service by the party who benefits from the service.

V

Variable Cost - A cost that increases/decreases with increases/decreases in the amount of service provided such as the payment of a salary.

VISTA- Volunteer In Service to America

W

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.

City of Cleveland, Tennessee
Schematic List of Classes Grouped by Grade
FY19 Salary Ranges

Salary Grade 21

\$22,811.01 - \$36,923.95

Animal Control Attendant
Central Receptionist
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
Senior Records Clerk
Support Services Tech
Tree Trimmer 1
Volunteer Coordinator/Clerk

Salary Grade 24

\$32,048.85 - \$51,877.29

Brick Mason
Grounds Specialist I
Mechanic I
MEO III
Municipal Court/Business Tax Clerk
Senior Animal Control Officer
Support Services Supervisor

City of Cleveland, Tennessee
Schematic List of Classes Grouped by Grade
FY19 Salary Ranges

Salary Grade 24

\$32,048.85 - \$51,877.29

Tree Trimmer II

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
Assistant to the City Manager/Communication Coordinator

City of Cleveland, Tennessee
Schematic List of Classes Grouped by Grade
FY19 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
Redevelopment 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
Assistant Human Resources Director-Risk/Wellness
Senior Staff Engineer

City of Cleveland, Tennessee
Schematic List of Classes Grouped by Grade
FY19 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
FY19 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
FY19 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
 FY19 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	\$607.99	\$1,202.58	\$607.99	\$1,572.92
Dental	0	\$ 18.06	\$ 26.09	\$ 49.96	\$ 25.65	\$ 68.02
Vision	0	\$ 6.30	\$ 8.00	\$ 14.30	\$ 8.00	\$ 20.60

The City’s insurance coverage renews at August 1st of each year. The City’s agent of record is Ed Jacob’s and Associates. Andy Fighlestahler along with Dena Hunt are the City’s primary representatives with Ed Jacobs. Andy coordinates the city’s renewal each year and every effort is made to ensure employees are receiving the best coverage possible with the funds available. Dena provides employees with assistance with claims, enrollment of dependents, changes in coverage, etc.

Open enrollment is held each year beginning in June. This is the period that changes can be made without a “qualifying event” such as marriage, divorce, birth of a child, change in spouse’s employment status, etc. Employees who elect dependent coverage will have deductions from their paychecks during the month prior to the coverage’s effective date.

Flexible Spending Account Program

The Flexible Spending Account Program is a plan that allows employees to save on their annual tax liability by the of use pre-tax dollars to pay for certain out-of-pocket expenses such as un-reimbursed medical and dental expenses including co-pays and deductibles, dependent care expenses, over-the-counter medications, eyeglasses, etc. Employees elect an annual amount up to \$2,600 that is deducted from payroll **before taxes** in equal amounts out of 24 payrolls each year and deposited in their Flexible Spending Account. As claims are incurred, the employee can use a debit card to pay the expense with no out of pocket cash required, or can file for reimbursement if the debit card is not used. Effective with the 2013 plan year, a roll over option was included to prevent the loss of funds that remain in accounts at the end of the plan year. Up to \$500 may be unused at the end of each year and will roll over to the following year. The Flexible Spending Account year begins August 1st and ends July 31st. Contributions from payroll to employee’s Spending Accounts begin with the first payroll in August. Both the City and the employee save on federal taxes. The City pays for all expenses related to administration of the plan.

Life Insurance Coverage

City employees are provided with two times their base annual salary for life insurance and accidental death and dismemberment insurance. Dependent coverage is provided in the amount of \$2,000 for a spouse and \$1,000 for dependent children. Employees must inform the HR Department in the event of a change in their beneficiary, and of the change in marital status so dependent coverage can be updated. There is no cost to employees for this coverage.

Long-Term Disability

City employees are provided with long-term disability insurance that pays a minimum of 60% of the employee’s regular earnings up to a maximum of \$5,000 per month in the event of disability. The benefit will be provided for disability from the employee’s current occupation for two years, then would convert to disability from any occupation. This benefit begins after the exhaustion of sick leave or 90 days, whichever is greater. There is no cost to the employee for this coverage.

Paid Sick Leave

Employees are credited with sick leave each month at the rate of 8 hours per month for 40 hour per week employees and 24 hours per month for 28 day Fire employees. Sick leave is to be used for an employee’s personal illness or injury off the job, and may also be used for the necessary care and attendance of a member of the employee’s immediate family. Unlimited accumulation is allowed. Unused sick leave is not paid for at termination of employment, however, credit is given for unused sick leave for employees retiring under the City’s retirement plan. Twenty days of unused sick leave will provide the employee with one additional month of service credit in the TCRS. Employees are encouraged not to abuse the paid sick leave benefit so that paid time will be available in the event of an extended absence (paid sick leave serves as short term disability provided by the City), and for the additional service credit at retirement. Sick leave is accrued on approximately the 15th of each month and the leave balance is provided to employees on check stubs every two weeks.

Paid Vacation Leave

Employees earn vacation leave on a monthly accrual basis based on length of service. The list below shows the amount of vacation that is earned on a monthly and annual basis. 24 hour shift Fire personnel earn vacation time at 1.4 times the rate of a regular 40 hour per week employee. There is a maximum carryover allowed each year at January 1st of 240 hours of vacation for all employees except 28 day Fire who have a maximum carryover of 720 hours. Any vacation over the allowed maximums will convert to sick time. Any unused vacation leave is paid to the employee at termination of employment. Vacation leave is accrued on approximately the 15th of each month and the leave balance is provided to employees on check stubs every two weeks.

<u>Years of Service</u>	<u>Accrual Rates per Month</u>		<u>Hours Earned per Year</u>	
	<u>40 hr wk</u>	<u>28 day Fire</u>	<u>40 hr wk</u>	<u>28 day Fire</u>
0 - 1	3.33	4.67	40	56
1 - 5	6.67	9.34	80	112
5 - 10	10.00	14.00	120	168
10-15	11.67	16.34	140	196
15 - 19	13.33	18.67	160	224
20+	16.67	23.34	200	280

Paid Holidays

Employees other than 28 day Fire employees are paid for 12 holidays (96 hours) annually either with time off or additional compensation. Any holiday time that remains on an employee’s balance at the end of the year will convert to vacation time. Holiday time is posted to the employees leave balance at the beginning of each calendar year and the balance is reduced as holiday time is taken. The holiday leave balance is provided to employees on each pay stub. The paid holidays are:

- | | |
|------------------|------------------------|
| New Year’s Day | Labor Day |
| Veterans Day | M.L. King Birthday |
| President’s Day | Columbus Day |
| Good Friday | Thanksgiving Day |
| Memorial Day | Day after Thanksgiving |
| Independence Day | Christmas Eve |
| | Christmas Day |

Special Leave

Employees are granted time off from work with or without pay at the discretion of the Department Head for various occasions. Bereavement leave is granted with pay for a maximum of three days for the death of a member of the immediate family. Jury service is granted with pay provided the jury service pay is turned in to the City. Military leave is granted with pay for a period not to exceed 20 calendar days in a 12 month period. Special leave with or without pay can be provided at the discretion of the Department Head with the City Manager’s approval. Inclement weather leave is provided for all employees in the event the City Offices are closed due to severe weather conditions.

Retirement Plan

City employees are covered by the Tennessee Consolidated Retirement System, a statewide retirement program that covers state employees and numerous city and county local government agencies and school system employees. In 1982 the City initiated non-contributory status which means that the City pays the full cost of membership for employees. Employees do not pay any of the cost of membership in TCRS. The current contribution rate paid by the City is 16.71% 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.

Retiree Premium Reduction Plan/Medicare Supplement

In June 2006, the City implemented a program that allows retirees who qualify to remain on the City's health, dental and vision insurance coverage for life. Retirees under age 65 remain in the City's group plans that are provided for active employees. At age 65 the retiree is covered by a Medicare Advantage Plan. The retiree may also elect to cover spouses after retirement. Spouses may remain in the City's coverage for up to three years in the event of the death of the retiree. Retirees under 65 pay the same for dependent coverage as do active employees. Retirees must have 10 years of creditable service in TCRS to remain in the City's group coverage. A percentage of the retiree's individual premium is paid by the City, based on the employee's years of service. The premium reduction for both the health, dental and vision insurance and Medicare supplement starts at 15 years of service. The City pays 50% of the retiree's individual premium at 15 years of service and the percentage paid by the City increases 3.33% each year up to 100% paid at 30 or more years of service (5 % each year and 100% for 25 or more years of service for public safety employees).

Deferred Compensation Plan

City employees are eligible for a 457 Deferred Compensation Program administered by Nationwide Retirement Solutions. This is a voluntary tax-favored program that allows public employees to contribute a portion of their salary before federal taxes into a supplemental retirement account. This is a long range retirement option designed to allow employees to contribute to an account that will supplement the benefits received from the State Retirement System and Social Security, and provide a more secure standard of living in their retirement years. The plan is very flexible, employees may enroll at any time, can make changes to their plan design, change contribution amounts, stop contributions if necessary and then resume contributions at a later date, and make other changes whenever needed. Various options are available including fixed rate annuities, publicly available mutual funds and life insurance. Employees are not able to access the funds while employed unless for certain unforeseen emergencies as defined by the IRS. Funds become available upon separation from employment and are taxable as income in the year of separation.

Workers Compensation and Occupational Disability Salary Supplement Plan

City employees are covered for occupational injury and illness according to the state worker's compensation laws, with coverage administered by the Tennessee Municipal League Risk Management Pool. The City in addition has adopted an Occupational Disability Policy that will supplement the worker's compensation weekly benefit amount to insure that employees receive an amount equal to their full regular earnings for a period of 30 calendar days. After 30 days if the employee remains unable to return to work, they would receive the temporary total disability benefit from TML (66.67% of regular pre-disability earnings). Employees are encouraged to work safely, and report any accident or injury immediately, even if minor in nature so that appropriate medical attention can be provided.

Educational Reimbursement and Career Training

City employees are eligible for up to \$2,388 per fiscal year for reimbursement of expenses for continuing education with a regionally accredited institution. Employees who have not completed high school are eligible for a \$250 bonus for obtaining a GED. Employees are provided with job related training and certifications as needed such as Police POST certification, Firefighter certification, Building Inspector certification, SCBA certification for Firefighters, etc., and various other types of supervisory training and job-related courses and seminars.

Electronic Direct Deposit

City employees hired prior to February 1, 2013 have the option of having their payroll check electronically deposited directly to any financial institution. Effective February 1, 2013 all new employees are paid by direct deposit.

Payroll Deduction YMCA Membership Fees

Employees can join the local YMCA without a joining fee and are eligible for payroll deduction of the monthly membership dues.

Optional Accident, Cancer, Intensive Care, etc. Insurance Coverage

Employees have available at their own expense through payroll deduction group rate coverage through AFLAC and Colonial Insurance Companies. Various types of coverage are offered through both companies such as cancer plans, accident plans, short term disability plans, among others. Eligibility for these coverages is at employment or at open enrollment each year.

Cafeteria Plan (Premium Conversion Only)

Employees are eligible to purchase dependent health coverage, dental coverage and other insurance policies with pre-tax dollars saving on their tax liability each pay period.

Longevity Pay

Upon completion of their 5th year of service as of June 30th, all employees will receive longevity pay in the amount of \$375, with \$75 added annually for each additional year of service completed. The longevity bonus is paid in November each year.

Service Awards

City employees are provided with service awards for total years of service as of December 31st of each year. Service time includes all current and any prior periods of service combined. Employees may choose to receive cash or cash and a service pin. Retiring employees who reach a qualifying number of years in the year they retire will receive the award payment upon retirement. Awards are provided for the following years:

5 years	\$ 75
10 years	\$100
15 years	\$150
20 years	\$200
25 years and above	\$250

Christmas Bonus

All full-time City employees receive a \$100 bonus in December of each year.

Sick Leave Incentive Pay

As incentive for nonuse of sick leave employees will accrue sick incentive pay at a rate of \$25 per month that no sick leave is taken.

FICA Taxes

The City pays 7.65% of wages for each employee for Social Security and Medicare.

Competitive Wages, Overtime Pay, and Compensatory Time

City employees are paid competitive wages which are evaluated periodically to insure they are comparable to wages paid for similar duties in both the public and private sectors. Employees receive annual pay increases if job performance is satisfactory, subject to the approval of the City Council and the availability of funds. The current compensation plan gives employees with a good evaluation a 3.5% step in pay each year in addition to any cost of living increase that is given (if funds are available and subject to Council approval), normally on July 1st of each year. Employees are compensated for any overtime worked according to the Fair Labor Standards Act, either with pay at time and one half or compensatory time off. Certified Police and Fire personnel are subject to special provisions of the FLSA that allows for extended work periods and an increased number of hours worked before overtime is paid.

Annual Physicals

Annual physical examinations are provided in October each year at no cost to any employee who wishes to participate.

Flu Shots

Flu shots are provided annually at no cost to the employee.

Annual City Picnic and Employee Appreciation Day

Employees are honored annually with a city-wide picnic in May and a luncheon in December, providing funds are available. Food and gift cards are provided entirely by the City.

Sold Vacation

Employees who qualify are allowed to receive pay in lieu of time off for up to two weeks of vacation time per fiscal year.

Advanced Sick and Vacation Time

Under certain conditions, if an employee exhausts all earned sick and vacation time, they may be advanced up to two weeks of sick leave and two weeks of vacation leave.

Uniforms and Cleaning Services

Uniforms are provided for city employees, other than clerical and others wearing normal street clothes, for Public Works, Police, Fire, Parks and Recreation, and the Animal Shelter. Clothing allowances are provided for police detectives, building, plumbing and mechanical inspectors, and department heads as well as reasonable amounts for laundry and dry cleaning.

Death of an Employee

Upon the death of a full-time employee, his/her beneficiary shall receive pay for all accrued vacation time, plus an additional two weeks full pay.

RETIREMENT COMMITMENTS

THE TCRS PENSION PLAN

Plan Description. Certain employees of the City of Cleveland are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits are early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms. At the measurement date of June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	428
Inactive employees entitled to but not yet receiving benefits	355
Active employees	666
	<hr/>
	1,449
	<hr/>

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, 2017, employer contributions were 5,741,653 based on a rate of 20.21 percent of covered payroll for public safety employees and 16.71 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, 2016, 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, 2016 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:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Cleveland City will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

THE TCRS PENSION PLAN - (Cont.)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 6/30/15	\$ 126,414,032	\$ 110,312,072	\$ 16,101,960
Changes for the year:			
Service cost	\$ 2,363,997	\$ 0	\$ 2,363,997
Interest	9,467,115	0	9,467,115
Difference between expected and actual experience	1,198,307	0	1,198,307
Contributions - employer	0	5,426,173	(5,426,173)
Contributions - employees	0	1,998	(1,998)
Net Investment income	0	2,936,077	(2,936,077)
Benefit payments	(5,099,666)	(5,099,666)	0
Administrative expenses	0	(51,102)	51,102
Net changes	<u>\$ 7,929,753</u>	<u>\$ 3,213,480</u>	<u>\$ 4,716,273</u>
Balance at 6/30/16	<u>\$ 134,343,785</u>	<u>\$ 113,525,552</u>	<u>\$ 20,818,233</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	\$ 38,651,812	\$ 20,818,233	\$ 5,918,687

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

Pension expense. For the year ended June 30, 2017, Cleveland City recognized pension expense of \$4,238,130.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2017, 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	\$ 1,477,111	\$ 127,471
Net difference between projected and actual earnings on pension plan investments	3,810,627	0
Contributions subsequent to the measurement date of June 30, 2016	<u>5,741,653</u>	<u>0</u>
Total	<u>\$ 11,029,391</u>	<u>\$ 127,471</u>

THE TCRS PENSION PLAN - (Cont.)

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2016," 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:		
2018	\$	641,722
2019		641,722
2020		2,288,207
2021		1,388,894
2022		199,718
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, 2017, the City of Cleveland did not have a payable balance of contribution to the plan.

POSTEMPLOYMENT BENEFITS

CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES

PLAN DESCRIPTION

The City provides postretirement medical, dental and life insurance benefits to employees who retire from the City with 30 years of service, public safety employees 25 years or age 55 with 10 years of service. Medical benefits are provided using a point of service (POS) single-employer plan through Blue Cross. Dental benefits are provided using a preferred provider organization (PPO) through Blue Cross/Blue Shield. Lincoln National provides life insurance benefits. The following schedule applies to employees with over 10 years of service. If the retiree has family coverage the City will pay half the difference between the cost of the family plan and the cost of the individual plan. No separate report is issued for this plan.

Years of Service At Retirement	% Paid by Participant Non Police Non Fire	Years of Service At Retirement	% Paid by Participant Police & Fire
<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%		

CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES - (Cont.)

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)	\$ 2,855,095
Interest on net OPEB obligation	545,268
Adjustment to annual required contribution	<u>(697,367)</u>
Annual OPEB cost (expense)	\$ 2,702,996
Contributions made	<u>(753,846)</u>
Increase in net OPEB obligation	\$ 1,949,150
Net OPEB obligation - June 30, 2016	<u>13,631,722</u>
Net OPEB obligation - June 30, 2017	<u><u>\$ 15,580,872</u></u>

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
6/30/2015	\$ 2,448,747	24.58%	\$ 11,744,354
6/30/2016	2,585,603	27.00%	13,631,722
6/30/2017	2,702,996	27.90%	15,580,872

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><u>\$ 28,431,428</u></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.

CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES - (Cont.)

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
2009	Revaluation \$ 1.4904	\$ 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 \$ 1.5844	\$ 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 \$ 1.6091	\$ 2.0600	\$ 1.7084	\$ 3.77
2018		\$ 2.0600	\$ 1.7084	\$ 3.77

CITY OF CLEVELAND, TENNESSEE

PRINCIPAL TAXPAYERS

6/30/2018 Estimated

<u>Assessed Taxpayer</u>	<u>Type of Business</u>	<u>2017 Assessed Valuation</u>	<u>Percentage of total Valuation</u>
Cleveland Tennessee Hospital	Health Care	\$37,307,830	2.97%
Mars Snackfoods	Candy Manufacture	\$30,619,170	2.44%
Life Care Centers of America	Health Care	\$23,941,505	1.91%
Duracell Company	Battery Manufacture	\$23,569,750	1.88%
Bayer Healthcare	Distribution Compnay	\$22,261,710	1.77%
Whirlpool	Appliance Manufacture	\$13,968,330	1.11%
Wal-Mart	Retail	\$10,030,120	0.80%
Jones Properties	Developer	\$9,890,505	0.79%
Peyton's Southeastern	Distribution Company	\$9,683,050	0.77%
Alvin Calhoun	Developer	\$8,446,420	0.67%
TOTALS		\$189,718,390	15.11%

***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

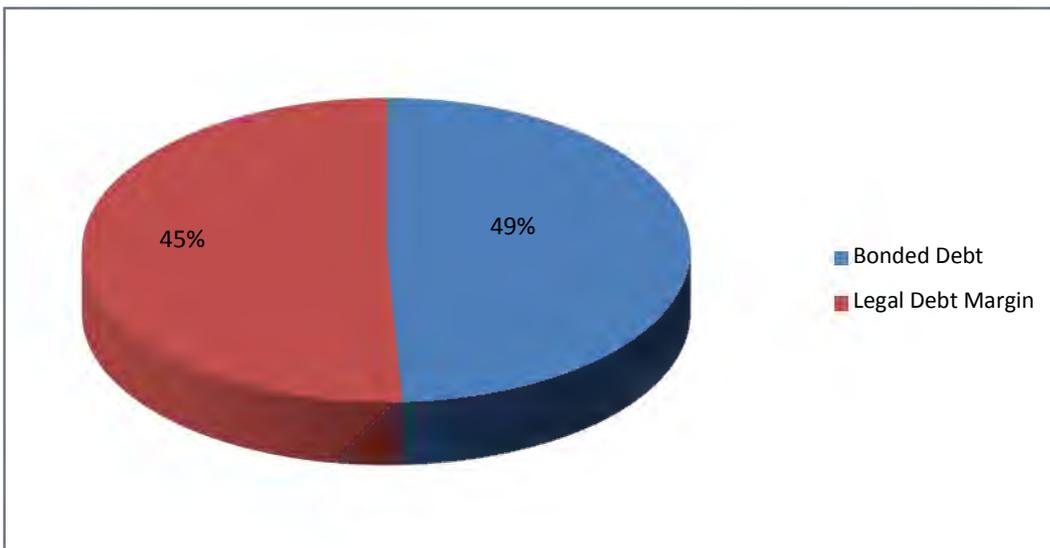
Employer	Employees	Rank	Percentage of Total Labor Force Bradley County
Whirlpool/Maytag	1,251	1	2.08%
Bradley County Schools	1,200	2	2.00%
Tennova	1,157	3	1.93%
City Government	989	4	1.65%
Peyton's Southeastern	950	5	1.58%
Lee University	816	6	1.36%
Jackson Furniture Industries	800	7	1.33%
Wal-Mart	850	8	1.42%
Bradley County Government	620	9	1.03%
Mars Chocolate	575	10	0.96%
Total	9,208		15.34%

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
 6/30/2018 (estimated)

Total assessed value		\$1,277,099,927
Legal debt margin:		
Debt limitation--10 percent of total assessed value as adopted by local resolution		\$127,709,993
Debt applicable to limitation:		
Total bonded debt	\$139,674,631	
Less: Revenue bonds	65,024,520	
Amount available for repayment of general obligation bonds	<u>4,720,581</u>	
Total debt applicable to limitation		<u>69,929,530</u>
Legal debt margin		<u>\$57,780,463</u>
Per Capita Debt as of June 30, 2018 (estimated)		\$1,562



**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, 2017*

Season	Summer	Retail Rates Effective June 2017					June '17
Schedule		Base	Revenue Adjustment N/A	Base Plus Zero TVA Revenue Adjustment	Environmental Adjustment	FCA	Effective Rate
		[1]	[2]	[3] = [1]+[2]	[4]	[5]	[6] = [3]+[4]+[5]
Residential	Customer Charge (Gross)	\$18.43		\$18.43			\$18.43
	Surcharge	0.00		0.00			0.00
	All kWh	0.07136	0.00324	0.07460	0.00298	0.02132	0.09890
Alternate Usage Blocks	Block1 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Block2 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Block3 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
GSA1	Customer #1	17.41		17.41			17.41
	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	0.08253	0.00347	0.08600	0.00347	0.02107	0.11054
Alternate Usage Blocks	Block1 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Block2 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Block3 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
GSA2	Customer #1	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	0.52	12.91	0.47		13.38
	1st 15,000 kWh	0.08013	0.00336	0.08349	0.00194	0.02107	0.10650
	Additional kWh	0.04	0.00171	0.04	0.00191	0.02078	0.06
GSA3	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	11.23	0.52	11.75	0.59		12.34
	Block 2 kW	11.10	0.52	11.62	0.59		12.21
	Block 3 kW	0.00	0.00	0.00	0.00		0.00
Alternate Usage Blocks	All kWh	0.04	0.00182	0.04	0.00197	0.02078	0.06
	Block 1 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Block 2 kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Outdoor Lighting	Surcharge	0.00		0.00			0.00
	All kWh	0.05	0.00147	0.05	0.00201	0.02132	0.07
Drainage Pumping	Customer	0.00		0.00			0.00
	Surcharge	0.00		0.00			0.00
	All kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
TRS	Customer Charge (Gross)	0.00		0.00			0.00
	Surcharge	0.00		0.00			0.00
	Onpeak kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	Offpeak kWh	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Alternative Season TGSA1	Customer #1	17.41		17.41			17.41
	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	0.01000	0.16	0.00000	0.02107	0.18
	OffPeak kWh	0.04	0.00000	0.05	0.00000	0.02107	0.07
Alternative Season TGSA2	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	0.52	13.00	0.47		13.47000
	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	0.00279	0.07133	0.00194	0.02107	0.09434
	OffPeak kWh	0.04	0.00159	0.05	0.00194	0.02107	0.07

**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, 2017

		Retail Rates Effective June 2016					
		Revenue		Base Plus Zero TVA	Environmental	FCA	June '16
		Base	Adjustment	Revenue Adjustment	Adjustment		Effective Rate
		[1]	N/A	[3] = [1]+[2]	[4]	[5]	[6] = [3]+[4]+[5]
Alternative Season	Summer						
TGSA3	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	0.52	11.83	0.59		12.42
	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	0.06000	0.00276	0.06000	0.00197	0.02078	0.08275
	OffPeak kWh	0.04000	0.00000	0.04000	0.00000	0.02000	0.06000
TDGSA	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	9.40	0.49	9.89	0.52		10.41
	Summer Season Max Kw	4.64	0.16	4.80	0.20		5.00
	Summer Season OffPeak kW	9.40	0.49	9.89	0.52		10.41
	Summer Season OnPeak kWh	0.07000	0.00356	0.07000	0.00379	0.01921	0.09300
	Summer Season OffPeak kWh - First 200 HUD	0.04000	0.00207	0.04000	0.00221	0.01921	0.06142
	Summer Season OffPeak kWh - Next 200 HUD	0.00000	0.00017	0.00000	0.00022	0.01921	0.01943
	Summer Season OffPeak kWh - Additional HUD	0.00000	0.00000	0.00000		0.02000	0.02000
TDMSA	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	8.72	0.45	9.17	0.57		9.74
	Summer Season Max Kw	3.18	0.08	3.26	0.14		3.40
	Summer Season OffPeak kW	8.72	0.45	9.17	0.57		9.74
	Summer Season OnPeak kWh	0.05000	0.00244	0.05000	0.00308	0.01921	0.07229
	Summer Season OffPeak kWh - First 200 HUD	0.03000	0.00000	0.03000	0.00000	0.02000	0.05000
	Summer Season OffPeak kWh - Next 200 HUD	0.00	0.00000	0.00	0.00000	0.02000	0.02
	Summer Season OffPeak kWh - Additional HUD	0.00	-0.00002	0.00	0.00003	0.01921	0.01966
TOU GSB	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	9.35	0.49	9.84	0.52		10.36
	Summer Season Max Kw	4.64	0.16	4.80	0.20		5.00
	Summer Season OffPeak kW	9.35	0.49	9.84	0.52		10.36
	Summer Season OnPeak kWh	0.07	0.00000	0.07	0.00000	0.02000	0.09
	Summer Season OffPeak kWh - First 200 HUD	0.04477	0.00230	0.04707	0.00245	0.01921	0.06873
	Summer Season OffPeak kWh - Next 200 HUD	0.00484	0.00021	0.00505	0.00027	0.01921	0.02453
	Summer Season OffPeak kWh - Additional HUD	0.00192	0.00004	0.00196	0.00000	0.00010	0.00206
TOU GSC	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	9.35	0.49	9.84	0.52		10.36
	Summer Season Max Kw	4.13	0.16	4.29	0.20		4.49
	Summer Season OffPeak kW	9.35	0.49	9.84	0.52		10.36
	Summer Season OnPeak kWh	0.06625	0.00342	0.06967	0.00364	0.01921	0.09
	Summer Season OffPeak kWh - First 200 HUD	0.04477	0.00230	0.04707	0.00245	0.01921	0.07
	Summer Season OffPeak kWh - Next 200 HUD	0.00484	0.00021	0.00505	0.00027	0.01921	0.02
	Summer Season OffPeak kWh - Additional HUD	0.00192	0.00004	0.00196	0.00010	0.01921	0.02127
TOU GSD	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	9.35	0.49	9.84	0.52		10.36
	Summer Season Max Kw	4.02	0.16	4.18	0.20		4.38
	Summer Season OffPeak kW	9.35	0.49	9.84	0.52		10.36
	Summer Season OnPeak kWh	0.06625	0.00342	0.06967	0.00364	0.01921	0.09252
	Summer Season OffPeak kWh - First 200 HUD	0.04477	0.00230	0.04707	0.00245	0.01921	0.06873
	Summer Season OffPeak kWh - Next 200 HUD	0.00386	0.00014	0.00400	0.00022	0.01921	0.02343
	Summer Season OffPeak kWh - Additional HUD	0.00000	0.00004	0.00000	0.00010	0.01921	0.02
TOU MSB	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	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, 2017*

		Retail Rates Effective June 2016					
		Revenue			Base Plus Zero TVA	Environmental	June '16
		Adjustment	N/A	Revenue Adjustment	Adjustment	FCA	Effective Rate
		Base	[2]	[3] = [1]+[2]	[4]	[5]	[6] = [3]+[4]+[5]
		[1]	[2]	[3] = [1]+[2]	[4]	[5]	[6] = [3]+[4]+[5]
TOU MSC	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	8.72	0.45	9.17	0.57		9.74
	Summer Season Max Kw	1.54	0.04	1.58	0.07		1.65
	Summer Season OffPeak kW	8.72	0.45	9.17	0.57		9.74
	Summer Season OnPeak kWh	0.05000	0.00250	0.05000	0.00314	0.01921	0.07
	Summer Season OffPeak kWh - First 425 HUD	0.03	0.00135	0.03	0.00175	0.01921	0.05
	Summer Season OffPeak kWh - Next 195 HUD	0.00	0.00014	0.00	0.00025	0.01921	0.02
	Summer Season OffPeak kWh - Over 620 HUD	0.00	0.00000	0.00	0.00000	0.01921	0.02
TOU MSD	Customer Charge	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season OnPeak kW	8.72	0.45	9.17	0.57		9.74
	Summer Season Max Kw	1.43	0.04	1.47	0.07		1.54
	Summer Season OffPeak kW	8.72	0.45	9.17	0.57		9.74
	Summer Season OnPeak kWh	0.05	0.00240	0.05	0.00301	0.01921	0.08
	Summer Season OffPeak kWh - First 425 HUD	0.03	0.00127	0.03	0.00163	0.01921	0.05
	Summer Season OffPeak kWh - Next 195 HUD	0.00	0.00000	0.00	0.00000	0.01921	0.02
	Summer Season OffPeak kWh - Over 620 HUD	0.00190	0.00004	0.00194	0.00012	0.01921	0.02127
SDE SGSB	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	18.11	0.87	18.98	0.94		19.92
	Summer Season kWh Charge	0.02731	0.00138	0.02869	0.00149	0.01921	0.04939
SDE SGSC	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	17.60	0.87	18.47	0.94		19.41
	Summer Season kWh Charge	0.02676	0.00135	0.02811	0.00147	0.01921	0.05
SDE SGSD	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	17.49	0.87	18.36	0.94		19.30
	Summer Season kWh Charge	0.02464	0.00124	0.02588	0.00135	0.01921	0.04644
SDE SMSB	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	15.07	0.72	15.79	0.92		16.71
	Summer Season kWh Charge	0.01898	0.00095	0.01993	0.00124	0.01921	0.04038
SDE SMSC	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	14.56	0.72	15.28	0.92		16.20
	Summer Season kWh Charge	0.01821	0.00091	0.01912	0.00118	0.01921	0.03951
SDE SMSD	Customer	1,500.00		1,500.00			1,500.00
	Admin Charge	350.00		350.00			350.00
	Surcharge	0.00		0.00			0.00
	Summer Season kW Charge	17.32	0.87	18.19	1.10		19.29
	Summer Season kWh Charge	0.01117	0.00054	0.01171	0.00073	0.01921	0.03165
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, 2017*



Water and Wastewater Rates in Effect on June 30, 2017		
Water Rates	Inside City	Outside City
<u>RESIDENTIAL (Class 201, 202)</u>		
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.
<u>NON-RESIDENTIAL (Small Commercial) (Class 204, 205)</u>		
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.
<u>NON-RESIDENTIAL (Large Commercial) (Class 208, 209)</u>		
Customer charge	\$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.
<u>IRRIGATION ONLY (Class 211, 213)</u>		
Customer charge	\$7.66	\$13.80
All usage	\$2.36/100 cu. ft.	\$3.74/100 cu. ft.
<u>RESALE (Class 203)</u>		
Customer Charge	\$30.79	\$30.79
All usage	\$1.36/100 cu. ft.	\$1.36/100 cu. ft.
Wastewater Rates	Inside City	Outside City
<u>RESIDENTIAL (Class 301, 302) (April - November)</u>		
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.
<u>RESIDENTIAL (Class 301, 302) (December - March)</u>		
Customer charge	\$8.09	\$11.50
All usage	\$3.99/100 cu. ft.	\$6.02/100 cu. Ft.
<u>NON-RESIDENTIAL (Small Commercial) (Class 304, 305) (Meter Less Than 3")</u>		
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.
<u>NON-RESIDENTIAL (Large Commercial) (Class 308, 309) (Meter 3" or Larger)</u>		
Customer charge	\$32.07	\$35.49
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.
<u>WASTEWATER SURCHARGE</u>		
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, 2017*

MINIMUM BILLS

in Effect on June 30, 2017
(Based on installed meter size)

RESIDENTIAL (Class 201, 202, 301, 302)

Size	Code	Minimum Usage	Inside Rates			Outside Rates		
			Water	Wastewater		Water	Wastewater	
				Dec-Mar/Apr-Nov			Dec-Mar/Apr-Nov	
5/8"	000	200 cu. ft.	\$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

**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, 2017*

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, 2017:	Water	Wastewater
	31,586	18,832

Rates are subject to rules and regulations of Cleveland Utilities.
Rates will be subject to adjustment as rate adjustments are received from water suppliers.

**Water Audit Report
 Reporting**

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

WATER SUPPLIED

Enter grading in column 'E' and 'J'

Master Meter and Supply Error Adjustments

	Grading	Value	Unit	Pcnt:	Value:	Unit
Volume from own sources:	+ ? 8	2,383,142	MG/Yr	+ ?		MG/Yr
Water imported:	+ ? 8	1,830,881	MG/Yr	+ ?		MG/Yr
Water exported:	+ ? 8	57,868	MG/Yr	+ ?		MG/Yr

WATER SUPPLIED: 4,156,155 MG/Yr

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

AUTHORIZED CONSUMPTION

Billed metered:	+ ? 9	3,018,281	MG/Yr
Billed unmetered:	+ ? 1		MG/Yr
Unbilled metered:	+ ? 10	85,074	MG/Yr
Unbilled unmetered:	+ ? 8	34,991	MG/Yr

AUTHORIZED CONSUMPTION: 3,138,346 MG/Yr

Click here: ?
 for help using option buttons below

Pcnt:	Value:	Unit
	34,991	MG/Yr

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption)

1,017,809 MG/Yr

Apparent Losses

Unauthorized consumption: + ? 5 **10,390 MG/Yr**

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

Customer metering inaccuracies: + ? 8 **163,334 MG/Yr**

Systematic data handling errors: + ? 7 **7,546 MG/Yr**

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

Apparent Losses: 181,271 MG/Yr

Pcnt:	Value:	Unit
0.25%		MG/Yr

5.00%		MG/Yr
0.25%		MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: ? **836,539 MG/Yr**

WATER LOSSES: 1,017,809 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 1,137,874 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: + ? 9 **753.3 miles**

Number of active AND inactive service connections: + ? 8 **31,586**

Service connection density: + ? 4 **42 conn./mile main**

Are customer meters typically located at the curbside or property line? Yes

Average length of customer service line: + ? 10 (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: + ? 6 **90.0 psi**

COST DATA

Total annual cost of operating water system: + ? 10 **\$14,253,870 \$/Year**

Customer retail unit cost (applied to Apparent Losses): + ? 8 **\$4.72 \$/1000 gallons (US)**

Variable production cost (applied to Real Losses): + ? 9 **\$944.00 \$/Million gallons** Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 82 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Volume from own sources
- 2: Water imported
- 3: Unauthorized consumption

AWWA Free Water Audit Software:
 System Attributes and Performance Indicators

WAS v5.0
 American Water Works Association
 Copyright © 2014. All Rights Reserved.

Water Audit Report for: Cleveland Utilities (TN0000117)
 Reporting Year: 2017 7/2016 - 6/2017

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 ***

System Attributes:

Apparent Losses:	181.271	MG/Yr
+ Real Losses:	836.539	MG/Yr
= Water Losses:	1,017.809	MG/Yr

? Unavoidable Annual Real Losses (UARL): 289.52 MG/Yr

Annual cost of Apparent Losses: \$855,597

Annual cost of Real Losses: \$789,693 Valued at Variable Production Cost
 Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial: { Non-revenue water as percent by volume of Water Supplied: 27.4%
 Non-revenue water as percent by cost of operating system: 12.3% Real Losses valued at Variable Production Cost

Operational Efficiency: { Apparent Losses per service connection per day: 15.72 gallons/connection/day
 Real Losses per service connection per day: 72.56 gallons/connection/day
 Real Losses per length of main per day*: N/A
 Real Losses per service connection per day per psi pressure: 0.81 gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 836.54 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 2.89

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline



**CITY OF CLEVELAND, TENNESSEE
OTHER STATISTICAL DATA
June 30, 2017**

Population 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	325	678	11	188	1,202
Regular Part-time	0	170	34	0	204
Seasonal Part-time	68	0	0	0	68
Total	393	848	45	188	1,474

Area of City 30.33

Miles of roads and streets:
Asphalt 359

Miles of sidewalks 53.70

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 8

Number of Fire Specialists pickup trucks - radio equipped 1

Number of fire hydrants 2,732

Per-capita fire loss \$33.19 (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, 2017**

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	1,590	1,492
Middle School (Grades 6 through 8)	1	1,305	1,223
Elementary Schools (Grades K through 5)	6	2,498	2,385
Ungraded - Special Education		97	90
Total Students		5,490	5,190
Certificated Staff	455		
Non-Certificated Personnel	294		
Total Personnel	749		

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	179,345
Number of e-books	28,208
Number of e-Audiobooks	914
Number of e-Videos	385
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.