

**ORDINANCE # 2025-005**

**AN ORDINANCE OF THE  
TOWN OF KINGSTON SPRINGS, TENNESSEE  
ADOPTING THE ANNUAL BUDGET AND TAX RATE  
FOR THE FISCAL YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026**

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

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

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

**NOW THEREFORE BE IT ORDAINED BY THE GOVERNING BODY OF THE TOWN OF KINGSTON SPRINGS, TENNESSEE AS FOLLOWS:**

SECTION 1: That the governing body projects anticipated revenues from all sources and appropriates planned expenditures for each department, board, office or other agency of the municipality, herein presented together with the actual annual receipts and expenditures of the last preceding fiscal year and the estimated annual expenditures for the current fiscal year, and from those revenues and unexpended and unencumbered funds as follows for fiscal year 2026, and including the projected ending balances for the budget year, the actual ending balances for the most recent ended fiscal year and the estimated ending balances for the current fiscal years:

GENERAL FUND		Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
<b>Revenues</b>				
Local Taxes		\$ 2,186,844	\$ 2,394,256	\$ 2,352,670
Licenses And Permits		51,076	22,437	22,000
Intergovernmental		941,592	1,599,952	2,403,393
Fines And Forfeitures		17,797	21,056	20,500
Other		245,741	215,577	222,710
<b>Other Financing Sources</b>				
Issuance of Debt / Debt Proceeds		-	-	700,000
Transfers In - from other funds (PILOT)		9,903	109,903	13,235
<b>Total Revenues and Other Financing Sources</b>		<b>\$ 3,452,953</b>	<b>\$ 4,363,181</b>	<b>\$ 5,734,508</b>
<b>Appropriations</b>				
<b>Expenditures</b>				
General Government		\$ 1,407,592	\$ 730,184	\$ 2,669,866
Codes		36,377	51,662	63,953
Police Department		812,502	984,170	1,031,688
Fire Department		350,647	332,704	1,282,572
Parks and Recreation		428,415	392,110	734,718
Highways and Streets		387,114	1,174,592	1,000,514
Tourism		54,929	61,903	32,030
Debt Service - Principal and Interest		331,001	112,384	112,259
<b>Total Appropriations</b>		<b>\$ 3,808,577</b>	<b>\$ 3,839,709</b>	<b>\$ 6,927,600</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>		<b>(355,624)</b>	<b>523,472</b>	<b>(1,193,092)</b>
<b>Beginning Fund Balance July 1</b>		<b>3,802,514</b>	<b>3,446,890</b>	<b>3,970,362</b>
<b>Ending Fund Balance June 30</b>		<b>\$ 3,446,890</b>	<b>\$ 3,970,362</b>	<b>\$ 2,777,270</b>
<b>Ending Fund Balance as a % of Total Appropriations</b>		<b>90.5%</b>	<b>103.4%</b>	<b>40.1%</b>

#### Debt Service paid from General Fund

<b>Debt Management</b>				
110-49000-514	CON Principal (Sidewalk Grants State Portion)	\$ 216,500	\$ -	\$ -
110-49000-513	CON Interest (Sidewalk Grants State Portion)	5,289	-	-
110-49000-525	CON Principal (Fire Engine)	13,405	11,821	10,178
110-49000-515	CON Interest (Fire Engine)	39,000	41,000	42,000
110-49000-531	CON Principal (Depot Lot)	18,300	18,300	19,300
110-49000-530	CON Interest (Depot Lot)	3,308	6,095	5,559
110-49000-611	CON Principal (Sidewalk Grants Town Portion)	27,800	28,400	29,100
110-49000-610	CON Interest (Sidewalk Grants Town Portion)	7,400	6,768	6,122
<b>Total Annual Debt Service Payments</b>		<b>\$ 331,002</b>	<b>\$ 112,384</b>	<b>\$ 112,259</b>

DRUG FUND		Actual	Estimated	Budget
		FY 2024	FY 2025	FY 2026
<b>Revenues</b>				
Fines And Forfeitures		\$ 5,475	\$ 583	\$ 550
Other		5,480	2,173	2,100
<b>Total Revenues and Other Financing Sources</b>		<b>\$ 10,955</b>	<b>\$ 2,756</b>	<b>\$ 2,650</b>
<b>Appropriations</b>				
Drug Enforcement		\$ 12,679	\$ 10,512	\$ 12,060
<b>Total Appropriations</b>		<b>\$ 12,679</b>	<b>\$ 10,512</b>	<b>\$ 12,060</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>		<b>(1,724)</b>	<b>(7,756)</b>	<b>(9,410)</b>
<b>Beginning Fund Balance July 1</b>		<b>109,933</b>	<b>108,209</b>	<b>100,453</b>
<b>Ending Fund Balance June 30</b>		<b>\$ 108,209</b>	<b>\$ 100,453</b>	<b>\$ 91,043</b>
<b>Ending Fund Balance as a % of Appropriations</b>		<b>853.5%</b>	<b>955.6%</b>	<b>754.9%</b>

ADEQUATE FACILITIES TAX FUND		Actual	Estimated	Budget
		FY 2024	FY 2025	FY 2026
<b>Revenues</b>				
Local Taxes		\$ 24,187	\$ 13,223	\$ 13,200
Miscellaneous Other Revenue		605	820	200
<b>Total Revenues and Other Financing Sources</b>		<b>\$ 24,792</b>	<b>\$ 14,043</b>	<b>\$ 13,400</b>
<b>Appropriations</b>				
Public Works Department		\$0.00	\$ 100,000	\$0.00
<b>Total Appropriations</b>		<b>\$0.00</b>	<b>\$ 100,000</b>	<b>\$0.00</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>		<b>24,792</b>	<b>(85,957)</b>	<b>13,400</b>
<b>Beginning Fund Balance July 1</b>		<b>114,813</b>	<b>139,605</b>	<b>53,648</b>
<b>Ending Fund Balance June 30</b>		<b>\$ 139,605</b>	<b>\$ 53,648</b>	<b>\$ 67,048</b>
<b>Ending Fund Balance as a % of Total Appropriations</b>		<b>#DIV/0!</b>	<b>53.6%</b>	<b>#DIV/0!</b>

SEWER FUND	Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
<b>Operating Revenues</b>			
Sewer Charges	\$ 852,726	\$ 918,478	\$ 980,200
Tap Fees	19,225	1,650	1,500
Total Operating Revenues	\$ 871,951	\$ 920,128	\$ 981,700
<b>Operating Expenses</b>			
Administrative	\$ 100,121	\$ 137,674	\$ 161,124
Sewer Department	446,700	639,674	635,800
Depreciation	151,080	149,713	151,080
Total Operating Expenses	\$ 697,901	\$ 927,061	\$ 948,004
<b>Operating Income (Loss)</b>	\$ 174,050	\$ (6,933)	\$ 33,696
<b>Nonoperating Revenues (Expenses)</b>			
Revenue: Investment Income	\$ 20,085	\$ 16,977	\$ 16,900
Other Income	53,149	64,925	-
Expense: Debt Service - Interest Expense	(17,568)	(15,070)	(12,492)
Total Nonoperating Revenue (Expenses)	\$ 55,666	\$ 66,832	\$ 4,408
<b>Income (Loss) Before Capital Contributions and Transfers</b>	\$ 229,716	\$ 59,899	\$ 38,104
<b>Capital Contributions and Transfers</b>			
Capital Contributions - Grants	\$ 700,000	37,678	-
Transfers Out - to Other Funds (PILOT)	(9,903)	(12,711)	(13,235)
Total Capital Contributions and Transfers	\$ 690,097	\$ 24,967	\$ (13,235)
<b>Change in Net Position</b>	\$ 919,813	\$ 84,866	\$ 24,869
<b>Beginning Net Position July 1</b>	3,003,685	3,923,498	4,008,364
<b>Ending Net Position June 30</b>	\$ 3,923,498	\$ 4,008,364	\$ 4,033,233

Statutory Change in Net Position Reconciliation:			
<b>Change in Net Position</b>	\$ 919,813	\$ 84,866	\$ 24,869
<u>Subtract:</u>			
Capital Contributions - Grants	700,000	37,678	-
Total amount subtracted for statutory change	\$ 700,000	\$ 37,678	\$ -
<b>Statutory Change in Net Postion*</b>	\$ 219,813	\$ 47,188	\$ 24,869

\* Note: A statutory negative Change in Net Position for two consecutive years will result in the local government's referral to the Water and Wastewater Financing Board.

Debt Service to be Paid Out of Water Fund				
<b>Debt Management</b>				
Acct #	2017 CON Lagoon Principal Payment	\$ 83,000	\$ 86,000	\$ 88,000
Acct #	2017 CON Lagoon Principal Payment	17,568	15,070	12,492
<b>Total Annual Debt Service Payments</b>	Annual Debt Service Payments	\$ 100,568	\$ 101,070	\$ 100,492

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

<b>Fund</b>	<b>Estimated Fund Balance/Net Position at June 30, 2025</b>
General Fund	\$ 3,970,362
Adequate Facilities Fund	53,648
Drug Fund	100,453
Sewer Fund	4,008,364

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

<b>Town of Kingston Springs</b>									
<b>Schedule of Outstanding Debt and Budgeted Debt Service</b>									
<b>Fiscal Year 2026</b>									
<b>Note: Enter information in the unshaded cells.</b>									
<b>Fund</b>	<b>Type of Debt</b>	<b>Loan Name and Description</b>	<b>Original Issuance Amount</b>	<b>Authorized &amp; Unissued</b>	<b>Total Principal Outstanding at June 30</b>	<b>Budgeted Annual Debt Service</b>			<b>Detailed Budget Page Number</b>
						<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
<b>General</b>	Notes	2018 Capital Outlay Note - Fire Engine	\$ 498,704	\$ -	\$ 278,000	\$ 42,000	\$ 10,178	\$ 52,178	6
		2021 Capital Outlay Note - Sidewalk Grant Project	370,000		286,600	29,100	6,122	35,222	6
		2022 Capital Outlay Note - Depot Lot Property Purchase	250,000		195,100	19,300	5,559	24,859	6
		<b>Total</b>	\$ 1,118,704	\$ -	\$ 759,700	\$ 90,400	\$ 21,859	\$ 112,259	
<b>Sewer</b>	Notes	2017 Capital Outlay Note - Lagoon	1,014,796	-	466,000	88,000	12,492	100,492.00	7
		<b>Total</b>	\$ 1,014,796	\$ -	\$ 466,000	\$ 88,000	\$ 12,492	\$ 100,492	
		<b>Total Outstanding Debt</b>	\$ 2,133,500	\$ -	\$ 1,225,700	\$ 178,400	\$ 34,351	\$ 212,751	

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

<b>Proposed Future Capital Projects</b>	<b>Proposed Future Capital Projects - Total Expense</b>	<b>Proposed Future Capital Projects Expense Financed by Estimated Revenues and/or Reserves</b>	<b>Proposed Future Capital Projects Expense Financed by Debt Proceeds</b>
Playground Replacement at Burns Park	\$ 250,000.00	\$ 250,000.00	\$ -
Rond Repairs	\$ 100,000.00	\$ 100,000.00	\$ -
Paving Projects	\$ 850,000.00	\$ 850,000.00	\$ -
Culvert Replacement	\$ 100,000.00	\$ 100,000.00	\$ -
Interstate Mast Lighting Upgrades Repair & Replacement	\$ 50,000.00	\$ 50,000.00	\$ -

Pending Capital Projects	Pending Capital Projects - Total Expense	Pending Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Pending Capital Projects Expense Financed by Debt Proceeds
Master Plan Depot Project	\$ 25,000.00	\$ 25,000.00	\$ -
Lundy Cupp Art Statue Project	\$ 5,000.00	\$ 5,000.00	\$ -
Replace Patrol Vehicle	\$ 70,000.00	\$ 70,000.00	\$ -
Purchase Axon Body Cameras, Taser, & Fleet Cameras	\$ 33,230.00	\$ 33,230.00	\$ -
Replace garage doors at Station 1 (\$15,000 per door)	\$ 45,000.00	\$ 45,000.00	\$ -
Spray Foam Insullation at Station 2 & Station 3 (\$11,000 per building)	\$ 22,000.00	\$ 22,000.00	\$ -
Replace 2010 Chevrolet 3500 Pickup & equip new vehicle	\$ 85,000.00	\$ 85,000.00	\$ -
State Fire Marshal's Office Grant to purchase Cribbing equipment	\$ 11,000.00	\$ 11,000.00	\$ -
Culvert Replacement	\$ 50,000.00	\$ 50,000.00	\$ -
Annual Paving Project	\$ 309,505.00	\$ 309,505.00	\$ -
Purchase and Construct Salt Bin	\$ 50,000.00	\$ 50,000.00	\$ -
Asphalt Patcher Hot Box	\$ 7,500.00	\$ 7,500.00	\$ -
Blower Attachment for Mower	\$ 2,500.00	\$ 2,500.00	\$ -
RTV purchase for Street Department	\$ 26,000.00	\$ 26,000.00	\$ -
Camera System for Activity Center	\$ 10,000.00	\$ 10,000.00	\$ -
Lightening Detection System for Splash Pad	\$ 23,000.00	\$ 23,000.00	\$ -
Parks Truck Replacement	\$ 50,000.00	\$ 50,000.00	\$ -
LED Ballfield Lighting Upgrades	\$ 205,000.00	\$ 205,000.00	\$ -
UTV Purchase for Parks	\$ 30,000.00	\$ 30,000.00	\$ -
TAP Grant Phase 2	\$ 1,901,269.00	\$ 1,901,269.00	\$ -
Refurbishment of Engine 302 & 303	\$ 700,000.00	\$ -	\$ 700,000.00

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

SECTION 6: Money may be transferred from one appropriation to another in the same fund in by the Financial Director, subject to such limitations and procedures as set by the Governing Body pursuant to Tenn. Code Ann. § 6-56-209. Any resulting transfers shall be reported to the governing body.

SECTION 7: A detailed financial plan will be attached to this budget and become part of this budget ordinance.

SECTION 8: There is hereby levied a property tax of \$0.57 per \$100 of assessed value on all real and personal property.

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

sufficient to comply with the Statutes or as directed by the Comptroller of the Treasury or Comptroller's Designee.

SECTION 10: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 11: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

SECTION 12: This ordinance shall take effect July 1, 2025, the public welfare requiring it.

Passed 1<sup>st</sup> Reading: May 28, 2025

Public Hearing: June 16, 2025

Passed 2<sup>nd</sup> Reading: June 16, 2025

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Mayor Todd Verhoven

ATTESTED:

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Town Recorder Jamie Dupre'