

ORDINANCE No. 26-005

**AN ORDINANCE OF THE TOWN OF KINGSTON SPRINGS,
TENNESSEE ADOPTING THE ANNUAL BUDGET AND TAX
RATE FOR THE FISCAL YEAR BEGINNING JULY 1, 2026
AND ENDING JUNE 30, 2027**

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 BOARD OF COMMISSIONERS 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 2027, 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	Estimated		Budget FY 2027
	Actual FY 2025	Actual FY 2026	
Revenues			
Local Taxes	\$ 2,311,490	\$ 2,507,849	\$ 2,581,946
Licenses And Permits	27,160	42,671	42,500
Intergovernmental	1,482,442	1,923,270	1,250,953
Fines And Forfeitures	19,296	7,748	5,250
Other	273,489	370,452	192,850
Other Financing Sources			
Issuance of Debt / Debt Proceeds	-	-	824,500
Transfers In - from other funds (PILOT)	12,711	13,235	15,378
Total Revenues and Other Financing Sources	\$ 4,126,588	\$ 4,865,225	\$ 4,913,377
Appropriations			
Expenditures			
General Government	\$ 180,593	\$ 161,168	\$ 188,302
Administration	248,747	256,929	274,270
City Council	9,910	11,182	12,605
City Clerk	181,940	191,978	215,840
Judicial & Legal	36,422	43,787	47,840
Planning & Zoning	43,326	50,488	75,350
Codes	53,419	56,422	64,010
Police	781,165	879,395	943,120
Fire	219,030	454,427	423,082
Streets	366,479	489,841	581,380
Street Aid	50,430	46,269	47,657
Parks	299,111	408,602	428,522
Tourism	53,567	26,923	30,290
Debt Service - Principal and Interest	112,883	112,259	112,543
Capital Outlay	800,892	2,526,082	1,957,887
Total Appropriations	\$ 3,437,914	\$ 5,715,752	\$ 5,402,698
Change in Fund Balance (Revenues - Appropriations)	688,674	(850,527)	(489,321)
Beginning Fund Balance July 1	3,446,890	4,135,564	3,285,037
Ending Fund Balance June 30	\$ 4,135,564	\$ 3,285,037	\$ 2,795,716
Ending Fund Balance as a % of Total Appropriations	120.3%	57.5%	51.7%

DRUG FUND	Estimated		Budget FY 2027
	Actual FY 2025	Actual FY 2026	
Revenues			
Fines And Forfeitures	\$ 388	\$ 349	\$ 300
Other	1,727	1,241	1,000
Other Financing Sources	\$ 2,115	\$ 1,590	\$ 1,300
Appropriations			
Drug Enforcement	\$ 5,530	\$ 2,328	\$ 10,500
Debt Service	-	-	-
Total Appropriations	\$ 5,530	\$ 2,328	\$ 10,500
Change in Fund Balance (Revenues - Appropriations)	(3,415)	(738)	(9,200)
Beginning Fund Balance July 1	108,209	104,794	104,056
Ending Fund Balance June 30	\$ 104,794	\$ 104,056	\$ 94,856
Ending Fund Balance as a % of Appropriations	1895.0%	4469.8%	903.4%

ADEQUATE FACILITIES TAX FUND	Estimated		Budget FY 2027
	Actual FY 2025	Actual FY 2026	
Revenues			
Local Taxes	\$ 13,198	\$ 22,590	\$ 15,000
Miscellaneous Other Revenue	700	51	50
Total Revenues and Other Financing Sources	\$ 13,898	\$ 22,641	\$ 15,050
Appropriations			
Public Works Department	\$ 100,000	\$ -	\$ 500
Total Appropriations	\$ 100,000	\$ -	\$ 500
Change in Fund Balance (Revenues - Appropriations)	(86,102)	22,641	14,550
Beginning Fund Balance July 1	139,605	53,503	76,144
Ending Fund Balance June 30	\$ 53,503	\$ 76,144	\$ 90,694
Ending Fund Balance as a % of Total Appropriations	53.5%	#DIV/0!	18138.8%

SEWER FUND	Estimated		
	Actual FY 2025	Actual FY 2026	Budget FY 2027
Operating Revenues			
Sewer Charges	\$ 792,289	\$ 918,510	\$ 1,163,359
Tap Fees	3,163	5,500	3,000
Miscellaneous Other Fees	-	-	-
Total Operating Revenues	\$ 795,452	\$ 924,010	\$ 1,166,359
Operating Expenses			
Administrative	\$ 139,244	\$ 154,289	\$ 175,090
Sewer Department	577,279	543,664	632,769
Other	1,373	3,000	3,000
Depreciation	149,713	151,080	179,695
Total Operating Expenses	\$ 867,609	\$ 852,033	\$ 990,554
Operating Income (Loss)	\$ (72,157)	\$ 71,977	\$ 175,805
Nonoperating Revenues (Expenses)			
Revenue: Investment Income	\$ 19,676	\$ 13,002	\$ 13,000
Expense: Debt Service - Interest Expense	(15,066)	(12,492)	(114,470)
Other Expense	-	-	-
Total Nonoperating Revenue (Expenses)	\$ 4,610	\$ 510	\$ (101,470)
Income (Loss) Before Capital Contributions and Transfers	\$ (67,547)	\$ 72,487	\$ 74,335
Capital Contributions and Transfers			
Capital Contributions - Grants	\$ 102,603	\$ 141,000	\$ -
Transfers Out - to Other Funds (PILOT)	(12,711)	(13,235)	(15,378)
Total Capital Contributions and Transfers	\$ 89,892	\$ 127,765	\$ (15,378)
Change in Net Position	\$ 22,345	\$ 200,252	\$ 58,957
Beginning Net Position July 1	3,923,498	3,945,843	4,146,095
Ending Net Position June 30	\$ 3,945,843	\$ 4,146,095	\$ 4,205,052

Statutory Change in Net Position Reconciliation:			
Change in Net Position	\$ 22,345	\$ 200,252	\$ 58,957
Subtract:			
Capital Contributions - Grants	\$ 102,603	\$ 141,000	\$ -
Total amount subtracted for statutory change	\$ 102,603	\$ 141,000	\$ -
Statutory Change in Net Position*	\$ (80,258)	\$ 59,252	\$ 58,957

* 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 Sewer Fund				
Debt Management				
412-52200-518 & 412-52200-681	Lagoon Project 2017 Capital Outlay	86,000	88,000	91,000
	Note Principal Payment			
412-52200-517 & 412-52200-686	Lagoon Project 2017 Capital Outlay	15,070	12,492	9,842
	Note Interest Payment			
412-52200-681	Lagoon Project 2026 Capital Outlay	-	-	105,000
	Note Principal Payment			
412-52200-686	Lagoon Project 2026 Capital Outlay	-	-	77,995
	Note Interest Payment			
412-52200-681	Manhole Rehab Project 2026 Capital Outlay	-	-	36,700
	Note Principal Payment			
412-52200-686	Manhole Rehab Project 2026 Capital Outlay	-	-	26,633
	Note Interest Payment			
Total Annual Debt Service Payments	Annual Debt Service Payments	\$ 101,070	\$ 100,492	\$ 347,170

SECTION 2: At the end of the fiscal year 2026, the governing body estimates fund balances or deficits as follows:

Fund	Estimated Fund Balance/Net Position at June 30, 2026	
General Fund	\$	3,285,037
State Street Street Aid Fund	\$	76,144
Drug Fund	\$	104,056
Water & Sewer Fund	\$	4,205,052

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:

Town of Kingston Springs
Schedule of Outstanding Debt and Budgeted Debt Service
Fiscal Year 2027

Fund	Type of Debt	Loan Name and Description	Original Issuance Amount	Total Principal Outstanding at June 30	Budgeted Annual Debt Service			Detailed Budget Page Number
					Principal	Interest	Total	
General	Capital Outlay Notes	Depot Property Purchase - 12 year - 2.849% - Issued 5-5-22	\$ 250,000	\$ 175,800	\$ 19,900	\$ 5,009	\$ 24,909	9
		Sidewalk Grant Project - 12 year - 2.250% - Issued 12-28-21	370,000	257,500	29,700	5,460	35,160	9
		Fire Truck Purchase - 12 year - 3.960% - Issued 7-31-18	498,704	236,000	44,000	8,474	52,474	9
		Total	\$ 1,118,704	\$ 669,300	\$ 93,600	\$ 18,943	\$ 112,543	
Sewer	Capital Outlay Notes	Sewer Lagoon Repair Project - 12 year - 4.75% - Issued 4-1-26	\$ 1,642,000	\$ 1,642,000	\$ 105,000	\$ 77,995	\$ 182,995	12
		Manhole Rehab Project - 12 year - 4.75% - Issued 4-1-26	560,700	560,700	36,700	26,633	63,333	12
		Sewer Lagoon Repair Project - 12 year - 2.96% - Issued 11-28-17	1,014,796	378,000	91,000	9,842	100,842	12
		Total	\$ 3,217,496	\$ 2,580,700	\$ 232,700	\$ 114,470	\$ 347,170	
Total Outstanding Debt			\$ 4,336,200	\$3,250,000	\$ 326,300	\$ 133,413	\$ 459,713	

SECTION 4: During the coming fiscal year (2027) the governing body has pending and planned capital projects with proposed funding as follows:

Proposed Future Capital Projects	Proposed Future Capital Projects - Total Expense	Proposed Future Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Proposed Future Capital Projects Expense Financed by Debt Proceeds
Playground Replacement at Burns Park	\$ 1,000,000.00	\$ 1,000,000.00	
Pond Repairs	\$ 100,000.00	\$ 100,000.00	
Paving Projects	\$ 850,000.00	\$ 850,000.00	
Culvert Repairs	\$ 100,000.00	\$ 100,000.00	
Interstate Mast Light Upgrades / Repair & Replacement	\$ 50,000.00	\$ 50,000.00	

Pending Capital Projects	Pending Capital Projects - Total Expense	Pending Capital Projects Expense Financed by Estimated	Pending Capital Projects Expense Financed by Debt Proceeds
City Hall Server	\$ 20,000.00	\$ 20,000.00	
Local Government Server	\$ 20,000.00	\$ 20,000.00	
Complete TAP Grant Phase 2 Sidewalk Project	\$ 400,000.00	\$ 400,000.00	
Police Department Radio System	\$ 53,000.00	\$ 53,000.00	
Replacement of 2010 3500 Pickup Truck & Equipping Truck	\$ 83,000.00	\$ 83,000.00	
Replacing Bay Doors	\$ 24,000.00	\$ 24,000.00	
Fire Department Radio System	\$ 145,000.00	\$ 145,000.00	
Paving	\$ 249,343.00	\$ 249,343.00	
Streets Department Portable Radios	\$ 5,100.00	\$ 5,100.00	
Streets Department Salt Box	\$ 50,000.00	\$ 50,000.00	
Parks Department Truck	\$ 62,000.00	\$ 62,000.00	
Parks Department Mower & Trailer	\$ 22,000.00	\$ 22,000.00	
Refurbishment of Engine 302 & 303	\$ 824,444.00		\$ 824,444.00

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: Monies may be transferred from one appropriation to another in the same fund 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 \$0.62 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, 2026, the public welfare requiring it.

Passed 1st Reading: May 21, 2026

Public Hearing: June 18, 2026

Passed 2nd Reading: June 18, 2026

Mayor Todd Verhoven

ATTESTED:

Kellie Reed, CMFO/CMC