

STAFF MEMORANDUM

TO: Board of Mayor and Alderman
FROM: J. Carter Napier – City Administrator
DATE: 05/29/2026
SUBJECT: Fiscal Year 2027 Budget Adoption

STAFF RECOMMENDATION:

That the Board adopt the Fiscal Year 2027 operating budget of \$151,704,567 following the public hearing on June 1, 2026 and the final reading on June 15, 2026, to serve as the City of Spring Hill's financial and operations plan for the next year, effective July 1, 2026.

BACKGROUND:

As the Mayor and the Board of Aldermen are aware, municipalities in Tennessee and pursuant to Tennessee statutory requirements, the BOMA must review and adopt an annual budget ordinance for each fiscal year.[i] The budget must include estimated revenues and proposed expenditures and function as a complete financial plan for the proposed fiscal year. Expenditures for the year cannot occur without prior appropriation as they establish the legal limit of spending that the Board authorizes.

While a great deal of work has been put into this proposal by the Finance team, the Department Heads, and the Board as well, this proposed budget represents staff's most informed estimate as to the conduct of the city's revenues and expenditures over the next twelve months commencing July 1, 2026. Accordingly, the Board should anticipate that quarterly amendments will be necessary to consider over the next year so that as things change and predictions fall short (which inevitably occurs), the Board needs the means to respond with changes that realigns the BOMA'S authorization with the realities of the year that occur. Given the fact that spending in the City of Spring Hill cannot occur without the appropriate authorization given by the BOMA, this is a critical process to acknowledge.

As directed by both the governing statutes and the city's charter, Staff presents the attached budget for FY27. The proposed FY27 budget is balanced against a conservative series of revenue projections, supports capital projects both provisionally approved by the Board and supported by means provisionally authorized by the Board, and includes financial detail that is listed in fund, program and activity level. Furthermore, the detail of the budget includes prior year's actuals, current year-end estimates and FY27 projections.



City of Spring Hill | Finance Department

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Staff would also suggest that the Board's direction given through the City's long term and strategic planning efforts is represented as much as possible with respect to the details organized in the FY27 budget.

I would like to thank the tireless work of the Finance team who were very effective in coordinating these efforts, the department heads for providing detail and numbers that are aimed at a very responsible and reasonable approach to providing the services they oversee, and to the employees who utilize a very effective approach to provide the quality services they do.

Attached you will find the detailed budget, but also the Board has been provided a narrative that discusses major themes and concepts that are unique to this year's budget design. With the detail captured in both documents along with the presentation on May 5, the Board, the Mayor and the public will have a very comprehensive and transparent insight as to how the budget proposal was developed and more importantly, where next year's tax dollars are proposed to be spent.



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