



Fiscal Year 2027 Budget Presentation

Thursday, May 28, 2026

FY2026 - A Year in Review

- Public Facility / Infrastructure Upgrades to Serve our Residents
 - Venue1921 Construction Completion
 - Community Center Expansion / Renovation
 - Camp Jordan Investments - turf fields, boat launch, etc
 - Road Paving / Repair Program
- Economic Development Activities
 - Border Region Economic Activity :
 - New Business Investments / Openings
- Named a 2025 "Best Managed City"
- Hosted Memorial Day Events, Public Works Appreciation Luncheon and Staff Christmas Event
- City Fleet / Equipment Modernization
 - 2 New Sanitation Trucks
 - Delivery of Fire Department Rescue Pumper - Squad 1
 - Purchase / equipping of 8 Police vehicles
 - Upgraded Fleet GPS software
- Hosted East Ridge Fall Festival, annual Christmas Parade & ongoing sports, community center and library programming
- Grant Funding Priorities
 - Pursued more than \$9M in funding opportunities - awarded funds for a host of projects
 - Seeking Congressional appropriation for Camp Jordan Parkway improvements
- Major Projects on the Horizon
 - Camp Jordan Turf - Phase II
 - Road reconstructions (S. Mack Smith & Scruggs Roads)
 - City Facility Planning Efforts



Budget Proposal

Fiscal Year 2027

Budget Proposal - FY2027

General Fund - Expenditures by Category



Personnel - 48.8%

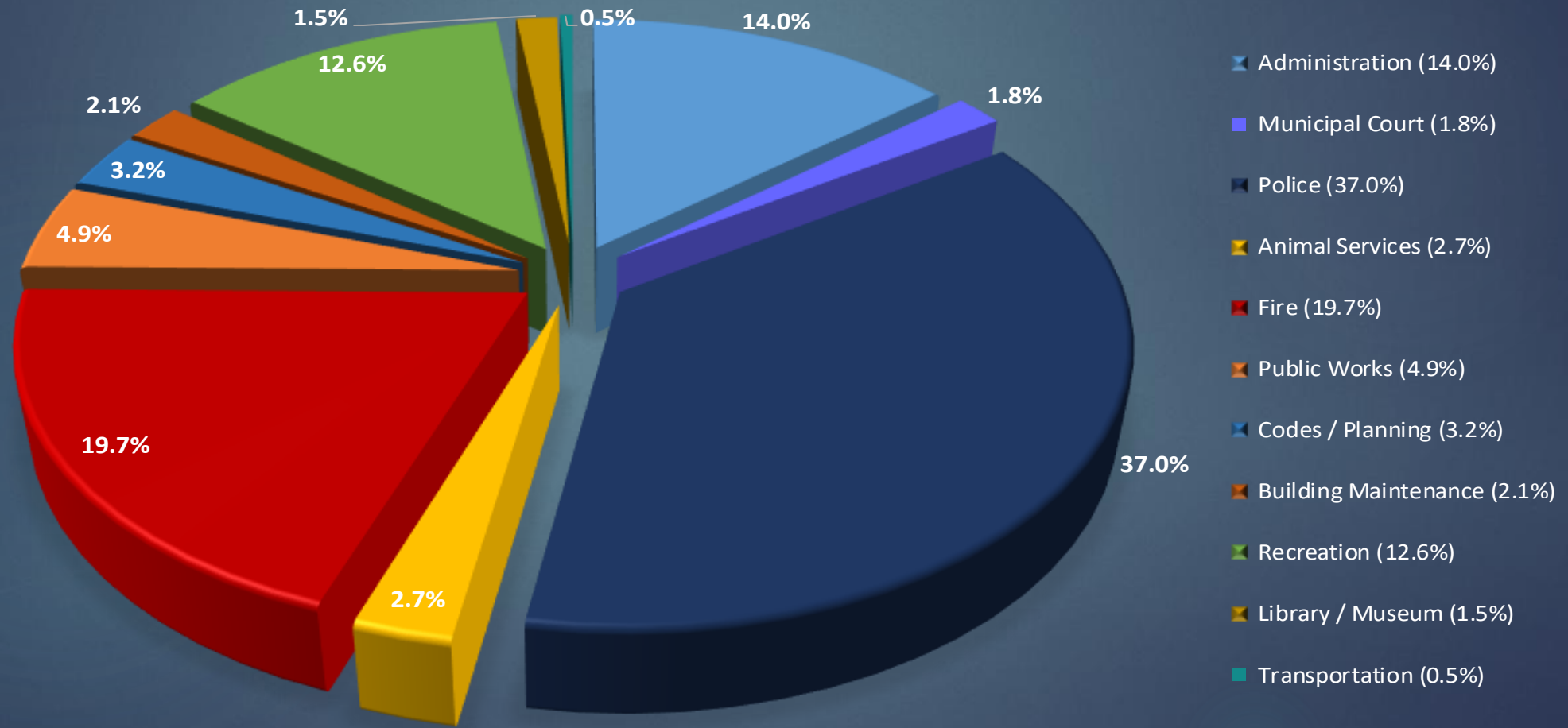
Operations - 20.5%

Capital Purchases - 3.4%

Transfers - 27.2%

Budget Proposal - FY2027

General Fund Operating / Capital Expenditures by Department





General Fund Overview

General Fund Revenues

General Fund	FY2025 Actual	FY2026 Budget	FY2026 Projected	FY2027 Budget	Change from FY2026
Property Taxes	\$ 6,857,574	\$ 7,151,333	\$ 7,106,474	\$ 7,357,579	\$ 206,246
Local Option Sales Tax	\$ 4,651,940	\$ 4,990,000	\$ 5,075,834	\$ 5,400,000	\$ 410,000
Border Region Sales Tax	\$ 7,397,436	\$ 8,400,087	\$ 8,573,548	\$ 9,000,000	\$ 599,913
Business Tax	\$ 421,117	\$ 450,000	\$ 191,618	\$ 449,500	\$ (500)
Alcohol Tax	\$ 752,346	\$ 681,343	\$ 583,231	\$ 650,000	\$ (31,343)
Cable Franchise Fee	\$ 188,211	\$ 180,000	\$ 114,830	\$ 150,000	\$ (30,000)
Building / Trade Permits	\$ 171,663	\$ 295,000	\$ 227,949	\$ 294,000	\$ (1,000)
Code Enforcement Fees	\$ 36,778	\$ 28,000	\$ 18,361	\$ 35,000	\$ 7,000
Other License / Permits	\$ 77,279	\$ 63,350	\$ 138,983	\$ 95,650	\$ 32,300
State Sales Tax	\$ 2,720,350	\$ 2,809,280	2,555,617	2,815,209	\$ 5,929
TVA Gross Receipts Tax	\$ 271,886	\$ 278,905	\$ 268,650	\$ 292,383	\$ 13,478
Other Intergovernmental	\$ 438,317	\$ 638,432	\$ 629,066	\$ 654,499	\$ 16,067
Municipal Court Fines	\$ 334,808	\$ 335,000	\$ 276,266	\$ 310,000	\$ (25,000)
Other Miscellaneous	\$ 2,296,706	\$ 1,244,583	\$ 1,764,652	\$ 1,725,010	\$ 480,427
Total Revenue	\$ 26,616,411	\$ 27,545,313	\$ 27,525,080	\$ 29,228,830	\$ 1,683,517

General Fund Expenditures

Department	FY2025 Actual	FY2026 Budget	FY2026 Projected	FY2027 Budget	Change from FY2026	
Administration	\$ 2,662,838	\$ 3,064,709	\$ 2,941,642	\$ 3,006,605	\$ (58,104)	-1.90%
Municipal Court	\$ 412,817	\$ 397,730	342,851	384,464	\$ (13,266)	-3.34%
Police Department	\$ 7,187,136	\$ 7,382,911	\$ 7,026,503	\$ 7,840,717	\$ 457,806	6.20%
Animal Services	\$ 398,842	\$ 433,425	\$ 427,623	\$ 552,296	\$ 118,871	27.43%
Fire Department	\$ 4,399,683	\$ 3,626,762	\$ 4,194,518	\$ 4,184,601	\$ 557,838	15.38%
Public Works	\$ 845,743	\$ 1,052,382	\$ 1,193,913	\$ 1,015,807	\$ (36,575)	-3.48%
Codes / Planning	\$ 578,199	\$ 651,330	\$ 577,031	\$ 674,742	\$ 23,412	3.59%
Building Maintenance	\$ 393,318	\$ 436,687	\$ 450,312	\$ 451,734	\$ 15,047	3.45%
Recreation	\$ 2,108,424	\$ 2,425,371	\$ 5,517,099	\$ 2,666,574	\$ 241,203	9.94%
Library / Museum	\$ 273,221	\$ 310,984	\$ 307,999	\$ 326,773	\$ 15,789	5.08%
Transportation	\$ 3,863	\$ 100,000	\$ 50,661	\$ 100,000	\$ -	0.00%
Subtotal	\$ 19,264,084	\$ 19,882,291	\$ 23,030,153	\$ 21,204,313	\$ 1,322,021	6.65%
Transfers (to)/from	\$ (6,575,447)	\$ (7,919,475)	\$ (8,549,158)	\$ (7,844,924)	\$ 74,551	-0.94%
Total Expenditures	\$ 25,839,531	\$ 27,801,766	\$ 31,579,311	\$ 29,049,237	\$ 2,776,698	

Compensation Plan

Adjusting the Compensation Schedule

➤ **Defining Compensation Adjustments**

- Cost of Living Adjustment - moves employees and the entire salary schedule
- Merit Increase - performance-based, moves employees within the salary schedule

➤ **Attracting New Talent, Retaining Outstanding Team Members**

- Maintaining a competitive compensation range allows us to compete for top talent
- Properly placing experience on the scale supports lateral hiring and equity
- Keeping the talent we have recruited and invested in benefits our community

Compensation Plan

Adjusting the Compensation Schedule

➤ FY2027 Compensation Proposal

- 3.0 % cost-of-living adjustment for all positions
- 1 or 2 % merit increase for all employees not on a Performance Improvement Plan (PIP)

➤ FY2027 Compensation Costs

- Total Direct Compensation Cost Increase : \$750k
- TCRS Retirement: \$78k increase over last year
- Health Insurance: \$235k increase

Citywide Budget Review

General Fund Priorities Funded

➤ Highlights

- Personnel - Adding 1 FTE (Animal Services), 2 PT (Animal Services, Recreation) - \$87,150
- Personnel - Evaluating a change to the retirement bridge program for Public Safety positions
- Fleet Modernization - New vehicles for Police (6 vehicles, 3 motorcycles), Animal Services (1 vehicle), Street Department (4wd truck, mower), Code Enforcement (1 vehicle), Parks (gator, mower)
- Equipment - SCBA Replacement (Fire)
- Enhanced Audit Services - Grant Funds - \$11,500

➤ Technology

- Increases in software subscriptions and hardware citywide as needed



Other Major Funds Overview



State Street Aid Fund

State Street Aid Fund

Revenue and Expenses

		FY 2025	FY 2026	FY 2026	FY 2027
Account	Budget Item/Description	Actual	Budget	Forecast	Proposed
121 STATE STREET AID FUND:					
REVENUES					
33450	TDOT - TIP	1,617	0	0	0
33460	TDOT - HIP	6,302	234,000	234,000	0
33550	2017 Gas Tax (Improve)	195,153	200,000	198,714	200,000
33551	State Gas & Motor Fuel Tax	567,680	570,000	581,000	590,000
33558	City Transport - Electric Cars	23,854	1,000	9,885	10,000
36100	Interest Income	41	200	50	100
36330	Sale of Equipment	0	0	0	0
	Use of Fund Balance	0	294,038	276,492	114,960
	TOTAL STATE STREET AID REVE	<u>794,646</u>	<u>1,299,238</u>	<u>1,300,141</u>	<u>915,060</u>

State Street Aid Fund

Revenue and Expenses

		FY 2025	FY 2026	FY 2026	FY 2027
Account	Budget Item/Description	Actual	Budget	Forecast	Proposed
121 STATE STREET AID FUND:					
43190 EXPENDITURES					
247	Street Lighting	236,788	225,000	248,000	275,000
248	Street Light Repairs	5,649	0	0	0
254	Engineering & Architectural Services	1,710	30,000	18,000	20,000
272	Curbs/Gutters/Streets	0	61,483	0	0
301	Traffic Signal Repairs	5,092	30,000	0	20,000
313	John Ross Road - HIP	9,747	514,238	534,101	0
691	Bank Service Charges	20	0	40	60
931	Paving/Maintenance	0	500,000	500,000	600,000
TOTAL EXPENDITURES		<u>259,006</u>	<u>1,360,721</u>	<u>1,300,141</u>	<u>915,060</u>



Capital Improvement Fund

FY2027

Capital Improvement Fund

Revenue and Expenses

		FY 2025	FY 2026	FY 2026	FY 2027
Account	Budget Item/Description	Actual	Budget	Forecast	Proposed
341	CAPITAL IMPROVEMENT FUND				
	REVENUES				
33113	LPRF Grant Proceeds	81,150	632,500	27,500	0
33120	TDOT Multi Modal PIN #122000	279,438	0	0	0
36100	Interest	312,717	300,000	253,577	250,000
36421	TN American Water Grant	0	0	0	0
36915	Bond Proceeds	1,887,992	1,910,736	1,186,650	0
36990	Misc. Revenues	112,131	0	0	0
36992	Hamilton County	0	1,000,000	1,000,000	250,000
37940	Transfer In	514,657	500,000	500,000	100,000
	Use of Fund Balance	3,234,736	10,395,740	1,416,392	984,000
	TOTAL CIP REVENUE	<u>6,422,821</u>	<u>14,738,976</u>	<u>4,384,118</u>	<u>1,584,000</u>

Capital Improvement Fund

Revenue and Expenses

		FY 2025	FY 2026	FY 2026	FY 2027
Account	Budget Item/Description	Actual	Budget	Forecast	Proposed
341	CAPITAL IMPROVEMENT FUND EXPENDITURES				
41000	General Government	0	0	55,688	0
41100	Administrative	11,611	12,000	10,543	12,000
41800	Upgrades to Bldgs - Various Sites	280,495	400,000	240,000	300,000
41900	City Hall Complex	19,503	0	0	0
41920	Multi Purposse Pavillion - Venue 192	3,535,146	6,000,000	3,000,000	0
43110	Streets & Highways	162,233	400,000	0	0
43121	North Mack Smith Road Project	776,468	4,500,000	1,145,682	0
43122	Resurfacing Projects	40,895	937,976	990,710	700,000

Capital Improvement Fund

Revenue and Expenses

		FY 2025	FY 2026	FY 2026	FY 2027
Account	Budget Item/Description	Actual	Budget	Forecast	Proposed
341	CAPITAL IMPROVEMENT FUND				
	EXPENDITURES				
43126	Spring Creek Project	107,461	22,000	17,910	22,000
44410	Parks & Recreation	1,274,772	164,000	1,430,900	0
44424	Animal Shelter Building	0	0	0	0
44423	Dog Park	0	0	4,303	500,000
44425	Dickert Pond Broadwalk & Pier	9,957	10,000	9,957	0
44426	Fuel Tank - Public Safety Bldg	0	125,000	0	0
44430	Community Center Expansion	180,810	2,118,000	2,118,000	0
44450	McBrien Complex	7,500	0	0	0
46511	Community/Economic Development	15,971	50,000	15,971	50,000
	TOTAL CIP EXPENDITURES	<u>6,422,822</u>	<u>14,738,976</u>	<u>3,884,119</u>	<u>1,584,000</u>



Solid Waste Fund

Solid Waste Fund

Revenue and Expenses

Account	Budget Item/Description	FY 2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed
EXPENDITURES					
43200 SOLID WASTE					
<i>Personnel</i>					
	Total Personnel	824,873	861,388	785,054	819,126
<i>Operations</i>					
	Total Operations	890,710	1,082,679	1,015,759	1,152,875
<i>Capital</i>					
	941 Machinery/Equipment	0	233,485	236,060	0
	944 Transportation Equipment	0	0	38,650	0
	Total Capital	0	233,485	274,710	0
	Total	1,715,583	2,177,552	2,075,523	1,972,001

Solid Waste Fund

Revenue and Expenses

Account	Budget Item/Description	FY 2025	FY2026	FY2026	FY2027
		Actual	Budget	Forecast	Proposed
131 SOLID WASTE MGMT. FUND:					
REVENUES					
34416	Sanitation Assessment Fee*	1,563,804	1,759,880	1,709,880	1,759,880
34418	Extra Cans	2,130	1,600	3,000	2,000
34420	Dumpster Rentals	7,570	6,500	6,800	6,500
34421	Recycling Program	0	0	0	0
34422	Recycling - Transfer Station	6,199	4,000	6,000	5,000
34426	Sale of Mulch	137	100	0	100
34430	Refuse/Disposal Charges	931	1,000	2,000	1,000
36350	Insurance Recoveries	0	0	0	0
36330	Sale of Equipment	0	0	0	50,000
36961	Operating Transfers	250,000	0	0	0
36932	Capital Outlay Note	0	244,000	236,060	0
	Use of Fund Balance	0	167,175	111,783	147,521
	TOTAL SOLID WASTE REVENUE	1,830,770	2,184,255	2,075,523	1,972,001

Solid Waste Fund

Revenue and Expenses

Account	Budget Item/Description	FY 2025	FY2026	FY2026	FY2027
		Actual	Budget	Forecast	Proposed
131 SOLID WASTE MGMT. FUND:					
REVENUES					
	Use of Fund Balance	0	167,175	111,783	147,521
	TOTAL SOLID WASTE REVENUE	1,830,770	2,184,255	2,075,523	1,972,001

Summary of the Budget - Fiscal Year 2027						
Fund Title - Description	Fund Balance 6/30/25	Projected Fund Balance 6/30/26	Budgeted Revenues	Budgeted Expenditures	Interfund Transfers	Projected Fund Balance 6/30/27
Solid Waste Operations *	\$ 133,740	\$ 21,957	\$ 1,824,480	\$ 1,972,001	\$ 150,000	\$ 24,436



Debt Service Fund

Debt Service Fund

Revenue and Expenses

		FY 2025	FY 2026	FY 2026	FY 2027
Account	Budget Item/Description	Actual	Budget	Forecast	Proposed
212	0				
REVENUES					
31920	Hotel/Motel Tax	917,701	900,000	921,471	900,000
36100	Interest Income	103,946	135,000	175,000	200,000
37940	Transfer In	2,336,157	1,926,182	1,868,978	2,133,889
	TOTAL REVENUES	3,357,803	2,961,182	2,965,449	3,233,889

Debt Service Fund

Revenue and Expenses

Account	Budget Item/Description	FY 2025 Actual	FY 2026 Budget	FY 2026 Forecast	FY 2027 Proposed
212	0				
EXPENDITURES					
Bond Issue - 49111					
	650 Principal	108,000	111,000	11,100	114,000
	651 Interest	36,525	33,744	33,744	30,886
	TOTAL	144,525	144,744	44,844	144,886
Refunding Bond Issue - 2021 - 49114					
	650 Principal	525,000	500,000	500,000	500,000
	651 Interest	156,963	141,213	141,213	126,213
	TOTAL	681,963	641,213	641,213	626,213
Series 2022 Bond Issue - 49300					
	624 Principal	351,000	365,000	365,000	379,000
	632 Interest	273,267	360,576	360,576	345,882
	TOTAL	624,267	725,576	725,576	724,882
CJ Parkway/Exit One - 49310					
	650 Principal	75,000	80,000	80,000	80,000
	651 Interest	131,813	129,750	129,750	125,750
	TOTAL	206,813	209,750	209,750	205,750
Series 2024 Bond Issue - 49320					
	624 Principal	275,000	260,000	260,000	270,000
	632 Interest	329,323	342,275	342,275	329,275
	TOTAL	604,323	602,275	602,275	599,275

Account	Budget Item/Description	FY 2025 Actual	FY 2026 Budget	FY 2026 Forecast	FY 2027 Proposed
212	0				
EXPENDITURES					
Public Works - Capital Outlay -49410					
	650 Principal	0	73,000	0	73,000
	651 Interest	0	17,800	7,516	16,416
	TOTAL	0	90,800	7,516	89,416
Public Safety - 49412					
	650 Principal	43,795	40,819	40,819	40,819
	TOTAL	43,795	40,819	40,819	40,819
Capital Outlay- Public Safety - 49413					
	650 Principal	98,000	100,000	100,000	101,000
	651 Interest	7,686	5,874	5,874	4,216
	TOTAL	105,686	105,874	105,874	105,216
Public Safety - AXON Lease - 49414					
	650 Principal	53,530	53,530	53,530	53,530
	TOTAL	53,530	53,530	53,530	53,530
	TOTAL EXPENDITURES	2,464,901	2,614,581	2,431,397	2,589,987
	TOTAL VARIANCE	892,902	346,601	534,052	643,902

Debt Service Fund

Long Term Debt Service

Debt Service Fund - All Sources

Purpose : Funding Facilities and Equipment for East Ridge

Fiscal Year	Principal	Interest	Total	Bonds & Interest
				\$ 35,641,070
2027	\$ 1,611,349	\$ 978,638	\$ 2,589,987	\$ 33,051,083
2028	\$ 1,604,819	\$ 924,410	\$ 2,529,229	\$ 30,521,854
2029	\$ 1,534,819	\$ 865,930	\$ 2,400,749	\$ 28,121,105
2030	\$ 1,526,819	\$ 803,498	\$ 2,330,317	\$ 25,790,788
2031	\$ 1,530,000	\$ 750,105	\$ 2,280,105	\$ 23,510,684
2032	\$ 1,484,000	\$ 694,774	\$ 2,178,774	\$ 21,331,910
2033	\$ 1,535,000	\$ 641,534	\$ 2,176,534	\$ 19,155,376
2034	\$ 1,582,000	\$ 586,136	\$ 2,168,136	\$ 16,987,240
2035	\$ 1,631,000	\$ 528,630	\$ 2,159,630	\$ 14,827,610

Debt Service Fund - All Sources

Purpose : Funding Facilities and Equipment for East Ridge

Fiscal Year	Principal	Interest	Total	Bonds & Interest
2036	\$ 1,624,000	\$ 470,281	\$ 2,094,281	\$ 12,733,328
2037	\$ 1,559,000	\$ 446,620	\$ 2,005,620	\$ 10,727,708
2038	\$ 1,556,000	\$ 362,317	\$ 1,918,317	\$ 8,809,391
2039	\$ 1,358,000	\$ 307,083	\$ 1,665,083	\$ 7,144,308
2040	\$ 1,277,000	\$ 253,691	\$ 1,530,691	\$ 5,613,617
2041	\$ 1,332,000	\$ 200,881	\$ 1,532,881	\$ 4,080,737
2042	\$ 1,383,000	\$ 145,763	\$ 1,528,763	\$ 2,551,974
2043	\$ 1,440,000	\$ 88,549	\$ 1,528,549	\$ 1,023,425
2044	\$ 770,000	\$ 43,425	\$ 813,425	\$ 210,000
2045	\$ 200,000	\$ 10,000	\$ 210,000	(\$0)
	\$ 26,538,806	\$ 9,102,264	\$ 35,641,070	

