

BUDGET OVERVIEW

The financial data presented in this section represent the Financial Summary and a written Overview of the revenues and expenditures or expenses for all of City of Memphis Funds. Figures are rounded to the nearest dollar. Some totals may be off due to rounding.

Budget Overview

Memphis Has Momentum – This is a phrase used often by the Mayor, as of late, to describe the economic environment of Memphis. Reflecting the national economic performance, the City of Memphis' economy has been strong. Twenty-two thousand more Memphians are working today than in 2016. This has resulted in an unemployment rate of 4%; the 28th consecutive month unemployment has been under 6%. Bloomberg Philanthropies has recognized Memphis as number one for job and wage growth, and the city is one of seven that received the What Works Cities Certification for its data driven decision making process. With an Emergency Medical Services operation that has received a national award for excellence, a Zoo frequently recognized as one of the best Zoos in the United States, an Animal Services that has been recognized in the top five for animal services, and billions of dollars in private sector investment, completed or underway; yes, Memphis does have momentum. The City of Memphis Fiscal Year 2020 budget (FY20) is purposed to build on this Momentum and infuse funding into other priorities that will sustain the successes and expand investments to maintain a diverse economic base.

The City of Memphis' FY2020 general fund budget is \$711.6m. The tax rate for FY2020 remains the same; therefore, new initiatives were funded by a reapportionment of previous budget appropriations and reapportionment of the tax rate. This budget details the Mayor's priorities to fund core services and increase funding to the City's priorities: Youth – which focuses on collaboration with community partners, connecting our youth with opportunities, and increasing third grade reading levels; Public Safety – which focuses on crime reduction, decreasing emergency medical calls for non-emergent situations, and increasing 911 response times; Neighborhoods – which focuses on increasing access to parks, reducing blight, and improving roads; Good Government – which focuses on customer service and fiscal stewardship; and Jobs – which focuses on growing employers and educating and training our workforce. Increased investments have been made in Public Safety, Community Services, and Youth.

The FY2020 budget has allocated resources to provide spending increases to Police and Fire (public safety personnel will receive a 4% salary increase). Additional funding was also provided for youth (funding additional summer jobs), program expansion in both Parks Services and Libraries, and a 1% salary increase to non-safety personnel. With additional funding coming from the State's IMPROVE Act (Improving Manufacturing, Public Roads and Opportunities for a Vibrant Economy), the Memphis Area Transit Authority (MATA) is budgeted to receive an additional \$2.5m above last year's adopted budget. Budgetary fundings affecting all employees were made to fund the Actuarially Determined Contribution (ADC) and Healthcare. The pension ADC is funded at 100% in the current year.

Using the equivalent of revenues that are derived from \$0.01 cent, this budget continues to fund Pre-K initiatives for early childhood education. The budget also transfers \$0.02 cents from the Debt Fund tax allocation. This reapportionment has been dispersed equally with one-third (0.006667) of the \$0.02 cents allocated to increase capital pay-go funding, one-third to establish a Community Catalyst Fund and one-third to establish an Affordable Housing Trust Fund. The Community Catalyst Fund will infuse economic investments within the City's communities, and the Affordable Housing Trust Fund will be used for qualified new construction and rehab of multi-family homes, as well as minor repair and rehabilitation of single family homes.

In an increase to last year's neighborhood improvements spending, through the Capital Budget, asphalt paving will receive \$19.5m, a \$500K increase for roads.

Other funds included in this document are the Enterprise Funds which are supported by user fees; Special Revenue Funds, which are supported by charges for specific services; and Internal Revenue Funds, which use a combination of inter-fund billings and various types of other revenues. These funds work in tandem to provide services to the citizens of Memphis. The FY20 budgets, across all funds, incorporate a balanced approach of expenditure or expense control based on expected revenues that reflect the economic environment.

The Economic Impact on Budget Planning

There is a correlating response in the performance of our local economy with that of the national economy. Memphis generally lags somewhat behind national economic trends. As such, The City of Memphis' FY 2020 Budget is presented with some context to the economic conditions that are impacting the U.S. economy and moderate revenue growth for our local economy. With moderate revenue growth the budget process requires close scrutiny to balance service provision with expected revenue resources. In summary, the economic outlook for Memphis is slow but steady growth. The City uses the University of Memphis, in addition to our internal staff, to forecast trends that may impact the budget process. A brief synopsis of their findings will note that the Memphis economy is diverse and the City is attracting new businesses.

Additional discussion pertaining to our economy, from the University of Memphis, can be found later in this section.

Performance Accountability Plans

To increase transparency about our performance, in 2014 the administration established an Office of Performance Management to manage the performance review process as well as the public-facing and internal MEMFacts performance dashboards. The Office of Performance Management works to provide the public and city staff with easy access to the information they need and new management accountability tools for both operational and fiscal management.

The City's Purpose is to improve the quality of life for all Memphians, every day. In support of this purpose, Mayor Strickland has championed the improvement of core city services and a commitment to transparency and trust as part of his "brilliant at the basics" philosophy of city government. Practicing the values of Innovation, Accountability, Collaboration and Service, the City is prioritizing the transformation of being "brilliant at the basics", that will allow growth to multiply throughout Memphis.

To make good use of its integrated performance data, the City has established a business process that includes regular and recurring performance reviews to address divisional issues, as well as issues that cross divisional lines.

The City's Mayor is committed to continuous improvement and transparency, and has promised to measure the City's results, share those results with the public, and hold the City accountable. To that end, the City maintains a public website, data.memphistn.gov, where the public can view the City's performance goals and track its progress against those goals. In addition, the Mayor sends a weekly email update to citizens that tackles the City's challenges and celebrates its successes. Memphis is one of seven cities that received the What Works Cities Certification for its data driven decision making process that tracks a variety of metrics, such as 911 response times and crime statistics, through its performance dashboard.



PERFORMANCE MANAGEMENT IN MEMPHIS

Throughout this document, we identify each general fund division’s key performance indicators (KPI’s) and goals to measure effectiveness. These KPI’s represent a selection of the indicators that we use to monitor organizational performance. The highest priority indicators are reviewed monthly by senior management to track the City's progress and identify areas that need further attention to reach our goals.

General Fund Discussion

The proposed FY2020 general fund budget is balanced at \$711.6m. The FY2020 revenue budget includes a budgeted use of fund balance of \$1.2m. This budget does not impose a tax increase. Funding for new initiatives is provided by natural revenue growth of the tax rate and new revenue sources from charges for services, transfers, grants and interest income. The FY2020 budget has apportioned revenues to provide spending increases to Police and Fire (public safety personnel will receive a 4% salary increase). Revenue growth also provided funding for youth (creating additional summer jobs), program expansion in both Parks Services and Libraries, and a 1% salary increase to non-safety personnel. The City increased its proportionate share of healthcare cost by \$5.5m to offset increases in monthly premiums. For the first time since 2006, the pension Actuarially Determined Contribution (ADC) is funded at 100%. The Memphis Area Transit Authority (MATA) is budgeted to receive an additional \$2.5m above last year’s adopted budget based on expected funds coming from the State’s IMPROVE Act (Improving Manufacturing, Public Roads and Opportunities for a Vibrant Economy).

Revenues

The revenue budget was developed from management’s trend experience and economic research from the University of Memphis (U of M), with focus on the forecast and trends for the top ten revenue sources.

The FY2020 General Fund Revenue increased by approximately 3.7% and is budgeted at \$710.4m (excluding the use of fund balance) compared to the FY2019 budget which was \$685.3m. In addition to normal tax growth, revenue budget increases are planned for Grants, Charges for Services and Transfers - In. Some of the increasing revenue categories are directly related to a special initiative and can be considered “pass through revenue” as it is assigned to a specific expenditure. One of the increasing revenue categories, Fines and Forfeitures, fits this description as the expenditure budget reflects new personnel for code enforcement. A summary of the major revenue variances follows.

REVENUES

Description	FY2019 Adopted	FY2020 Adopted	Inc./Dec.
General Fund	\$685,320,069	\$710,388,392	\$25,068,323

Notable FY2020 Budget Revenue Changes:

▪ 4.0 Million in Lieu of Sewer	▪ 1.3 Million Transfer in Metro Alarm
▪ 3.7 Million Local Taxes	▪ 1.0 Million Telecommunication Sales Taxes
▪ 3.0 Million Transfer in Fleet Management	▪ 0.7 Million MATA
▪ 2.5 Million Transfer in State Street Aid	▪ 0.6 Million Net Income Investors
▪ 2.0 Million Federal Grants	▪ 0.6 Million Property Tax Interest and Penalty
▪ 2.7 Million Total State Taxes	▪ 0.6 Million Transfer in Unemployment
▪ 1.8 Million Fines and Forfeitures	▪ 1.3 Million Various Increases and Decreases
▪ 2.3 Million Total Other Financing Sources	▪ (3.5) Million Transfer in Debt Fund
▪ 1.6 Million Miscellaneous Inspection Fees	

Expenditures

The FY2020 revenue budget supports an expenditure budget that addresses a variety of initiatives. Safety is a priority and a 4% salary increase has been budgeted for safety personnel. A 1% increase is budgeted for all other employees. The City increased its proportionate share of healthcare cost by \$5.5m of to offset increases in monthly premiums. Expenditure increases are also planned for Youth, Park Community Centers, and Economic Development. FY2020 is an election year so the budget reflects \$1.0m for election costs. The City has also included funding to support an effective census gathering process.

EXPENDITURES

Description	FY2019 Adopted	FY2020 Adopted	Inc./Dec.
General Fund	\$685,320,069	\$711,558,126	\$26,238,057

Notable FY2020 Budget Expenditure Changes:

- | | |
|---|---|
| ▪ 18.7 Million Salaries and Leave | ▪ 0.7 Million City Shop Fuel & Charges |
| ▪ 5.5 Million Healthcare | ▪ 0.7 Million Legal Services & Court Cost |
| ▪ 5.2 Million Overtime | ▪ 0.6 Million Expense Recovery Personnel |
| ▪ 4.5 Million Various Increases and Decreases | ▪ (0.6) Million Community Centers |
| ▪ 2.7 Million Professional Services | ▪ (0.8) Million Lawsuits |
| ▪ 2.5 Million MATA | ▪ (1.7) Million Part Time Salaries |
| ▪ 1.1 Million Ambassador's Fellowship Pay | ▪ (2.8) Million Pension |
| ▪ 1.0 Million Elections | ▪ (5.4) Million Benefit Adjustments |
| ▪ 0.7 Million Compliance Monitoring | ▪ (7.1) Million Operating Transfers |
| ▪ 0.7 Million Outside Computer Services | |

Other Funds Discussion

Debt Service Fund

The Debt Service Fund provides for the accumulation of resources for the payment of general long-term debt principal, interest and related costs. This fund uses approximately 31% of the property tax rate and 7% of the local sales tax rate. The tax apportionment rate for the Debt Fund will be reduced by \$0.02 cents. This reapportionment has been dispersed equally with one-third (0.006667) of the \$0.02 cents allocated to increase capital pay-go funding, which will reduce the reliance on G.O. bond funding, one-

third to establish a Community Catalyst Fund, and one-third to establish an Affordable Housing Trust Fund.

In FY2019, the Debt Fund transferred \$3.5m in funding to the General Fund. This will not occur in FY20. Therefore, expenses for FY20 are budgeted to be slightly less than the FY19 adopted budget. The Debt Fund will still produce a positive contribution to its fund balance.

DEBT FUND

Description	FY2019 Adopted	FY2020 Adopted	Inc./Dec.
Debt Fund Expenses	\$177,692,703	\$173,917,154	\$(3,775,549)

Enterprise Funds

Enterprise Funds account for the acquisition, operation and maintenance of the City’s facilities. The Sewer Fund and the Storm Water Fund are the City’s Enterprise Funds. The Sewer Fund expenses for FY2020 are budgeted to increase by 20% over the FY2019 budget. The expense increases will be in salaries, professional services, chemicals, service charges, and capital outlay. These are planned

increases, and revenues are sufficient to absorb the increases.

The Storm Water Fund expenses will increase by 6%. In anticipation of the Storm Water Fund issuing its own debt, supported by its revenues, a rate increase has occurred. The Storm Water Fund will produce a positive contribution to its fund balance for future initiatives.

ENTERPRISE FUND

Description	FY2019 Adopted	FY2020 Adopted	Inc./Dec.
Sewer Treatment Expenses	\$107,936,508	\$129,440,550	\$21,504,042
Storm Water Expenses	\$23,225,344	\$24,563,647	\$1,338,303

Internal Service Funds

Internal Service Funds (ISF) are used to budget for the costs of goods or services provided to other city Divisions. The ISF revenues are generated from divisions using their services. Healthcare, Unemployment, and Fleet represent the internal service funds in the FY2020 budget.

support the OPEB fund to offset the expected claims expense.

The City’s health plan serves almost 6,000 employees and 7,500 spouses and dependents. The Healthcare Fund expenses are budgeted to remain relatively flat, however, health claim expenses for FY2020 is expected to increase by 7% or \$5.5m. The Healthcare Fund will not transfer any of its fund balance to

The Fleet Fund has continually moved to being more efficient in the provision of repair services to other divisions and managing gas prices with timed purchases at lower market costs. Fleet Fund expenses will increase in FY2020 as the fund is budgeted to transfer \$3.0m to the General Fund.

The Unemployment Fund has a healthy and accumulating fund balance. As a result, this fund will transfer \$900k to the General Fund. Transactional expenses are budgeted at \$200k.

INTERNAL SERVICE FUND

Description	FY2019 Adopted	FY2020 Adopted	Inc./Dec.
Health Care Fund Expenses	\$87,725,414	\$87,889,108	\$163,694
Fleet Mgmt. Expenses	\$27,344,231	\$30,106,533	\$2,762,302
Unemployment Expense	\$500,000	\$1,100,000	\$600,000

Special Revenue Funds

Special Revenue Funds provide budgets for specific revenue sources that are restricted to expenditures for specific purposes. There are thirteen Special Revenue Funds represented in the FY2020 budget. The most notable Special Revenue Fund is the Solid Waste Management Fund (SW). Solid Waste expen-

ditures will increase by 9%. A rate increase is expected to occur during the FY2020 budget year.

Two funds are new, The Community Catalyst Fund and The Affordable Housing Trust Fund. The Community Catalyst Fund will infuse economic infrastructure investments within the City’s communities, and the Affordable Housing Trust Fund will be used for quali-

fied new construction and rehabilitation of multi-family homes, as well as minor repair and rehabilitation of single family homes. These funds were established with an apportionment from the Debt Fund tax rate.

Other special revenue funds and their budgeted FY2020 expense changes from the FY2019 budget are identified below.

SPECIAL REVENUE FUND

Description	FY2019 Adopted	FY2020 Adopted	Inc./Dec.
State Street Aid Expenditures	\$20,503,600	\$20,303,600	\$(200,000)
Solid Waste Expenditures	\$66,913,958	\$73,237,785	\$6,323,827
Drug Enforcement Fund Expenditures	\$3,805,395	\$3,349,597	\$(455,798)
Metro Alarm Fund Expenditures	\$952,495	\$2,295,216	\$1,342,721
Park Special Services Fund	\$166,752	\$166,752	—
Hotel/Motel Occupancy Tax Fund Expenditures	\$14,735,804	\$14,683,050	\$(52,754)
New Memphis Arena Expenses	\$2,500,000	\$2,500,000	—
Fire EMS Fund	\$3,437,350	\$3,437,350	—
Electronic Traffic Citations	\$250,000	\$250,000	—
Pre-K	—	—	—
Catalyst Fund	—	—	—
Affordable Housing Trust Fund	—	—	—
HUB Community Impact Fund	—	\$250,000	\$250,000

Fiduciary Funds

Other Post-Employment Benefits (OPEB) and Memphis & Shelby County Public Library and Information Center Retirement Plan (Library Retirement Pension Fund) are the only budgeted Fiduciary Funds. To manage the OPEB fund, the City has transitioned many retirees to the various insurance exchanges and claims have decreased significantly since FY2015. It is planned for a \$2.9m expense decrease

in the FY2020 budget. Although expenses will be lower, a contribution from the OPEB fund balance is budgeted. The General Fund may be required to provide additional funding to OPEB if claims expense targets are exceeded.

The Library Retirement Pension Fund accounts for the activity of retirement, death, and disability benefits for those covered under the plan.

FIDUCIARY FUND

Description	FY2019 Adopted	FY2020 Adopted	Inc./Dec.
OPEB Fund Expenses	\$18,479,932	\$15,546,665	\$(2,933,267)
Library Retirement Pension Fund	\$1,089,783	\$1,089,783	—

The 2019-2020 Economic Outlook

The economy of Memphis has been strong in past years, and FY2020 should be no exception. The local labor market has been at full employment. Labor shortages are an impediment to increasing economic growth rates. Unemployment rates, a key indicator of the performance of the local economy, have been low and are expected to remain low throughout FY2020. Memphis is a city with an economy that is driven by earned income and employment growth. Employers generate jobs, income, and taxes for all aspects of the local economy.

The strength of the local economic environment is a reflection of national economic performance. When the nation's economic performance is strong, the Memphis economy is also strong. Weaknesses that appear in the national economy are reflected in local economic activity. To the extent that recent national and international concerns about a 2019-2020 recession are overstated, Memphis businesses will continue to achieve peak performance levels in 2019. A recession in either year (unlikely given current data) will result in modest declines in the economic performance of Memphis.

Maintaining a balance between indicators that are increasing and those in decline is a primary goal of the Federal Reserve System (the Fed). Balancing goals of low inflation and strong economic growth with one major tool is difficult at best. Recent actions of the Fed to increase key interest rates have gradually slowed the economy. The actions of the Fed were a major factor in the post-recession recovery. Sustained low interest rates allowed the economy to recover and may be essential for continuing economic growth.

Fed actions will be the most important economic engine in 2019, either stepping on the gas or slowing the national economy. Interest rates impact all sectors of the economy, and the Memphis economy is no exception. Concerns about inflation have been overwhelmed by economic globalization and the absence of pricing power experienced by most employers. Competition keeps prices and inflation

low, while the increased demand for goods and services is met by suppliers around the world.

Accelerated logistics have changed the landscape for retailers and consumers. From local food delivery services to global trade, the economy of Memphis is undergoing tremendous change. FedEx is the economic engine for Memphis. Global economic growth and unconstrained trade make FedEx and the economy of Memphis prosper.

Other changes to the economic landscape are changing the way the local economy operates. A strong medical industry is driven by St. Jude and the extensive array of healthcare-related providers, educational institutions, and health-related businesses. Not only is the health industry growing, but it provides downside protection for the local economy.

Similar growth in higher education institutions will provide the labor force of the future. Engaged universities are essential partners for economic development initiatives. Globally-active university faculty, staff, and students can be the link between global businesses and the community's economic development efforts.

Memphis has a highly diverse economic base that provides some downside protection during recessions. The absence of a large sector that is recession-sensitive, like autos or energy, helps provide a more reliable base for the local economy.

To the extent that national economic growth continues uninterrupted, the local economy will continue to be strong in 2019 and beyond. A short and modest recession would generate some slack in the Memphis economy—currently operating at peak levels. The Memphis economy needs to accelerate its growth through dynamic market-driven policies that both attract and retain employers. More and better jobs will generate opportunities for all Memphis residents. Job creation is the most important goal for the Memphis economy.

Local Conditions. The data in Chart 1 show annual establishment employment for the Memphis Metro-

politan Area (MSA) from 2008-2018. Since 2010, employment has grown steadily and had increased by 62,000 jobs by the end of 2018. The outlook for

2019-2020 is for continuation of the growth path of the last seven years—an increase of 7,000-10,000 new jobs.

Chart 1. Memphis MSA Employment (000), 2008-2018

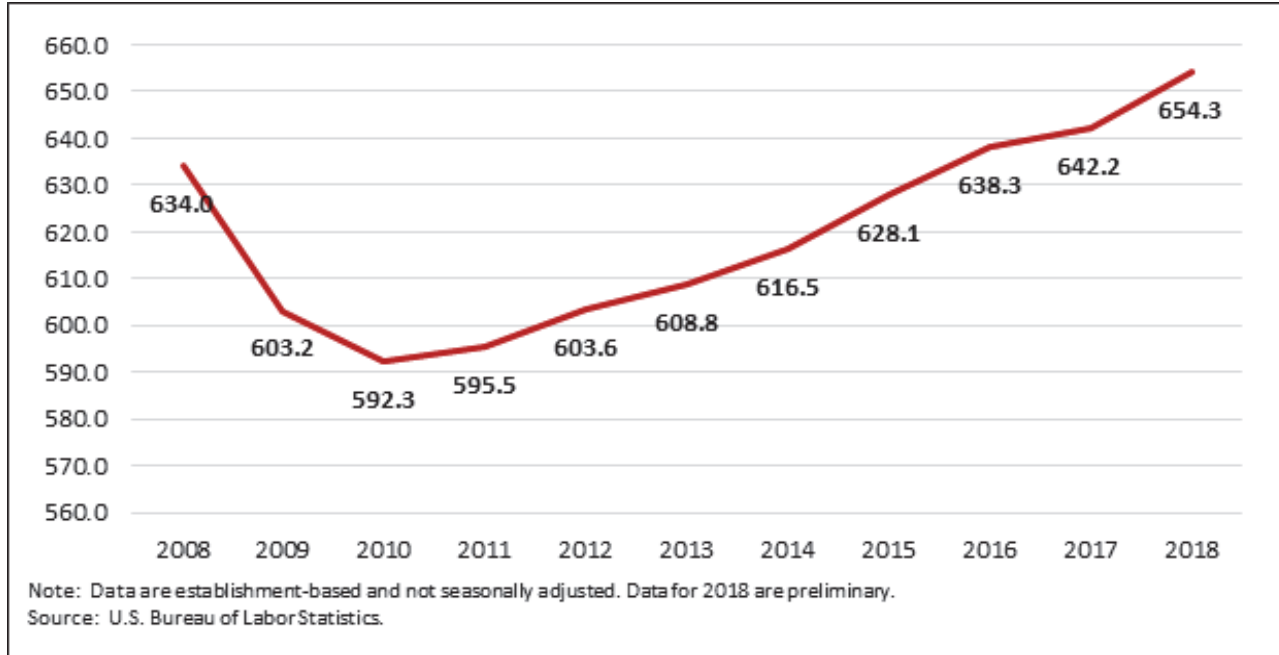


Table 1. Memphis MSA 2018 Employment by Industry and Percent Change over 2017 (Annual Average)

Industry	Total Employment (000)	Percent Change from 2017
Total Nonfarm	654.3	1.9%
Mining & Construction	23.4	2.6%
Manufacturing	46.3	1.7%
Trade, Transportation, & Utilities	177.6	1.0%
Information	5.5	-1.9%
Financial Activities	29.6	3.7%
Professional & Business Services	96.6	4.1%
Education & Health Services	94.8	0.8%
Leisure & Hospitality	70.5	2.8%
Other Services	25.7	0.3%
Government	84.3	1.8%

Notes: Data are *not* seasonally adjusted. Data for 2018 annual employment are preliminary.
Source: U.S. Bureau of Labor Statistics.

Table 1 provides more detailed employment data by industry for 2018 and reflects ongoing growth in the local economy. Professional and Business Services had the largest growth at 4.1 percent over 2017,

while employment in Financial Activities was second with 3.7 percent growth. Only one sector declined in 2018, Information (-1.9%). Mining, Logging, and Construction (note: virtually all this sector is construction

in the Memphis MSA) grew by 2.6 percent compared to 4.6 percent for the U.S., while local manufacturing employment grew slightly less than the national rate of growth (1.7% vs. 2.0%, respectively).

Chart 2 data shows employment growth in the construction industry and reflects healthy local economic conditions. Nationally, there are concerns that housing is slowing and some areas are overbuilt. This is not necessarily true in the Memphis MSA with December 2018 growth of 2.6% over December

2017. With local average home sales prices having risen 5.3% in 2018 (see Maar.org, - Memphis Area Association of Realtors - for local home price data) and continued economic growth expected, the incentive is in place for construction to grow even more in 2019-2020. Far from being overbuilt, the Memphis MSA may be underbuilt as there was a very limited supply of new and existing homes for sale as of the end of 2018.

Chart 2. Twelve-Month Percentage Change in Construction Employment, Selected Areas, December 2018

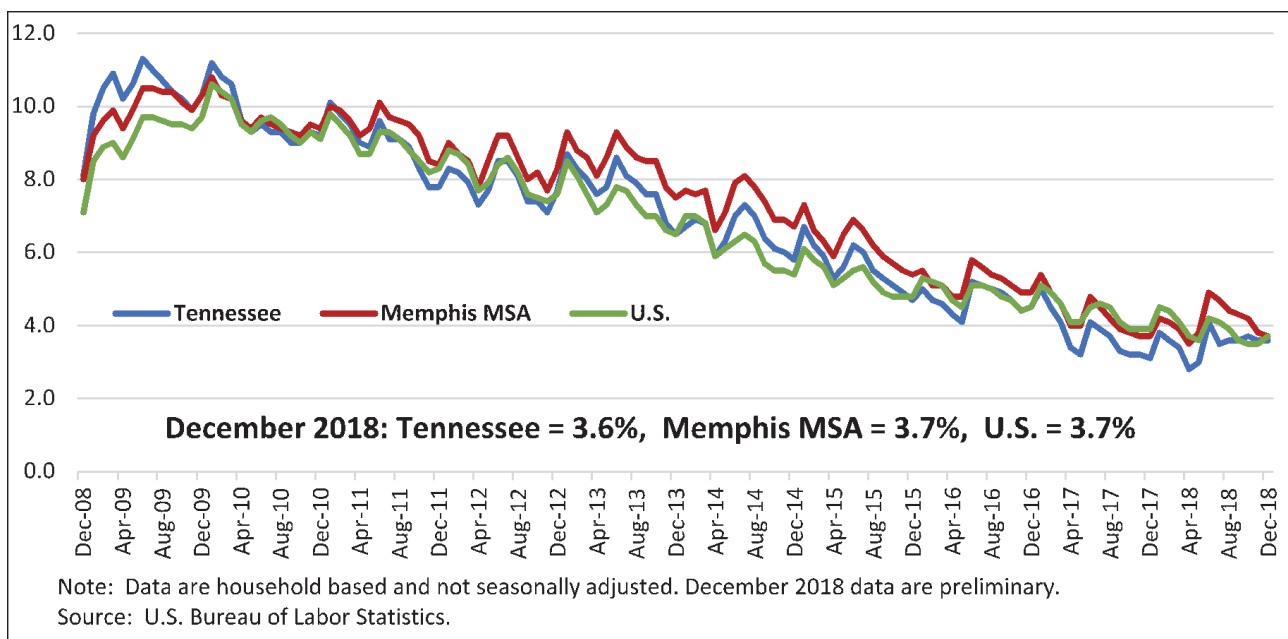


Chart 3. Unemployment Rates, U.S., Tennessee, and Memphis MSA, December 2008-December 2018

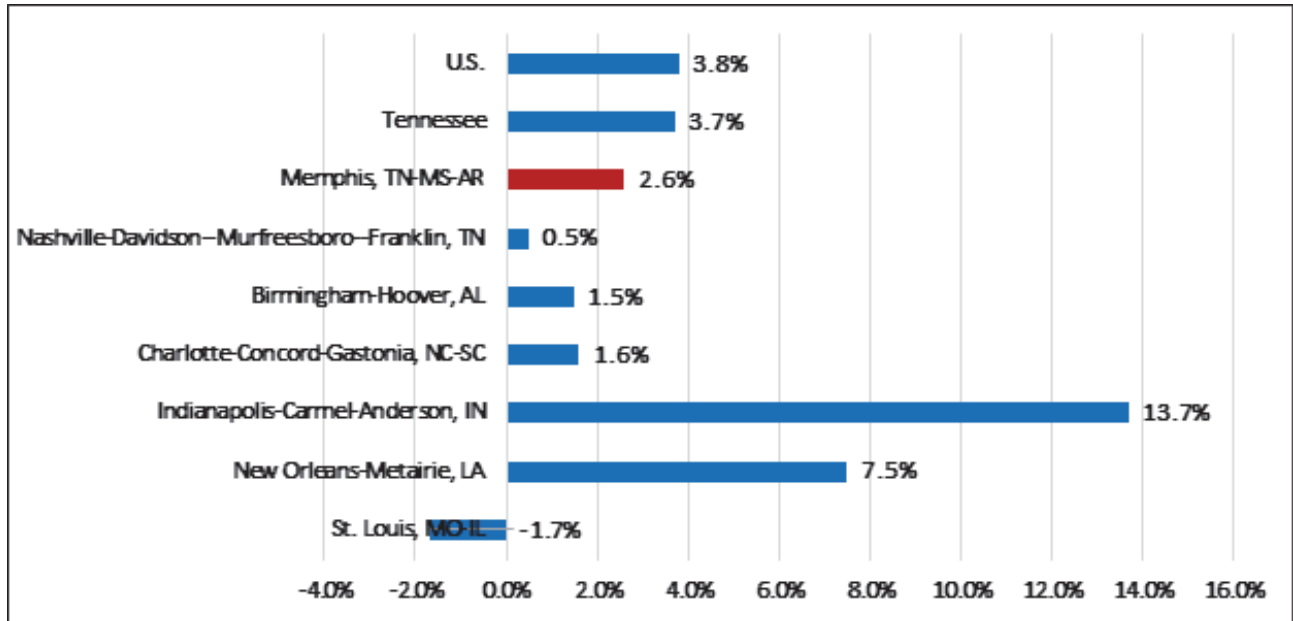
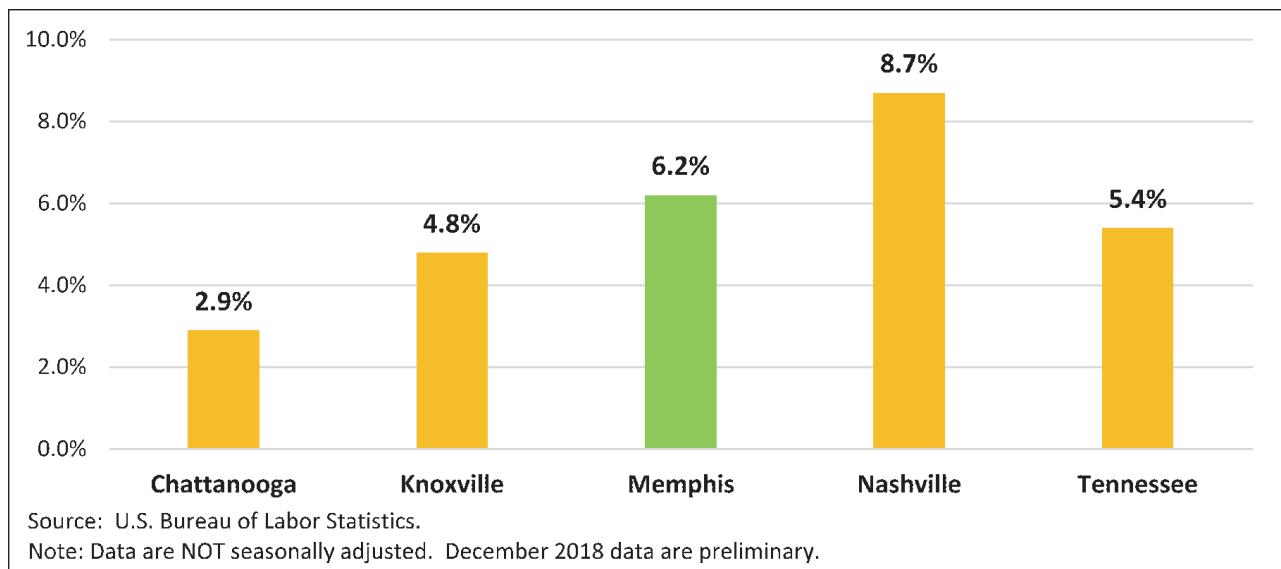


Chart 3 shows the trends for the unemployment rates of the U.S., Tennessee, and Memphis. While improving employment growth has had a positive impact on reducing unemployment nationwide and in the Memphis MSA, some of the declines are associated with reductions in the number of people looking for work. Locally and nationally, unemployment rates are so low that for employment to grow further, there will be a need for pay and benefit raises.

Both the national and local job situations are improving steadily and will continue to improve in 2019-2020.

Finally, Chart 4 shows year-over-year wage growth for the major metropolitan areas in the state. As shown, wage growth has been strong across the state but especially in both the Memphis and Nashville metro areas at 6.2% and 8.7%, respectively.

Chart 4. Twelve-Month Percent Change in Average Hourly Earnings, Select MSAs and Tennessee, Dec. 2017-Dec. 2018



The Economic Outlook source: University of Memphis - Fogelman College of Business and Economics.

Budget Development Process

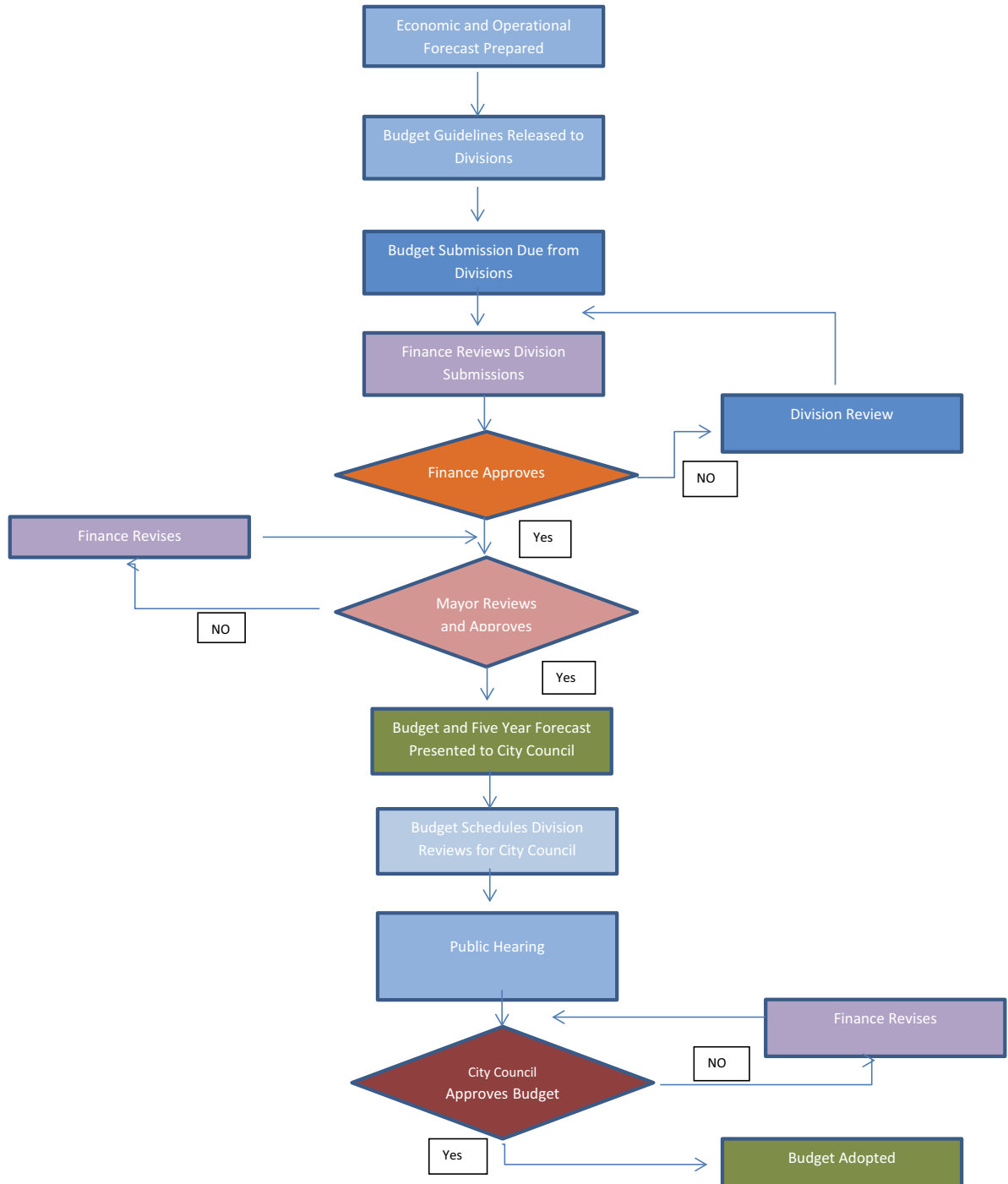
The Budget Office (the Office) is responsible for coordinating the budget preparation for all Divisions and Funds of the City. The Office assembles financial data provided by city Divisions to develop the City's budget. After the compilation of all data, the Budget Office coordinates the review and approval process of the Operating and Capital Improvement Budgets.

The Operating Budget is approved annually. The planning and development process begins in October for the following fiscal year. When financial preparation begins Divisions are asked to enter their financial data into the budget system over a three-week period. The information is then analyzed and Divisions are consulted with respect to noticeable budgetary changes. Administrative reviews are held with each Division to further understand their budget requests and then align them with the City's priorities. After finalizing any necessary revisions, the Proposed Operating Budget is submitted to the Mayor for final review and approval. The Mayor presents his administration's budget to the City Council (the Council) in April. The Council then conducts its own

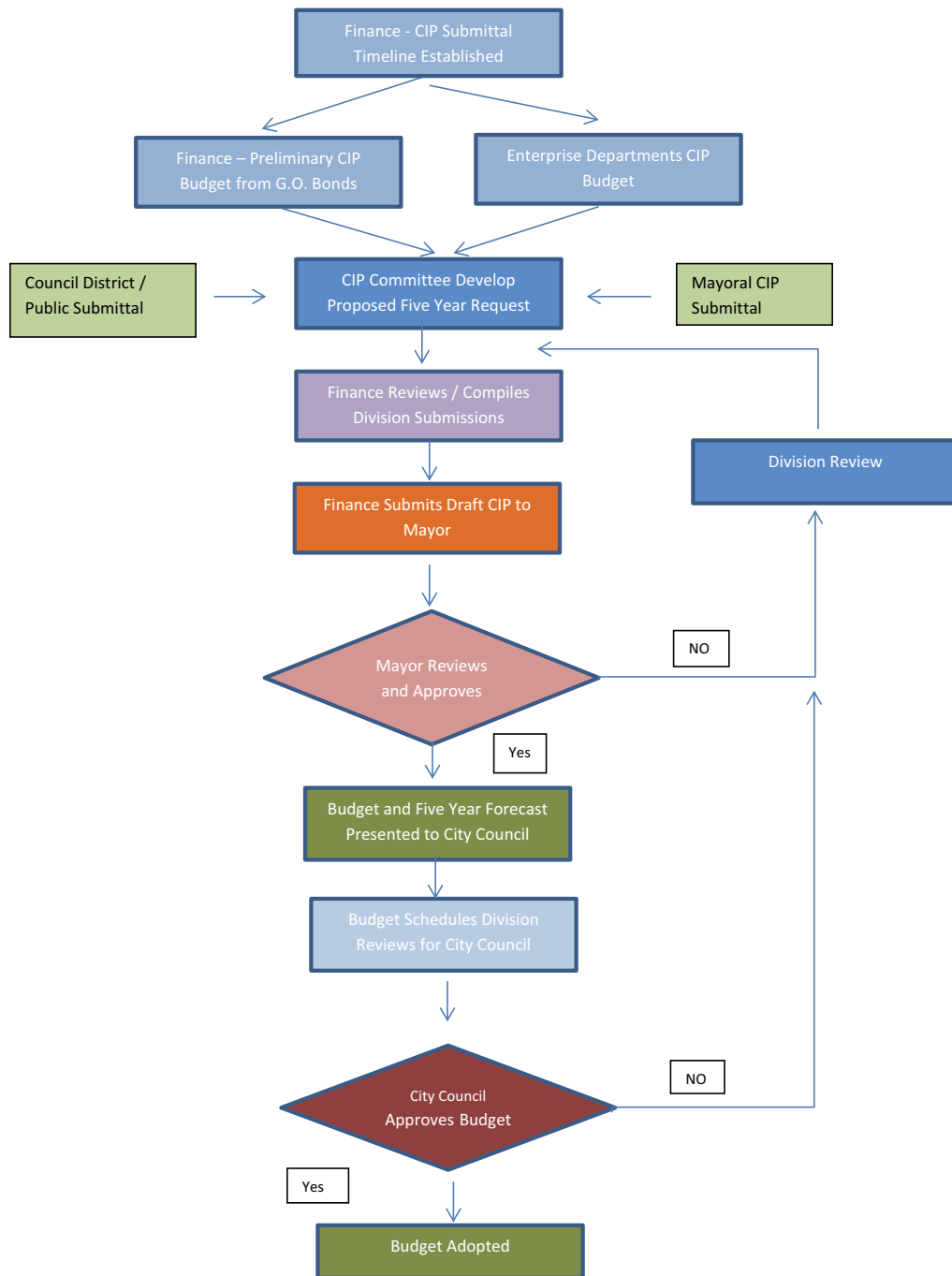
hearings to review the budget. With Council's revisions and approval, the process is complete. Funding approvals are limited to one fiscal year.

The Capital Improvement Program (CIP) is a five-year plan, which is reviewed and approved annually, for priority, project changes, and additions. This plan identifies projects for current and future funding. The process for Capital Planning also begins in October with an evaluation of current assets (buildings and infrastructure) and an evaluation of new capital needs. Discussions are conducted by an internal CIP committee which is represented by a cross section of Division leaders. CIP projects that make the final list are analyzed by the Finance Office to compare to Capital funding capacity. After Finance Office revisions, the CIP Budget is presented to the Mayor for review and final approval. The Mayor submits the plan to Council. The Council then conducts its own hearings to scrutinize the budget. The process ends in June with Council's approval of the budget. Although the Council approves a five-year plan, spending is allocated for one year.

OPERATING BUDGET PROCESS



CAPITAL PREPARATION PROCESS



FY2020 Budget Calendar

JULY – AUGUST

- Preparation of final documents for the new budget are completed. This includes the Adopted Operating and CIP Budget Books.
- Submission of Budget documents to the State Comptroller's Office.
- Budget planning for the next year's budget.

SEPTEMBER

- Initial revenue trends and projections for the current year begin.
- Budget training material developed.

OCTOBER

- Current Year 1st Quarter Actuals reviewed and review of revenue trends with external analyst begins (UofM).

NOVEMBER

- Finance submits 1st Quarter Operating results of the new budget to the City Council.
- Divisions submit CIP needs to the CIP Committee.
- Overview of the next year's budget priorities given to Division Chiefs and Directors.

DECEMBER - JANUARY

- Revenue projections updated for current year and next year.
- Budget meeting with divisions for 2nd Quarter forecast and next year's budget request.
- Operating Budget training and initiation dates provided to Divisions.
- CIP Budget training and initiation dates provided to Divisions.

FEBRUARY - MARCH

- Operating Budget/CIP Administrative hearings with divisions.
- Operating Budget/CIP review with Mayor, and COO.
- Final recommendations made and budget documents prepared.

APRIL

- The Mayor presents the Proposed Operating Budget and CIP Budget request to the City Council on the third Tuesday in April.
- Ordinances and Resolutions covering the Proposed Budget are presented to Council.
- Notifications of the Proposed Budget is published in the local newspaper.
- Current year 3rd Quarter Actuals reviewed and a final full year forecast prepared for the current year.

MAY

- Budget hearings with the City Council Operating Budget and CIP Committee to review the Proposed Budget.

JUNE

- Final Adopted Budgets are approved by the City Council.
- Ordinances and resolutions associated with the Operating and CIP Budgets are finalized.

Budgeting and Appropriations Revision Process

The financial plans of the City are included in the annual operating and capital budgets. These budgets project all receipts and disbursements, and frames the level of governmental services that can be provided at the approved funding levels.

Operating Budget

The Administration is responsible for proposing programs and recommending funding levels to the City Council and for implementing service programs in accordance with established goals and objectives. The Council has final responsibility for approving the annual Operating Budget, the Capital Improvement Program, and setting the tax rate and fees for services.

Each division provides services through smaller units known as “program levels.” The adopted budget ordinance appropriates spending and provides for budgetary control at program levels. Program budgets cannot be exceeded without the approval of the Council. Strict budgetary compliance is maintained by an automated accounting system to assure effective fiscal management and accountability. All requests for purchases or payments are checked by the budgetary control system to assure that funds are available. Purchase Orders and contracts are encumbered prior to their release to vendors. Those Purchase Orders and contracts that exceed appropriated amounts cannot be executed until additional appropriations are made available, either by transfer of existing appropriations or by a resolution granting additional appropriations by the Council. The system controls are maintained at the program levels and are set up within Personnel, Operations and Maintenance and Capital categories.

Changes to the Operating Budget

The Operating budget is a guideline or plan of operation for each division. However, budget changes may be necessary during the fiscal year (for example, new

grant monies can be made available or changes in a service center’s personnel can disrupt an otherwise successful budget). When unforeseen circumstances arise, changes can be made to the budget two ways: Intra-Category Line Item Transfer (Black Line) or Inter-Category Line Item Transfer (Red Line).

INTRA-CATEGORY LINE ITEMS TRANSFERS

Intra-category line item transfers, called administrative transfers, are used to transfer budgeted funds within the same category. Administrative transfers are necessary when transferring small amounts of funds within a legal level (program), such as moving \$1,000 from document reproduction to City Hall printing within a service center. The Request for Transfer of Budget Appropriation Intra-Category Line item Transfer must be completed in full including a justification of the transfer. The explanation should address why surplus funds are available and why funds are needed. This form must be signed by the Division Director and forwarded to the Budget Office for approval.

INTER-CATEGORY LINE ITEM TRANSFERS

Inter-category line item transfers, called council transfers, are used to transfer funds from one legal level (program) to another or between categories. Inter-Category transfers are used to transfer budgeted funds from one expenditure to another as long as the transfer is within the same legal level (program) and does not exceed \$50,000 between categories or a cumulative total of \$100,000 for the year. For the personnel category only one \$50,000 inter-category transfer can be made. The council transfer form is very similar to the administrative form. Since the changes require approval of the City Council, each transfer must be accompanied by a resolution and a Council Agenda Check-Off Sheet.

Capital Improvement Budget

The Capital Budget and Capital Improvement Program are prepared annually to present the capital expenditures planned for each of the next five fiscal

years. The total costs of each project and the sources of funding (local, state, federal and private) required to finance each project are estimated. The Capital Improvement Program is prepared after a rigorous review and evaluation of all proposed projects by the Capital Review Committee. Building Design and Construction reviews the scope of all requests involving construction or major renovations to city owned structures. Debt Management studies the fiscal feasibility of the projects submitted for future funding needs. The single year Capital Improvement Plan allocates the capital expenditures to be made in the current budget year. The Capital Budget must be in full conformity with that part of the Capital Improvement Program applicable to the fiscal year which it covers.

Additional authorizations (appropriations) for each capital project in the Capital Budget must precede the expenditures of construction funds.

Changes to the CIP Budget - Transferring Allocations & Appropriations

Once the CIP has been adopted by the City Council, the data is loaded into the City's Accounting System. During the life of the project, it may be necessary to provide additional allocations or transfer funds to aid in the completion of the project. Two methods are used to transfer or establish allocation and/or appropriations.

- 1 The Capital Improvement Budget Request for Administrative Transfer or Appropriation form (Black Line) is used to:
 - A Record the initial appropriation of the planning lines (architecture/engineering, land development, land acquisition) upon the adoption of the CIP by the City Council.
 - B Transfer allocations and appropriations within planning lines or within construction lines (contract construction, latent conditions, and other costs).
 - C Transfer allocations from "cover-line" project planning lines to the new project planning lines and the appropriation of the lines.
- 2 The Capital Improvement Budget Request for Council Transfer and Appropriation form (Red Lines) is used to:
 - A Appropriate all construction lines.
 - B Transfer allocations and appropriations between projects.
 - C Increase/decrease allocations or appropriations of a project.

Changes to the operating budget (exceeding the prescribed administrative levels), or the CIP budget must be done through resolutions.

Budget Resolution Review Process — Operating & CIP

Resolutions

A resolution is a document asking the City Council to amend the Appropriation Budget Ordinance or Capital Improvement Budget. A resolution is written in two sections: the “WHEREAS” section and the “RESOLVED” section. The WHEREAS section explains why the change is necessary, what the money will be spent for, and why funds are available and where the funds will come from. The RESOLVED section includes the statements that actually change the Budget Ordinance.

A resolution details the action requested by Council and should answer one or more of the following questions:

- What is the purpose of the change?
- Why is the change necessary?
- What will the funds be used for?
- Why are funds available?

A resolution shall be written in clause format. Each clause in the preamble shall begin with the word “WHEREAS”, include a brief statement answering one or more of the above questions, and continue with “AND,” an adopting clause. “NOW THEREFORE BE IT RESOLVED”, shall summarize all information as requested regarding changes to the City Resolution. The adopting clause may be followed by several additional clauses.

After finalizing a Resolution, a Council Agenda Check-Off sheet must be prepared which summarizes the Resolution and includes all organizational data, account numbers, and dollar amounts.

Council Agenda Check-off Sheet

The Council Agenda Check-Off Sheet must accompany all documentation that goes before Council. The originating division/service center must complete the form and have it signed by the appropriate service center manager and division director.

Routing and Handling of Transfers

- 1 Administrative Transfers and Appropriations
 - Division Directors
 - Budget Office
 - Comptroller’s Office
- 2 Council Transfers and Appropriations

The budget resolution package (Council Agenda Check-Off Sheet, original resolution, red line forms-including appropriate signatures from the division director) should be forwarded to the Budget Office one week before the Council Committee meets. From there the documents will be forwarded as follows:

- 1 Chief Financial Officer (CFO).
- 2 Chief Legal Officer (CLO).
- 3 Chief Operating Officer (COO).
- 4 Mayor’s Office – Resolutions appropriating or transferring CIP funds must be received by the Mayor’s Office by noon on Thursday for Council Committee action on the following Tuesday.
- 5 Council Committee reviews monetary transfers and makes recommendations to the full Council.
- 6 The Mayor’s Office forwards the resolution to Council Records after the Council Committee recommendation (s) are made. The resolutions are then placed on the Council Agenda for consideration by the full Council on the following Tuesday.

Council’s approval of the resolution gives legal authority to amend the fiscal year’s budget.

Resolutions may be returned to the originating division/bureau for corrections at any time during the process.

The need for accuracy in the completion of all appropriate forms and recognition of time constraints is crucial in processing transfers. The Budget Office may be contacted for further assistance and/or information.

Fiscal Policy

Policies for Fiscal Control

- **Basis of Budgeting.** The City budget is in accordance with the Municipal Budget Law of the State of Tennessee. This law requires a cash basis budget and the budget must be balanced. The budget for the respective funds in this document are presented on a cash basis.
- **Balanced Budget.** It is the fiscal policy of the City to adopt a balanced budget. For State law a balanced budget requires that the beginning Unassigned Fund Balances plus estimated revenues must be greater than or equal to appropriations. If necessary, budgets can be balanced with revenues from the fund balance; however, the fund balance shall remain positive and the use of fund balance for future budgets shall not be recurring.
- **Financial Management.** The City will manage and account for its Operating and Capital Budgets in accordance with principles and standards set forth by the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP).
- **Accounting Method.** The City will maintain its accounting records for general governmental operations on a modified accrual basis, with revenues recorded when available and measurable and expenditures recorded when services or goods are received and the liabilities incurred. The City's actual expenditures, compared to budget, are on a "modified accrual plus encumbrances" basis, which treats encumbrances as actual expenditures at the time the funds are encumbered. Accounting records for proprietary fund types and similar trust funds are maintained on the accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt of payment of cash. For governmental-type funds, revenues and expenditures are also monitored internally on a "budgetary" basis to ensure compliance with legal limitations.
- **Internal Accounting Controls.** The City will develop and manage its accounting system to provide reasonable assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of

financial records for preparing financial statements and maintaining accountability for assets. "Reasonable assurance" recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

- **Audits.** The City will ensure the conduct of timely, effective, and periodic audit coverage of all financial records and actions of the City, its officials, and employees in compliance with local, State, and Federal law.
- **Fund Balance.** The City strives to maintain a General Fund balance of 10% of expenditures as a standing fiscal policy.

Policies for Revenue and Program Funding

- **Revenue Projections.** The City will estimate revenues in a conservative manner in order to minimize the adverse impact of a revenue shortfall.
- **Property Tax Rates.** The City will maintain stable tax rates that avoid wide annual fluctuations as economic and fiscal conditions change.
- **Intergovernmental Revenue.** The City will aggressively seek a fair share of available State and Federal financial support unless conditions attached to that assistance are contrary to the City's interest.
- **Cash Management.** The City will maintain sophisticated and aggressive cash management and investment programs in order to achieve maximum financial return on available funds. Cash will be pooled and invested on daily basis at best obtainable rates; investments will be generally limited to federal debt instruments, fully collateralized repurchase agreements, or highest quality bankers' acceptances and commercial paper.

Policies for Expenditures and Allocation of Costs

- **Contents of Budgets.** The City will include in the Operating Budget all programs and facilities not

specifically eligible for inclusion in the Capital Improvement Program.

- **Expenditure Growth.** The City will budget expenditures for necessary and essential public purposes only, holding expenditure growth to levels consistent with realistic prospects for the community's ability to pay, both in the upcoming fiscal year and in the ensuing years as well.
- **Allocation of Costs.** The City will balance the financial burden of programs and facilities as fairly as possible between the general taxpayers and those who benefit directly, recognizing the common good that flows from many public expenditures, the inability of some citizens to pay the full costs of certain benefits, and the difficulty of measuring the relationship between public costs and public or private benefits in some services.
- **Expenditure Reduction.** The City will seek expenditure reductions whenever possible through efficiencies and through the reduction or elimination of programs, policies, and practices which have outlived their usefulness.
- **Public Investment in Infrastructure.** The City will, within available funds, plan and budget for those facilities and infrastructure necessary for a healthy economy and for support of public programs determined to be necessary for the quality of life desired by its citizens.
- **Procurement.** The City will make purchases, directly or indirectly, through a competitive process except when an alternative method of procurement is specifically authorized by law.

Policies for Debt Management

- **Debt Management.** The City will minimize debt service costs through the judicious use of available debt instruments, consistent with the desirability of maintaining stable current tax rates and distributing the costs of certain long-lived facilities among all users, present and future.
- **Debt Incurrence.** The City will limit the amount of new general obligation debt it will plan for and issue in any six-year period to that which can be supported by the community under conservative fiscal and economic projections and to that

which will maximize the likelihood of sustaining the City's "AA" credit rating

Policies for Governmental Management

- **Productivity.** The City will measure and seek to increase the productivity of City Programs in terms of quantity and quality of services relative to resources expended, through program evaluation, employee training and incentives, and other strategies.
- **Risk Management.** The City will control its exposure to financial loss through a combination of commercial and self-insurance; will self-insure against all but highest cost risks; and will aggressively control its future shares among agencies through loss history.
- **Employee Compensation.** The City will seek to provide equitable pay among comparable jobs and City agencies and between employees in collective bargaining units and those outside of such units, and will seek to contain the growth of compensation costs through organizational efficiencies and productivity within the workforce.
- **Pension Funds.** The City will, through judicious management and diversified investment, assure the security of the assets of the Employees Retirement System toward its solvency and regular benefits for future as well as present retirees and will continue to evaluate the accrued liability and adjust the funding rate when necessary.
- **Surplus Property.** The City will maximize the residual value of land parcels or buildings declared excess to current public needs through efforts at public reuse, lease to appropriate private organizations, or sale toward returning them to the tax base of the City. Deposition of goods that have become obsolete, unusable, or surplus to the needs of the City will be made through bid, auction or other lawful method to the purchaser offering the highest price except under circumstances as specified by law.
- **Resource Management.** The City will seek continued improvement in its budgetary and financial management capacity in order to achieve the best possible decisions on resource allocation and the most effective use of budgeted resources.

Governmental Accounting

Overview

Government accounting has many similarities to commercial accounting. For example, governmental accounting uses the double-entry system, journals, ledgers, trial balances, financial statements, internal control, etc. Differences arise due to the objectives and environment of government. The major differences include:

- 1) The absence of a profit motive, except for governmental enterprises, such as utilities
- 2) A legal emphasis which involves restrictions both in raising and spending revenues
- 3) An emphasis of accountability or stewardship of resources entrusted to public officials
- 4) The recording of the budget in some funds
- 5) The use of modified accrual accounting in some funds.

Governmental Funds		Proprietary Funds		Fiduciary Funds	
1	General	5	Enterprise	7	Pension Trust
2	Special Revenue	6	Internal Services	8	OPEB
3	Debt Service				
4	Capital Projects				

The City does not currently utilize Permanent or Private-purpose Trust Funds.

In the governmental funds, the objective is to provide services to the public. All of these funds are expendable, i.e., they are not concerned with preserving capital or measuring “net income.” Governmental funds are concerned with the availability of resources to provide services, and the emphasis is on working capital flows. Usually, only current assets and current liabilities are accounted for in the governmental funds. Fixed assets and long-term liabilities of governmental funds are reported only in the government-wide financial statements. The proprietary funds use accounting and reporting techniques similar to a private enterprise. The fiduciary funds are accounted for like proprietary funds.

Fund Accounting

There are three principles that deal specifically with fund accounting. These principles cover 1) Definition of a fund 2) Types of funds 3) Number of funds.

A fund is defined by the Governmental Accounting Standards Board as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities and balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The City of Memphis reports the following funds that are classified into three general types.

Budgets and Their Impact upon the Accounting System

The GASB, in one of its basic principles, states 1) An annual budget(s) should be adopted for every government unit 2) The accounting system should provide the basis for appropriate budgetary control 3) A common terminology and classification should be used consistently throughout the budget, the accounts, and the financial reports of each fund.

Generally Accepted Accounting Principles (GAAP) requires a budgetary comparison for the general fund and for each major individual special revenue fund for which an annual (or biennial) budget is legally adopted. The City Council annually approves a budget ordinance that includes the City of Memphis General, Special Revenue, Debt Service and Enterprise Funds. Internal Service Funds are also included in the Adopted Budget. These budgetary

accounts are incorporated into the governmental accounting system to provide legislative control over revenues and other resource inflows and expenditures and other resource outflows.

In order to prevent the overspending of an item in the appropriations budget, an additional budgetary account is maintained during the year. The account is called "Encumbrances." When goods or services are ordered, appropriations are encumbered. The "Encumbrances" account does not represent expenditure; it is a budgetary account which represents the estimated cost of goods or services which have yet to be received. In effect, the recording of encumbrances represents the recording of executory contracts, which is essential to prevent overspending of an appropriation. Encumbrances of governmental funds outstanding at year end can be re-appropriated as deemed appropriate by the Comptroller during the subsequent fiscal year.

Financial Statements for State and Local Governments

The City of Memphis prepares a Comprehensive Annual Financial Report (CAFR) that includes Basic Financial Statements, Required Supplementary Information, Combining and Individual Fund Statements and Schedules, Supplementary Schedules, Single Audit, Statistical Section and the Management Discussion and Analysis (MD&A) as prescribed by GASB.

Accrual basis accounting is recognition of revenues in the accounting period the revenues are earned and recognition of expenses in the accounting period the expenses are incurred. In addition, revenues and expenses have to be measurable in order to be reported. The following funds use full accrual accounting:

Proprietary Funds	Fiduciary Funds
Enterprise	Pension Trust Funds
Internal Service	OPEB

All of the funds that use accrual accounting (except the Trust Funds) are non-expendable, i.e., an objective of each of the funds is to maintain capital.

The *modified accrual basis* of accounting on the other hand, recognizes: **1)** Revenues in the accounting period in which they are both measurable and available to finance expenditures made during the current fiscal period **2)** Expenditures in the accounting period in which the liabilities are both measured and incurred.

The modified accrual basis is used in the following funds:

Governmental Funds

- General**
- Special Revenue**
- Debt Service**
- Capital Projects**

All of the funds which use the modified accrual basis are expendable and do not, therefore, have a capital maintenance objective.

The **General Fund** is the most significant Government Fund. It accounts for all transactions not accounted for in any other fund. Revenues come from many sources and the expenditures cover major functions of government.

Special Revenue Funds account for earmarked revenue as opposed to many revenue sources which are accounted for in the General Fund. The earmarked revenue is then used to finance various authorized expenditures. Many federal and state grants are reported in Special Revenue Funds.

The Debt Service Fund handles the repayment of general obligation long-term debt and interest. This type of debt is secured by the good faith and taxing power of the governmental unit. Repayment of enterprise and internal service long-term debt is accounted for in these individual funds. Consequently, the type of debt for which the Debt Service Fund is established usually is the result of issuing general obligation bonds for capital projects.

Capital Projects Funds account for the acquisition and use of resources for the construction or purchase of major, long-lived fixed assets, except for those which are financed by Enterprise, Internal Ser-

vice, and Non-expendable Trust Funds. Resources for construction or purchase normally come from the issuance of general long-term debt and from governmental grants.

Enterprise Funds account for activities by which the government provides goods and services which are (1) rendered primarily to the general public, (2) financed substantially or entirely through user charges, and (3) intended to be self-supporting. They are usually established for public utilities, and transit systems, etc.

Internal Service Funds are established to account for the provision of goods and services by one department of the government to other departments within the government on generally a cost reimbursement basis. Uses of Internal Service Fund services are budgeted through the budgets of the user departments.

Trust Funds are used to account for monies held for others, generally being used when assets are held for substantial periods of time. Trust Funds do not generally record their budgets formally.

Fund Balance

Fund Balance (the difference between assets and liabilities in the governmental fund financial statements) is among the most widely and frequently used information in state and local government financial reports.

The GFOA recommends an unreserved Fund Balance of 8 to 17 percent (i.e. one to two months) of regular general fund operating expenditures. The City of Memphis strives to maintain a General Fund balance of 10% of expenditures as a standing fiscal policy.

The City uses the classifications that have been developed by the Governmental Accounting Standards Board (GASB) and described in GASB Statement No. 54. Statement 54 is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by

clarifying the definitions of existing governmental fund types.

The GASB developed Statement 54 to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting across governments. To reduce confusion, Statement 54 establish a hierarchy of fund balance classifications based primarily on the extent to which government is bound to observe spending constraints imposed upon how resources in governmental funds may be used.

Statement 54 distinguishes fund balance between amounts that are considered completely "nonspendable" such as fund balance associated with inventories, and other "spendable" amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts are reported in the following classifications.

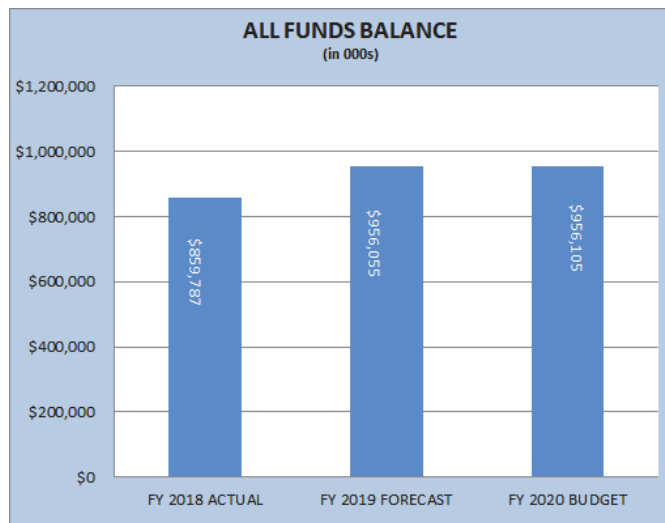
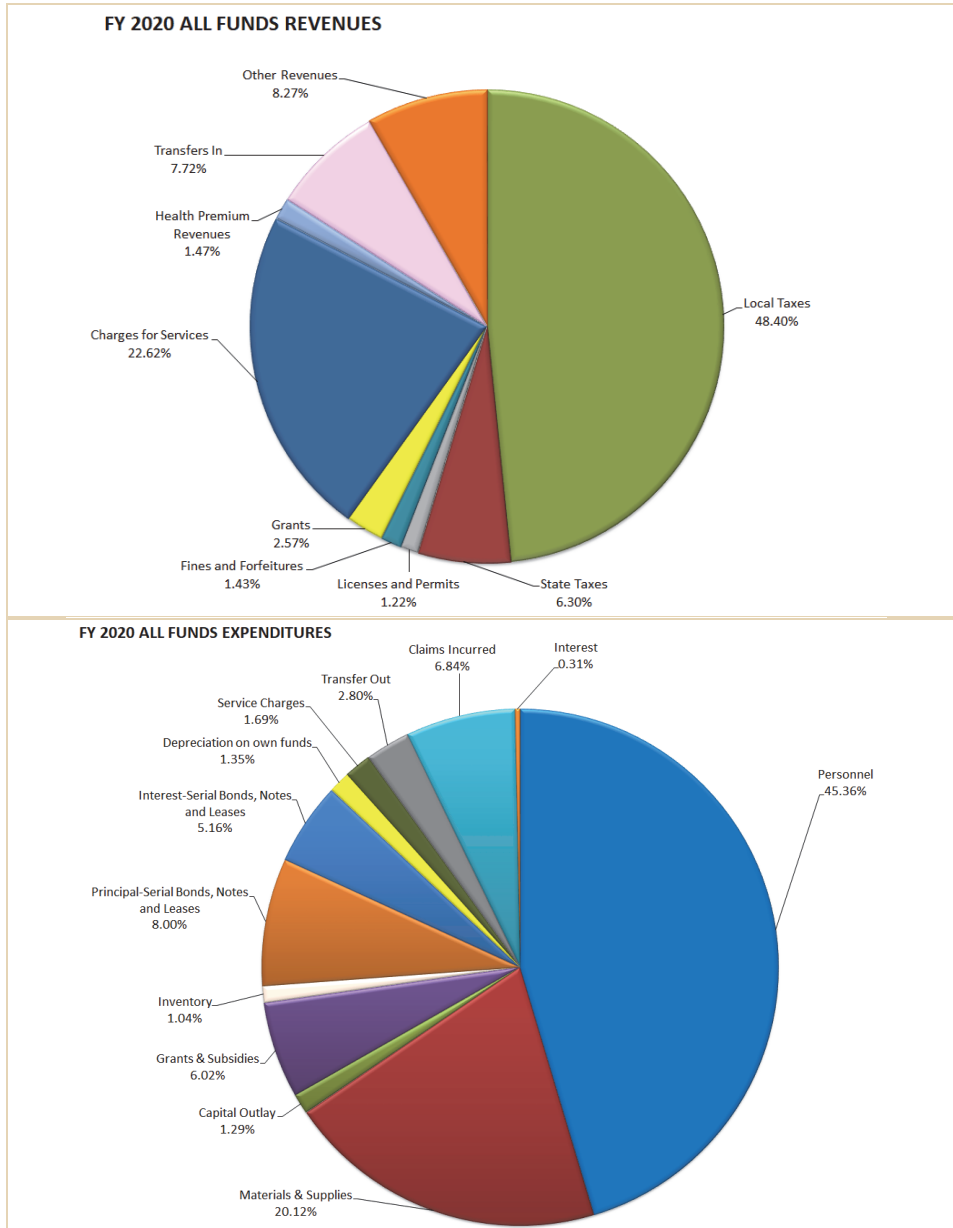
- **Nonspendable**- amounts that cannot be spent because they are either (a) not spendable form or (b) legally or contractually required to remain intact.
- **Restricted**-amounts constrained by external parties, constitutional provision, or enabling legislation. Effectively, restrictions may only be changed or lifted with the consent of the resource provider.
- **Committed**- amounts formally constrained by a government using its highest level of decision-making authority (i.e. City Council). The commitment of these funds can only be changed by the government taking the same formal action that imposed the constraint originally.
- **Assigned**- amounts a government intends to use for a particular purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority (Finance Director).
- **Unassigned**- residual amounts that are otherwise not constrained at all will be reported in the general fund. These are technically available for any purpose.

FINANCIAL SUMMARY

The financial data presented in this section presents the revenue and expenditure summaries of all City of Memphis funds. These funds represent all appropriated funds, major and non-major, in addition to the General Fund. The forecast and budget fund balances for each fund and for the collective funds are also shown in this section.

Budget Summary of All Funds

Category	FY2018 Actual	FY2019 Adopted	FY2019 Forecast	FY2020 Adopted
REVENUES				
Local Taxes	\$625,601,584	\$620,203,637	\$622,332,415	\$627,183,939
State Taxes	105,894,848	102,029,875	105,698,171	103,817,903
Employer Contributions	621,677	566,560	634,560	575,200
Licenses and Permits	15,299,789	14,847,465	15,956,342	15,770,500
Fines and Forfeitures	17,492,472	17,084,994	17,294,232	18,533,915
Grants	13,875,784	9,284,463	25,302,890	11,120,114
Charges for Services	250,293,225	267,539,082	279,779,636	293,121,898
Health Premium Revenues	20,305,099	19,787,866	17,866,116	19,009,000
Transfers In	112,000,597	103,345,726	118,451,986	99,993,129
Capital Contributions	945,690	—	—	—
Intergovernmental Revenue	8,660,514	9,983,066	9,965,562	10,760,231
Proceeds from Refund of Debt	150,590,914	—	—	—
Interest on Investments	1,653,905	—	2,078,555	—
Gain (Loss) on Sale of Assets	932,867	—	1,600,000	—
Gain (Loss) on Investments	2,180,171	—	31,037	—
Use of Money	4,854,820	1,551,065	8,051,771	5,626,541
Net Audit Adjustment	989	—	—	—
Other Revenues	93,153,966	83,531,794	165,996,489	90,201,699
Total Revenues	\$1,424,358,912	\$1,249,755,593	\$1,391,039,762	\$1,295,714,069
EXPENDITURES				
Personnel	\$552,458,926	\$573,484,918	\$573,718,087	\$595,045,257
Materials & Supplies	230,460,561	239,506,473	247,648,552	263,875,933
Capital Outlay	4,783,248	14,577,321	12,728,668	16,887,571
Land Acquisition	174,885	—	—	—
Grants & Subsidies	92,067,787	75,222,372	89,727,176	79,005,944
Inventory	12,403,452	14,584,516	15,652,916	13,683,298
Bond Issue Costs	877,258	—	949,223	40,000
Principal-Serial Bonds, Notes and Leases	97,153,995	105,588,425	102,944,265	104,961,040
Interest-Serial Bonds, Notes and Leases	59,848,302	67,351,888	70,144,604	67,651,724
Retirement of Refunded Debt	150,000,000	—	—	—
Depreciation on Own Funds	15,404,583	17,884,740	13,433,784	17,763,240
Expense Recovery	(17,565,975)	(16,035,300)	(17,535,300)	(16,035,300)
Pension Benefits	3,866,294	—	3,600,000	—
Services Charges	25,584,585	18,381,262	25,403,603	22,203,526
Investment Fees	43,444	—	374,471	—
Federal Tax	34,960	37,000	37,000	35,000
Miscellaneous Expense	475,158	—	360,163	—
Transfer Out	54,620,893	43,015,726	63,479,363	36,771,683
Claims Incurred	71,761,054	83,860,000	81,698,460	89,675,000
Interest	4,466,072	5,120,000	10,387,788	4,121,000
Net Audit Adjustments	(206,179)	—	—	—
Total Expenditures	\$1,358,713,303	1,242,579,341	1,294,752,823	1,295,684,916
Net Expenditures	\$65,645,609	\$7,176,252	\$96,286,939	\$29,153

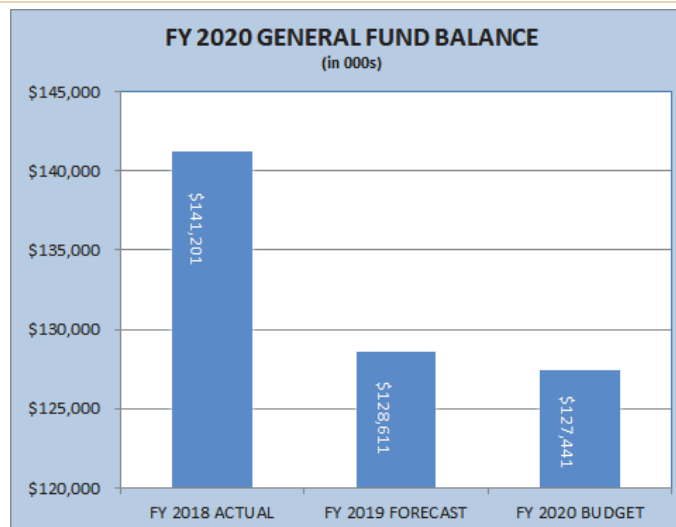
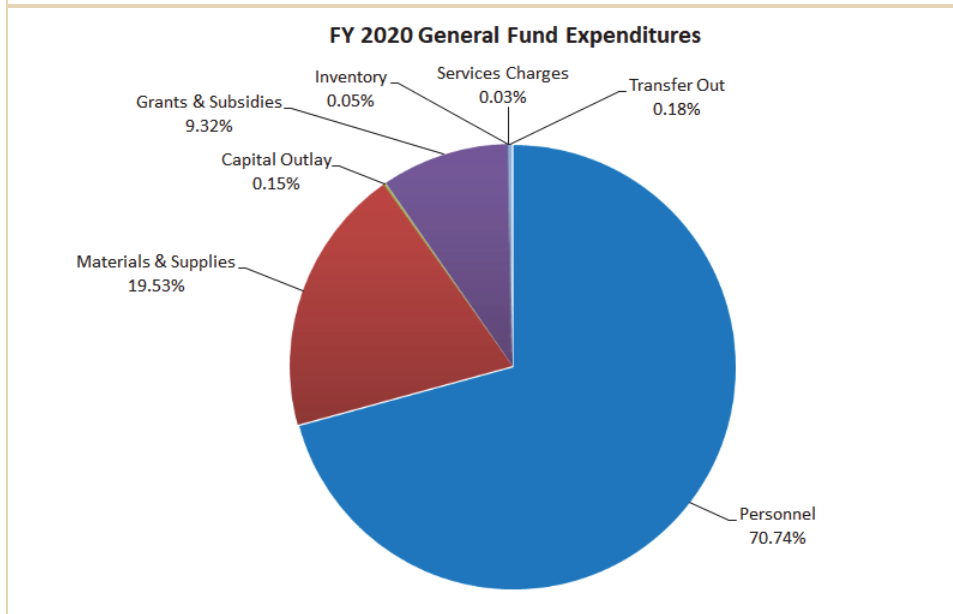
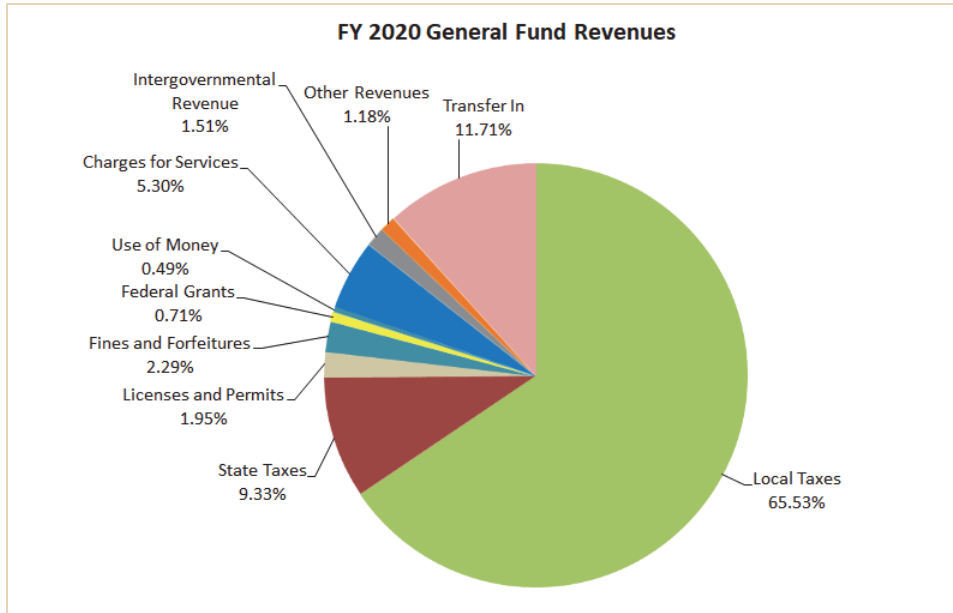


General Fund Summary

Category	FY2018 Actual	FY2019 Adopted	FY2019 Forecast	FY2020 Adopted
REVENUES				
Local Taxes	\$462,250,970	\$461,829,926	\$455,501,543	\$465,525,066
State Taxes	67,289,715	63,520,000	67,302,014	66,314,303
Licenses and Permits	13,387,637	13,899,465	13,875,000	13,879,500
Fines and Forfeitures	14,551,129	14,534,000	14,310,352	16,290,400
Federal Grants	5,682,530	2,990,090	17,037,665	5,031,114
State Grants	1,617,552	95,000	1,260,984	—
Use of Money	2,342,319	1,020,000	4,020,000	3,320,000
Charges for Services	34,193,231	34,165,156	35,378,173	37,670,570
Intergovernmental Revenue	8,660,514	9,983,066	9,965,562	10,760,231
Other Revenues	16,820,408	7,556,508	16,718,793	8,382,633
Investments	8	—	—	—
Transfer In	79,653,422	75,726,859	79,669,606	83,214,575
Net Audit Adjustments	989	—	—	—
Total Revenues *	\$706,450,424	\$685,320,070	\$715,039,692	\$710,388,392
EXPENDITURES				
Personnel	\$482,757,394	\$492,504,260	\$497,877,885	\$514,700,314
Materials & Supplies	142,282,468	134,471,486	145,047,655	142,093,422
Capital Outlay	2,992,613	1,167,650	1,138,861	1,123,400
Grants & Subsidies	77,649,080	64,251,972	76,890,164	67,785,544
Inventory	360,493	379,591	435,079	379,591
Investment Fees	—	—	348,915	—
Expense Recovery	(17,565,975)	(16,035,300)	(17,535,300)	(16,035,300)
Services Charges	200,079	137,372	212,103	171,372
Transfer Out	23,603,987	8,443,039	23,076,944	1,339,783
Depreciation on Own Funds	144	—	—	—
Land Acquisition	174,885	—	—	—
Misc Expense	—	—	137,950	—
Net Audit Adjustments	176,585	—	—	—
Total Expenditures **	\$712,631,753	\$685,320,070	\$727,630,256	\$711,558,126
Net Expenditures	\$(6,181,329)	—	\$(12,590,564)	\$(1,169,734)
Fund balance beginning of year	\$ 147,382,732	\$ 141,201,403	\$ 141,201,403	\$ 128,610,839
Fund balance end of year	\$ 141,201,403	\$ 141,201,403	\$ 128,610,839	\$ 127,441,105

* Total Revenues do not reflect contribution from Fund Balance.

** Total Expenditures do not include contribution to Fund Balance.



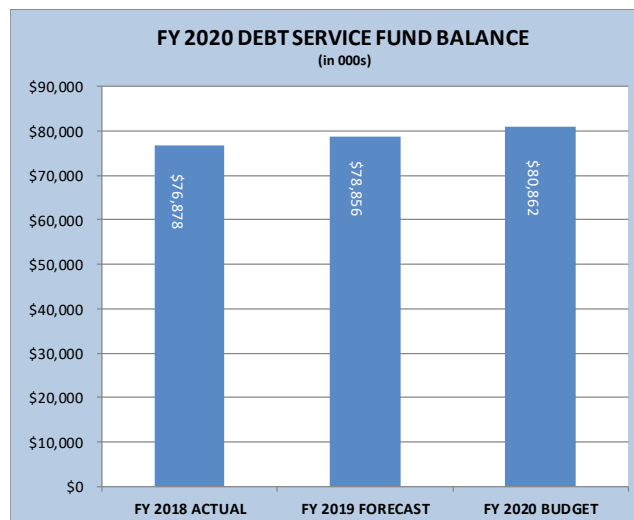
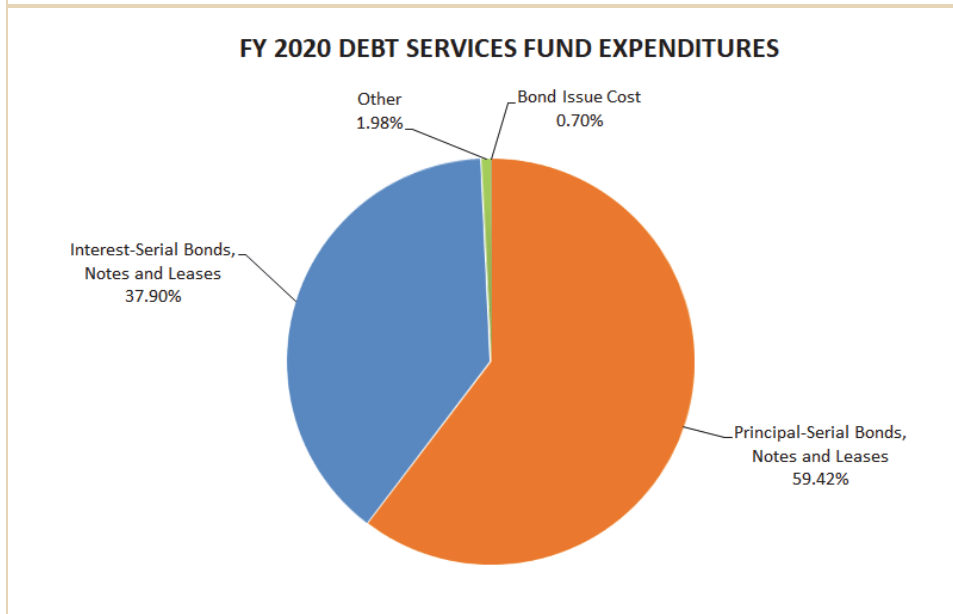
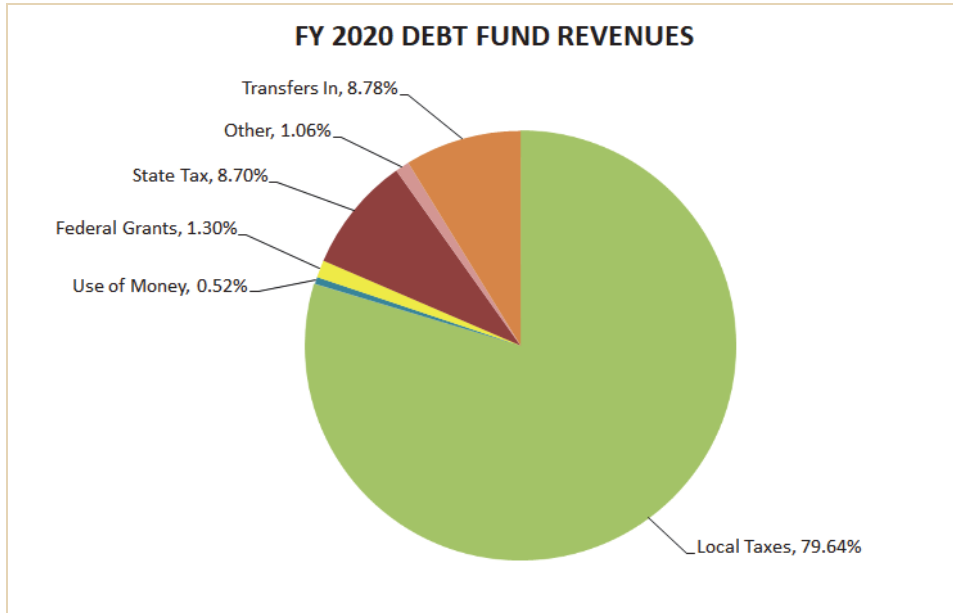
Debt Fund Summary

Category	FY2018 Actual	FY2019 Adopted	FY2019 Forecast	FY2020 Adopted
REVENUES AND OTHER SOURCES				
Current Property Taxes	\$124,128,571	\$122,038,300	\$122,300,000	\$120,999,348
Delinquent Property Taxes	2,050,902	1,500,000	1,733,526	1,700,000
Sale of Delinquent Property Taxes	2,595,621	2,200,000	3,175,884	3,175,884
Local Option Sales Tax	8,317,374	8,645,000	8,400,000	8,500,000
In Lieu Of Taxes - Contractual	1,865,811	1,964,678	1,964,678	1,964,677
Tourism Development Zone	—	4,507,242	4,271,149	3,775,000
State Taxes	16,770,859	17,106,275	16,292,557	15,300,000
Use of Money	1,149,969	527,000	1,662,128	920,000
Federal Grants	2,361,985	2,298,523	2,205,337	2,288,150
Other	10,706,944	1,857,536	1,821,400	1,861,235
Issuance of Refunding Debt	150,590,914	—	—	—
Transfers In - Hotel - Motel Tax	—	6,685,804	7,185,804	6,633,050
Transfers In - State Street Aid	1,768,300	1,768,300	1,768,300	1,768,300
Transfers In - New Memphis Arena	4,418,866	—	—	—
Transfers In - Solid Waste	3,616,604	5,000,000	4,563,737	5,000,000
Transfers In - Storm water	1,893,502	1,845,975	1,845,975	1,845,975
Transfers In - General Fund	4,726,512	4,726,825	360,730	—
Transfers In - Grant Funds	195,221	—	190,871	191,446
Total Revenues *	\$337,157,955	\$182,671,458	\$179,742,076	\$175,923,065
EXPENDITURES AND OTHER USES				
Principal - Serial Bonds, Notes and Leases	\$97,153,995	\$105,588,425	\$102,944,265	\$104,961,040
Interest - Serial Bonds, Notes and Leases	59,848,302	67,351,888	70,144,604	67,651,724
Bond Issue Cost	877,258	—	38,000	40,000
Other (M&S & Svr. Chrg.)	1,197,808	1,252,390	1,138,010	1,264,390
Retirement of Refunded Debt	150,000,000	—	—	—
Transfers Out - General Fund	—	3,500,000	3,500,000	—
Total Expenditures **	\$309,077,363	\$177,692,703	\$177,764,879	\$173,917,154
Net Expenditures	\$28,080,592	\$4,978,755	\$1,977,197	\$2,005,911

Fund balance beginning of year	\$ 48,798,180	\$ 76,878,772	\$ 76,878,772	\$ 78,855,906
Fund balance end of year	\$ 76,878,772	\$ 81,857,527	\$ 78,855,969	\$ 80,861,880

* Total Revenues do not reflect contribution from Fund Balance.

** Total Expenditures do not include contribution to Fund Balance.



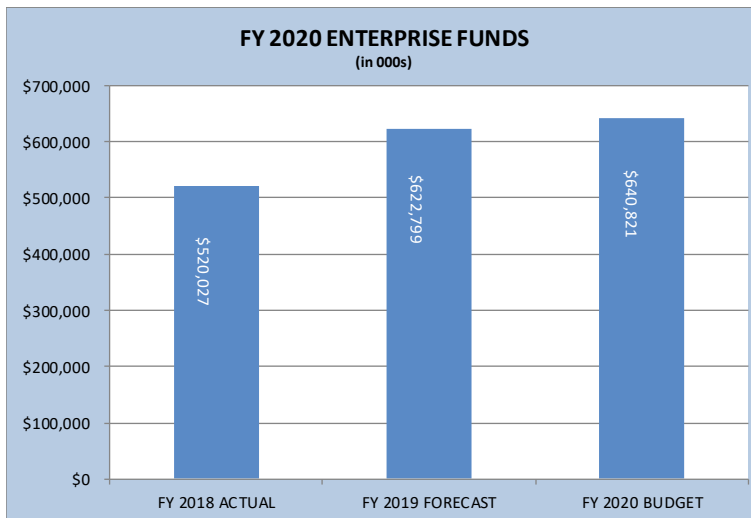
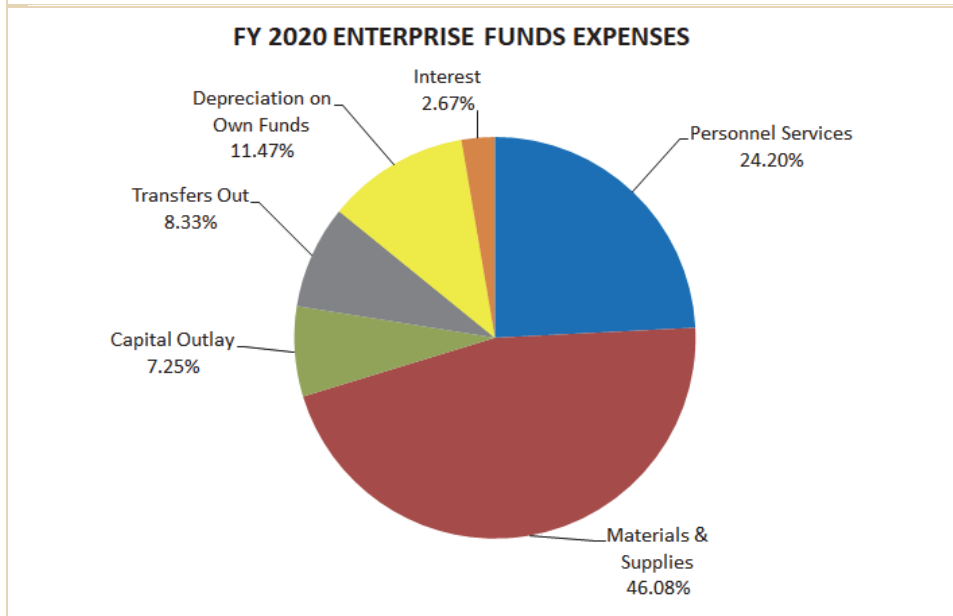
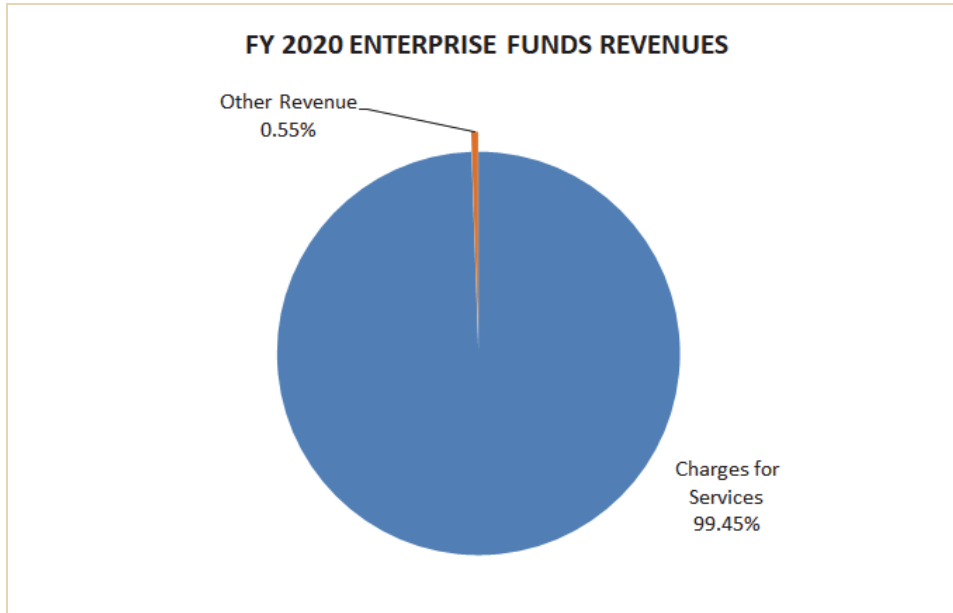
Enterprise Funds Summary

Category	FY2018 Actual	FY2019 Adopted	FY2019 Forecast	FY2020 Adopted
REVENUES				
Capital Contribution	\$945,690	—	—	—
Charges for Services	136,023,959	149,835,040	158,014,036	171,071,730
Fines Forfeitures	266,480	2,800	50,800	51,800
Use of Money	732,559	—	1,443,205	744,000
Federal Grant	542,670	—	918,939	—
State Grant	831,154	—	—	—
Dividend on Interest	56,248	—	154,454	—
Gain (Loss) on Investment	148,586	—	93,431	—
Other Revenue	220,893	167,893	74,670,467	157,368
Gain (Loss) on Sale of Assets	20,484	—	—	—
Transfers In	—	—	—	—
Total Revenues *	\$139,788,723	\$150,005,733	\$235,345,332	\$172,024,898
EXPENSES				
Personnel Services	\$31,331,143	\$34,358,831	\$35,678,114	\$37,262,036
Materials & Supplies	40,771,440	56,053,186	53,414,550	70,960,608
Capital Outlay	357,992	8,651,540	6,460,694	11,171,040
Grants & Subsidies	55,000	—	155,000	—
Investment Fees	4,032	—	3,840	—
Bond Issue Costs	—	—	911,223	—
Interest	4,466,072	5,120,000	10,387,788	4,121,000
Service Charges	13,123	—	500	—
Transfers Out	10,438,877	9,189,657	12,097,026	12,822,373
Depreciation on Own Funds	15,403,737	17,788,640	13,433,784	17,667,140
Misc. Expense	290,547	—	30,314	—
Net Audit Adjustments	(381,650)	—	—	—
Total Expenses **	\$102,750,313	\$131,161,854	\$132,572,833	\$154,004,197
Net Expenses	\$37,038,410	\$18,843,879	\$102,772,499	\$18,020,701

Fund balance beginning of year	\$ 482,989,039	\$ 520,027,449	\$ 520,027,449	\$ 622,799,948
Fund balance end of year	\$ 520,027,449	\$ 538,871,328	\$ 622,799,948	\$ 640,820,649

* Total Revenues do not reflect contribution from Fund Balance.

** Total Expenses do not include contribution to Fund Balance.

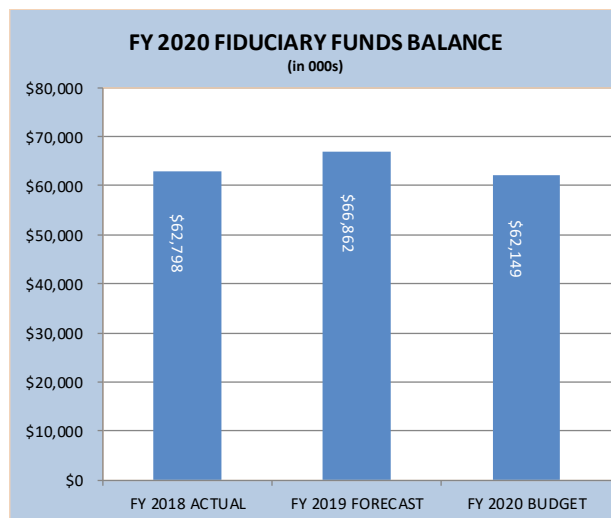
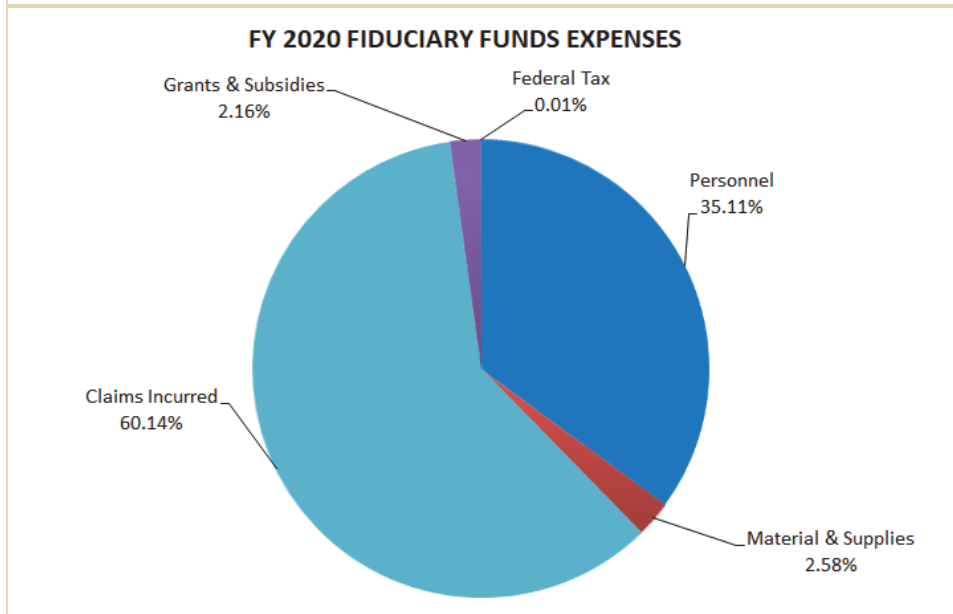
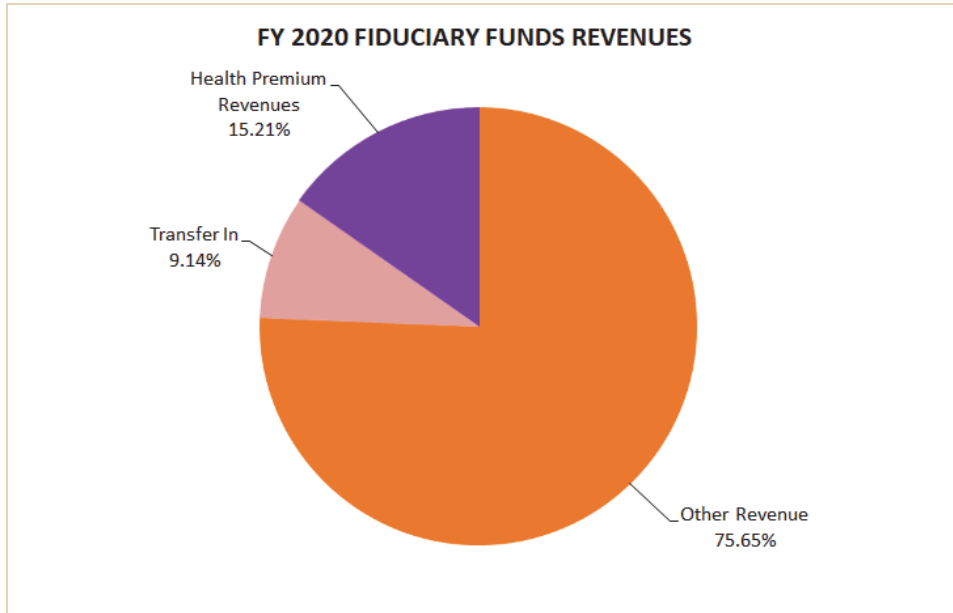


Fiduciary Funds Summary

Category	FY2018 Actual	FY2019 Adopted	FY2019 Forecast	FY2020 Adopted
REVENUES				
Other Revenue	\$5,627,954	\$10,097,569	\$10,681,814	\$9,019,569
Transfer In	10,568,296	7,591,963	7,591,963	1,089,783
Health Premium Revenues	2,063,642	1,880,183	2,179,942	1,814,000
Interest on Investments	1,597,649	—	1,924,101	—
Gain (Loss) on Investments	2,031,585	—	(62,394)	—
Gain (Loss) on Sale of Asset	852,183	—	1,600,000	—
Total Revenues *	\$22,741,309	\$19,569,715	\$23,915,426	\$11,923,352
EXPENSES				
Personnel	\$7,153,105	\$9,188,663	\$6,654,776	\$5,840,396
Material & Supplies	1,169,859	331,052	305,547	429,052
Capital Outlay	—	—	77	—
Claims Incurred	7,402,024	9,688,000	8,945,367	10,005,000
Pension Benefits	3,866,294	—	3,600,000	—
Grants and Subsidies	299,606	360,000	300,000	360,000
Misc. Expense	4,860	—	22,300	—
Federal Tax	3,412	2,000	2,000	2,000
Investment Fees	39,412	—	21,716	—
Total Expenses **	\$19,938,572	\$19,569,715	\$19,851,783	\$16,636,448
Net Expenses	\$2,802,737	—	\$4,063,643	(4,713,096)
Fund balance beginning of year	\$ 59,995,417	\$ 62,798,154	\$ 62,798,154	\$ 66,861,797
Fund balance end of year	\$ 62,798,154	\$ 62,798,154	\$ 66,861,797	\$ 62,148,701

* Total Revenues do not reflect contribution from Fund Balance.

** Total Expenses do not include contribution to Fund Balance.

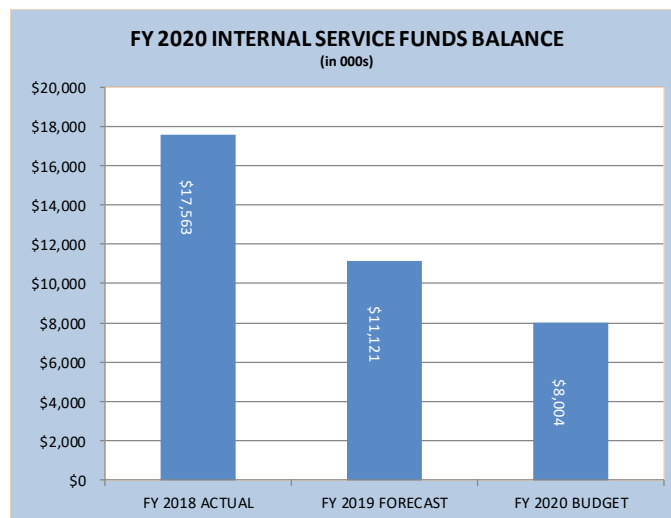
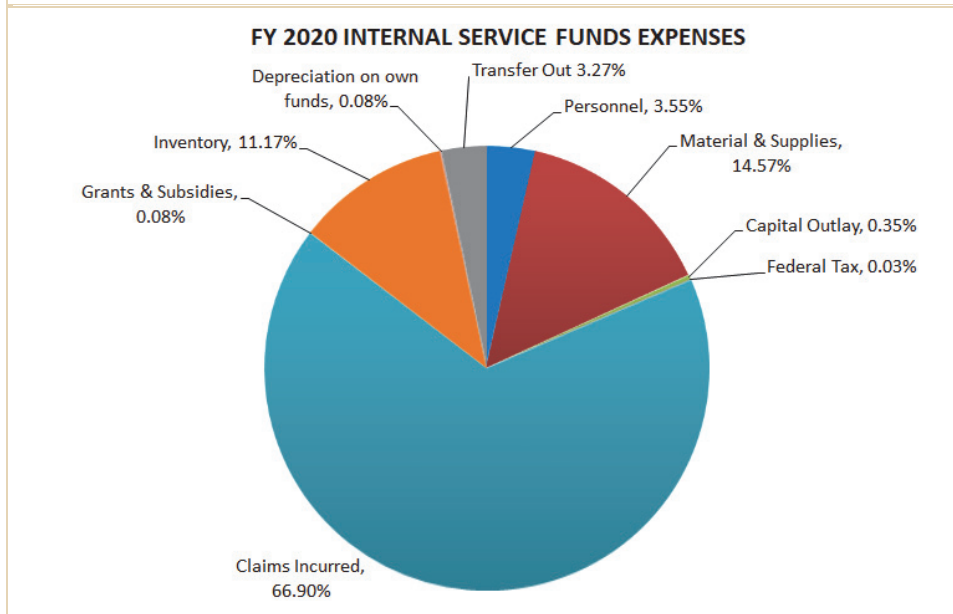
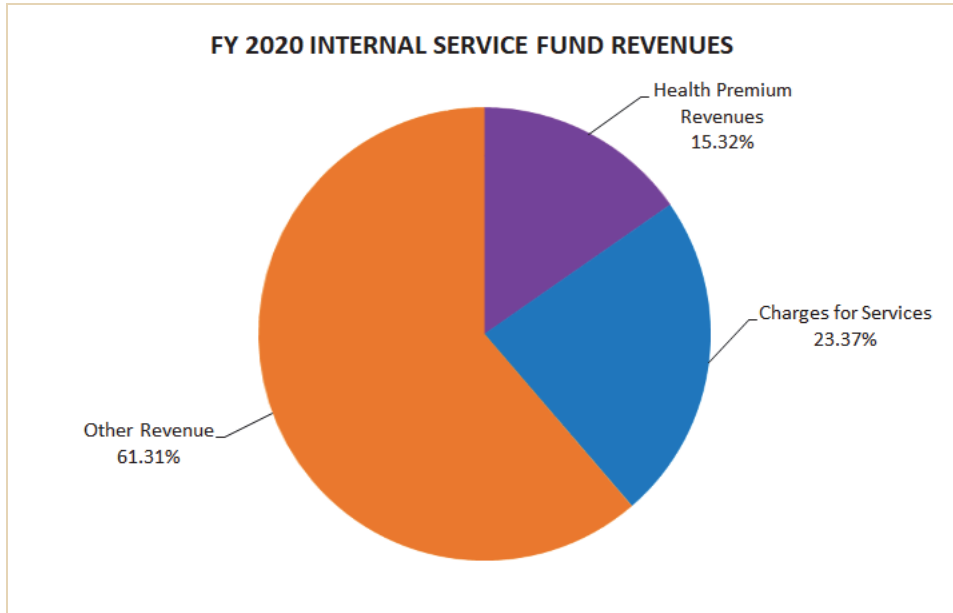


Internal Service Funds Summary

Category	FY2018 Actual	FY2019 Adopted	FY2019 Forecast	FY2020 Adopted
REVENUES				
Health Premium Revenues	\$18,863,134	\$18,474,243	\$16,320,734	\$17,770,200
Charges for Services	22,818,006	27,344,231	28,420,039	27,106,532
Use of Money	385,642	—	547,564	408,000
Other Revenue	55,282,281	63,772,084	61,956,457	70,693,750
Total Revenues *	\$97,349,063	\$109,590,558	\$107,244,794	115,978,482
EXPENSES				
Personnel	\$3,206,483	\$5,046,815	\$3,852,144	\$4,225,667
Material & Supplies	15,467,206	17,277,203	16,824,591	17,355,314
Capital Outlay	—	463,453	403,628	413,453
Federal Tax	31,548	35,000	35,000	33,000
Claims Incurred	64,359,030	74,172,000	72,753,093	79,670,000
Grants & Subsidies	82,295	98,400	98,400	98,400
Misc Expense	670	—	32,651	—
Inventory	12,042,959	14,204,925	15,217,837	13,303,707
Depreciation on own funds	702	96,100	—	96,100
Transfer Out	7,699,012	4,175,749	4,469,749	3,900,000
Total Expenses **	\$102,889,905	\$115,569,645	\$113,687,093	\$119,095,641
Net Expenses	\$(5,540,842)	\$(5,979,087)	\$(6,442,299)	\$(3,117,159)
Fund balance beginning of year	\$ 23,104,220	\$ 17,563,378	\$ 17,563,378	\$ 11,121,079
Fund balance end of year	\$ 17,563,378	\$ 11,584,291	\$ 11,121,079	\$ 8,003,920

* Total Revenues do not reflect contribution from Fund Balance.

* Total Expenses do not include contribution to Fund Balance.

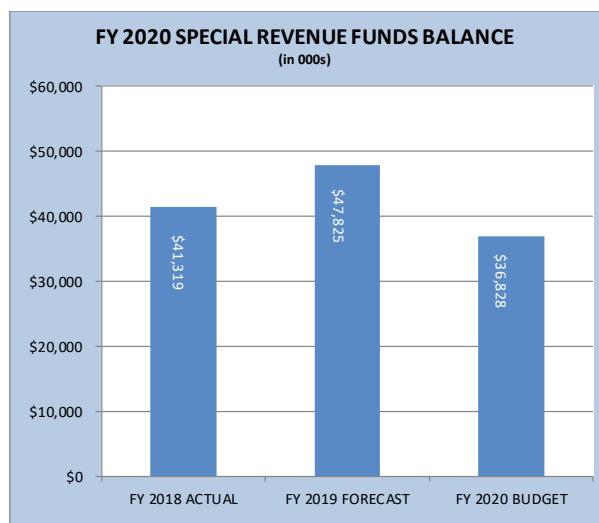
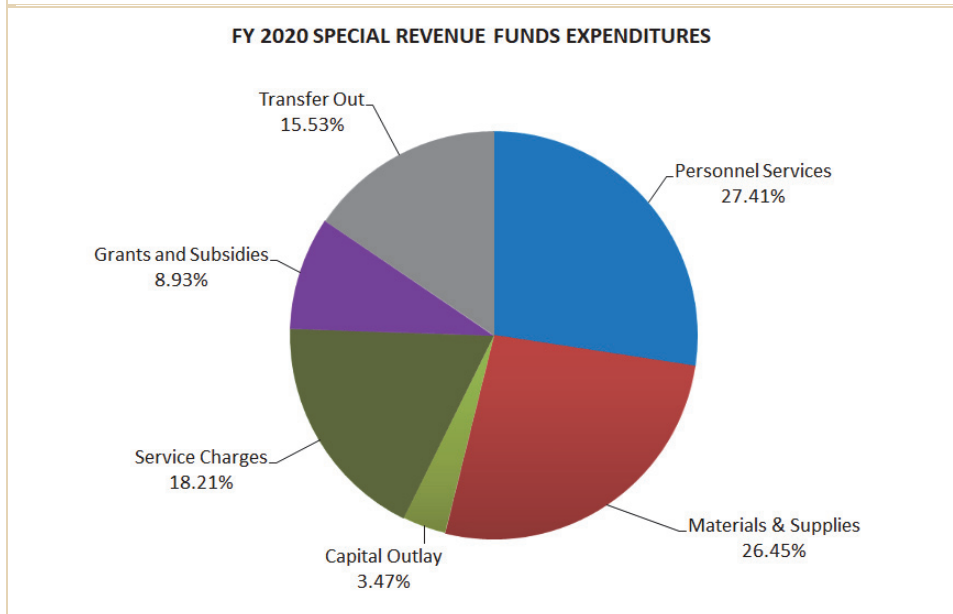
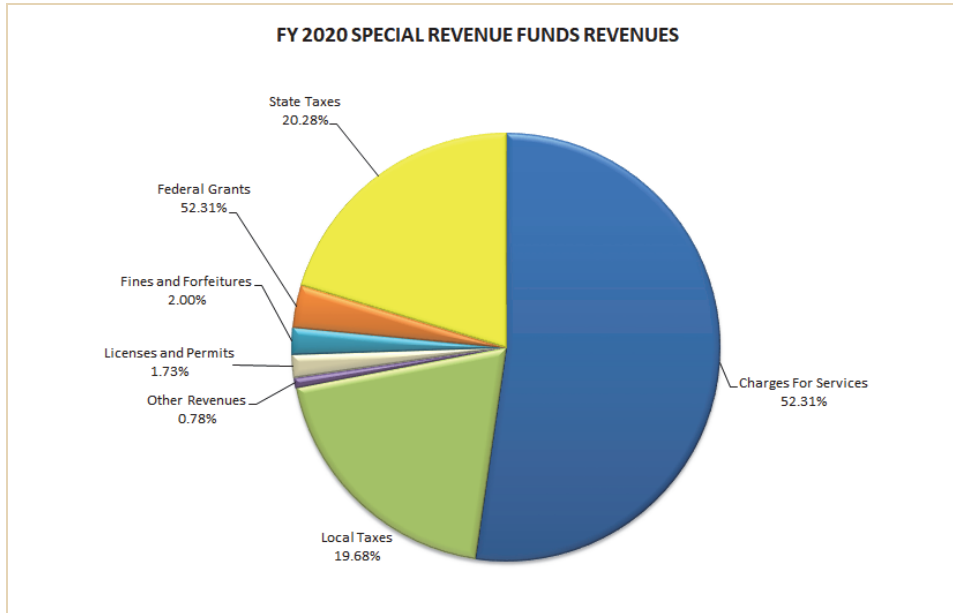


Special Revenue Funds Summary

Category	FY2018 Actual	FY2019 Adopted	FY2019 Forecast	FY2020 Adopted
REVENUES				
Charges For Services	\$57,258,029	\$56,194,655	\$57,967,388	\$57,273,066
Local Taxes	24,392,335	17,518,491	24,985,635	21,543,964
State Taxes	21,834,274	21,403,600	22,103,600	22,203,600
Licenses and Permits	1,912,152	948,000	2,081,342	1,891,000
Fines and Forfeitures	2,674,863	2,548,194	2,933,080	2,191,715
Use of Money	244,331	4,065	378,874	234,541
Sale of Assets	60,200	—	—	—
Federal Grants	2,694,936	3,522,350	3,501,465	3,522,350
State Grants	144,957	378,500	378,500	278,500
Other Revenues	4,495,486	80,202	147,558	87,144
Transfer In	5,159,875	—	15,275,000	250,000
Total Revenues *	\$120,871,439	\$102,598,057	\$129,752,442	\$109,475,880
EXPENDITURES				
Personnel Services	\$28,010,801	\$32,386,349	\$29,655,168	\$33,016,844
Materials & Supplies	29,426,687	30,222,046	30,966,199	31,870,037
Land Acquisition	174,885	—	—	—
Capital Outlay	1,432,643	4,294,678	4,725,408	4,179,678
Service Charges	25,341,591	18,143,000	25,143,000	21,935,264
Grants and Subsidies	13,981,806	10,512,000	12,283,612	10,762,000
Transfer Out	12,879,017	17,707,281	20,335,644	18,709,527
Misc Expense	179,081	—	136,948	—
Net Audit Adjustments	(1,114)	—	—	—
Total Expenditures **	\$111,425,397	\$113,265,354	\$123,245,979	\$120,473,350
Net Expenditures	\$59,446,042	\$(10,667,297)	\$6,506,463	\$(10,997,470)
Fund balance beginning of year	\$ 31,872,802	\$ 41,318,844	\$ 41,318,844	\$ 47,825,307
Fund balance end of year	\$ 41,318,844	\$ 30,651,547	\$ 47,825,307	\$ 36,827,837

* Total Revenues do not reflect contribution from Fund Balance.

** Total Expenditures do not include contribution to Fund Balance.





Property Tax Revenues

Property Tax revenues are the largest single source of operating revenues. This tax is levied based on the assessed value of various types of property including:

- Real property (land, structures, and lease-hold improvements),
- Personal property (business equipment, excluding inventories for resale) and
- Public utility property (real and personal property owned by utilities and organizations regulated by the State)

2018 Memphis' assessed value of real property:

- 50.17% Residential
- 36.61% Commercial
- 12.66% Industrial
- 0.07% Farm
- 0.49% Multiple

Assessment Percentage of Appraisal:

Residential	25%
Commercial	40%
Industrial	40%
Public Utility	55%
Farm	25%
Personal Property	30%

The assessed value of a residential property with an appraised value of \$100,000 would be \$25,000 (.25 x100,000), while a commercial property of the same appraised value would have an assessed value of \$40,000 (.40 x100,000).

Tax rates are set by the Council through the annual budget process. These rates are set as necessary in order to fund a balanced budget that provides services believed to be necessary and affordable.

The City Treasurer generates tax bills based on the following information: the assessed value of the property and the tax rate to figure each property tax bill. That office also collects the taxes.

To calculate the property tax bill, the assessed value is divided by \$100 and the result is multiplied by the tax rate. For example, a residential property appraised at \$100,000 would be assessed at \$25,000 (the \$100,000 appraised value times the 25% residential assessment ratio). With a tax rate set at \$3.40, the calculation is:

$$\begin{aligned} \text{tax} &= (\$25,000/\$100) \times \$3.40 \text{ per } \$100 \\ &= \$250 \times \$3.40 = \$850.00 \end{aligned}$$

Property tax bills are mailed to property owners and, if taxes are paid through an escrow account, also to the mortgage holder. This normally occurs by July 1. Tax payments are due by the end of August.

Property Tax revenues, along with other local tax sources, provide the City with the largest source of revenue to the operating budget.

Property appraisals are done by the Shelby County Assessor of Property, except for public utilities which are assessed by the Tennessee Regulatory Authority. Appraised value is the estimated market value based on a point in time. Certain properties are exempt such as government, religious, charitable, etc.

Historical property tax rates are displayed in the following table.

HISTORY OF PROPERTY TAXES

Tax Year	Fiscal Year	General Fund	Schools	Pre-K	Community Catalyst	Affordable Housing	Debt Service	Capital Pay Go	Total Rate
1982	1983	2.080000	1.140000				0.450000	0.0000	3.67
1983	1984	1.680000	1.000000				0.450000	0.0000	3.13
1984	1985	1.680000	1.000000				0.450000	0.0000	3.13
1985	1986	1.830000	1.030000				0.450000	0.0000	3.31
1986	1987	1.909800	1.030000				0.370200	0.0000	3.31
1987	1988	1.896660	1.030000				0.383340	0.0000	3.31
1988	1989	1.588270	1.090000				0.631730	0.0000	3.31
1989	1990	1.662870	1.030000				0.617130	0.0000	3.31
1990	1991	1.620490	1.030000				0.659510	0.0000	3.31
1991	1992	1.094100	0.665655				0.386900	0.0000	2.15
1992	1993	1.304296	0.804955				0.566704	0.0000	2.68
1993	1994	1.610611	0.967537				0.596990	0.0000	3.18
1994	1995	1.672400	0.967538				0.535200	0.0000	3.18
1995	1996	1.672400	0.967538				0.535200	0.0000	3.18
1996	1997	1.672400	0.967538				0.535200	0.0000	3.18
1997	1998	1.672400	0.967538				0.535200	0.0000	3.18
1998	1999	1.376300	0.840675				0.548800	0.0000	2.77
1999	2000	1.376300	0.840675				0.548800	0.0000	2.77
2000	2001	1.751000	0.894900				0.724100	0.0000	3.37
2001	2002	1.678500	0.857800				0.694100	0.0000	3.23
2002	2003	1.675300	0.857800				0.694100	0.0032	3.23
2003	2004	1.675300	0.857800				0.694100	0.0032	3.23
2004	2005	1.675300	0.857800				0.694100	0.0032	3.23
2005	2006	1.908800	0.827100				0.694100	0.0032	3.43
2006	2007	1.908800	0.827100				0.694100	0.0032	3.43
2007	2008	1.908800	0.827100				0.694100	0.0032	3.43
2008	2009	2.342700	0.190000				0.714100	0.0032	3.25
2009	2010	2.291700	0.186800				0.714100	0.0031	3.19
2010	2011	2.291700	0.186800				0.714100	0.0031	3.19
2011	2012	2.471700	0.000000				0.714100	0.0031	3.19
2012	2013	2.291700	0.100000				0.715200	0.0031	3.11
2013	2014	2.487400	0.000000				0.909300	0.0033	3.40
2014	2015	2.312500	0.000000				1.084200	0.0033	3.40
2015	2016	2.312500	0.000000				1.084200	0.0033	3.40
2016	2017	2.312500	0.000000				1.084200	0.0033	3.40
2017	2018	2.225088	0.000000				1.043218	.003175	3.271481
2018	2019	2.163984	0.000000	0.010000			1.018900	.003102	3.195986
2019	2020	2.163984	0.000000	0.010000	0.006667	0.006667	0.998900	.009768	3.195986

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

AN ORDINANCE TO APPROPRIATE THE PROCEEDS OF THE TAX LEVY ON THE ASSESSED VALUES ON ALL PROPERTIES OF EVERY SPECIES WITHIN THE CITY LIMITS FOR GENERAL PURPOSES FOR THE FISCAL YEAR JULY 1, 2019 THROUGH JUNE 30, 2020, INCLUSIVE, TOGETHER WITH ALL COLLECTIONS FROM PRIVILEGES, LICENSES, FEES, FINES, PERMITS, CHARGES, REQUESTS, TRANSFERS FROM NON-BUDGET ACCOUNTS, EARNINGS, REFUNDS, AND ALL OTHER ITEMS CONSTITUTING THE REVENUE RECEIPTS OF THE CITY OF MEMPHIS FOR THE FISCAL YEAR JULY 1, 2019 THROUGH JUNE 30, 2020, INCLUSIVE, TO PROVIDE THE MANNER IN WHICH MONIES MAY BE TRANSFERRED FROM ONE FUND TO ANOTHER AND TO PROVIDE THE STANDARD CODE OR DESIGNATIONS UNDER WHICH THE APPROPRIATIONS ARE TO BE ADMINISTERED AND ACCOUNTING CONTROL MAINTAINED.

SECTION 1. BE IT ORDAINED that the anticipated receipts herein appropriated shall be designated as follows:

1. GENERAL FUND, which shall embrace all expenditures for the accounts of the City corporation, except for the expenditures hereinafter appropriated to the Special Revenue Funds, Debt Service Fund, Enterprise Funds, Internal Service Fund and Fiduciary Funds, including current operations and outlays for construction and equipment to be made from receipts herein appropriated.

**GENERAL FUND
GENERAL REVENUES**

LOCAL TAXES	
Ad Valorem Tax- Current	258,500,000
Ad Valorem Tax - Current Sale of Receivables	7,500,000
Ad Valorem Tax Prior	5,800,000
Special Assessment Tax	598,000
Prop Taxes Interest & Penalty	4,800,000
Bankruptcy Interest & Penalty	170,000
Interest, Penalty - Sale of Tax Rec	1,500,000
PILOT's	4,000,000
State Apportionment TVA	7,800,000
Local Sales Tax	115,624,301
Tourism Development Zone Local	3,500,000
Beer Sales Tax	16,500,000
Alcoholic Beverage Inspection Fee	5,500,000
Mixed Drink Tax	8,000,000
Gross Rec Business Tax	14,000,000
Bank Excise Tax	1,200,000
Franchise Tax - Telephone	1,800,000
Cable TV Franchise Fees	4,300,000
Fiber Optic Franchise Fees	1,515,000
Misc. Franchise Tax	850,000
Interest, Penalties & Commission	200,000
Business Tax Fees	1,100,000
Misc. Tax Recoveries	500,000
MLGW/Williams Pipeline	267,765
TOTAL LOCAL TAXES	465,525,066

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

STATE TAXES	
State Sales Tax	57,824,303
Telecommunication Sales Tax	1,000,000
State Income Tax	5,500,000
State Shared Beer Tax	315,000
Alcoholic Beverage Tax	375,000
Spec Petroleum Product Tax	1,300,000
TOTAL STATE TAXES	66,314,303
LICENSES & PERMITS	
Auto Registration Fee	12,900,000
Dog License	250,000
County Dog License Fee	100,000
Liquor By Ounce License	215,000
Taxi Drivers License	20,500
Gaming Pub Amus Perm Fee	15,000
Wrecker Permit Fee	16,000
Misc. Permits	70,000
Beer Application	60,000
Beer Permit Privilege Tax	145,000
Sidewalk Permit Fees	88,000
TOTAL LICENSES & PERMITS	13,879,500
FINES AND FORFEITURES	
Court Fees	4,750,000
Court Costs	5,750,000
Fines & Forfeitures	4,845,000
Seizures	100,000
Beer Board Fines	100,000
Arrest Fees	125,000
DUI BAC Fees	2,400
Sex Offender Registry Fees	93,000
Library Fines & Fees	350,000
Delinquent Collection Fees	100,000
Vacant Property Registration Fee	75,000
TOTAL FINES & FORFEITURES	16,290,400
CHARGES FOR SERVICES	
Subdivision Plan Inspection Fee	170,000
Misc. Inspection Fees	1,565,000
Parking	477,147
Senior Citizen's Meals	75,000
Concessions	1,673,125
Golf Car Fees	1,167,016

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

Pro Shop Sales	179,500
Green Fees	1,629,962
Softball	28,000
Ballfield Permit	18,000
Class Fees	42,000
After School Camp	500
Parking Meters	1,200,000
Ambulance Service	22,500,000
Rental Fees	2,363,282
MLG&W Rent	2,400
Rent of Land	201,238
Parking Lots	420,000
Easements & Encroachments	65,000
Tax Sales Attorney Fees	525,000
Street Cut Inspection Fee	250,000
Traffic Signals	200,000
Signs-Loading Zones	15,000
Arc Lights	4,000
Wrecker & Storage Charges	650,000
Shelter Fees	200,000
Police Special Events	700,000
Outside Revenue	149,400
Tow Fees	600,000
HCD-Docking Fees	600,000
TOTAL CHARGES FOR SERVICES	37,670,570
USE OF MONEY	
Interest on Investments	2,500,000
Net Income/Investors	700,000
State Litigation Tax Commission	120,000
TOTAL USE OF MONEY	3,320,000
FEDERAL GRANTS-OTHER	5,031,114
TOTAL FEDERAL GRANTS	5,031,114
INTERGOVERNMENTAL REVENUES	
International Airport	4,060,231
MATA	6,700,000
TOTAL INTERGOVERNMENTAL REVENUES	10,760,231
OTHER REVENUES	
Miscellaneous Auctions	1,750,000
Local Shared Revenue	695,957
Anti-Neglect Enforcement	1,258,659
Property Insurance Recoveries	267,998

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

Rezoning Ordinance Publication Fees	10,000
Sale Of Reports	285,423
City of Bartlett	1,034,000
Utility Warranty Program	500,000
Miscellaneous Income	1,223,349
Sewer Fund Cost Allocation	1,075,000
Fire - Misc. Collections	25,000
Cash Overage/Shortage	30
Donated Revenue	106,000
Coca - Cola Sponsorship	83,500
Grant Revenue - Library	17,000
Miscellaneous Revenue	44,868
Mow to Own -Program Fees	5,850
TOTAL OTHER REVENUES	8,382,634
TRANSFERS IN	
In Lieu Of Taxes-MLGW	63,000,000
In Lieu Of Taxes-Sewer	9,132,716
Oper Tfr In - State Street Aid Fund	2,500,000
Oper Tfr In - Solid Waste Fund	1,065,177
Oper Tfr In - Misc. Grant Fund	30,000
Oper Tfr In-Hotel/Motel Fund	38,000
Oper Tfr In-Sewer Fund	1,737,164
Oper Tfr In - Metro Alarm Fund	1,705,000
Oper Tfr In - Unemployment Fund	900,000
Oper Tfr In - Storm Water Fund	106,518
Oper Tfr In - Fleet Fund	3,000,000
TOTAL TRANSFERS IN	83,214,575
General Fund Revenues	710,388,393
<i>Contributed From Fund Balance</i>	1,169,734
TOTAL GENERAL REVENUES	711,558,127

**GENERAL FUND
EXPENDITURE BUDGET**

EXECUTIVE	
Mayor's Office	1,130,420
Chief Administrative Office	1,576,468
Auditing	961,023
311 Call Center	512,129
Office of Youth Services and Community Affairs	5,576,827
Intergovernmental Affairs	743,800

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

OPERATING BUDGET ORDINANCE

CLERB	233,808
Animal Shelter	4,517,333
Community Affairs	1,534,183
Communications	1,926,804
Performance Mgmt.	627,136
TOTAL EXECUTIVE	19,339,931
FINANCE	
Administration	838,053
Financial Accounting	3,040,660
Purchasing	1,274,217
Budget	642,567
Debt Management	228,329
City Treasurer	5,182,133
Financial & Strategic Planning Office	197,398
Equal Business Opportunity & Development	1,656,347
Office of Comprehensive Planning	2,009,571
TOTAL FINANCE	15,069,275
FIRE	
Administration	3,527,256
Apparatus Maintenance	6,943,275
Logistical Services	2,404,095
Training	3,149,316
Communications	7,372,319
Prevention	5,243,281
Firefighting	109,501,554
Emergency Medical Services (EMS)	41,649,062
Airport	4,060,231
TOTAL FIRE	183,850,389
POLICE	
Executive Administration	41,130,874
Support Services	38,530,231
Uniform Patrol/Precincts	136,893,598
Investigative Services	29,049,580
Special Operations	27,175,730
TOTAL POLICE	272,780,013
PARKS	
Administration	1,468,920
Planning & Development	237,933
Parks Operations	5,909,120
Park Facilities	3,516,462
Zoo	3,605,362

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

Brooks Museum	646,448
Memphis Botanic Gardens	572,098
Sports Centers	3,866,135
Recreation	11,053,413
Support Service Golf	5,323,902
Sports Services	1,919,523
TOTAL PARKS	38,119,316
PUBLIC WORKS	
Administration	1,006,546
Street Maintenance	5,010,003
Neighborhood Improvements	11,259,811
TOTAL PUBLIC WORKS	17,276,360
HUMAN RESOURCES	
Administration	357,065
Talent Management	4,817,282
Compensation	859,279
Equity, Diversity & Inclusion	1,321,599
HR Operations	1,207,478
HR Analytics & Performance	324,569
TOTAL HUMAN RESOURCES	8,887,272
GENERAL SERVICES	
Administration	2,254,952
Property Maintenance	13,716,920
Real Estate	667,529
Operation Of City Hall	6,830,042
Fleet Management	1,016,333
TOTAL GENERAL SERVICES	24,485,776
HOUSING & COMMUNITY DEVELOPMENT	
Housing	3,640,177
Economic Development	600,000
Community Initiatives	945,918
TOTAL HOUSING & COMMUNITY DEVELOPMENT	5,186,095
CITY ATTORNEY	14,505,342
ENGINEERING	
Administration	2,121,413
Signs & Markings	3,237,574
Signal Maintenance	3,437,807
TOTAL ENGINEERING	8,796,794

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

OPERATING BUDGET ORDINANCE

LIBRARY	22,221,234
INFORMATION SYSTEMS	
Information Systems Admin	11,997,767
Information Systems Operations	9,693,102
TOTAL INFORMATION SYSTEMS	21,690,869
CITY COUNCIL	2,557,759
CITY COURT JUDGES	808,894
CITY COURT CLERK	
City Court Clerk	3,080,621
Red Light Camera	2,689,365
TOTAL CITY COURT CLERK	5,769,986
GRANTS & AGENCIES	
Black Business Association	300,000
Community Initiatives Grants	2,485,000
Lifeline to Success	75,000
Family Safety Center of Memphis and Shelby County	250,000
Juvenile Intervention and Faith-Based Follow Up (JIFF)	250,000
Start Co.	75,000
MLGW Citizen's Assistance Grant	1,000,000
Shelby County School Mixed Drink Proceeds	4,000,000
Shelby County School Settlement	1,333,335
Aging Commission of the Mid-South	143,906
Elections	1,000,000
Convention Center	2,659,509
EDGE	350,000
Innovate Memphis	330,500
Exchange Club	75,000
MATA	29,170,000
Memphis Film & Tape	218,000
Pensioners Insurance	8,373,569
Memphis River Park	2,974,003
Urban Art	150,000
The 800 Initiative	500,000
Expense Recovery (State Street Aid)	(5,500,000)
TOTAL GRANTS & AGENCIES	50,212,822
Contributed To Fund Balance	0
TOTAL EXPENDITURES / TRANSFERS GENERAL FUND	711,558,127

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

2. SPECIAL REVENUE FUNDS

A. HOTEL/MOTEL TAX FUND	
HOTEL/MOTEL TAX FUND	
REVENUE BUDGET	
Hotel/Motel Tax	5,000,000
Occupancy Increase	5,200,000
Room Night Assessment	5,729,847
TOTAL REVENUES	15,929,847
EXPENDITURE BUDGET	
Convention/Visitor's Bureau	3,762,000
Memphis/Shelby County Sports	4,250,000
Transfer Out-General Fund	38,000
Transfer Out-Debt Service Fund	6,633,050
Contribution to Fund	1,246,797
TOTAL EXPENDITURES	15,929,847

B. NEW MEMPHIS ARENA FUND	
NEW MEMPHIS ARENA FUND	
REVENUE BUDGET	
Local Taxes	2,500,000
TOTAL REVENUES	2,500,000
EXPENDITURE BUDGET	
Grants and Subsidies	2,500,000
TOTAL EXPENDITURES	2,500,000
C. METRO ALARM FUND	
METRO ALARM FUND	
REVENUE BUDGET	
Alarm Revenue	2,295,216
TOTAL REVENUE	2,295,216
EXPENDITURE BUDGET	
Personnel Services	414,266
Materials and Supplies	175,950

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

Oper Transfer Out-General Fund	1,705,000
TOTAL EXPENDITURES	2,295,216
D. SOLID WASTE MANAGEMENT FUND	
SOLID WASTE MANAGEMENT FUND	
REVENUE BUDGET	
State Grants	278,500
Solid Waste Disposal Fee	56,733,066
Sanitation Inspection Fee	540,000
Local Taxes	100,000
Use of Money and Property	53,000
Other Revenues	24,000
Contribution from Fund	15,509,219
TOTAL REVENUES	73,237,785
EXPENDITURE BUDGET	
Personnel Services	31,602,578
Materials and Supplies	12,514,766
Capital Outlay	1,120,000
Service Charges	21,935,264
Transfers Out	6,065,177
TOTAL EXPENDITURES	73,237,785
E. DRUG ENFORCEMENT FUND	
DRUG ENFORCEMENT	
REVENUE BUDGET	
Fines & Forfeitures	1,860,000
Use of Money and Property	120,000
Federal Grants	85,000
Other Revenue	50,000
Contribution from Fund	1,234,597
TOTAL REVENUES	3,349,597
EXPENDITURE BUDGET	
Personnel Services	1,000,000
Materials and Supplies	1,993,597
Capital Outlay	356,000
TOTAL EXPENDITURES	3,349,597
F. ELECTRONIC TRAFFIC CITATION FEE FUND	
ELECTRONIC TRAFFIC CITATION FEE	
REVENUE BUDGET	

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

Court Fees	331,715
Use of Money and Property	7,500
TOTAL REVENUES	339,215
EXPENDITURE BUDGET	
Materials and Supplies	250,000
Contribution to Fund	89,215
TOTAL EXPENDITURES	339,215
G. PARK SPECIAL SERVICE FUND	
PARK SPECIAL SERVICE REVENUE BUDGET	
Local Sales Tax	162,687
Use of Money & Property	22,041
TOTAL REVENUES	184,728
EXPENDITURE BUDGET	
Materials and Supplies	166,752
Contribution to Fund	17,976
TOTAL EXPENDITURES	184,728
H. STATE STREET AID FUND	
STATE STREET AID REVENUE BUDGET	
State Gas - Motor Fuel Tax	12,235,000
Three-Cent Tax	3,616,600
One-Cent Tax	1,952,000
IMPROVE Act	4,400,000
TOTAL REVENUES	22,203,600
EXPENDITURE BUDGET	
Materials and Supplies	16,035,300
Transfer Out-Debt Service Fund	1,768,300
Transfer Out-General Fund	2,500,000
Contribution to Fund	1,900,000
TOTAL EXPENDITURES	22,203,600
I. FIRE EMS FUND	
FIRE EMS REVENUE BUDGET	

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

<i>Federal Grants</i>	3,437,350
TOTAL REVENUE	3,437,350
EXPENDITURE BUDGET	
Materials and Supplies	733,672
Capital Outlay	2,703,678
TOTAL EXPENDITURE	3,437,350
J. BEALE STREET DISTRICT FUND	
BEALE STREET DISTRICT REVENUE BUDGET	
Miscellaneous Revenue	492,000
TOTAL REVENUE	492,000
EXPENDITURE BUDGET	
Contribution to Fund	492,000
TOTAL EXPENDITURE	492,000
K. PRE-K FUND	
PRE-K REVENUE BUDGET	
Local Taxes	1,260,000
TOTAL REVENUE	1,260,000
EXPENDITURE BUDGET	
Contribution to Fund	1,260,000
TOTAL EXPENDITURE	1,260,000
L. COMMUNITY CATALYST FUND	
COMMUNITY CATALYST REVENUE BUDGET	
Local Taxes	795,715
TOTAL REVENUE	795,715
EXPENDITURE BUDGET	
Contribution to Fund	795,715
TOTAL EXPENDITURE	795,715
M. AFFORDABLE HOUSING FUND	
AFFORDABLE HOUSING	

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

REVENUE BUDGET	
Local Taxes	795,715
TOTAL REVENUE	795,715
EXPENDITURE BUDGET	
Contribution to Fund	795,715
TOTAL EXPENDITURE	795,715
N. HUB COMMUNITY IMPACT FUND	
HUB COMMUNITY IMPACT REVENUE BUDGET	
Oper Tfr In - General Fund	250,000
TOTAL REVENUE	250,000
EXPENDITURE BUDGET	
Grants and Subsidies	250,000
TOTAL EXPENDITURE	250,000
3. DEBT SERVICE FUND	
The Debt Service Fund shall embrace expenditures for the payment of interest and installments on the public debt.	
DEBT SERVICE FUND REVENUE BUDGET	
Current Property Tax	120,999,348
Delinquent Property Tax	1,700,000
Sale of Delinquent Accounts	3,175,884
Local Option Sales Tax	8,500,000
In Lieu Of Taxes-Contractual	1,964,677
Tourism Development Zone Local	3,775,000
State Taxes	15,300,000
Use of Money	920,000
Federal Grants	2,288,150
Other Revenue	1,861,235
Transfer In-State Street Aid	1,768,300
Transfer In-Hotel/Motel Fund	6,633,050
Transfer In-Solid Waste	5,000,000
Transfer In Storm Water Fund	1,845,975
Transfer In -Misc. Grants Fund	191,446
TOTAL REVENUES / TRANSFERS IN	175,923,065

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

EXPENDITURE BUDGET	
Principal-Serial Bonds, Notes, and Leases	104,961,040
Interest-Serial Bonds, Notes, and Leases	67,651,724
Other	1,264,390
Bond Issue Cost	40,000
Contribution to Fund	2,005,911
TOTAL EXPENDITURES	175,923,065
4. ENTERPRISE FUNDS	
A. SEWER FUND which shall embrace expenditures from City Sewer Fees, Connection Fees, Miscellaneous Fees, and other monies used for Sewer Services operating and debt service purposes.	
SEWER FUND	
REVENUE BUDGET	
Sewer Fees	138,002,400
Subdivision Development Fees	300,000
Rents	12,000
Use of Money and Property	600,000
Sewer Connection Fees	84,000
Fines & Forfeitures	51,000
Special Sewer Connections	480,000
Biogas Revenue	93,330
Other Revenue	157,368
TOTAL REVENUES	139,780,098
EXPENSE BUDGET	
Personnel	25,314,816
Materials and Supplies	64,339,554
Capital Outlay	9,744,500
Debt Service -Interest	3,181,000
State Loan Interest	740,000
In-Lieu-Of Payment-General	9,132,716
Dividend To General Fund	1,300,000
Depreciation on Own Fund	15,250,800
Transfer-Out General Fund	437,164
Contribution to Fund	10,339,548
TOTAL EXPENSES	139,780,098

B. STORM WATER FUND which shall embrace expenditures from City Storm Water Fees, Drainage Fees, Miscellaneous Fees, and other monies used for Storm Water Services operating and debt service purposes.	
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**ORDINANCE 5725
APPROPRIATION ORDINANCE**

STORM WATER FUND	
REVENUE BUDGET	
Storm Water Fees	32,100,000
Use of Money and Property	144,000
Fines & Forfeitures	800
TOTAL REVENUES	32,244,800
EXPENSE BUDGET	
Personnel	11,947,220
Materials & Supplies	6,621,054
Capital Outlay	1,426,540
Interest	200,000
Dividend to General Fund	106,518
Transfer Out-Debt Service Fund	1,845,975
Depreciation on Own Funds	2,416,340
Contribution to Fund	7,681,153
TOTAL EXPENSES	32,244,800

5. INTERNAL SERVICE FUNDS

HEALTHCARE	
REVENUE BUDGET	
Operating Revenues	88,203,750
TOTAL REVENUES	88,203,750
EXPENSE BUDGET	
Personnel	4,225,667
Materials & Supplies	4,043,041
Capital Outlay	19,000
Claims Incurred	79,470,000
Grants & Subsidies	98,400
Federal Tax	33,000
Contribution to Fund	314,642
TOTAL EXPENSES	88,203,750
UNEMPLOYMENT FUND	
REVENUE BUDGET	
Program Revenues	1,100,000
TOTAL REVENUE	1,100,000

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

EXPENSE BUDGET	
Claims Incurred	200,000
Transfer Out-General Fund	900,000
TOTAL EXPENSES	1,100,000
FLEET MANAGEMENT FUND	
REVENUE BUDGET	
V.M. Fuel Revenue Inside	10,222,893
V.M. Shop Charges	16,068,601
V.M. Inventory/Store Sales	644,453
Use of Money and Property	72,000
Outside Revenue	170,585
Contribution from Fund	3,000,000
TOTAL REVENUES	30,178,532
EXPENSE BUDGET	
Materials & Supplies	13,312,273
Inventory	13,303,707
Transfer Out-General Fund	3,000,000
Depreciation on Own Funds	96,100
Capital Outlay	394,453
Contribution to Fund	71,999
TOTAL EXPENSES	30,178,532
6. FIDUCIARY FUNDS	
OTHER POST EMPLOYMENT BENEFITS (OPEB)	
REVENUE BUDGET	
Operating Revenues	15,546,665
TOTAL REVENUES	15,546,665
EXPENSE BUDGET	
Personnel	4,750,613
Material & Supplies	429,052
Claims Incurred	10,005,000
Federal Tax	2,000
Grants & Subsidies	360,000
TOTAL EXPENSES	15,546,665
LIBRARY RETIREMENT SYSTEM	
REVENUE BUDGET	

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

Operating Transfer In	1,089,783
TOTAL REVENUES	1,089,783
EXPENSE BUDGET	
Personnel	1,089,783
TOTAL EXPENSES	1,089,783

SECTION 2. BE IT FURTHER ORDAINED that for the purposes of budget control, administration and accounting of the appropriations made herein for the fiscal year, July 1, 2019, through June 30, 2020, inclusive, the Division and Program names shall be as set out in accordance with the requirements of Section One (1) hereof.

SECTION 3. BE IT FURTHER ORDAINED that City Council estimates of the revenues of the City of Memphis for the fiscal year, July 1, 2019, through June 30, 2020, inclusive, which are applicable to the purposes for which taxes are levied shall be set in the schedule within Section 1.

SECTION 4. BE IT FURTHER ORDAINED that all monies subject to appropriation by all Divisions shall be deposited with the City Treasurer for the use of the City of Memphis and all monies so received shall be considered appropriated regardless of the foregoing estimates by items until the appropriations have been filled.

Thereupon, any surplus shall become and be designated unappropriated Revenue and be subject to lawful appropriation by the City Council. Such amounts are not appropriated for the use of the Division receiving same, but shall be carried as a memorandum of collections and earnings.

SECTION 5. BE IT FURTHER ORDAINED that the Comptroller shall have no power to authorize withdrawal of funds constituting the current operating revenues of the City of Memphis from the Treasury of the City of Memphis nor shall any obligations for the expenditures of any such funds be incurred except in pursuance of this ordinance; provided, however, that the Council may appropriate in the current year a greater amount for the operation of any Division, or for any corporate purpose other than those for which an appropriation shall have been made herein in the event that the current revenues shall be available for such purposes; and, provided further, that said expenditures shall be authorized by ordinance or resolution duly adopted by the City Council.

SECTION 6. BE IT FURTHER ORDAINED that for Fiscal Year 2020 that the salary of the Chief Operating Officer for the City of Memphis and the salaries of the Division Chiefs, Division Deputy Directors, Division Directors, City Court Judges, and City Court Clerk shall be increased by the percentage granted to general City employees as a wage increase.

SECTION 7. BE IT FURTHER ORDAINED that where work is done or materials furnished by one service center for another service center, the Comptroller is directed to charge the appropriation of the service center receiving and to credit the appropriation of the service center furnishing such labor or materials with the proper cost thereof, when said charge is accepted by the service center receiving same.

SECTION 8. BE IT FURTHER ORDAINED that the Comptroller shall maintain on file in his/her office the line item budget of each program, and that sums not to exceed the preceding amounts set forth in totals by Division and Program for the several funds shall so far as may be needed, be appropriated for the purpose shown for the fiscal year, July 1, 2019 through June 30, 2020, inclusive.

The Mayor shall have the authority to approve transfers between all categories, except Personnel, within the total amounts of each Program as set forth herein, however, each transfer shall have a maximum limit of \$50,000 and each

ORDINANCE 5725 APPROPRIATION ORDINANCE

Program shall have an annual cumulative limit of \$100,000 for transfers between Categories, within the total amounts of each Program. For Personnel budget transfers, the Mayor shall have authority to approve an annual cumulative limit of \$50,000 from a Personnel category to another category within each Program. An amount exceeding the annual limit of \$50,000 must be authorized by the City Council. The transfer of an amount between personnel Categories, within a Program that is associated with authorized and funded positions, also transfers the position to the Category receiving funding. Any transfer of appropriations between Programs shall be made only upon the authorization by Ordinance or Resolution of the City Council.

The Mayor shall have the authority to dispose of any City of Memphis owned property only in accordance with the provision of the Charter and/or Ordinance duly adopted by the City Council. The Mayor shall have the authority to lease any City of Memphis owned real property to any non-municipal entity for terms exceeding two (2) years or more only upon prior approval of the City Council.

SECTION 9. BE IT FURTHER ORDAINED that pursuant to the provisions of the City of Memphis Charter as amended when any obligation has been incurred by order, contract, agreement to purchase, hire, receive or otherwise obtain anything of value for the use of the City of Memphis by the joint action of the respective Division Directors, a liability shall be construed to have been created against the appropriation of the Division affected and the respective Division Directors and Program Heads in charge and other persons are prohibited from incurring liabilities in excess of the amount appropriated for each budget of each Program, the totals of which are set out in Section One (1), hereof, of additional amounts which may hereafter be authorized by the City Council.

SECTION 10. BE IT FURTHER ORDAINED that, at the close of each fiscal year, which is fixed as June 30, any unencumbered balance of an appropriation shall revert to the appropriate fund balance account and shall be subject to re-appropriation by the City Council, encumbered appropriations shall be carried forward into the next fiscal year from the current year budget in furtherance of improvements or for any corporate purpose which will not be completed within such current fiscal year.

SECTION 11. BE IT FURTHER ORDAINED that it shall be the duty of the Comptroller to keep an account of each object item appropriation made by the City Council and each such account shall show the appropriations made thereto, the amounts drawn thereon, and he/she shall make available such information on each appropriation account to the Directors of the various Divisions.

SECTION 12. BE IT FURTHER ORDAINED that no claims against the City of Memphis shall be paid except by means of a check, manual or electronic, on the Treasury issued and signed/authorized by the Comptroller.

SECTION 13. BE IT FURTHER ORDAINED that the City Council expressly declares that each section, subsection, paragraph and provision of this ordinance is severable, and that should any portion of this ordinance be held unconstitutional or invalid, the same shall not affect the remainder of this ordinance, but such unconstitutional or invalid portion be elided, and the City Council declares that it would have passed this ordinance with such unconstitutional or invalid portions elided.

SECTION 14. BE IT FURTHER ORDAINED that this ordinance take effect from and after the date it shall have been passed by the City Council, signed by the Chairperson of the City Council, certified and delivered to the Office of the Mayor in writing by the Comptroller and become effective as otherwise provided by law.

SECTION 15. BE IT FURTHER ORDAINED that if for any reason a budget ordinance is not adopted prior to the beginning of the next succeeding fiscal year, the appropriations from the previous fiscal years' adopted budget ordinance shall become the appropriation for the new fiscal year until the adoption of the new fiscal year budget ordinance is approved, in accordance with Section 6-56-210, TENNESSEE CODE ANNOTATED, provided sufficient revenues are being collected to support the continuing appropriations.

SECTION 16. BE IT FURTHER ORDAINED, pursuant to Substitute Ordinance No. 5639 any decision of the City Council, acting as arbiter only, to resolve any impasse between the City and any employee association over economic items shall be

**ORDINANCE 5725
APPROPRIATION ORDINANCE**

effective and funded only to the extent of funds appropriated for such items in this Appropriation Ordinance but not otherwise.

Kemp Conrad, Chairperson

Attest: Comptroller

THE FOREGOING ORDINANCE
5725 PASSED
1st Reading MAY 7, 2019
2nd Reading MAY 21, 2019
3rd Reading JUNE 4, 2019
Approved [Signature]
Chairman of Council

Date Signed: 7-16-19

[Signature]
APPROVED:
Mayor, City of Memphis

Date Signed: 7/19/19

I hereby certify that the foregoing is a true copy, and said document was adopted by the Council of the City of Memphis as above indicated and approved by the Mayor.

Valerie C. Supin
Comptroller

Authorized Complement Discussion

The authorized complement is the total number of full time positions approved by the City Council, for the City of Memphis operating divisions. The positions correlate to the amount of funded salaries. During the year, vacancies occur and there is a possibility the full budgeted salary may not be used. As a result, salaries are budgeted at the anticipated rate of staffing. Below is a summary of the changes in the authorized complement from the prior year’s adopted budget:

CITY COUNCIL

The complement increased by two (2) positions:

- One (1) Research Analyst
- One (1) Executive Assistant

EXECUTIVE

The complement increased by five (5) positions:

- One (1) Special Workforce Development to Second Chance
- Two (2) Youth Service Coordinator to Youth Services
- One (1) Animal Care Technician to Memphis Animal Services
- One (1) Veterinary Assistant to Memphis Animal Services

CITY ENGINEERING

This complement increased by one (1) position:

- One Engineer Design Sr. was used to create two Design Engineers

FINANCE

The complement increased by nine (9) positions:

- One (1) position of Chief Procurement Officer
- Three (3) positions to Purchasing
- Four (4) positions to Financial Accounting
- One (1) position to Office of Comprehensive Planning

FIRE SERVICES

This complement increased by one (1) position:

- One transfer in from Information Services

LIBRARY SERVICES

The complement was increased by two (2) positions:

- The positions are being funded by Shelby County.

PARK SERVICES

The complement increased by three (3) positions:

- Two (2) Athletic Specialist
- One (1) Director Community Engagement Asst.

POLICE SERVICES

The complement increased by seventy-four (74) positions:

- The addition of new officers to the Police Force.

PUBLIC WORKS

The complement increased by twenty-nine (29) positions:

- Twenty-nine (29) ISL were approved for FY2020 for Neighborhood Improvements legal level

METRO ALARM

The complement increased by one (1) position:

- One (1) Alarm Project Analyst

SEWER FUND

The complement increased by eight (8) positions:

- Approved as increase service level during the budget

OPEB FUND

The complement decreased by one (1) position:

- Transferred to the General Fund.

HEALTHCARE FUND

This complement increased by two (2) positions:

- Transferred from the General Fund.

Authorized Complement Summary

Category	FY18 Adopted	FY19 Adopted	FY20 Adopted
GENERAL FUND			
City Attorney	60	56	56
City Council	24	25	27
City Court Clerk	57	57	57
City Court Judges	5	5	5
City Engineering	116	115	116
Executive	109	114	119
Finance	91	101	110
Fire Services	1,784	1,772	1,773
General Services	267	289	289
Grants and Agencies	0	0	0
Housing and Community Development	2	2	2
Human Resources	49	50	50
Information Services	21	28	28
Libraries	280	285	287
Parks and Neighborhoods	208	208	211
Police Services	2,736	2,792	2,866
Public Works	209	227	256
General Fund Total	6,018	6,126	6,252
OTHER FUNDS			
Special Revenue Funds			
Metro Alarm Fund	5	5	6
Solid Waste Fund	515	515	515
Enterprise Funds			
Sewer Fund	341	347	354
Storm Water Fund	190	190	190
Internal Service Funds			
Healthcare Fund	13	8	10
Fiduciary Funds			
OPEB Fund	0	4	3
Other Funds Total	1,064	1,069	1,078
GRAND TOTAL	7,082	7,195	7,330

RESOLUTION

WHEREAS, the Mayor submitted to the Council of the City of Memphis on April 16th 2019 a recommended Capital Acquisition Budget and a Capital Improvement Program for fiscal years 2020 through 2024; and

WHEREAS, said Capital Acquisition Budget projects needed acquisitions of vehicles and equipment and the Capital Improvement Program does project on a priority basis the anticipated Capital expenditure required to construct needed public improvements for the said period; and

WHEREAS, the Budget Committee of the Council has held meetings and reviewed thoroughly the recommended Capital Acquisition Budget and Capital Improvement Program and will make approved revisions thereto; and

WHEREAS, it is the intent of the Council that funds for replacement vehicles and equipment as set forth in the Capital Acquisition Budget should be appropriated herein; and

WHEREAS, it is the intent of the Council that funds for construction require appropriation by Council; and

WHEREAS, the Comptroller is authorized to bring forward into the 2020 fiscal year all unappropriated allocations for uncompleted projects, or projects that have not begun and are necessary to be carried forward from the fiscal year 2019 Capital Budget as carried forward dollars; and

WHEREAS, it is the intent of the Council and the Administration to affect a material reduction in future capital expenditures; and

WHEREAS, in order to achieve this goal all prior years G. O. Bond unappropriated allocations, that have not been approved to carry forward in the fiscal year 2020 Capital

Improvement Budget, shall be unallocated and removed from the Capital Improvement Plan;
and

WHEREAS, provisions have been made that upon completion or deletion of any authorized project, all unused allocations or unencumbered appropriations on projects completed in FY2020, the funding will be returned to its source by the Comptroller, subject to further appropriation and allocation of said funds by the Council;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Memphis that the fiscal years 2020-2024 Capital Improvement Program be and the same is hereby approved and adopted as the City's Official Statement of Intent to construct needed public improvements subject to annual review and modification, and the Capital Acquisition Budget is hereby adopted as needed replacements of vehicles and equipment. Appendix "A", which is the FY2020-FY2024 CIP Budget Book attached hereto, details the construction projects and capital acquisitions and is made a part of this resolution.

BE IT FURTHER RESOLVED, that the fiscal year 2020 allocations in the Capital Improvement Program be and are hereby adopted as the fiscal year 2020 Capital Construction Budget and funds are appropriated for architectural/engineering services and for land options, if necessary. The Administration shall use the following procedures in moving forward with Capital Construction projects:

The Administration shall present to the appropriate Council Committee the schematic design of the project(s) as defined by the standard Architectural and Engineering Agreement used by the City of Memphis, at an architectural or engineering expense not to exceed 20% of the contracted professional fee amount. Projects designed "in house" or gratuitously must also go through the process. Council approval in the next following regular session of the Council is then required before the continuation of any such project.

After such Council approval, Administration will proceed with final plan preparation, final land acquisition and take bids for the project. Council shall be informed as to the time limitation designated in the professional contract.

The Administration will return to the Council for approval of funds for construction expenditures.

BE IT FURTHER RESOLVED, that projects with prior years allocation in any stage of design on the date of the 2020 budget adoption, that have not followed the procedure outlined above, must be returned to the Council for approval prior to going to bid.

BE IT FURTHER RESOLVED that projects with prior year's allocation, which are not yet in the design process on the date of the adoption of the 2020 CIP budget, and have been allowed for carry forward, or are funded by funds other than G. O. Bonds, must follow the same procedure outlined above for all 2019 projects.

BE IT FURTHER RESOLVED, that upon the completion/bond release of any authorized project, any unencumbered balance on projects completed in FY2020 will be returned to its source of funding, subject to further allocation and appropriation of said funds by the Council.

BE IT FURTHER RESOLVED, that the Comptroller be and is hereby authorized to un-allocate and eliminate all prior year allocations that have not been carried forward in the fiscal year 2020 Capital Construction Budget.

BE IT FURTHER RESOLVED, that after construction funds have been appropriated by the Council, the Comptroller is no longer authorized to approve the transfer of unencumbered funds between categories within each project but must return to the Council for approval of such action.

BE IT FURTHER RESOLVED, that projects which subsequently require appropriations in excess of the total project amount approved in the fiscal year 2020 Capital Construction Budget and the Capital Acquisition Budget be subject to further Council approval.

BE IT FURTHER RESOLVED, that any land, building or facility under the jurisdiction of the City of Memphis or which has ever been funded or partially funded by the City of Memphis cannot be demolished, sold, given to, or leased to any non-municipal entity without authorization of the City

Council. The authorization does not apply to routine short-term rental. Without authorization of the City Council, no assets may be received by the City.

BE IT FURTHER RESOLVED, that there be and is hereby appropriated \$9,500,560 for the acquisition of vehicles and equipment as set forth in the fiscal year 2020 allocation of the Capital Acquisition Budget.

BE IT FURTHER RESOLVED, that the Comptroller be and is hereby authorized to bring forward into the fiscal year 2020 Capital Construction Budget all appropriations and only those allocations that have been carried forward from the fiscal year 2019 Capital Construction Budget.

BE IT FURTHER RESOLVED, that the Council expressly declares that each section, sub-section, paragraph and provision of this resolution is severable, and that should any portion of this resolution be declared unconstitutional or invalid by a Court of Law, the same shall not affect the remainder of this resolution, but such unconstitutional or invalid portion shall be elided, and the City Council declares that it would have passed this resolution with such unconstitutional or invalid portions elided.

BE IT FURTHER RESOLVED, that this resolution take effect from and after the date it shall have been passed by the Council, signed by the Chairman of the Council, certified and delivered to the office of the Mayor in writing by the Comptroller, and become effective as otherwise provided by the law.

Chairman of Council

ATTEST:

Comptroller

I hereby certify that the foregoing is a true copy and document was adopted, approved by the Council of the City of Memphis in regular session on

JUN 04 2019

Date

Valerie C. Snyser
Deputy Comptroller-Council Records

Capital Improvement Program Budget Overview

The Fiscal Years 2020-2024 Capital Improvement Program (CIP) is a multi-year plan for capital expenditures to replace and expand the City's infrastructure, vehicles and equipment. For program purposes, the City defines a capital improvement as a major improvement or acquisition grouping costing over \$50,000. The program is updated annually to reflect the latest priorities, updated cost estimates and available revenue sources.

The purpose of the CIP Plan is to outline the funding for capital projects and capital acquisitions that will be of a long-term benefit to the citizens of Memphis. Because projects in the CIP Plan have long-term benefits, they are financed over a longer period of time. As a

result, present and future users pay for the projects.

The Capital Improvement Budget is the annual allocation to the CIP that is set aside to fund major construction projects, acquire property, purchase equipment and fund ongoing capital programs for the City. The CIP Budget is a one-year allocation. Adoption of the CIP budget by the City Council allows for the allocation of funds for the first year of the program, or in the case of carried forward projects, a reallocation of unappropriated funding. The City attempts to budget annual General Obligation (G.O.) Bonds specifically at an average rate of retirement of older bonds. This is currently approximately \$87.0 million. Specific language on how to appropriate and spend construction funds is contained in the CIP resolution.

Budget Development Process

The Budget Office uses financial data provided by city divisions to facilitate the review and approval of the Operating and Capital Improvement Budgets. The Budget Office is responsible for ensuring the operation of all divisions within financial guidelines established by Administrative Policy and City Council legislation. The Budget Office is also responsible for forecasting all general revenue for the City.

The Capital Improvement Program (CIP) is a five-year plan for capital allocations, which is reviewed annually for priority adherence and project variances. This plan examines each City project and specifies the source of financing for projected expenditures. The process begins in November when a cross divisional CIP Committee is assembled. The committee evaluates the City’s needs and meets with divisions (starting in January) to review their requests. Requested projects are analyzed by the Finance Division and external bond counsel, and finally compiled and reviewed with the Mayor. In April, the Mayor presents the plan to Council along with the operating budget. The Council conducts hearings and adopts a CIP Resolution. The Council adoption of the CIP Resolution authorizes the spending of a portion of engineering, architecture, land acquisition and development costs, and rolling stock through administrative appropriations. Funds for construction costs, equipment, and acquisition contracts are subject to additional authorization by the Council. Prior and current CIP allocations will remain in the plan until the Division in charge of the project or Council determines that the project is completed or to be unfunded.

The Budget Office monitors the CIP Budget through the use of tracking reports, which are reviewed during budget submission and are monitored at various intervals during the year. The CIP Budget may be amended during the fiscal year when divisions submit resolutions to Council for approval.

The Capital Budget and Capital Improvement Program are prepared annually to forecast anticipated capital expenditures planned for each of the next five

fiscal years. The total project costs and the funding sources (local, state, federal and private) are estimated. The Capital Improvement Program is prepared after a rigorous review and evaluation of all proposed projects by the Capital Review Committee. Building Design and Construction reviews the scope of all requests involving construction or major renovations to City owned structures. Debt Management studies the fiscal feasibility of the projects submitted for future funding needs. The single year Capital Improvement Plan allocates capital expenditures made in the current budget year. The Capital Budget must be in full conformity with the Capital Improvement Program applicable to the fiscal year which it covers.

Additional authorizations (appropriations) for each capital project in the Capital Budget must precede the expenditures of construction funds.

Changes to the CIP Budget - Transferring Allocations / Appropriations

Once the CIP has been adopted by the City Council, the data is loaded into the City’s Accounting System. During the life of the project, it may be necessary to provide additional allocations or transfer funds to aid in the completion of the project.

Initially, the CIP revenues/expenditures report is checked for funds verification. After it is determined that the funds are available, two methods are used to transfer or establish allocation and/or appropriations.

- 1 The Capital Improvement Budget Request for Administrative Transfer or Appropriation Form (Black Line) is used to:
 - A Record the initial appropriation of the planning lines (architecture & engineering, land development, land acquisition) upon the adoption of the CIP by the City Council.
 - B Transfer allocations and appropriations within planning lines or within construction

lines (contract construction, latent conditions, and other costs).

- C Transfer allocations from “cover-line” project planning lines to the new project planning lines and the appropriation of the lines.
- 2 The Capital Improvement Budget Request for Council Transfer and Appropriation Form (Red Line) is used to:
- A Appropriate all construction lines.
 - B Transfer allocations and appropriations between projects.
 - C Increase/decrease allocations or appropriations of a project.

Changes to the CIP budget must be done through Budget Resolutions.

Budget Resolution Review Process

RESOLUTIONS

A resolution is a document asking the City Council to amend the Appropriation Budget Ordinance or Capital Improvement Budget. A resolution is written in two sections: the “WHEREAS” section and the “RESOLVED” section. The WHEREAS section explains why the change is necessary, what the money will be spent for, and why funds are available and where the funds will come from. The RESOLVED section includes the statements that actually change the Budget Ordinance.

A resolution details the action requested by Council and should answer one or more of the following questions:

- What is the purpose of the change?
- Why is the change necessary?
- What will the funds be used for?
- Why are funds available?

A resolution shall be written in clause format. Each clause in the preamble shall begin with the word “WHEREAS”, include a brief statement answering one or more of the above questions, and continue with “AND,” an adopting clause. “NOW THEREFORE BE IT RESOLVED”, shall summarize all information as requested regarding changes to the City Resolution.

The adopting clause may be followed by several additional clauses.

After finalizing a Resolution, a Council Agenda Check-Off sheet must be prepared which summarizes the Resolution and includes all organizational data, account numbers, and dollar amounts.

Council Agenda Check-off Sheet

The Council Agenda Check-Off Sheet must accompany all documentation that goes before Council. The originating division/service center must complete the form and have it signed by the appropriate service center manager and division director.

Routing and Handling of Transfers

- 1 Administrative Transfers and Appropriations:
 - Division Directors
 - Budget Office
 - Comptroller’s Office
- 2 Council Transfers and Appropriations

The budget resolution package (Council Agenda Check-Off Sheet, original resolution, red line forms-including appropriate signatures from the division director) should be forwarded to the Budget Office one week before the Council Committee meets. The documents will then be forwarded as follows:

- 1 Chief Financial Officer (CFO)
- 2 Chief Legal Officer (CLO)
- 3 Chief Operating Officer (COO)
- 4 Mayor’s Office – Resolutions appropriating or transferring CIP funds must be received by the Mayor’s Office by noon on Thursday for Council Committee action on the following Tuesday.
- 5 Council Committee reviews monetary transfers and makes recommendations to the full Council.
- 6 The Mayor’s Office forwards the resolution to Council Records after the Council Committee recommendation(s) are made. The resolutions are then placed on the Council Agenda for consideration by the full Council on the following Tuesday.

Council’s approval of the resolution gives legal authority to amend the fiscal year’s budget.

CAPITAL IMPROVEMENT PROGRAM

Resolutions may be returned to the originating division/bureau for corrections at any time during the process.

The need for accuracy in the completion of all appropriate forms and recognition of time constraints is crucial in processing transfers. The Budget Office may be contacted for further assistance and/or information.

CIP SUMMARY

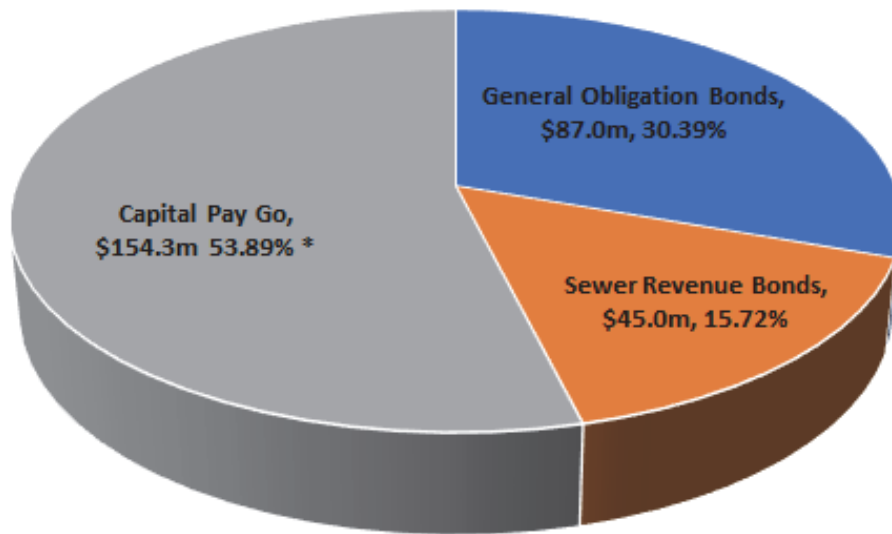
City Wide Summary

This section presents a summary of all active Capital Improvement Program projects throughout the City of Memphis.

City Wide Summary by Category

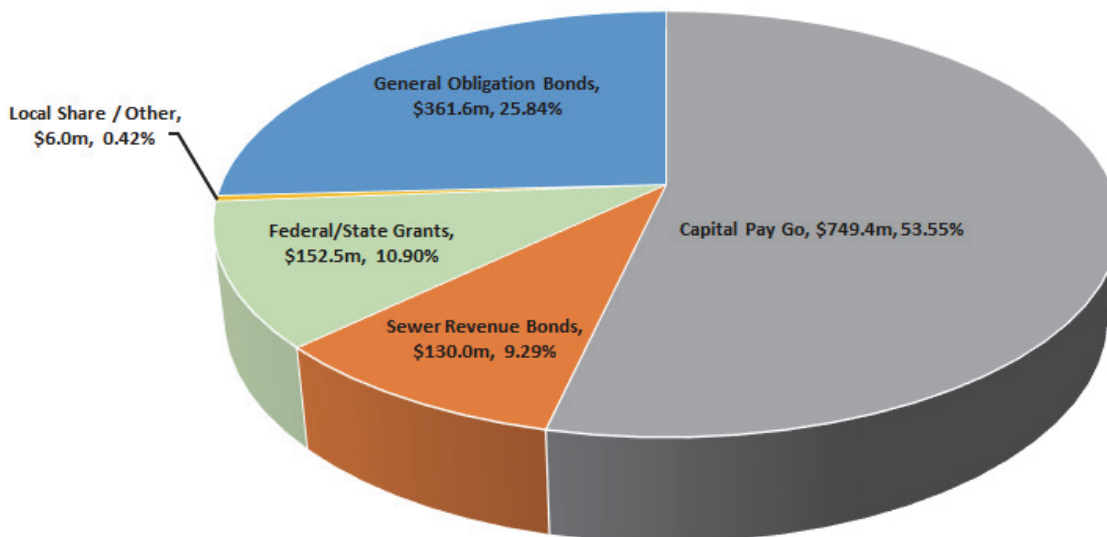
	Carry For-ward	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
REVENUE SOURCES							
Capital PAY GO	220,147,124	154,300,000	120,350,000	97,100,000	82,350,000	75,150,000	749,397,124
Federal Grants CIP	151,807,055	0	0	0	0	0	151,807,055
General Obligation Bonds	28,489,670	87,000,000	80,905,614	63,920,785	51,456,487	49,812,074	361,584,630
Local Other CIP	1,914,759	0	0	0	0	0	1,914,759
Operating Transfers In	44,300	0	0	0	0	0	44,300
Property Sales Proceeds	4,000,000	0	0	0	0	0	4,000,000
Sewer Revenue Bonds	0	45,000,000	50,000,000	35,000,000	0	0	130,000,000
State Grants All	712,000	0	0	0	0	0	712,000
Total Revenues	407,114,908	286,300,000	251,255,614	196,020,785	133,806,487	124,962,074	1,399,459,868
EXPENDITURE TYPES							
Architecture and Engineering	197,077,111	109,674,700	102,007,200	68,229,180	33,822,200	34,794,240	545,604,631
Contract Construction	188,340,674	144,922,750	132,352,614	123,022,000	94,712,000	86,562,000	769,912,038
Furniture Fixture Equipment	1,187,750	3,634,000	2,765,000	1,221,880	1,726,000	953,160	11,487,790
Information Technology	1,532,813	10,230,000	9,100,000	921,880	1,226,000	223,160	23,233,853
Land Acquisition	18,452,560	1,410,000	560,000	560,000	310,000	310,000	21,602,560
Land Development	0	250,000	0	0	0	0	250,000
Other Cost	524,000	6,677,990	4,470,800	2,065,845	2,010,287	2,119,514	17,868,436
Vehicles CAP	0	9,500,560	0	0	0	0	9,500,560
Total Expenditures	407,114,908	286,300,000	251,255,614	196,020,785	133,806,487	124,962,074	1,399,459,868

CAPITAL IMPROVEMENT PROGRAM WHERE THE MONEY COMES FROM



* Capital Pay Go - Sewer Fund \$133.5m
 Capital Pay Go - Storm Water Fund \$ 20.8m

FY 2020 Budget \$286,300,000



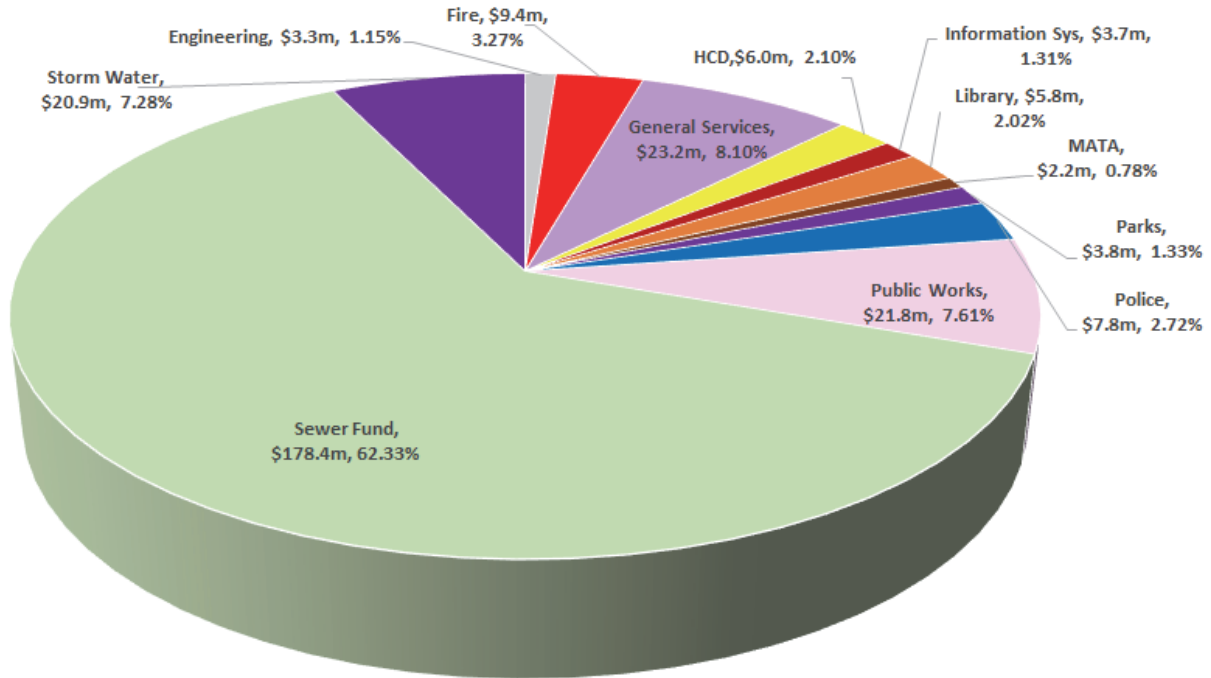
FY 2020 - 2024 Programs \$1,399,459,868

Includes Carry Forward Allocation

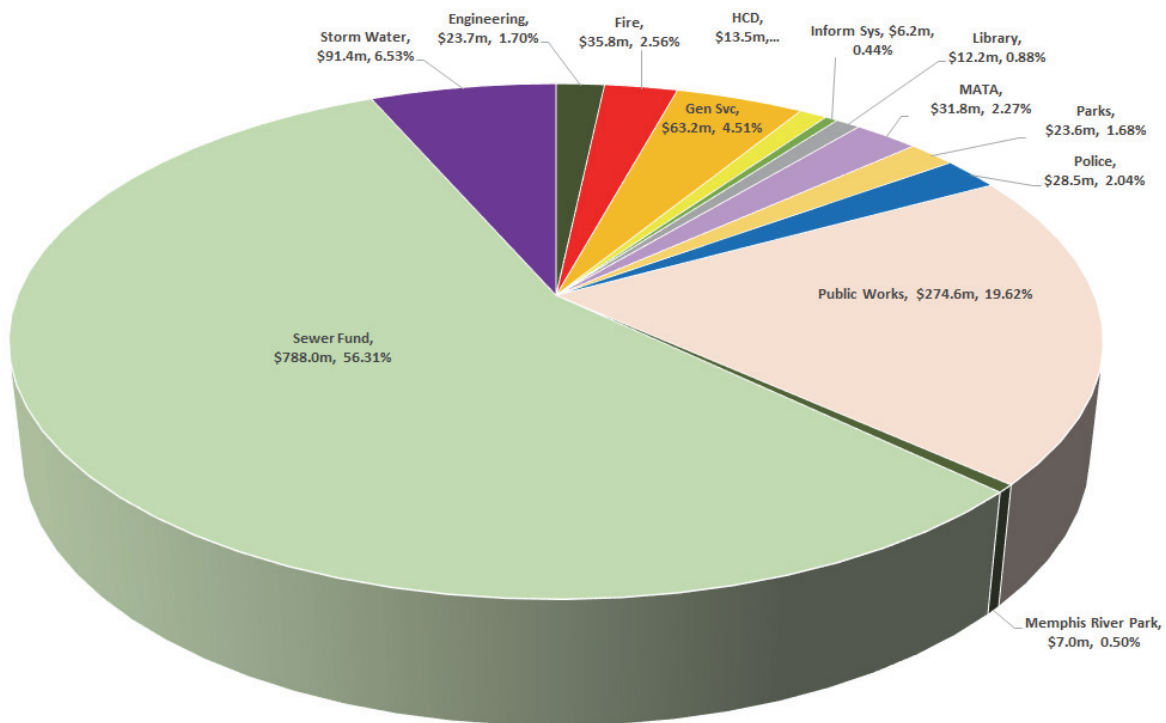
City Wide Summary by Division

Division	Carry For-ward	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
City Engineer	5,581,845	3,300,000	4,460,000	4,460,000	2,960,000	2,960,000	23,721,845
Executive	0	0	0	0	0	0	0
Fire Services	4,120,000	9,362,990	12,873,614	3,220,545	3,037,487	3,229,514	35,844,150
General Services	0	23,174,310	10,000,000	10,000,000	10,000,000	10,000,000	63,174,310
Housing and Community Development	1,500,000	6,000,000	6,000,000	0	0	0	13,500,000
Information Services	0	3,750,000	1,250,000	700,000	500,000	0	6,200,000
Library Services	100,000	5,775,000	6,295,000	0	0	0	12,170,000
MATA	2,291,750	2,238,500	5,327,000	7,882,000	7,157,000	6,897,000	31,793,250
Memphis Riverparks	7,022,218	0	0	0	0	0	7,022,218
Parks Services	466,034	3,800,000	5,000,000	7,900,000	3,350,000	3,030,000	23,546,034
Police Services	2,300,681	7,799,200	7,400,000	7,458,240	2,152,000	1,395,560	28,505,681
Public Works	163,585,257	21,800,000	22,300,000	22,300,000	22,300,000	22,300,000	274,585,257
Sewer Fund	218,025,731	178,450,000	150,750,000	115,750,000	66,000,000	59,000,000	787,975,731
Storm Water	2,121,393	20,850,000	19,600,000	16,350,000	16,350,000	16,150,000	91,421,393
Total	407,114,908	286,300,000	251,255,614	196,020,785	133,806,487	124,962,074	1,399,459,868

CAPITAL IMPROVEMENT PROGRAM USE OF FUNDS



FY 2020 Budget \$286,300,000



FY 2020 - 2024 Programs \$1,399,459,868

Includes Carry Forward Allocation

The Impact of Debt Service Cost and Operating Cost for FY2020

The cost of capital assets manifests in the general fund (operational costs) or the debt fund (principal and interest costs). The General Fund budget is established by an ordinance and the Capital Improvement Program (CIP) budget is established by a resolution.

The financial impact of CIP projects is the annual cost of debt service. Debt service projects impact operational cost because of the issuance of General Obligation (G.O.) Bonds which are repaid by the tax rate charged to citizens. The property tax rate finances both the general fund and the debt fund. In theory, if debt increases, larger portions of property tax revenue are assigned to debt for the payment of G.O. bonds, which reduces resources for operating costs. The City has a G.O. Bond target to essentially maintain the property tax rate apportionment between the general fund and the debt fund within a specific range. This target is established considering debt that will also be retired within the fiscal year.

The summary below lists projects above \$3.0 million in the CIP program for FY2020 along with their related G.O. funding amounts, and the associated impact on debt service and the operating budget. The cost of debt is generally considered to be \$80,000 per million. The debt service payments will average 20-30 years depending on the project. Projects not detailed are either under \$3.0m, considered as replacement investments for fully used existing capital assets, or for maintenance and/or improvements. The cost to maintain these assets are in the current funding base. Therefore, these projects are budget neutral. A full listing of all FY2020 CIP projects follows this summary.

Division: General Services

Project Name: CoMEM Phase II
Project Number: GS01032

This project provides funds to complete the design phase for the Municipal Complex Phase II (former Walter Simmons property).

G.O. Bond Funding:	\$10.0m
Debt Service Impact:	\$800k
Operating Budget Impact:	None

Division: Housing and Community Development

Project Name: MHA-Foote Future Hope VI
Project Number: CD01030

South City CNI (Foote Homes Project) is part of the South City Urban Renewal Plan. Funding will provide new rental housing to a mixed income population. The physical plans will be implemented in multiple phases on the old Foote Homes site and in the surrounding neighborhood on acquired land. The transformation will include demolition of existing dwellings, improved park and open space, community facilities, library, neighborhood retail and comprehensive supportive services and programs.

G.O. Funding:	\$6.0m
Debt Service Impact:	\$480k
Operating Budget Impact:	None

Division: Library Services

Project Name: New Frayser Library
Project Number: LI01030

This project will replace the current 6,400 sq. ft. library with a 25,000 sq. ft. branch. The new branch will offer expanded service, including a larger collection of materials, community meeting/study facilities, increased public computer capacity, and expanded regular and handicapped parking.

G.O. Funding:	\$3.9m
Debt Service Impact:	\$312k
Operating Budget Impact:	None

Division: Police Services

Project Name: Radio System Upgrade
Project Number: PD04025

This project will fund the replacement of the City of Memphis radio system, which will be compatible with P25 technology. The City/County split is 51%/49%.

G.O. Funding: \$5.0m
Debt Service Impact: \$400k
Operating Budget Impact: None

Division: Fire Services

Project Name: New Fire Stations #1 & #5
Project Number: FS02029 & FS02031

These projects will relocate Fire Stations number 1 and 5. Both are estimated to be completed by June 30, 2021.

G.O. Funding: \$5.0m
Debt Service Impact: \$400k
Operating Budget Impact: None

Division: Fire Services

Project Name: Personal Protective Equipment
Project Number: FS04012

This project provides funds to replace turnout ensembles that have become unusable. This project will complete the replacement of all self-contained breathing apparatus (SCBA) and is governed by the National Fire Protection Association. This is an ongoing project each fiscal year.

G.O. Funding: \$3.6m
Debt Service Impact: \$288k
Operating Budget Impact: None

Division: Public Works

Project Name: Asphalt/Paving
Project Number: PW20100

This project funds the asphalt paving activities performed by the City through contracted services.

G.O. Funding: \$19.5m
Debt Service Impact: \$1.6m
Operating Budget Impact: None

Public Works Division – Sewer Fund

The Sewer Fund’s current projects are funded by Capital-Pay-Go (CPG) or Clean Water State Revolving Fund (CWSRF) loans, and Sewer Revenue Bonds (SRB). The CPGs fund current projects through the use of fund balance. CWSRF is a line of credit that is available for the planning, design, and construction phases of wastewater facilities. The funds may be used for all three phases in any combination. Eligible projects include new construction or the upgrading/expansion of existing facilities and may encompass wastewater treatment plants, pump stations, force mains, collector sewers, interceptors, elimination of combined sewer overflows, and/or nonpoint source pollution remedies.

The City currently has two active CWSRF loans. The first loan is for \$22 million and is associated with two projects. One project is an outfall modification at the M.C. Stiles Wastewater Treatment Facility (SW01001) and the other project is a lagoon expansion at the T.E. Maxson Wastewater Treatment Facility (SW02011). The second loan is for \$100 million and is associated with the sewer rehabilitation of the City of Memphis’ collection system (SW05001). The term of each loan is 20 years. SRB’s will be used for sewer rehabilitation and assessment.

FY2020 Capital Improvement Budget Summary

Project Number	Project Name	Carry Forward	FY 2020	Total FY 2020
CITY ENGINEER				
EN01026	Medical CTR Streetscape	5,212,830	0	5,212,830
EN01036	STP Pedestrian Routes	155,062	0	155,062
EN01067	HSIP Cover Line	213,953	150,000	363,953
EN01096	LED Traffic Signal Replacement	0	750,000	750,000
EN20100	Traffic Signals 2020	0	750,000	750,000
EN20200	Traffic Calming Devices 2020	0	1,250,000	1,250,000
EN20300	Urban Art FY20	0	400,000	400,000
Total City Engineer		5,581,845	3,300,000	8,881,845
FIRE SERVICES				
FS02011	Replace Fire Station #43	4,000,000	0	4,000,000
FS02029	FS5 Construction	0	3,000,000	3,000,000
FS02031	FS1 Construction	0	2,000,000	2,000,000
FS02032	EMA Sirens	120,000	0	120,000
FS04012	Personal Protective Equipment	0	3,612,990	3,612,990
FS20100	FY20 Fire Station Repair Cover	0	750,000	750,000
Total Fire Services		4,120,000	9,362,990	13,482,990
GENERAL SERVICES				
GS20100	FY20 Major Modification	0	3,673,750	3,673,750
GS01032	CoMEM Phase II	0	10,000,000	10,000,000
GS0220A	FY20 CAQ POLICE	0	2,925,948	2,925,948
GS0220B	FY20 CAQ ENGINEERING	0	447,500	447,500
GS0220C	FY20 CAQ PUBLIC WORKS	0	449,000	449,000
GS0220D	FY20 CAQ PW-STREET MNTC	0	568,700	568,700
GS0220E	FY20 CAQ EXEC (ANIMAL SERVICES)	0	66,971	66,971
GS0220F	FY20 CAQ FIRE	0	4,467,573	4,467,573
GS0220G	FY20 CAQ GENERAL SERVICES	0	504,368	504,368
GS0220H	FY20 CAQ INFO SERVICES	0	32,500	32,500
GS0220I	FY20 CAQ LIBRARY	0	38,000	38,000
Total General Services		0	23,174,310	23,174,310
HOUSING AND COMMUNITY DEVELOPMENT				
CD01030	MHA-Foote Future Hope VI	0	6,000,000	6,000,000
CD01097	Klondike Smokey City Initiat	1,500,000	0	1,500,000
Total Housing and Community Development		1,500,000	6,000,000	7,500,000
INFORMATION SERVICES				
IS01081	Data Center Relocation	0	500,000	500,000
IS01082	Treasury Tax System	0	2,250,000	2,250,000
IS01083	Desktop & App Infrastructure	0	500,000	500,000

FY2020 Capital Improvement Budget Summary

Project Number	Project Name	Carry Forward	FY 2020	Total FY 2020
IS01084	Network Infrastructure Upgrade	0	500,000	500,000
Total Information Services		0	3,750,000	3,750,000
LIBRARY SERVICES				
LI01030	New Frayser Library	100,000	3,875,000	3,975,000
LI01031	New Raleigh Library	0	1,850,000	1,850,000
LI01032	Technology For Cossitt Library	0	50,000	50,000
Total Library Services		100,000	5,775,000	5,875,000
MATA				
GA03007	MATA-Bus Replacement	0	360,000	360,000
GA03011	MATA-Paratransit Bus	841,750	50,000	891,750
GA03022	MATA-Adv Public Transp System	0	860,000	860,000
GA03023	MATA-Operations/Maint Facility	1,450,000	73,500	1,523,500
GA03024	Rail Facility Improvements	0	165,000	165,000
GA03025	Bus Facility Improvements	0	460,000	460,000
GA03026	Rail Vehicles	0	270,000	270,000
Total MATA		2,291,750	2,238,500	4,530,250
MEMPHIS RIVER PARK				
GA01004	Cobblestone Landing	7,022,218	0	7,022,218
Total Memphis River Park		7,022,218	0	7,022,218
PARKS SERVICES				
PK03004	Tennis Major Maintenance	0	750,000	750,000
PK09002	Zoo Major Maintenance & Others	0	550,000	550,000
PK20100	Park Coverline	0	2,500,000	2,500,000
PK01030	Whitehaven CC Improvements	350,000	0	350,000
PK07012	Greenway Improvements	116,034	0	116,034
Total Parks Services		466,034	3,800,000	4,266,034
POLICE SERVICES				
PD02013	FY18 Police Academy Renov	1,100,000	799,200	1,899,200
PD02014	FY18 Precinct Renovations	117,868	0	117,868
PD04022	In-Car Video/GPS	1,082,813	0	1,082,813
PD04025	Radio System Upgrade	0	5,000,000	5,000,000
PD04029	Radio Maintenance Rehab Proj	0	1,000,000	1,000,000
PD04030	Raleigh Springs Police Bldg	0	1,000,000	1,000,000
Total Police Services		2,300,681	7,799,200	10,099,881
PUBLIC WORKS				
PW20100	Asphalt/Paving COVERLINE	0	19,500,000	19,500,000
PW20200	Replace Various Sidewalks	0	500,000	500,000
PW20300	ADA Curb Ramp Cover Line	0	1,000,000	1,000,000
PW20400	Bridge Repair Cover Line	0	800,000	800,000

FY2020 Capital Improvement Budget Summary

Project Number	Project Name	Carry Forward	FY 2020	Total FY 2020
PW01056	Holmes-Millbranch to East	14,911,280	0	14,911,280
PW01064	Elvis Presley/Shelby/Winchester	11,341,492	0	11,341,492
PW01179	Holmes Road East Malone-Lamar	14,612,760	0	14,612,760
PW01245	STP Bike/Ped Group	5,695,758	0	5,695,758
PW01253	Repair 14 Bridges Sam Cooper	3,058,500	0	3,058,500
PW01257	Shelby Farms Greenline Trail	4,741,085	0	4,741,085
PW01260	Sandbrook Realignment	225,158	0	225,158
PW01262	Patterson Realignment	2,004,000	0	2,004,000
PW01277	Poplar-Front to Bellevue	7,636,577	0	7,636,577
PW01278	Poplar-Yates to I-240	7,655,368	0	7,655,368
PW01280	Union Ave-Pauline to Flicker	2,400,000	0	2,400,000
PW01284	Shelby Dr-Paul Lowery to Weaver	83,700,000	0	83,700,000
PW04103	Walker Ave. Streetscape Ph. 2	583,587	0	583,587
PW04117	Old Melrose Site Rehab	500,000	0	500,000
PW04118	Harbor Avenue Repaving	3,805,000	0	3,805,000
PW04119	STBG Group 1 Resurfacing	304,182	0	304,182
PW04120	STBG Group 2 Resurfacing	410,510	0	410,510
Total Public Works		163,585,257	21,800,000	185,385,257
SEWER FUND				
SW20200	FY20 Rehab Existing Cover Line	0	29,750,000	29,750,000
SW05001	Sewer Assessment and Rehab	76,958,409	51,500,000	128,458,409
SW02033	South Plant Expansion	102,180,523	55,000,000	157,180,523
SW04007	Environmental Maint Relocation	10,689,811	600,000	11,289,811
SW04009	Stiles Plant Modification	6,696,988	9,600,000	16,296,988
SW04011	Stiles WWTF Biosolids Upgrades	0	15,000,000	15,000,000
SW20300	FY20 Svc Unsewered Cover Line	0	1,850,000	1,850,000
SW20100	FY20 Misc Sub Outfalls Cover	0	3,150,000	3,150,000
SW02006	Sludge Disp/Earth Complex	700,000	5,000,000	5,700,000
SW02011	Covered Anaerobic Lagoon	20,800,000	7,000,000	27,800,000
Total Sewer Fund		218,025,731	178,450,000	396,475,731
STORM WATER				
ST02001	Design - ST Cover Line	1,021,575	5,550,000	6,571,575
ST03205	Drainage - ST Cover Line	1,052,193	7,500,000	8,552,193
ST03207	Flood Control - ST Cover Line	47,625	3,850,000	3,897,625
ST03211	Curb & Gutter Misc Loc	0	500,000	500,000
ST03214	Flood Mitgn Land Acq Cover Line	0	350,000	350,000
ST03215	HUD Resiliency MOU	0	2,000,000	2,000,000
ST03216	Bridge Repair ST	0	500,000	500,000
ST03217	Bartlett Rd/Fletcher - Storm	0	600,000	600,000
Total Storm Water		2,121,393	20,850,000	22,971,393
GRAND TOTAL FY 2020		407,114,908	286,300,000	693,414,908