

BUDGET OVERVIEW

The financial data presented in this section represent the Financial Summary and a written Overview of the revenues and 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

The City of Memphis's Fiscal Year 2019 (FY19) budget encompasses the General Fund which supports the City's operations, and The Debt Fund which pays for the debt obligations of our Capital Improvement Plan. The General Fund and the Debt Fund are largely dependent on local property tax revenues. The budget also includes Enterprise Funds, which are supported by user fees; Special Revenue Funds; and Internal Service Funds. These funds work in tandem to provide the financial resources that support services to the citizens of Memphis. The FY19 Budget crosses all funds and incorporates a balanced approach of expense planning based on anticipated revenues and local economic priorities. While Public safety remains the highest priority, the budget funds other priorities that promote economic development, infrastructure, additional resources to invest in our youth and increased benefit security for City employees.

With expectations of moderate income growth, the City's (FY19) budget, nonetheless provides additional funding to all priority areas. The Mayor's slogan is, "to be brilliant at the basics". This simply means that City Hall will work to strengthen and enhance our economy with efficient and effective services to improve the quality of life for all citizens. Being, "brilliant at the basics" requires an aggressive budgetary approach to ensure expenditures are within the means of our current tax rate.

The tax rate for FY 19 is \$3.195986. This rate is eight cents below the FY 18 tax rate of \$3.27. The reduction reflects an adjustment to the level of the state certified tax rate due to lower than expected 2017 property assessment appeals. Property assessments occur every four years. The apportionment of the tax rate, available for the general fund, allocates \$.01 cents to Early Education; Pre- Kindergarten (Pre-K) Fund. Therefore, approximately \$1.2m allocated to Pre-K is a reduction of available funding for general fund expenditures. Because there is no increase in the tax rate normal revenue growth and prudent budgeting has permitted adequate funding of the City's needs and priorities.

The FY 19 general fund budget of \$685.3m provides additional funding to the City's priority areas and maintains level funding for other core services. The budget preparation process focuses on five central values: **Purpose:** Improving the quality of life for all Memphians, every day; **Vision:** Memphis is a hub of opportunity, innovation and easy living; **Mission:** To be brilliant at the basics of delivering reliable, responsive, high quality services; **Cultural Values:** Innovation, Accountability, Collaboration, Service; **Priorities:** Youth, Public Safety, Neighborhoods, Good Government, Jobs.

For youth, this budget invests \$500k of increased library programming. Additionally, Park Services received an increase of \$1.3m for Park locations and Community Centers. The Office of Youth Services received \$300k to provide summer jobs to an additional 250 students. This new funding will increase total summer jobs for youth to 1,500. Public Safety was increased by \$1.5m for two Police recruit classes, and additional emergency medical personnel in Fire.

With regards to good government and jobs, this budget increases spending for employee pension benefits by \$2.3 million. The City Pension Fund is in compliance with the State of TN- 92% of the ADC. The government economic security priority also provides \$2.7m for targeted raises for City employees identified below the market or making below \$15.50 per hour. Lastly, within this priority, the budget appropriates \$374k more for City Council community service grants targeted to local small businesses.

Consistent with last year's Neighborhoods Street Paving Program, the Capital Budget will receive \$19.0m.

The Economic Impact on Budget Planning

There is a correlating response to the performance of our local economy with that of the national economy. Memphis generally lags behind national economic trends. As such, the City of Memphis' FY 2019 Budget is presented within context of the economic conditions impacting the national economy and corresponding 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 expertise of 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 performance transparency, in 2014 the administration established the Office of Performance Management. This new office manages 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 Mission: To improve the quality of life for all Memphians, every day. In support of this mission, Mayor Strickland has championed the improvement of core city services in a renewed commitment to transparency and trust as part of his, "brilliant at the basics", philosophy for city government. Prioritizing core city services and becoming, "brilliant at the basics", will allow the growth of Memphis to multiply.

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, those 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 of Memphis 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, Mayor Strickland sends a weekly email update to the citizens that highlights the city's challenges and celebrates its successes.



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 FY19 general fund budget is a balanced budget of \$685.3m. There are no tax increases within the revenue budget. The property tax rate reflects a reduced “certified tax rate”. The certified rate was lowered because property tax rate appeals were less than anticipated when the rate was originally set. Natural revenue growth and careful expense planning has allowed for the funding of the City’s needs and priorities.

The FY19 budget allocates funding for 2,126 uniformed officers and 125 Police Service Technicians (PST’s) and the addition of emergency medical personnel in Fire. For youth, this budget invests \$500k more for library programming. Additionally, Parks received \$1.3m more for Park locations and Community Centers; and the Office of Youth Services received \$300k to provide summer jobs to 250 more students. Regarding Good Government and Jobs this budget increases spending for funding of the employee pension benefit by \$2.3 million. The government and jobs priority also provides \$2.7m for targeted raises for employees identified to be paid significantly below the market or making below \$15.50 per hour. Lastly, within this priority, the budget appropriates \$374k more for City Council directed community service grants provided to local small businesses.

Revenues

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

The revenue budget for FY19 is \$685.3m compared to \$668.8m (including the Contributions from Fund Balance) adopted in FY18. Generally, revenues are increasing because of an improving local economy

which is represented in the local tax revenue. The Memphis Light Gas and Water (MLGW) pilot and a transfer- in from the Debt fund are sources that also provide significant revenue increases to the FY19 budget. The State Income Tax (Hall Tax) is being phased out will decline each year until the phase out is complete. A summary of the major revenue variances from FY18 is shown below.

REVENUES

Fund Type	FY2018 Adopted	FY2019 Adopted	Inc./Dec.
General Fund	\$668,692,503	\$685,320,069	\$16,627,566

Notable FY2019 Budget Revenue Changes:

- \$ 8.6 million- Ad Valorem Taxes
- \$ 0.6 million- Ad Valorem Taxes Prior
- \$ 0.5 million- Pilots
- \$ 0.6 million- Mix Drink Taxes
- \$ 0.5 million- Gross Receipts Business Tax
- \$ 1.0 million- State Sales Tax
- \$ 0.4 million- Auto Registration Fees
- \$ 0.9 million- Anti Neglect Revenue
- \$ 0.8 million- Ambulance
- \$ 0.7 million- Interest in Investments
- \$ 2.6 million- Federal Grants
- \$ 1.5 million- TN Highway Grants
- \$ 1.0 million- MATA
- \$ 4.3 million- MLGW
- \$ 0.4 million- Transfer In Sewer
- \$ 0.3 million- Transfer In Metro Alarm
- \$ 3.5 million- Transfer In Debt Fund
- \$ 0.2 million- Misc.

- \$ (0.7) million- Transfer In Unemployment
- \$ (1.0) million- Beer Sales Taxes
- \$ (0.2) million- Franchise Tax
- \$ (5.5) million- State Income- Hall Tax
- \$ (0.5) million- Court Fees/Cost
- \$ (0.3) million- Concessions
- \$ (2.4) million- Use of Fund Balance
- \$(1.4) million- Other

Expenditures

The FY 2019 General Fund Expenditure Budget is \$685.3m. For FY2019 the budget adds spending for public safety, public transportation, community programs and increased payments to the pension ARC. Throughout this document many divisions may have large increases or decreases; however this is primar-

ily caused by realignment of some divisions as opposed to aggressive expenditure variances. Any major changes are aligned with priorities and maintaining sufficient resources for core government services.

EXPENDITURES

Fund Type	FY2018 Adopted	FY2019 Adopted	Inc./Dec.
General Fund	\$666,436,251	\$685,320,069	\$18,883,818

Notable FY2019 Expenditures Changes:

- \$ 3.6 million- Personnel / Attrition
- \$ 2.4 million- Pension
- \$ 3.6 million- PartTime/Temp Salaries
- \$ 2.5 million- City Shop Charges
- \$ 2.2 million- Professional Services
- \$ 0.5 million- Materials and Supplies
- \$ 0.2 million-Medical Supplies
- \$ 0.5 million- Security
- \$ 0.7 million- Utilites
- \$ 0.5 million- Medical/Dental/Veterinary
- \$ 0.2 million- Advertising Publication
- \$ 0.7 million- Outside Computer Services
- \$ 0.3 million- Safety Equipment
- \$ 0.3 million- Oudside Phone and Communication
- \$ 1.9 million- Lawsuits
- \$ 1.7 million- EDGE
- \$ 0.8 million- SCS Mixed Drink Proceeds
- \$ (2.6) million- Outside Vehicle Repair
- \$ (1.0) million- Healthcare
- \$ (1.4) million- Insurance
- \$ (0.4) million- Grants and Subsidies
- \$ (1.4) million- Expense Recovery (State Street Aid)
- \$ 0.6 million- Other

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 32% of the property tax rate and 7% of the local sales tax rate. Expenses for FY19 are budgeted to be \$16.2m. The expense increases are for principal and interest costs resulting from new

debt financing issued for improvements to the Memphis Convention Center and various capital projects from the Capital Improvement Plan (CIP). The Debt Fund will also transfer \$3.5m to reimburse the General Fund for previously incurred expenses. The Debt Fund will have a positive fund balance at the FY19 year end.

DEBT FUND

Fund Type	FY2018 Adopted	FY2019 Adopted	Inc./Dec.
Debt Fund Expenses	\$161,484,410	\$177,692,703	\$16,208,293

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 are budgeted to increase by 15% or \$14m over the FY18 budget. Expense increases are the result of professional services costs and an increase in chemical

costs. With its positive fund balance the Sewer Fund pays for its capital on a pay-go basis. The Storm Water Fund expenses will decrease by \$1.2m. The expense reduction is attributable to lower debt costs. The Storm fund increased its rates in the last six months of FY 18; therefore FY19 will be the first full year of the rate increase.

ENTERPRISE FUNDS

Fund Type	FY2018 Adopted	FY2019 Adopted	Inc./Dec.
Sewer Treatment Expenses	\$93,393,598	\$107,936,508	\$14,542,910
Storm Water Expenses	\$24,484,637	\$23,225,344	(\$1,259,293)
Total Enterprise Funds	\$117,878,235	\$131,161,852	\$13,283,617

Internal Service Funds

Internal Service Funds (ISF) are used to budget for the costs of goods or services provided by one division to other City divisions. These costs are reimbursed by using divisions to the fund providing the service. Healthcare, Unemployment and Fleet represent the internal service funds in the FY19 budget. The City’s health plan serves almost 6,000 employees and 7,500 spouses and dependents. The City changed health plan managers in January of 2018. This change resulted in lower premiums to employees and features many wellness programs and incentives, The Health Fund expenses are budgeted to

increase by 5% or \$4.0m in FY19. Included in expenses is a \$3.8m transfer to the OPEB fund.

The Fleet Fund is planned to increase its expenses by \$5.1M or 22% over FY18’s adopted budget. The expense increase is largely due to Fire Apparatus moving from the Fire Division to general Services Fleet for maintenance.

The unemployment fund is budgeted to spend \$200k and allow for another transfer of its excess fund balance to the General Fund.

INTERNAL SERVICE FUNDS

Fund Type	FY2018 Adopted	FY2019 Adopted	Inc./Dec.
Health Care Fund Expenses	\$83,693,635	\$87,725,414	\$4,031,779
Fleet Mgmt. Expenses	\$22,866,864	\$27,344,231	\$4,477,367
Unemployment Expense	\$1,200,000	\$500,000	(\$700,000)
Total Internal Service Funds	\$107,760,499	\$115,569,645	\$7,809,146

Fiduciary Funds

These funds pay for the healthcare of the City’s retirees and pension cost for Library retirees. In the OPEB Fund claims cost is expected to be lower, therefore, the total fund is budgeted to spend less. The budget

is \$18.4M which down \$1.5m from FY18’s budget. Although OPEB expenses will be lower, a contribution for the HealthCare Fund is required to balance the OPEB Fund.

FIDUCIARY FUNDS

Fund Type	FY2018 Adopted	FY2019 Adopted	Inc./Dec.
OPEB Fund Expenses	\$19,915,580	\$18,479,932	(\$1,435,648)
Library Retirement System Fund	\$0	\$1,089,783	\$1,089,783
Total Fiduciary Funds	\$19,915,580	\$19,569,715	(\$345,865)

Special Revenue Funds

Special Revenue funds provide budgets for specific revenue sources that are restricted to expenditures for specific purposes. There are nine Special Revenue Funds represented in the FY19 budget. The most notable is Solid Waste (SW) which is budgeted at \$67M. This is \$5.8M greater than FY18’s budget. Sal-

aries and benefits, contract collections and debt costs are areas that have budget increases. The State Street Aid Fund will receive an increase because of the new State Improv Act. Other special revenue funds and their budgeted FY19 expense are identified in the pages following this overview.

SPECIAL REVENUE FUNDS

Fund Type	FY2018 Adopted	FY2019 Adopted	Inc./Dec.
State Street Aid Expenses	\$16,400,000	\$20,503,600	\$4,103,600
Solid Waste Expenses	\$61,121,784	\$66,913,958	\$5,792,174
Drug Enforcement Fund Expenses	\$3,752,875	\$3,805,395	\$52,520
Metro Alarm Fund Expenses	\$600,066	\$952,495	\$352,429
Park Special Services Fund	\$166,752	\$166,752	—
Hotel/Motel Occupancy Tax Fund Expenses	\$12,908,600	\$14,735,804	\$1,827,204
New Memphis Arena Expenses	\$12,217,200	\$2,500,000	(\$9,717,200)
Fire EMS Fund	—	\$3,437,350	\$3,437,350
Electronic Traffic Citations	\$250,000	\$250,000	—
Total Special Revenue Funds	\$107,417,277	\$113,265,354	\$5,848,077

The 2018-2019 Economic Outlook

The outlook for the City of Memphis 2018-2019 fiscal year is for continued economic growth, income, and job creation because of the steady expansion of the national economy. The Memphis economy historically expands during periods of sustained national economic growth. The stronger the nation grows, the stronger the Memphis economic expansion will be in 2018-2019. Tax rate cuts will be the biggest driver over the next year as both corporations and employees benefit from greater after-tax profits and take-home pay. The economic malaise that has plagued Europe, Asia, and most of the developing world appears to have ended, and the 2018-2019 U.S. economic outlook is for continued expansion at a 2.8–3.0 percent pace. This national growth rate will have a positive impact on the Memphis economy. Strong economic growth coupled with rising labor costs all but guarantee that interest rates will increase during the year. The growth plans of businesses over the next year will reflect the economic forecast for the year. Stronger growth will be met with stronger expansion plans for businesses in both Memphis and the nation.

Corporate profits will get a boost from lower federal corporate tax rates, boosting profit expectations for the coming year. Accordingly, many large corporations have announced and implemented increased hiring and pay raises and bonuses as a result of reduced tax rates. In keeping with a growing labor force and lower tax rates, employers are also expected to increase real business investment in the 2018-2019 fiscal year. Investments in new plants and capital equipment will be generated in nearly every sector with the possible exception of the petroleum industry. Low oil prices are a strong positive for most people and businesses (especially FedEx) in Memphis and are likely to remain low as fracking-well capacity in the U.S. helps keep a lid on the pricing power of OPEC.

Inflation concerns, effectively absent over the past decade, are beginning to make a comeback. While most inflation forecasts remain below 3.0 percent on

an annual basis, falling dollar values will hit consumers via higher prices on imported retail goods. But, the ability of companies to increase prices and still sell goods and services will be limited by domestic and global competition. Even so, increased competition for employees to fill open jobs will put upward pressure on wages and prices in 2018-2019. If not coupled with increased productivity, higher wages will directly contribute to inflation.

In general, the economic trends expected for the U.S. in 2018-2019 include the following:

- Job and income growth;
- Moderately-rising inflation;
- Rising interest rates and the Federal Reserve's desire to raise them more;
- Record low unemployment and lots of unfilled jobs;
- Growth in housing, including new construction; and
- Big risk of conflict with North Korea.

The 2018-2019 economic trends expected for Memphis include the following:

- Tax revenues will continue to grow;
- The MSA population will continue to grow, while the Memphis city population declines;
- Job growth will improve;
- FedEx, the region's largest employer, will grow in response to federal tax changes;
- Job creation will be strongest in the service industries;
- Low taxes and low cost of living and housing will remain assets for Memphis; and
- Abundant cultural amenities will help offset the long-term problems of high poverty and crime rates.

Local Highlights

FedEx, the largest Memphis employer with more than 30,000 local workers, recently announced it would commit over \$3.2 billion to capital investments, employee compensation, and pension funding because of U.S. tax reform. Memphis will see an economic benefit from this as local workers spend their higher incomes in the local area. Bass Pro at The Pyramid continues to generate positive momentum for the local economy and especially for the downtown area of the city. Downtown will also benefit as ServiceMaster moves into the former Peabody Place Mall early in the year. Additionally, the continued expansion of St. Jude in 2018-2019 will provide an additional boost to the downtown area of Memphis for years to come.

With no other IKEA nearer than a five-hour drive, the Memphis IKEA will continue to bring with it retail tourism and tax dollars. Redevelopment of the Tennessee Brewery building and other downtown structures are well underway and will translate into a higher quality of life for local residents as well as make a favorable impression on visitors. Additionally, Memphis International Airport continues to add airlines and seat capacity to the Memphis market, making it easier for visitors to come to town and making Memphis more attractive to business as well.

While the current situation looks good for the local economy, downside risks are significant. The Federal Reserve is actively trying to raise interest rates in an effort to gain back the power of its primary tool for fighting inflation. Unfortunately, the Federal Reserve has a history of killing off economic growth by raising interest rates too much. Capital investments, even those announced by FedEx, are not firm if the economy weakens and global conditions are a key for our major employers. In addition to interest rate risks for the housing industry, the industry tends to overbuild, making downturns even worse. Finally, because Memphis depends upon strong national growth, anything that weakens the national economy stands to weaken Memphis, too. Even with these risks, however, the Memphis economy looks strong for 2018-2019.

Local Conditions

The data in Chart 1 show annual establishment employment for the Memphis MSA from 2007-2017. The job losses due to the Great Recession ended in 2010. Since 2010, employment has grown steadily and increased by more than 53,000 jobs by the end of 2017. The outlook for 2018-2019 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), 2007-2017

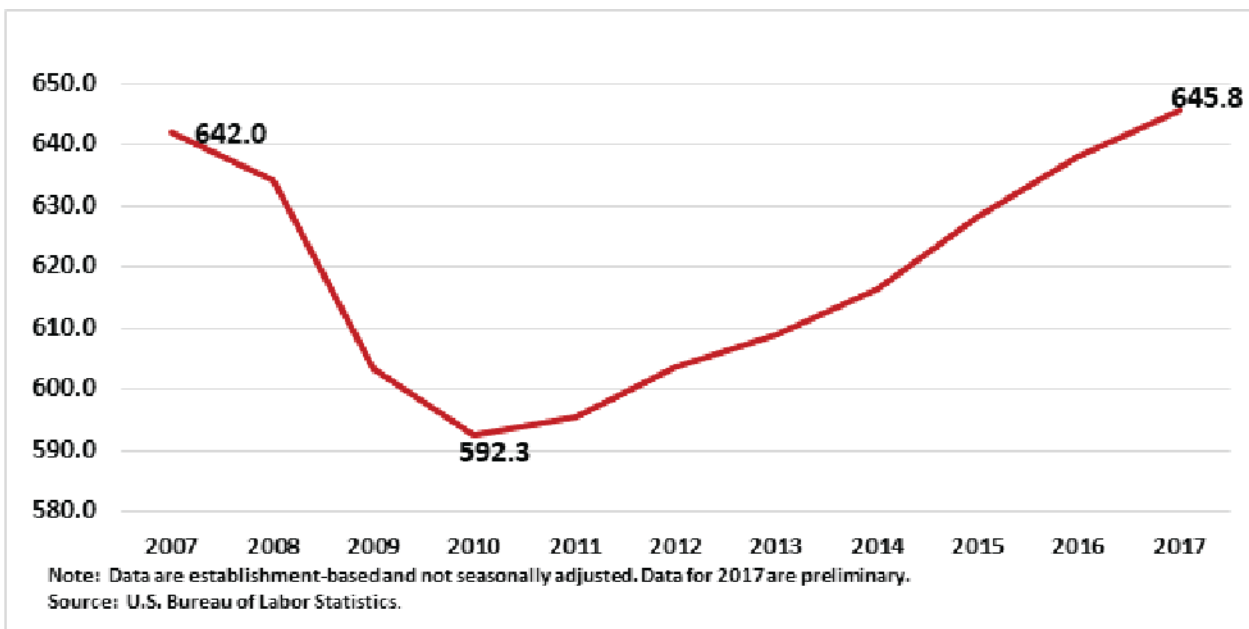


Table 1 provides more detailed employment data by industry for 2017 and reflects ongoing growth in the local economy. Mining and Construction was the largest sector with 12.0 percent growth over 2016 (note: mining employment is extremely small in the Memphis MSA), while employment in Trade, Transportation, and Utilities was second with 2.9 percent

growth. In comparison, national growth in Construction was only 2.8 percent. Locally four sectors declined in 2017: Information (-0.9%), Financial Activities (-0.8%), Government (-1.5%), and Professional and Business Services (-1.2%). Local manufacturing grew although slightly less than the national rate of growth (0.4% vs. 0.6%, respectively).

Table 1. Memphis MSA 2017 Employment by Industry and Percent Change over 2016 (Annual Average)

Industry	Total Employment (000)	Percent Change from 2016
Total Nonfarm	645.8	1.2%
Mining & Construction	24.5	12.0%
Manufacturing	46.3	0.4%
Trade, Transportation, & Utilities	179.3	2.9%
Information	5.7	-0.9%
Financial Activities	27.8	-0.8%
Professional & Business Services	96.0	-1.2%
Education & Health Services	93.6	1.2%
Leisure & Hospitality	68.2	1.3%
Other Services	25.0	1.3%
Government	79.2	-1.5%

Notes: Data are *not* seasonally adjusted. Data for 2017 annual employment are preliminary.

Source: U.S. Bureau of Labor Statistics.

Chart 2 data show employment growth in the construction industry and are a strong reflection of optimism in local economic conditions. Within the Memphis MSA, new construction virtually ended during the Great Recession, driving down construction employment from 26.4 thousand in 2007 to 19.3 thousand by 2010. While recovery in local construction employment has been slow, 2017 looks like it was a breakout year with employment rising to 24.5 thousand. Further, the data in Chart 2 show strong

growth for the Memphis MSA in the past twelve months through December 2017 (preliminary), with construction employment rising 8.3 percent, which is especially strong relative to the nation as a whole. With local average home sales prices having risen 5.0 percent in 2017 (see Maar.org for local home price data) and continued economic growth expected, the incentive is in place for construction to grow even more in 2018-2019.

Chart 2. Twelve-Month Percentage Change in Construction Employment, Selected Areas, December 2017

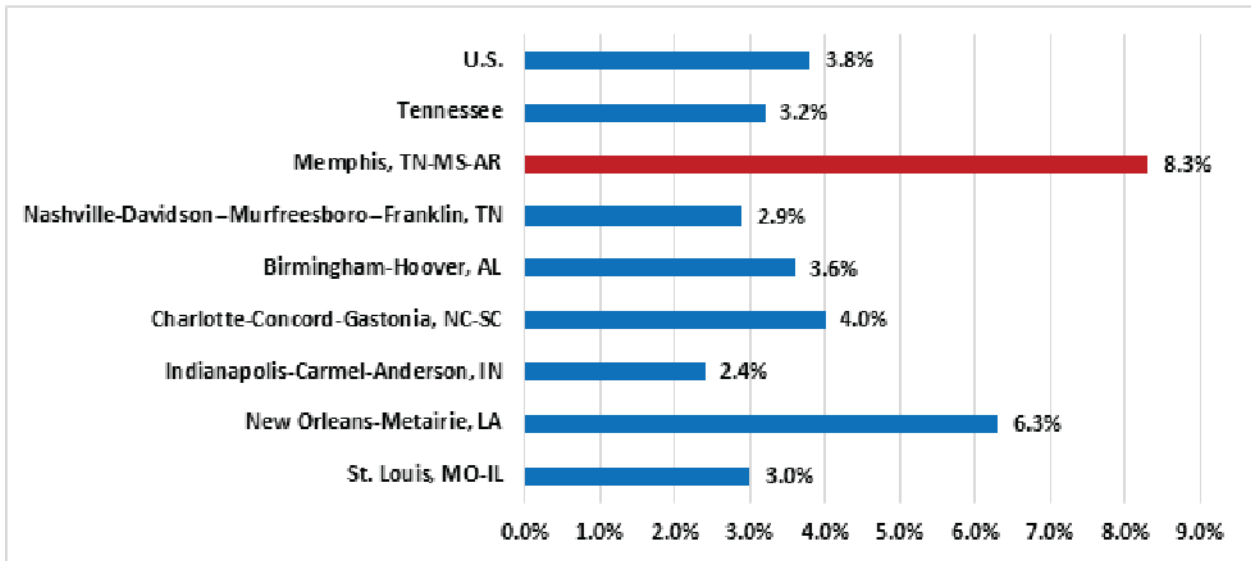
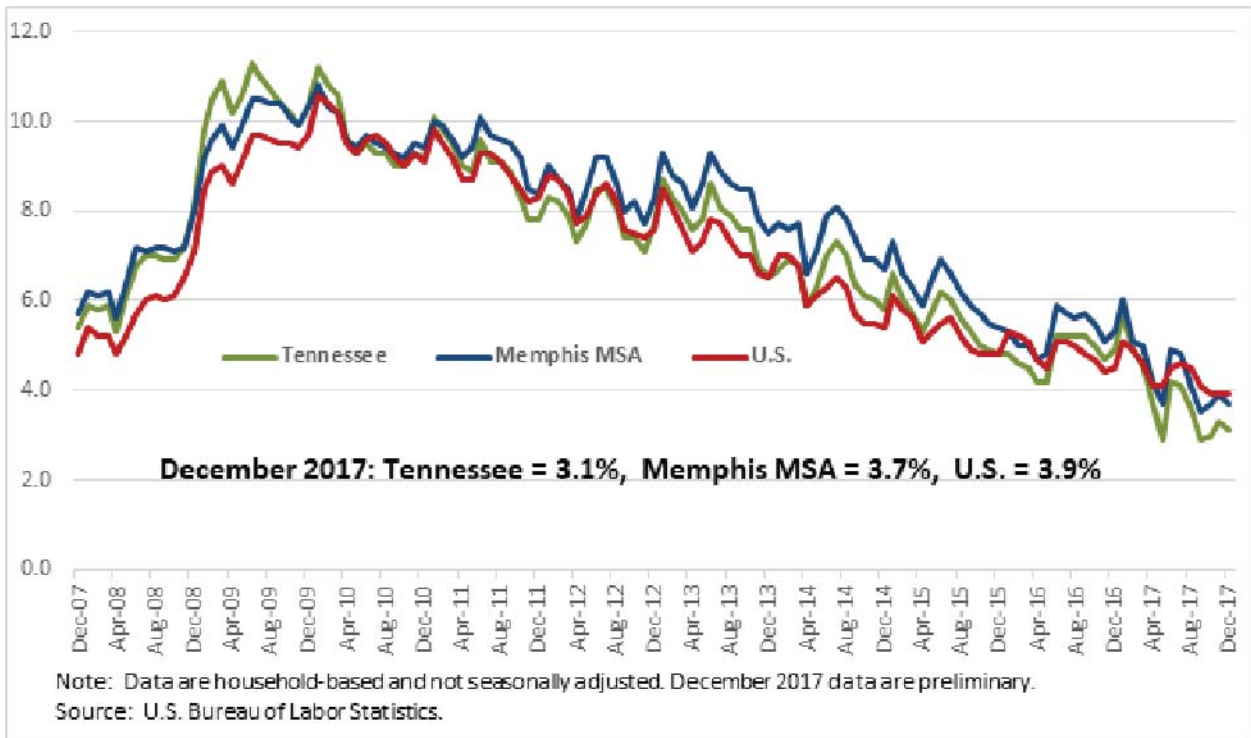


Chart 3 shows the trends for the unemployment rates of the U.S., Tennessee, and Memphis. While improving employment growth has had a positive impact on reducing unemployment nationwide and in the Memphis MSA, some of the declines are associated with reductions in the number of people look-

ing for work. Locally and nationally unemployment rates are so low that in order for employment to grow further there will be a need for pay and benefit raises. Even so, the national and local job situations are improving steadily and will continue to improve in 2018-2019.

Chart 3. Unemployment Rates, U.S., Tennessee, and Memphis MSA, December 2007-December 2017



Budget Development Process

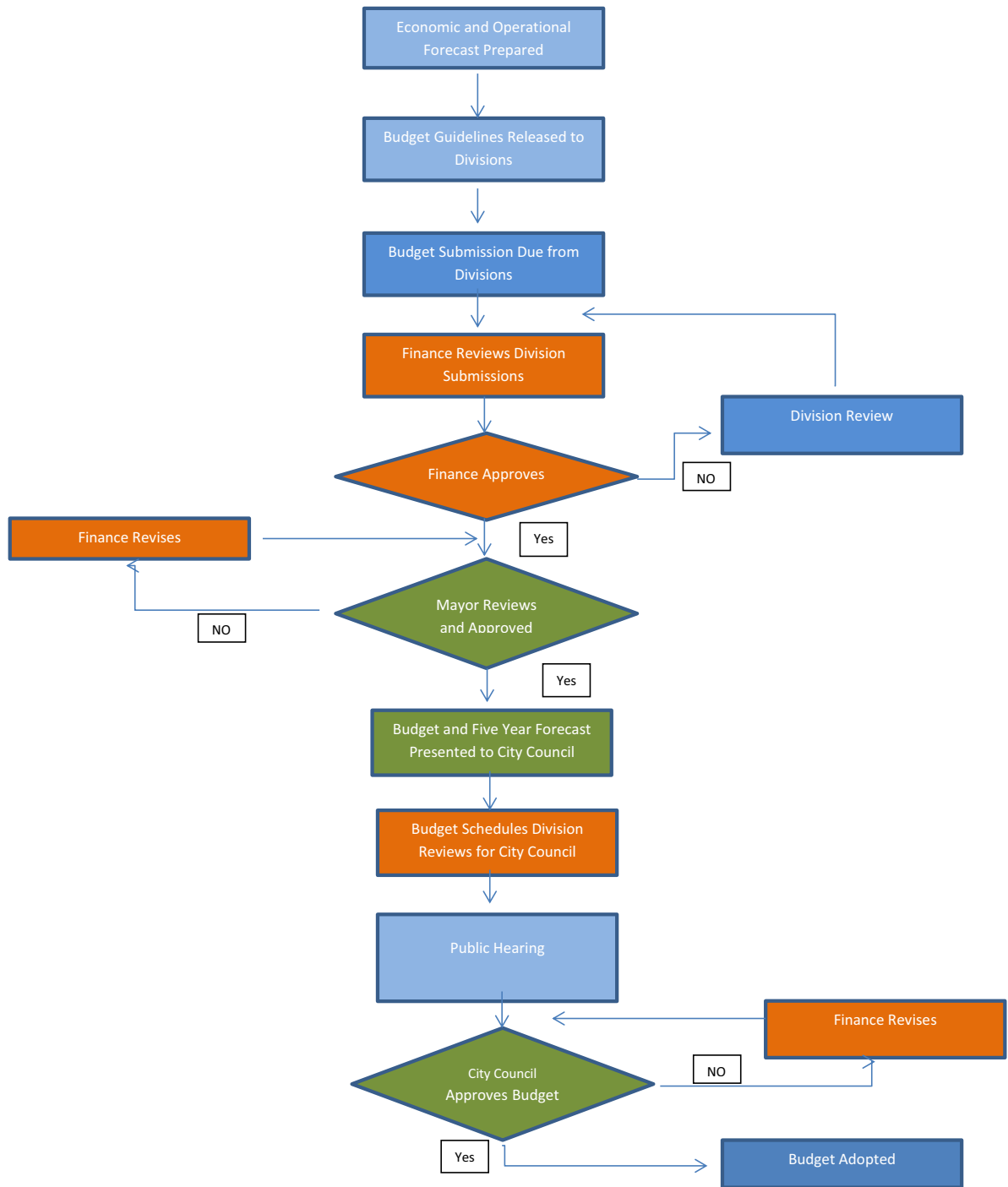
The Budget Office (the Office) is responsible for coordinating the budget preparation for all Divisions and Funds of the City. The Office assembles financial data provided by City Divisions to develop the City's budget. After the compilation of all data the Budget Office coordinates the review and approval 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 variances. Administrative reviews are held with each division to further understand their budget requests and 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 conducts hearings to review the

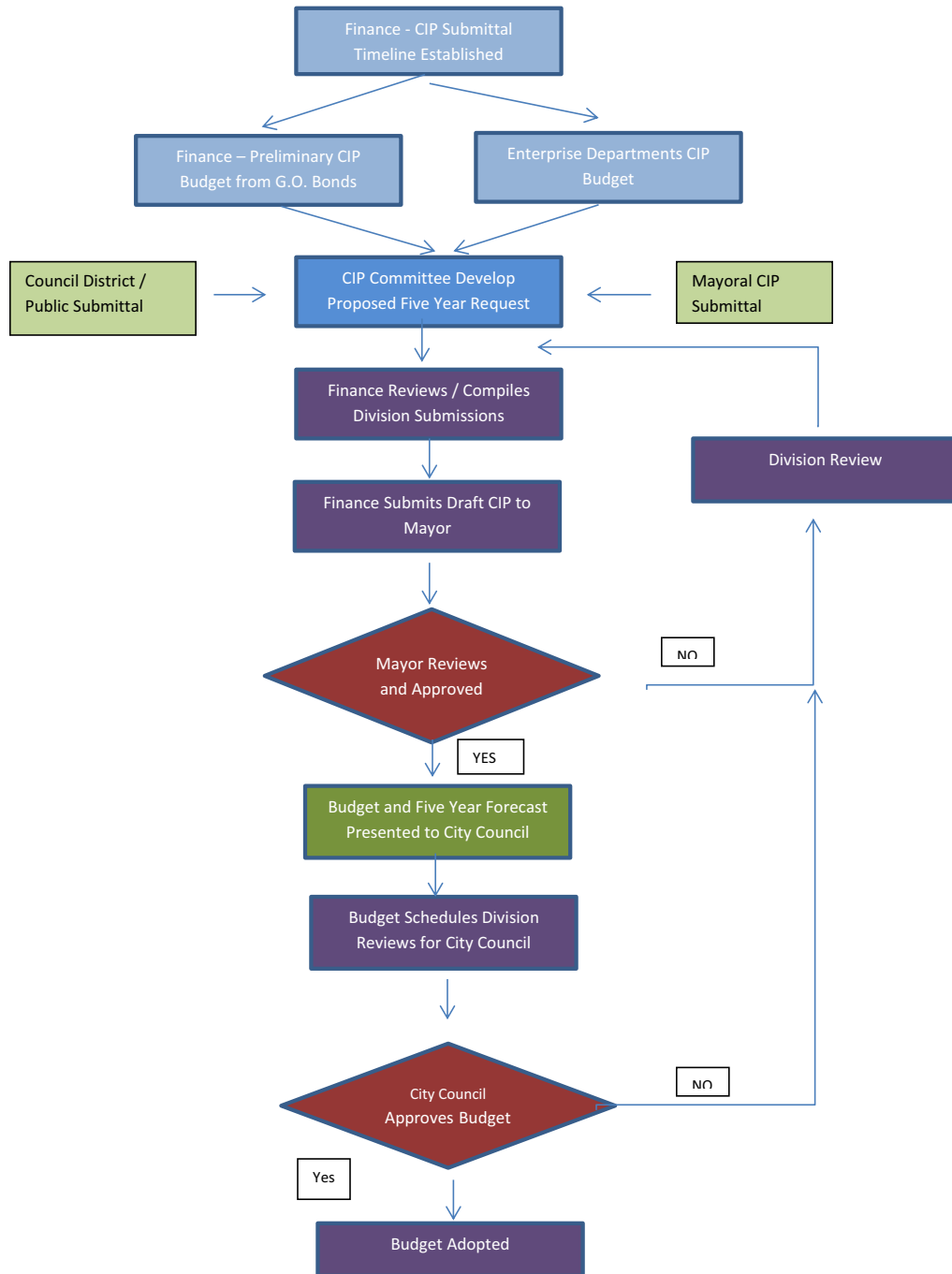
budget. With Council's revisions and approval, the process is complete. Funding approvals are limited to one fiscal year.

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



FY2019 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.

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 Council and for implementing service programs in accordance with established goals and objectives. The City Council has final responsibility for approving the annual Operating Budget and 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 City 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 Council. The system controls are maintained at the program levels and are basically 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 (A/E, 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 date, 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 of Finance and Administration.
- 2 City Attorney.
- 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. Then the resolutions are 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 budgets 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 of Memphis 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 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 of Memphis 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; invest-

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

The City does not currently utilize Permanent, Private-purpose Trust or Agency 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 commercial 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 (normally, illegal act). Encumbrances of governmental funds outstanding at year end are re-appropriated 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	Investment Trust Funds

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, transit systems, golf courses, 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.



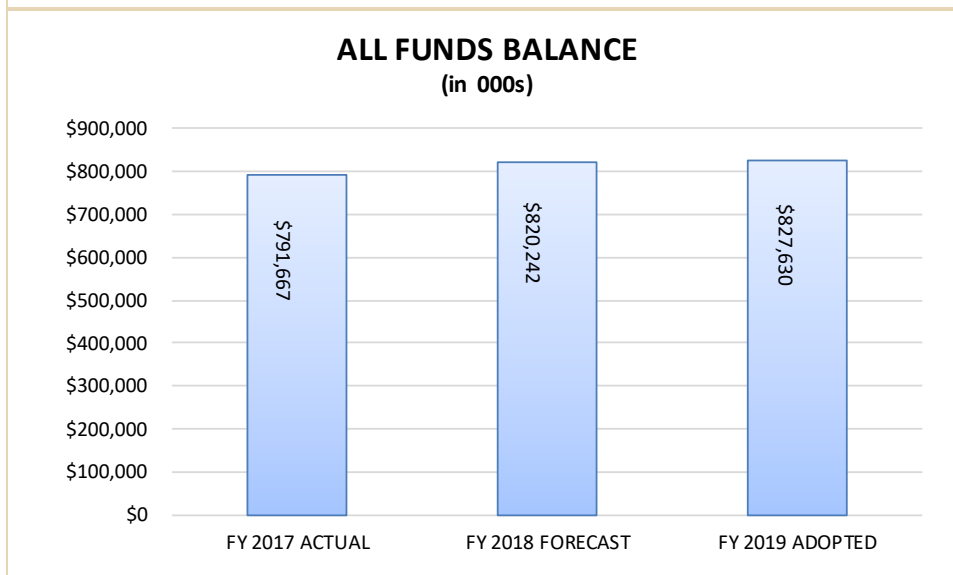
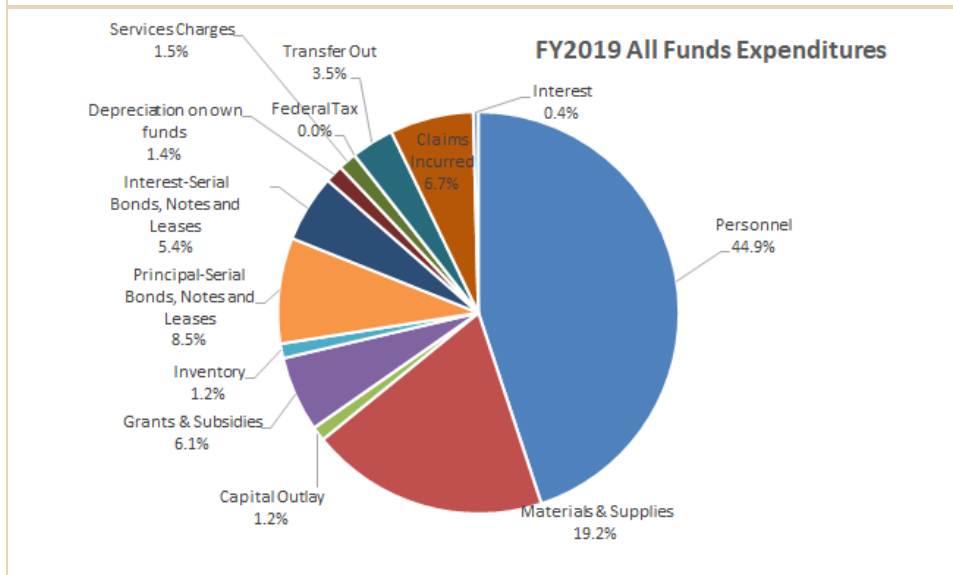
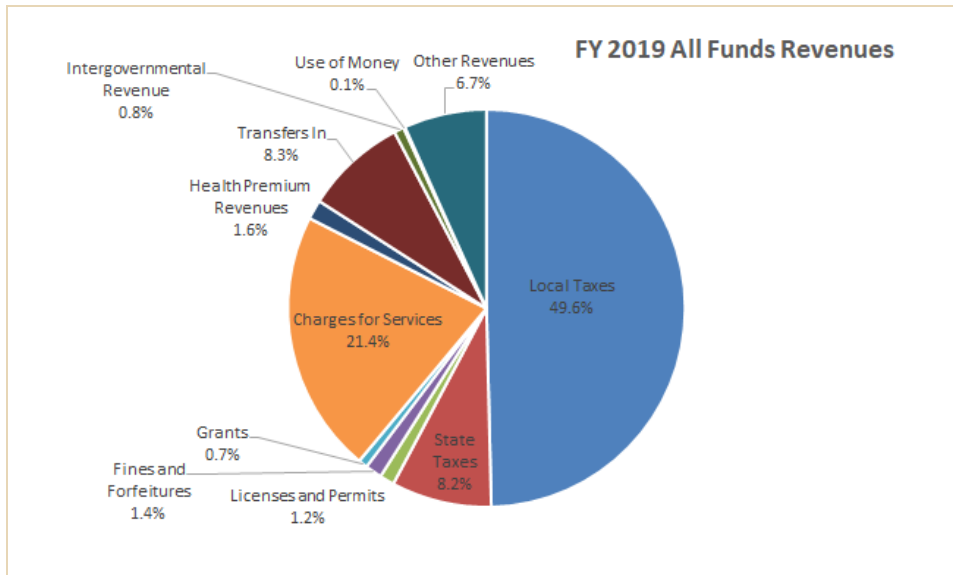
FINANCIAL SUMMARY

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 forecasted and budget fund balances for each fund and for the collective funds are also shown in this section.

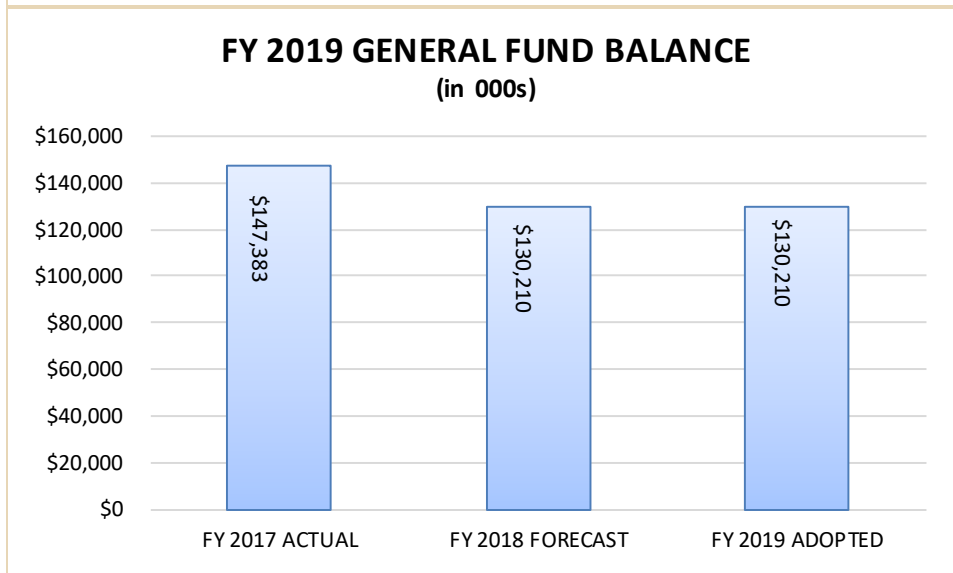
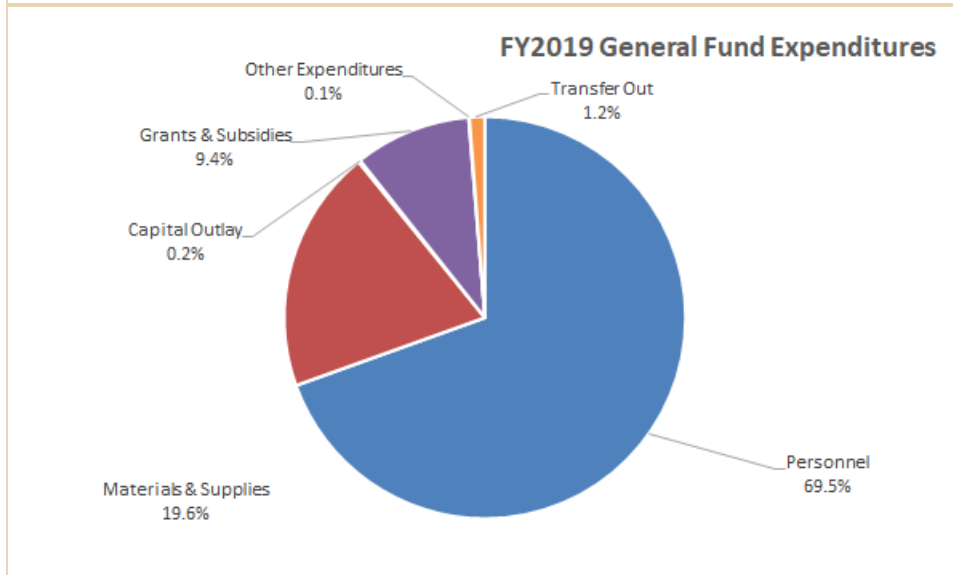
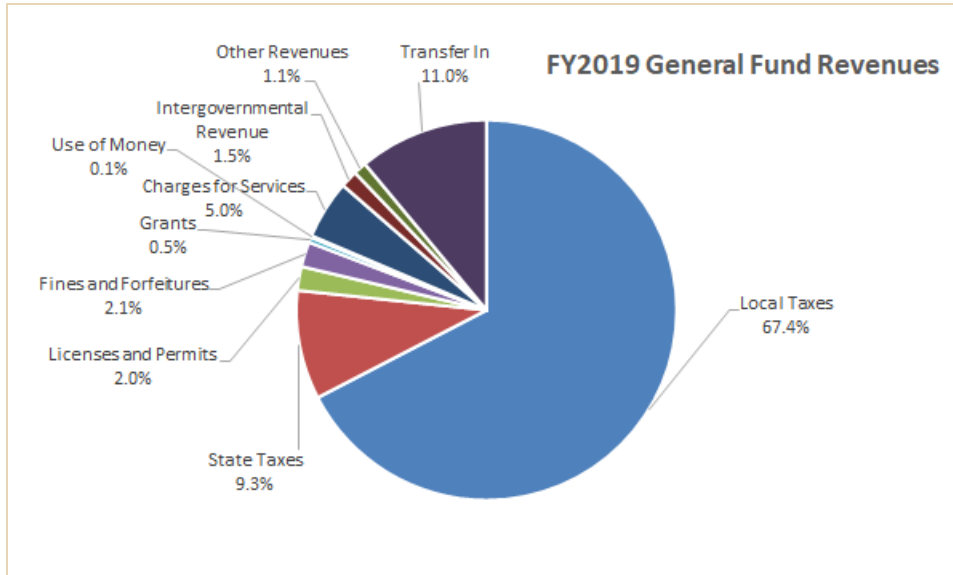
Budget Summary of All Funds

Category	FY17 Actual	FY18 Adopted	FY18 Forecast	FY19 Budget
Revenues				
Local Taxes	\$595,696,186	\$600,918,927	\$611,752,757	\$620,203,637
State Taxes	\$100,396,436	\$101,910,000	\$101,050,554	\$102,029,875
Employer Contributions	\$1,829,694	\$504,800	\$563,008	\$566,560
Licenses and Permits	\$14,161,059	\$14,085,645	\$14,890,989	\$14,847,465
Fines and Forfeitures	\$17,741,343	\$18,763,714	\$16,617,916	\$17,084,994
Grants	\$8,040,457	\$6,153,808	\$37,357,704	\$9,284,463
Charges for Services	\$233,931,428	\$250,750,497	\$249,377,385	\$267,539,082
Health Premium Revenues	\$27,233,511	\$24,441,131	\$19,965,699	\$19,787,866
Transfers In	\$93,301,671	\$102,700,414	\$114,685,885	\$103,345,726
Capital Contributions	\$1,133,290	—	—	—
Intergovernmental Revenue	\$9,409,377	\$8,543,149	\$8,660,514	\$9,983,066
Proceeds from Refund of Debt	\$175,785,458	—	\$150,000,000	—
Interest on Investments	\$1,445,930	—	\$404,505	—
Gain (Loss) on Sale of Assets	\$1,101,497	—	\$82,639	—
Gain (Loss) on Investments	\$4,221,389	—	\$3,677,487	—
Use of Money	\$1,969,167	\$546,648	\$3,159,588	\$1,613,065
Other Revenues	\$84,338,514	\$76,976,618	\$77,842,792	\$83,681,790
Net Audit Adjustments	\$3,189,282	—	—	—
Total Revenues	\$1,374,925,689	\$1,206,295,351	\$1,410,089,422	\$1,249,967,589
Expenditures				
Personnel	\$536,476,847	\$555,454,606	\$552,731,729	\$574,218,588
Materials & Supplies	\$211,494,268	\$219,087,637	\$234,386,523	\$238,772,801
Capital Outlay	\$7,407,337	\$9,805,934	\$13,012,716	\$14,577,321
Land Acquisition	—	—	\$174,885	—
Grants & Subsidies	\$80,513,776	\$75,678,321	\$91,254,075	\$75,222,372
Inventory	\$11,201,649	\$12,869,543	\$12,148,252	\$14,584,516
Bond Issue Costs	\$1,662,479	—	\$286,344	—
Principal-Serial Bonds, Notes and Leases	\$96,214,039	\$97,237,865	\$98,092,864	\$105,588,425
Interest-Serial Bonds, Notes and Leases	\$65,050,631	\$62,994,156	\$60,274,827	\$67,351,888
Retirement of Refunded Debt	\$195,829,835	—	\$150,000,000	—
Depreciation on own funds	\$15,319,611	\$17,037,735	\$17,693,244	\$17,884,740
Expense Recovery	(\$15,814,513)	(\$14,631,700)	(\$15,067,000)	(\$16,035,300)
Pension Benefits	\$3,924,098	—	\$1,980,674	—
Services Charges	\$17,748,979	\$17,549,365	\$23,633,823	\$18,381,262
Investment Fees	\$396,904	—	\$25,077	—
Federal Tax	\$456,495	\$60,525	—	\$37,000
Miscellaneous Expense	\$14,738	—	\$7,789	—
Transfer Out	\$38,667,976	\$47,544,544	\$59,070,867	\$43,015,726
Claims Incurred	\$84,649,764	\$77,339,974	\$74,503,671	\$83,860,000
Interest	\$4,503,882	\$5,120,000	\$7,490,221	\$5,120,000
Net Audit Adjustments	(\$18,45,629)	—	—	—
Total Expenditures	\$1,337,265,167	\$1,183,148,505	\$1,381,700,581	\$1,242,579,339
Increase (Decrease) in Net Assets	\$37,660,532	\$23,146,846	\$28,388,841	\$7,388,250



General Fund Summary

Category	FY17 Actual	FY18 Adopted	FY18 Forecast	FY19 Budget
Revenues				
Local Taxes	\$442,632,698	\$450,662,962	\$461,567,359	\$461,829,925
State Taxes	\$65,028,258	\$68,010,000	\$64,279,695	\$63,520,000
Licenses and Permits	\$13,393,208	\$13,494,465	\$13,504,889	\$13,899,465
Fines and Forfeitures	\$14,518,517	\$15,161,000	\$13,864,775	\$14,534,000
Federal Grants	\$2,029,594	\$328,800	\$5,611,181	\$2,990,090
State Grants	\$2,048,892	\$1,630,362	\$1,889,062	\$95,000
Use of Money	\$903,910	\$335,000	\$1,920,000	\$1,020,000
Charges for Services	\$32,705,848	\$33,801,535	\$35,270,158	\$34,165,156
Intergovernmental Revenue	\$9,409,377	\$8,543,149	\$8,660,514	\$9,983,066
Other Revenues	\$10,565,392	\$7,830,978	\$12,914,809	\$7,556,508
Investments	\$508	—	\$8	—
Transfer In	\$68,582,113	\$66,638,000	\$84,580,047	\$75,726,859
Net Audit Adjustments	\$3,189,282	—	—	—
Total Revenues	\$665,007,597	\$666,436,251	\$704,062,497	\$685,320,069
Expenditures				
Personnel	\$476,276,850	\$481,718,625	\$480,286,682	\$492,504,260
Materials & Supplies	\$124,600,619	\$127,062,944	\$149,215,128	\$134,471,486
Capital Outlay	\$570,717	\$1,046,394	\$3,343,598	\$1,167,650
Grants & Subsidies	\$67,135,204	\$64,708,321	\$79,121,789	\$64,251,972
Inventory	\$375,269	\$379,591	\$573,569	\$379,591
Investment Fees	\$363,093	—	—	—
Expense Recovery	(\$15,814,513)	(\$14,631,700)	(\$15,067,000)	(\$16,035,300)
Services Charges	\$181,381	\$137,372	\$139,096	\$137,372
Transfer Out	\$7,273,688	\$8,270,955	\$23,622,601	\$8,443,038
Net Audit Adjustments	\$2,034,294	—	—	—
Total Expenditures	\$662,996,602	\$668,692,502	\$721,235,463	\$685,320,069
Increase (Decrease) in Net Assets	\$2,010,995	(\$2,256,251)	(\$17,172,966)	\$0
Fund balance beginning of year	\$ 145,371,737	\$ 147,382,732	\$ 147,382,732	\$ 130,209,767
Fund balance end of year	\$ 147,382,732	\$ 145,126,481	\$ 130,209,767	\$ 130,209,767

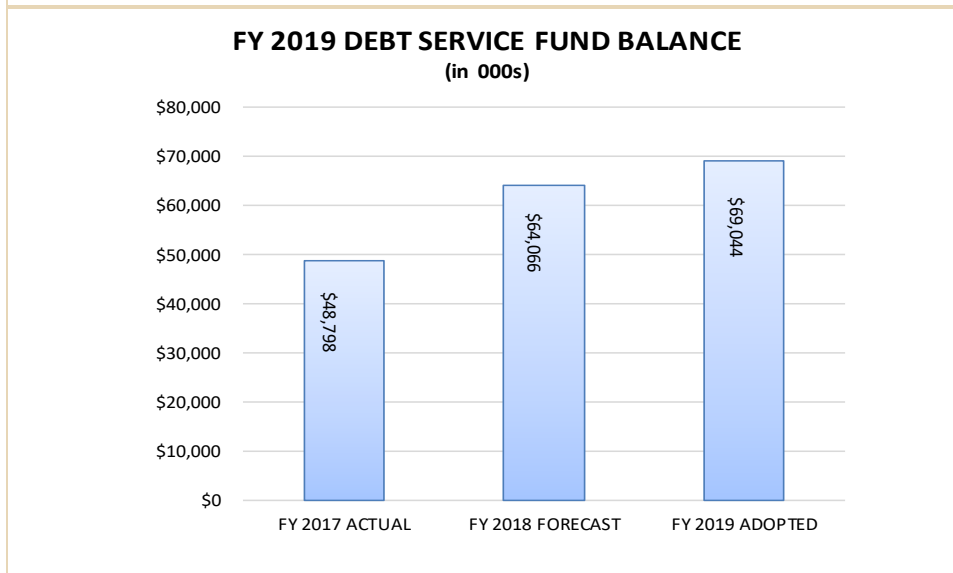
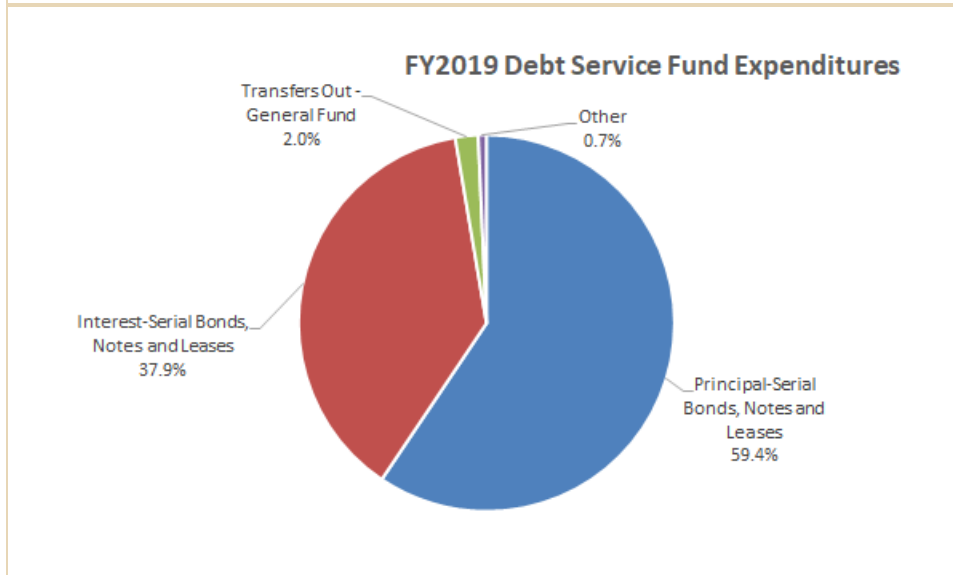
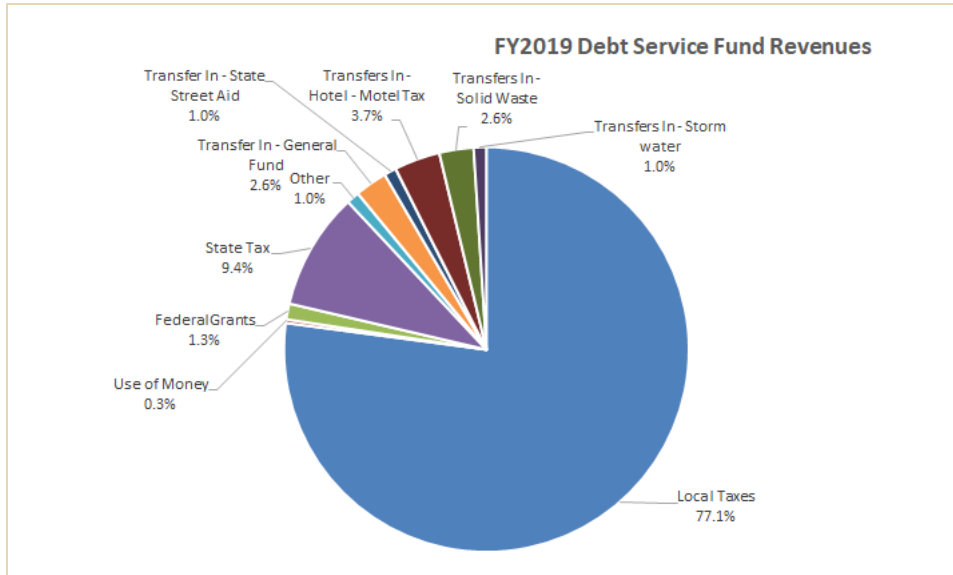


Debt Service Fund Summary

Category	FY17 Actual	FY18 Adopted	FY18 Forecast	FY19 Budget
Revenues and Other Sources				
Current Property Taxes	\$115,942,849	\$116,000,000	\$119,000,000	\$122,038,300
Delinquent Property Taxes	\$1,569,005	\$1,500,000	\$1,500,000	\$1,500,000
Sale of Delinquent Property Taxes	\$2,826,772	\$3,000,000	\$2,200,000	\$2,200,000
Local Option Sales Tax	\$8,197,006	\$8,500,000	\$8,647,020	\$8,645,000
In Lieu Of Taxes - Contractual	\$1,337,542	\$1,964,678	\$1,964,678	\$1,964,678
Tourism Development Zone	—	—	—	\$4,507,242
State Taxes	\$17,490,648	\$17,500,000	\$16,770,859	\$17,106,275
Use of Money	\$390,709	\$145,000	\$527,000	\$527,000
Federal Grants	\$2,377,111	\$2,327,146	\$3,245,815	\$2,298,523
Other	\$4,122,367	\$2,002,535	\$1,940,895	\$1,857,536
Issuance of Refunding Debt	\$175,785,458	—	\$150,000,000	—
Transfers In - Hotel - Motel Tax	—	—	—	\$6,685,804
Transfers In - State Street Aid	\$2,063,016	\$1,768,300	\$1,768,300	\$1,768,300
Transfers In - New Memphis Arena	\$4,858,620	\$4,858,600	\$4,418,866	—
Transfers In - Solid Waste	\$4,128,723	\$4,553,000	\$4,553,000	\$5,000,000
Transfers In - Storm water	\$1,893,502	\$3,739,477	\$3,739,476	\$1,845,975
Transfers In - GF	\$4,371,087	\$4,726,825	\$4,726,825	\$4,726,825
Transfers In - Grant Funds	\$194,496	—	\$171,198	—
Total Revenues	\$347,548,911	\$172,585,561	\$325,173,932	\$182,671,458
Expenditures and Other Uses				
Principal - Serial Bonds, Notes and Leases	\$96,214,039	\$97,237,864	\$98,092,863	\$105,588,425
Interest - Serial Bonds, Notes and Leases	\$65,050,631	\$62,994,156	\$60,274,827	\$67,351,888
Bond Issue Cost	\$1,662,479	—	\$286,344	—
Other (M&S & Svr. Chrg.)	\$1,105,570	\$1,252,390	\$1,252,390	\$1,252,390
Retirement of Refunded Debt	\$195,829,835	—	\$150,000,000	—
Transfers Out - General Fund	—	—	—	\$3,500,000
Net Audit Adjustments	\$143,011	—	—	—
Total Expenditures	\$360,005,565	\$161,484,410	\$309,906,424	\$177,692,703
Increase(Decrease) in Net Assets	(\$12,456,654)	\$11,101,151	\$15,267,508	\$4,978,755
Fund balance beginning of year	\$ 61,254,835	\$ 48,798,180	\$ 48,798,180	\$ 64,065,688
Fund balance end of year	\$ 48,798,180	\$ 59,899,331	\$ 64,065,688	\$ 69,044,443

* Revenues do not reflect contribution from Fund Balance.

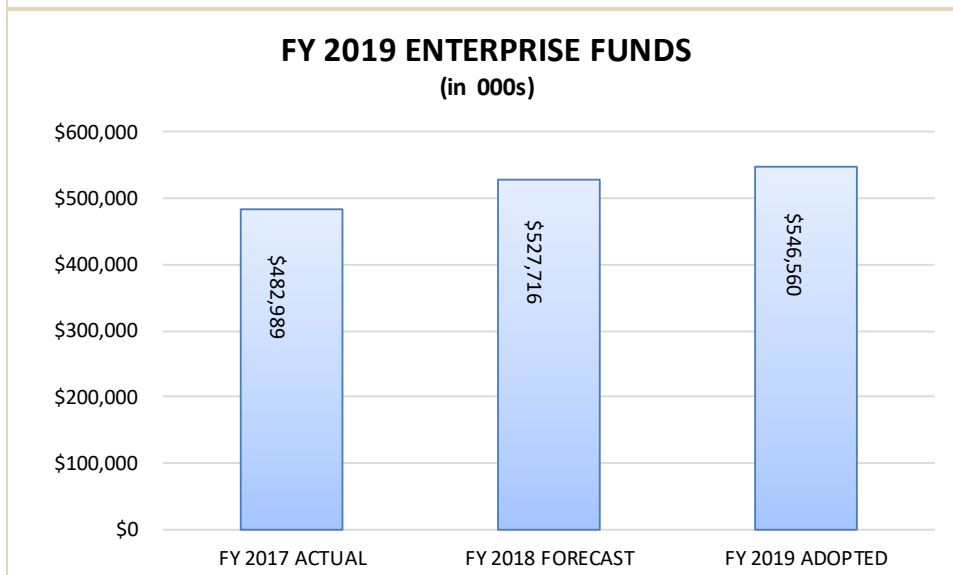
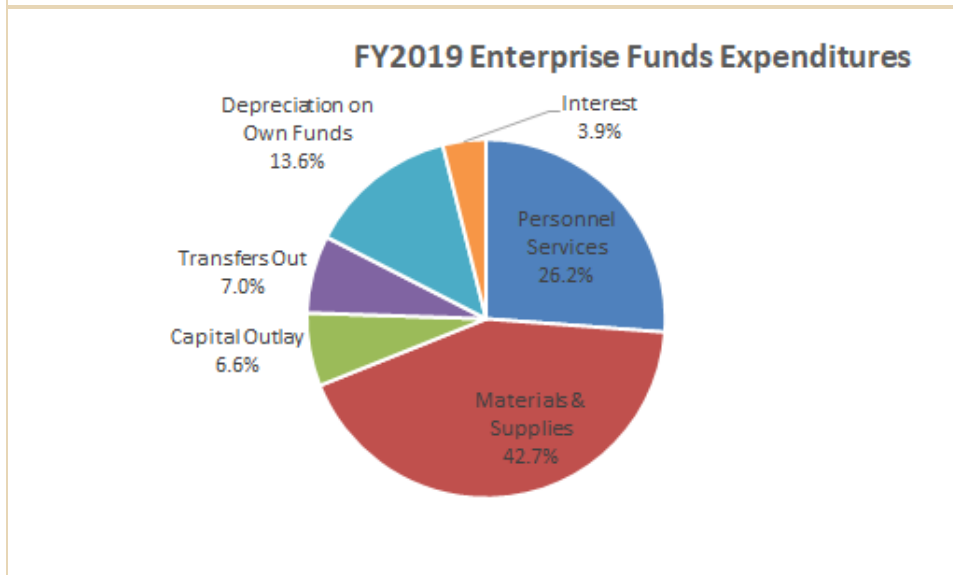
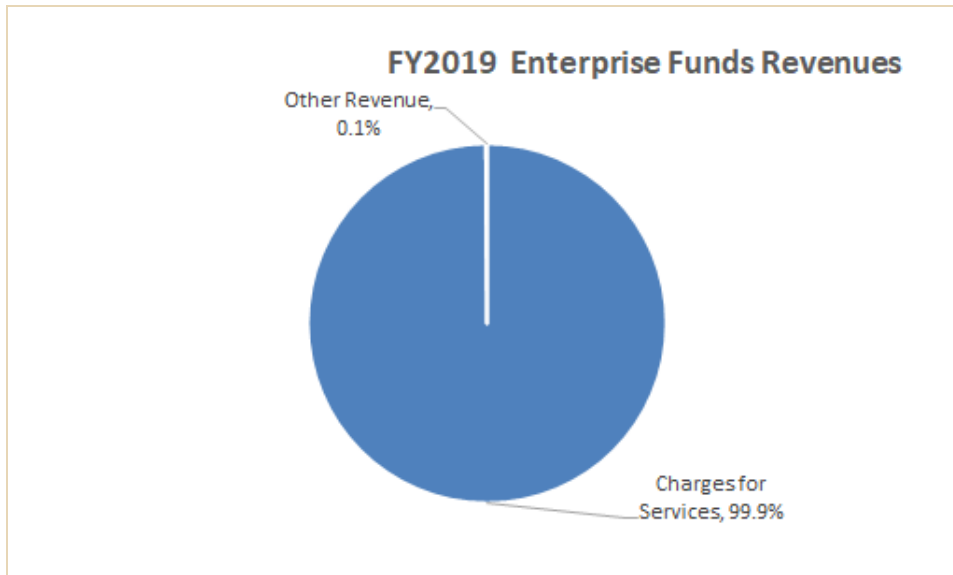
* Expenditures do not include contribution to Fund Balance



Enterprise Funds Summary

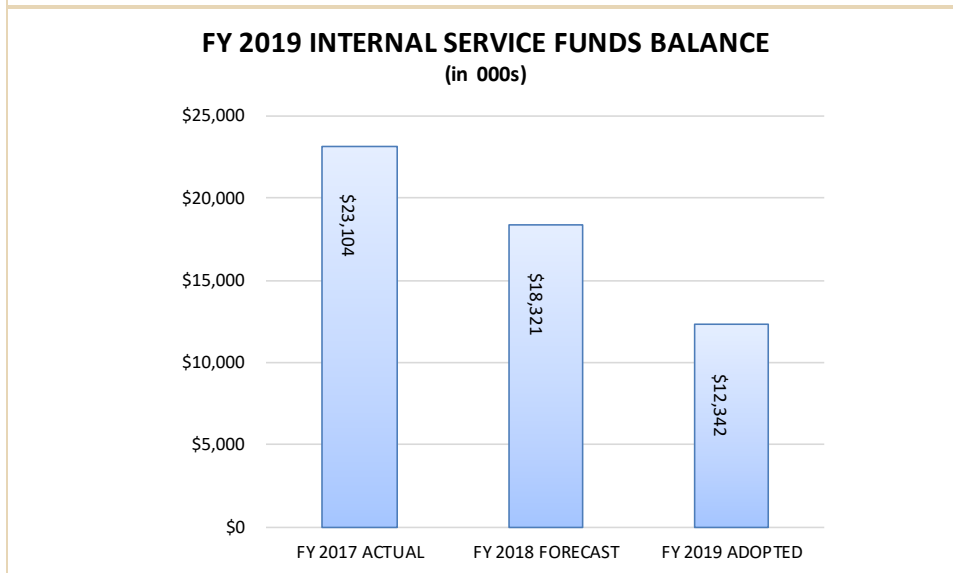
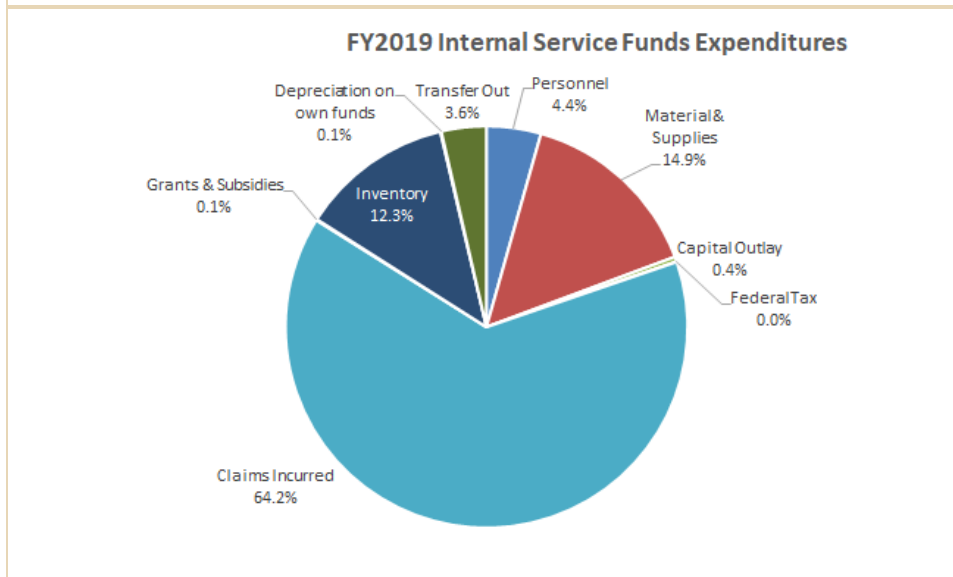
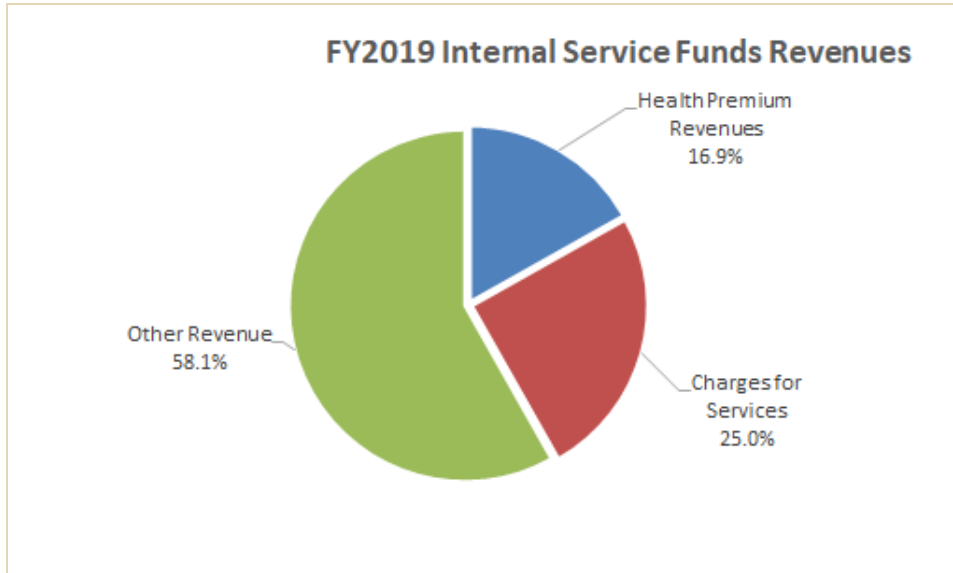
Category	FY17 Actual	FY18 Adopted	FY18 Forecast	FY19 Budget
Revenues				
Charges for Services	\$123,133,600	\$136,881,800	\$135,468,262	\$149,835,040
Fines Forfeitures	\$10,300	\$511,000	\$265,680	\$2,800
Use of Money	\$275,305	—	\$211,956	—
Federal Grant	\$562,441	\$1,500,000	\$22,423,224	—
State Grant	—	—	\$402,941	—
Dividend on Interest	\$128,544	—	\$43,049	—
Gain (Loss) on Investment	(\$26,464)	—	\$50,392	—
Other Revenue	\$618,573	\$157,122	\$158,413	\$167,893
Gain (Loss) on Sale of Assets	\$3,313	—	\$893	—
Transfers In	\$359,679	—	—	—
Capital Contributions	\$1,133,290	--	--	--
Total Revenues	\$126,198,584	\$139,049,922	\$159,024,810	\$150,005,733
Expenses				
Personnel Services	\$29,944,090	\$32,360,797	\$33,854,439	\$34,358,829
Materials & Supplies	\$42,886,156	\$45,740,786	\$39,713,833	\$56,053,186
Capital Outlay	\$215,518	\$7,175,540	\$5,002,099	\$8,651,540
Grants & Subsidies	\$31,693	—	\$171	—
Investment Fees	\$4,472	—	\$1,119	—
Interest	\$4,503,882	\$5,120,000	\$7,490,221	\$5,120,000
Service Charges	\$9,800	—	\$8,623	—
Transfers Out	\$9,340,001	\$10,539,477	\$10,567,052	\$9,189,657
Depreciation on Own Funds	\$15,315,991	\$16,941,635	\$17,660,042	\$17,788,640
Misc. Expense	\$10,870	—	—	—
Net Audit Adjustments	(\$21,972,139)	—	—	—
Total Expenses	\$80,290,333	\$117,878,235	\$114,297,599	\$131,161,852
Increase (Decrease) in Net Assets	\$45,908,251	\$21,171,687	\$44,727,211	\$18,843,881

Fund balance beginning of year	\$ 437,080,788	\$ 482,989,039	\$ 482,989,039	\$ 527,716,250
Fund balance end of year	\$ 482,989,039	\$ 504,160,726	\$ 527,716,250	\$ 546,560,129



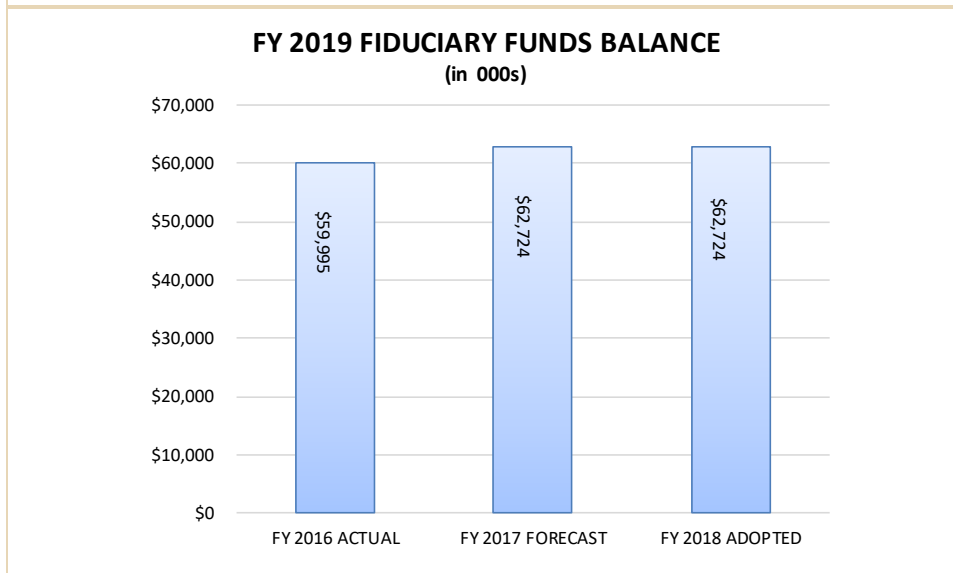
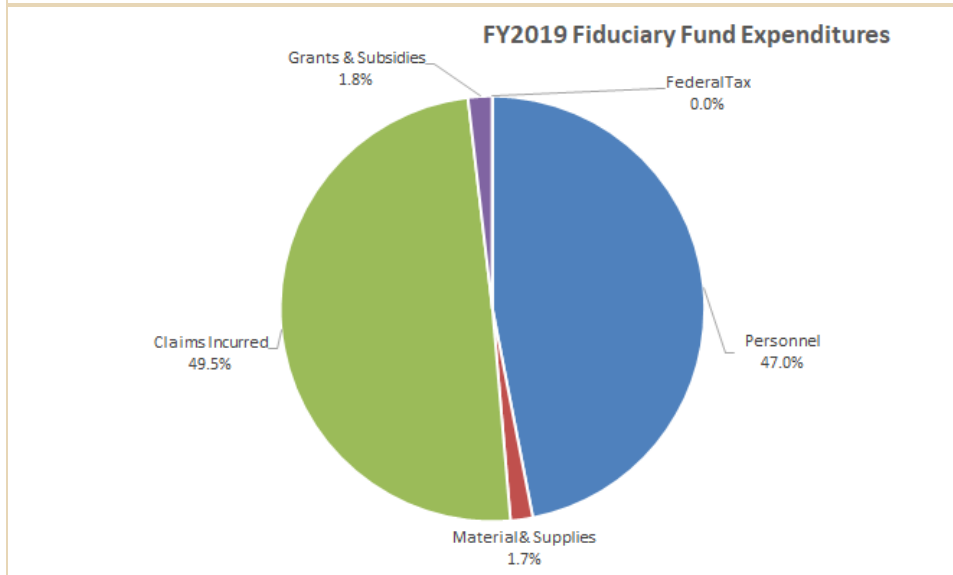
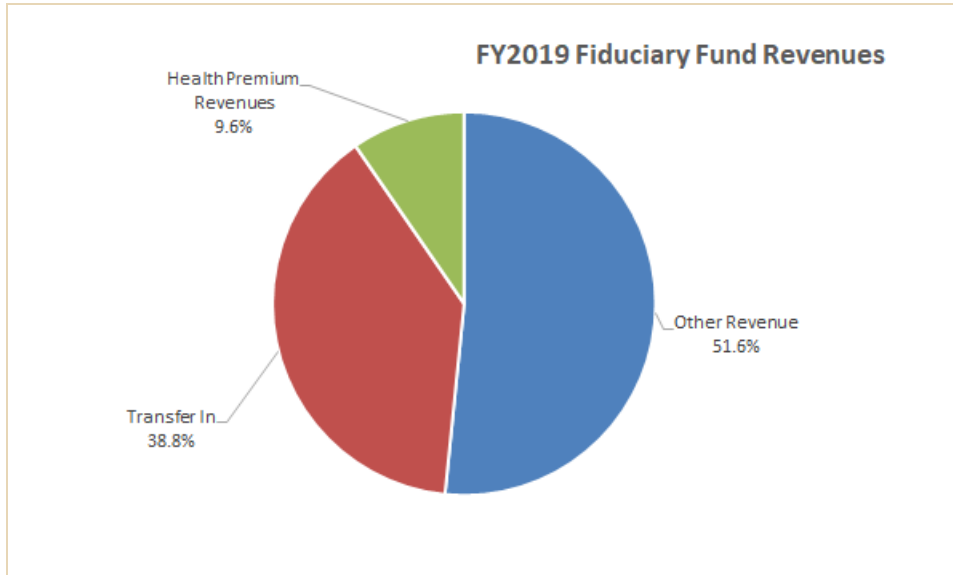
Internal Service Funds Summary

Category	FY17 Actual	FY18 Adopted	FY18 Forecast	FY19 Budget
Revenues				
Health Premium Revenues	\$22,574,787	\$22,765,948	\$18,511,440	\$18,474,243
Charges for Services	\$21,272,963	\$23,872,507	\$22,444,310	\$27,344,231
Use of Money	\$171,246	\$583	\$146,601	—
Other Revenue	\$54,540,938	\$55,732,271	\$56,312,330	\$63,772,084
Total Revenues	\$98,559,934	\$102,371,309	\$97,414,681	\$109,590,558
Expenses				
Personnel	\$847,188	\$4,377,172	\$2,852,308	\$5,046,815
Material & Supplies	\$13,518,302	\$15,698,245	\$15,517,656	\$17,277,203
Capital Outlay	\$44,091	—	—	\$463,453
Federal Tax	\$393,907	\$52,051	—	\$35,000
Claims Incurred	\$61,960,390	\$67,249,967	\$64,424,111	\$74,172,000
Grants & Subsidies	\$97,603	\$98,000	\$97,251	\$98,400
Inventory	\$10,826,380	\$12,489,952	\$11,574,683	\$14,204,925
Depreciation on own funds	\$3,620	\$96,100	\$33,202	\$96,100
Transfer Out	\$6,800,000	\$7,699,012	\$7,699,012	\$4,175,749
Net Audit Adjustments	(\$30,131)	—	—	—
Total Expenses	\$94,461,349	\$107,760,499	\$102,198,223	\$115,569,645
Increase (Decrease) in Net Assets	\$4,098,593	(\$5,389,190)	(\$4,783,542)	(\$5,979,087)
Fund balance beginning of year				
	\$ 27,202,814	\$ 23,104,221	\$ 23,104,221	\$ 18,320,679
Fund balance end of year				
	\$ 23,104,221	\$ 17,715,031	\$ 18,320,679	\$ 12,341,592



Fiduciary Funds Summary

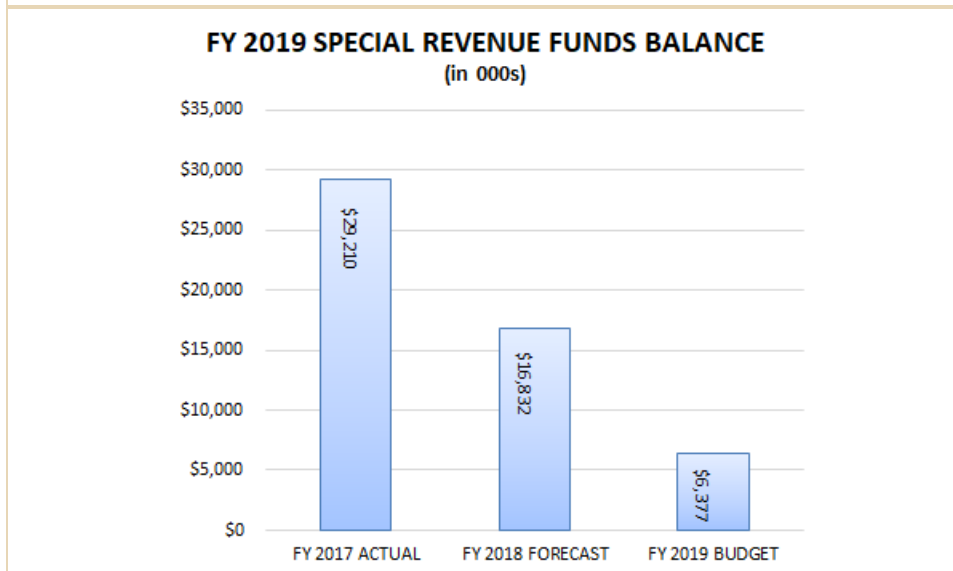
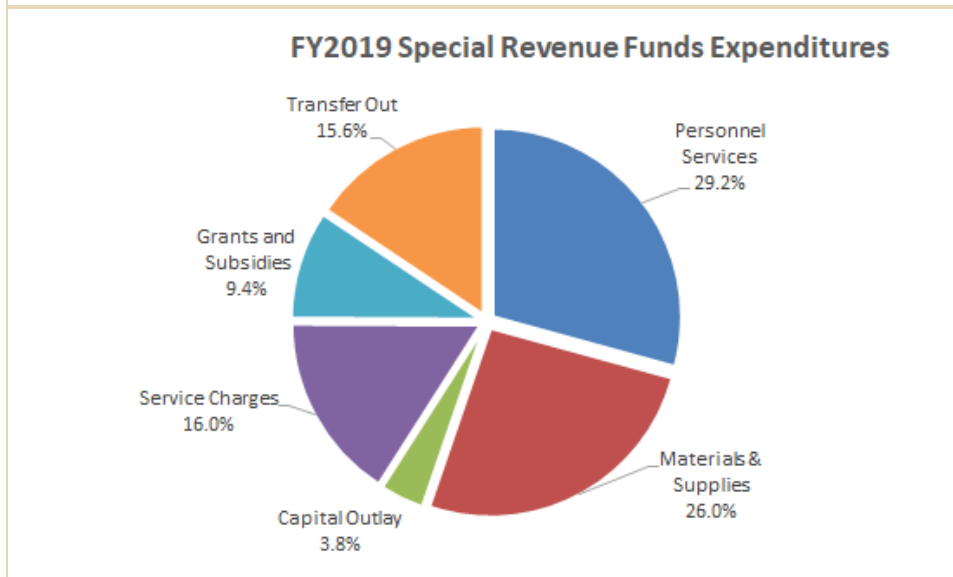
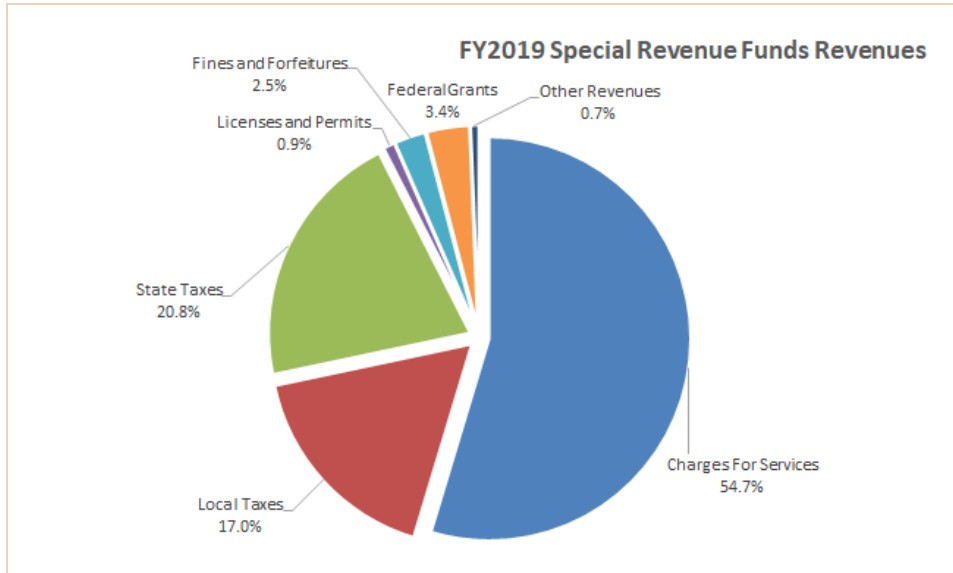
Category	FY17 Actual	FY18 Adopted	FY18 Forecast	FY19 Budget
Revenues				
Other Revenue	\$11,043,011	\$11,016,550	\$6,104,016	\$10,097,569
Transfer In	\$6,800,000	\$6,699,012	\$10,568,297	\$7,591,963
Health Premium Revenues	\$6,488,418	\$2,179,983	\$2,017,267	\$1,880,183
Interest on Investments	\$1,316,878	—	\$361,448	—
Gain (Loss) on Investments	\$4,247,853	—	\$3,627,095	—
Gain (Loss) on Sale of Asset	\$1,098,185	—	\$23,546	—
Total Revenue	\$30,994,345	\$19,895,545	\$22,701,669	\$19,569,715
Expenses				
Personnel	\$1,031,535	\$7,893,293	\$6,102,888	\$9,188,663
Material & Supplies	\$2,776,746	\$1,563,806	\$1,418,099	\$331,052
Claims Incurred	\$22,689,374	\$10,090,007	\$10,079,560	\$9,688,000
Pension Benefits	\$3,924,098	—	\$1,980,674	—
Grants and Subsidies	\$337,687	\$360,000	\$360,000	\$360,000
Misc. Expense	\$3,868	—	\$7,789	—
Federal Tax	\$62,588	\$8,474	—	\$2,000
Investment Fees	\$29,340	—	\$23,958	—
Net Audit Adjustments	\$868,343	—	—	—
Total Expenses	\$31,723,581	\$19,915,580	\$19,972,968	\$19,569,715
Increase (Decrease) in Net Assets	(\$729,236)	(\$20,035)	\$2,728,701	\$0
Fund balance beginning of year	\$ 60,724,653	\$ 59,995,417	\$ 59,995,417	\$ 62,724,118
Fund balance end of year	\$ 59,995,417	\$ 59,975,382	\$ 62,724,118	\$ 62,724,118



Special Revenue Funds Summary

Category	FY17 Actual	FY18 Adopted	FY18 Forecast	FY19 Budget
Revenues				
Charges For Services	\$56,819,017	\$56,194,655	\$56,194,655	\$56,194,655
Local Taxes	\$23,190,313	\$19,291,287	\$16,873,700	\$17,518,491
State Taxes	\$17,877,530	\$16,400,000	\$20,000,000	\$21,403,600
Licenses and Permits	\$767,853	\$591,180	\$1,386,100	\$948,000
Fines and Forfeitures	\$3,212,526	\$3,091,714	\$2,487,461	\$2,548,194
Use of Money	\$227,288	\$66,065	\$354,031	\$66,065
Sale of Assets	—	—	\$58,200	—
Federal Grants	\$850,770	\$100,000	\$3,517,981	\$3,522,350
State Grants	\$171,649	\$267,500	\$267,500	\$378,500
Other Revenues	\$3,448,942	\$237,162	\$412,329	\$230,201
Transfer In	\$50,433	\$9,717,200	\$159,876	—
Total Revenues	\$106,616,321	\$105,956,763	\$101,711,833	\$102,810,056
Expenses				
Personnel Services	\$28,377,184	\$29,104,718	\$29,635,412	\$33,120,021
Materials & Supplies	\$26,639,337	\$27,870,356	\$27,370,307	\$29,488,374
Land Acquisition	—	—	\$174,885	—
Capital Outlay	\$6,577,011	\$1,584,000	\$4,667,019	\$4,294,678
Service Charges	\$17,525,335	\$17,311,103	\$23,385,214	\$18,143,000
Grants and Subsidies	\$12,911,589	\$10,512,000	\$11,674,864	\$10,512,000
Transfer Out	\$15,254,287	\$21,035,100	\$17,182,202	\$17,707,280
Net Audit Adjustments	\$502,993	—	—	—
Total Expenses	\$107,787,737	\$107,417,277	\$114,089,903	\$113,265,353
Increase (Decrease) in Net Assets	(1,171,412)	(\$1,460,514)	(\$12,378,070)	(\$10,455,297)

Fund balance beginning of year	\$ 30,381,703	\$ 29,210,291	\$ 29,210,291	\$ 16,832,221
Fund balance end of year	\$ 29,210,291	\$ 27,749,777	\$ 16,832,221	\$ 6,376,924





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)

In 2014 Memphis’ assessed value of real property:

- 51.01% Residential
- 36.14% Commercial
- 12.29% 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 \$3.19, the calculation is:

$$\begin{aligned} \text{tax} &= (\$25,000/\$100) \times \$3.19 \text{ per } \$100 \\ &= \$250 \times \$3.19 = \$798.00 \end{aligned}$$

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	Debt Service	Capital Pay Go	Total Rate
1981	1982	2.000000	1.140000		0.410000	0.0000	3.55
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

**ORDINANCE 5690
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, 2018 THROUGH JUNE 30, 2019, 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, 2018 THROUGH JUNE 30, 2019, 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 Funds 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	259,190,161
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	4,200,000
Bankruptcy Interest & Penalty	170,000
Interest, Penalty - Sale of Tax Rec	1,500,000
PILOT's	4,000,000
State Appointment TVA	7,800,000
Local Sales Tax	113,000,000
Tourism Development Zone Local	3,500,000
Beer Sales Tax	16,500,000
Alcoholic Beverage Inspection Fee	5,000,000
Mixed Drink Tax	8,000,000
Gross Rec Business Tax	14,000,000
Bank Excise Tax	954,000
Franchise Tax - Telephone	1,800,000
Cable TV Franchise Fees	4,300,000
Fiber Optic Franchise Fees	1,100,000
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	461,829,926

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

STATE TAXES	
State Sales Tax	56,000,000
Telecommunication Sales Tax	45,000
State Income Tax	5,500,000
State Shared Beer Tax	315,000
Alcoholic Beverage Tax	360,000
Spec Petroleum Product Tax	1,300,000
TOTAL STATE TAXES	63,520,000
LICENSES & PERMITS	
Auto Registration Fee	12,900,000
Dog License	274,965
County Dog License Fee	100,000
Liquor By Ounce License	215,000
Taxi Drivers License	20,500
Gaming Public Amusement Permit Fee	15,000
Wrecker Permit Fee	16,000
Misc. Permits	70,000
Beer Application	60,000
Beer Permit Privilege Tax	140,000
Sidewalk Permit Fees	88,000
TOTAL LICENSES & PERMITS	13,899,465
FINES AND FORFEITURES	
Court Fees	4,750,000
Court Costs	5,750,000
Fines & Forfeitures	3,095,000
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	400,000
Delinquent Collection Fees	100,000
Vacant Property Registration Fee	18,600
TOTAL FINES & FORFEITURES	14,534,000
CHARGES FOR SERVICES	
Subdivision Plan Inspection Fee	90,000
Parking	522,409
Senior Citizen's Meals	75,000
Concessions	1,796,672
Golf Car Fees	1,149,500
Pro Shop Sales	137,300
Green Fees	1,702,996
Softball	28,000
Ballfield Permit	18,000
Class Fees	42,250

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

After School Camp	1,500
Parking Meters	850,000
Ambulance Service	22,000,000
Rental Fees	2,199,305
MLG&W Rent	2,400
Rent Of Land	31,738
Parking Lots	315,000
Easements & Encroachments	75,000
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	500,000
Shelter Fees	200,000
Police Special Events	250,000
Outside Revenue	184,086
Tow Fees	1,000,000
TOTAL CHARGES FOR SERVICES	34,165,156
USE OF MONEY	
Interest on Investments	800,000
Net Income/Investors	100,000
State Litigation Tax Commission	120,000
TOTAL USE OF MONEY	1,020,000
FEDERAL GRANTS-OTHER	
	2,990,090
TOTAL FEDERAL GRANT	2,990,090
STATE GRANTS	
St TN Highway Maint Grant	95,000
TOTAL STATE GRANT	95,000
INTERGOVERNMENTAL REVENUE	
International Airport	3,983,066
MATA	6,000,000
TOTAL INTERGOVERNMENTAL REVENUES	9,983,066
OTHER REVENUES	
Miscellaneous Auctions	1,600,000
Local Shared Revenue	515,956
Anti-Neglect Enforcement	1,158,659
Property Insurance Recoveries	267,998
Rezoning Ordinance Publication Fees	10,000
Sale Of Reports	285,423
City of Bartlett	1,034,000
Utility Warranty Program	500,000
Miscellaneous Income	566,723

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

Sewer Fund Cost Allocation	1,075,000
Fire - Misc. Collections	20,000
Cash Overage/Shortage	30
Donated Revenue	165,000
Coca - Cola Sponsorship	75,000
Grant Revenue - Library	17,000
Miscellaneous Revenue	59,869
Recovery Of Prior Year Expense	200,000
Move to Own -Program Fees	5,850
TOTAL OTHER REVENUES	7,556,508
TRANSFERS IN	
In Lieu Of Taxes-MLGW	63,000,000
In Lieu Of Taxes-Sewer	5,500,000
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-Debt Service Fund	3,500,000
Oper Tfr In - Metro Alarm	450,000
Oper Tfr In - Unemployment	300,000
Oper Tfr In - Storm Water	106,518
Oper Tfr In - Sewer	1,737,163
TOTAL TRANSFERS IN	75,726,858
Total General Fund Revenues	685,320,069

**GENERAL FUND
EXPENDITURE BUDGET**

EXECUTIVE	
Mayor's Office	851,328
Chief Administrative Office	1,280,963
Auditing	924,147
311 Call Center	471,847
Office of Youth Services and Community Affairs	4,267,175
Intergovernmental Affairs	735,803
CLERB	229,120
Animal Shelter	4,278,782
Community Affairs	1,637,854
Communications	1,536,646
Performance Mgmt.	788,486
TOTAL EXECUTIVE	17,002,151
FINANCE	
Administration	537,312
Financial Accounting	2,827,018
Purchasing	864,669
Budget	670,024

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

Debt Management	308,147
City Treasurer	5,127,034
Financial & Strategic Planning Office	194,220
Equal Business Opportunity & Development	1,645,112
Office of Comprehensive Planning	1,895,108
TOTAL FINANCE	14,068,644
FIRE	
Administration	3,933,066
Apparatus Maintenance	7,009,217
Logistical Services	2,221,450
Training	3,259,012
Communications	6,774,248
Prevention	5,132,811
Firefighting	107,557,957
Emergency Medical Services (EMS)	38,390,283
Airport	3,983,066
TOTAL FIRE	178,261,110
POLICE	
Executive Administration	37,535,710
Support Services	38,851,149
Uniform Patrol/Precincts	138,594,048
Investigative Services	24,478,569
Special Operations	23,678,040
TOTAL POLICE	263,137,516
PARKS	
Administration	1,468,721
Planning & Development	238,899
Parks Operations	5,918,855
Park Facilities	3,551,240
Zoo	3,636,325
Brooks Museum	621,448
Memphis Botanic Gardens	569,129
Sports Centers	3,704,836
Recreation	10,935,547
Support Service Golf	5,265,312
Sports Services	1,831,051
TOTAL PARKS	37,741,363
PUBLIC WORKS	
Administration	1,043,552
Street Maintenance	4,187,907
Neighborhood Improvements	10,614,437
TOTAL PUBLIC WORKS	15,845,896

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

HUMAN RESOURCES	
Administration	392,292
Talent Management	4,789,826
Compensation	519,061
Equity, Diversity & Inclusion	1,402,962
HR Operations	1,070,631
HR Analytics & Performance	478,527
TOTAL HUMAN RESOURCES	8,653,299
GENERAL SERVICES	
Administration	2,117,863
Property Maintenance	13,545,742
Real Estate	718,255
Operation Of City Hall	6,635,419
Fleet Management	1,193,975
TOTAL GENERAL SERVICES	24,211,254
HOUSING & COMMUNITY DEVELOPMENT	
Housing	1,457,157
Economic Development	2,193,476
Community Initiatives	881,247
TOTAL HOUSING & COMMUNITY DEVELOPMENT	4,531,880
CITY ATTORNEY	11,699,192
ENGINEERING	
Administration	1,560,220
Signs & Markings	3,219,549
Signal Maintenance	3,304,086
TOTAL ENGINEERING	8,083,855
LIBRARY	21,997,200
INFORMATION SYSTEMS	
Information Systems Admin	13,482,076
Information Systems Operations	7,781,091
TOTAL INFORMATION SYSTEMS	21,263,167
CITY COUNCIL	2,645,227
CITY COURT JUDGES	788,595
CITY COURT CLERK	
City Court Clerk	3,477,459
Red Light Camera	2,682,642
TOTAL CITY COURT CLERK	6,160,101

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

GRANTS & AGENCIES	
Black Business Association	300,000
Community Initiatives Grants	3,075,298
Family Safety Center of Memphis and Shelby County	250,000
Juvenile Intervention and Faith-Based Follow Up (JIFF)	150,000
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
WIN Operational	50,000
Convention Center	2,434,577
Innovate Memphis	330,500
Exchange Club	75,000
MATA	26,670,000
Memphis Film & Tape	218,000
Pensioners Insurance	8,373,569
Riverfront Development	2,974,003
Urban Art	150,000
The 800 Initiative	500,000
Expense Recovery (State Street Aid)	(5,500,000)
Transfer Out-OPEB Fund	2,626,431
TOTAL GRANTS & AGENCIES	49,229,619
TOTAL EXPENDITURES / TRANSFERS GENERAL FUND	685,320,069

2. SPECIAL REVENUE FUNDS

A. HOTEL/MOTEL TAX FUND	
HOTEL/MOTEL TAX FUND	
REVENUE BUDGET	
Hotel/Motel Tax	4,374,322
Occupancy Increase	4,631,635
Room Night Assessment	5,729,847
TOTAL REVENUES	14,735,804
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 Services Fund	6,685,804
TOTAL EXPENDITURES	14,735,804

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

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	961,839
TOTAL REVENUE	961,839
EXPENDITURE BUDGET	
Personnel Services	326,545
Materials and Supplies	175,950
Oper Transfer Out-General Fund	450,000
Contribution To Fund Balance	9,344
TOTAL EXPENDITURES	961,839
D. SOLID WASTE MANAGEMENT FUND	
SOLID WASTE MANAGEMENT FUND REVENUE BUDGET	
State Grants	378,500
Solid Waste Disposal Fee	55,633,693
Sanitation Inspection Fee	560,962
Local Taxes	120,000
Other Revenues	24,000
Contribution From Fund Balance	10,196,803
TOTAL REVENUES	66,913,958
EXPENDITURE BUDGET	
Personnel Services	30,708,804
Materials and Supplies	10,876,977
Capital Outlay	1,120,000

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

Service Charges	18,143,000
Transfers Out	6,065,177
TOTAL EXPENDITURES	66,913,958
E. DRUG ENFORCEMENT FUND	
DRUG ENFORCEMENT REVENUE BUDGET	
Fines & Forfeitures	2,216,479
Federal Grants	85,000
Other Revenue	42,363
Contribution from Fund Balance	1,461,553
TOTAL REVENUE	3,805,395
EXPENDITURE BUDGET	
Personnel Services	1,351,000
Materials and Supplies	1,983,395
Capital Outlay	471,000
TOTAL EXPENDITURE	3,805,395
F. ELECTRONIC TRAFFICE CITATION FEE FUND	
ELECTRONIC TRAFFICE CITATION FEE REVENUE BUDGET	
Court Fees	331,715
TOTAL REVENUE	331,715
EXPENDITURE BUDGET	
Materials and Supplies	250,000
Contribution to Fund Balance	81,715
TOTAL EXPENDITURE	331,715
G. PARK SPECIAL SERVICE FUND	
PARK SPECIAL SERVICE REVENUE BUDGET	
Local Sales Tax	162,687
Use of Money & Property	4,065
TOTAL REVENUE	166,752
EXPENDITURE BUDGET	
Materials and Supplies	166,752
TOTAL EXPENDITURE	166,752

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

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	3,600,000
TOTAL REVENUE	21,403,600
EXPENDITURE BUDGET	
Materials and Supplies	16,035,300
Transfer Out-Debt Service Fund	1,768,300
Transfer Out-Capital Projects	2,700,000
Contribution to Fund Balance	900,000
TOTAL EXPENDITURE	21,403,600
I. FIRE EMS FUND	
FIRE EMS REVENUE BUDGET	
Federal Grants	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. LIFE INSURANCE FUND	
LIFE INSURANCE REVENUE BUDGET	
Other Revenue	150,000
Use of Money and Property	62,000
TOTAL REVENUE	212,000
EXPENDITURE BUDGET	
Contribution to Fund Balance	212,000
TOTAL EXPENDITURE	212,000

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

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	122,038,300
Delinquent Property Tax	1,500,000
Sale of Delinquent Accounts	2,200,000
Local Option Sales Tax	8,645,000
In Lieu Of Taxes-Contractual	1,964,678
Tourism Development Zone Local	4,507,242
State Taxes	17,106,275
Use of Money	527,000
Federal Grants	2,298,523
Other Revenue	1,857,536
Transfer In-State Street Aid	1,768,300
Transfer In-Hotel/Motel Fund	6,685,804
Transfer In-Solid Waste	5,000,000
Transfer in Storm Water Fund	1,845,975
Transfer In -General Fund	4,726,825
TOTAL REVENUES / TRANSFERS IN	182,671,458
EXPENDITURE BUDGET	
Principal-Serial Bonds, Notes, and Leases	105,588,425
Interest-Serial Bonds, Notes, and Leases	67,351,888
Other	1,252,390
Transfer-Out General Fund	3,500,000
Contribution To Fund Balance	4,978,755
TOTAL EXPENDITURES	182,671,458
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	123,420,500
Rents	12,000
Sewer Connection Fees	89,040
Fines & Forfeitures	2,000
Special Sewer Connections	72,000

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

Biogas Revenue	91,500
Other Revenue	167,893
TOTAL REVENUES	123,854,933
EXPENDITURE BUDGET	
Personnel	23,386,036
Materials and Supplies	49,452,509
Capital Outlay	7,370,000
Debt Service -Interest	5,000,000
State Loan Interest	120,000
In-Lieu-Of Payment-General	5,500,000
Dividend To General Fund	1,300,000
Depreciation on Own Fund	15,370,800
Transfer-Out General Fund	437,163
Contribution To Fund Balance	15,918,425
TOTAL EXPENDITURES	123,854,933

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.	
STORM WATER FUND REVENUE BUDGET	
Storm Water Fees	26,150,000
Fines & Forfeitures	800
TOTAL REVENUES	26,150,800
EXPENDITURE BUDGET	
Personnel	10,972,795
Materials & Supplies	6,600,677
Capital Outlay	1,281,540
Transfer Out-General Fund	106,518
Transfer Out-Debt Service Fund	1,845,975
Depreciation on Own Funds	2,417,840
Contribution To Fund Balance	2,925,455
TOTAL EXPENDITURES	26,150,800

5. INTERNAL SERVICE FUNDS

HEALTHCARE REVENUE BUDGET	
Operating Revenues	81,679,767
Contribution From Fund Balance	6,045,647
TOTAL REVENUES	87,725,414

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

EXPENDITURE BUDGET	
Personnel	5,046,815
Materials & Supplies	4,628,450
Capital Outlay	69,000
Claims Incurred	73,972,000
Grants & Subsidies	98,400
Federal Tax	35,000
Transfer Out-OPEB Fund	3,875,749
TOTAL EXPENDITURES	87,725,414
UNEMPLOYMENT FUND	
REVENUE BUDGET	
Program Revenues	566,560
TOTAL REVENUE	566,560
EXPENDITURE BUDGET	
Claims Incurred	200,000
Transfer Out-General Fund	300,000
Contribution To Fund Balance	66,560
TOTAL EXPENDITURE	566,560
FLEET MANAGEMENT FUND	
REVENUE BUDGET	
V.M. Fuel Revenue Inside	8,526,011
V.M. Shop Charges	14,440,911
V.M. Inventory/Store Sales	4,371,724
Outside Revenue	5,585
TOTAL REVENUES	27,344,231
EXPENDITURE BUDGET	
Materials & Supplies	12,648,753
Inventory	14,204,925
Depreciation on Own Funds	96,100
Capital Outlay	394,453
TOTAL EXPENDITURES	27,344,231
6. FIDUCIARY FUNDS	
Library Retirement System	
REVENUE BUDGET	
Operating Transfer-In	1,089,783
TOTAL ADDITIONS	1,089,783

**ORDINANCE 5690
APPROPRIATION ORDINANCE**

EXPENDITURE BUDGET	
Pension ADC	1,089,783
TOTAL DEDUCTIONS	1,089,783
OTHER POST EMPLOYMENT BENEFITS (OPEB)	
REVENUE BUDGET	
Operating Revenues	18,479,932
TOTAL ADDITIONS	18,479,932
EXPENDITURE BUDGET	
Personnel	8,098,880
Material & Supplies	331,052
Claims Incurred	9,688,000
Federal Tax	2,000
Grants & Subsidies	360,000
TOTAL DEDUCTIONS	18,479,932

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, 2018, through June 30, 2019, 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, 2018, through June 30, 2019, 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 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.

ORDINANCE 5690
APPROPRIATION ORDINANCE

SECTION 7. 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, 2018 through June 30, 2019, 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 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 8. 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 9. 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 or net assets 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 10. 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 11. 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 12. 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 13. 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 Chairman 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 14. 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

ORDINANCE 5690
APPROPRIATION ORDINANCE

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.

Berlin Boyd, Chairperson

Attest: Comptroller

THE FOREGOING ORDINANCE
5690 PASSED
1st Reading MAY 08, 2018
2nd Reading MAY 22, 2018
3rd Reading JUNE 06, 2018
Approved [Signature]
Chairman of Council

Date Signed: 6/27/18

APPROVED:
[Signature]
Mayor, City of Memphis

Date Signed: 6/27/18

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. Sipes
Comptroller

Authorized Complement Discussion

The **authorized complement** is the total number of full time positions approved, by the City Council, for a 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 reduced by the average vacancy rate for the respective divisions to arrive at the budgeted cost of personnel. This discussion does not include Increased Service Levels which will be discussed during Budget hearings.

Below is a summary of the changes in the authorized complement from the prior year’s adopted budget:

City Council

The complement was increased by 1 position for Council Security.

Executive Division

Executive Division created a new Media Relations service center. The complement had a net increase of 5 positions:

- 1 position was added from Public Works Administration,
- 2 positions were added from Library Services,
- 1 position was added from Parks Administration,
- 1 position was added from General Services Printing and Mail.

Finance Division

The complement was a net increased of 3 positions:

- 3 positions were transferred into the Office of Comprehensive Planning from the CRA Fund,

- 1 position was added to Debt Services,
- 4 positions were transferred into Financial Accounting from Legal Contract Contingency.

General Services Division

The complement was increased by 21 positions:

- 22 positions were transferred from the Fire Services,
- 1 position was transferred to Executive- Media Relations.

Fire Services

The complement was decreased by 22 Apparatus Maintenance positions being transferred to General Service Fleet Maintenance.

Parks Division

The complement had a decrease of 1 positions:

- 1 positions were transferred to Executive-Media Relations

Public Works

The complement decreased by 1 position:

- 1 position was transferred to Executive- Media Relations

Library Services

The complement decreased by 2 positions:

- 2 positions were transferred to Executive- Media Relations.

Metro Alarm Fund

The Fund was transferred to the City Attorney Division.

Authorized Complement Summary

Category	FY17 Adopted	FY18 Adopted	FY19 Adopted
General Fund			
City Attorney	57	60	56
City Council	23	23	25
City Court Clerk	57	57	57
City Court Judges	5	5	5
City Engineering	116	116	115
Executive	46	99	114
Finance	72	84	101
Fire Services	1,789	1,784	1,772
General Services	318	318	289
Grants and Agencies	3	0	0
Housing and Community Development	5	5	2
Human Resources	44	46	50
Information Services	17	22	21
Libraries	0	280	285
Parks and Neighborhoods	506	162	208
Police Services	2,774	2,728	2,792
Public Works	205	209	228
General Fund Total	6,037	5,998	6,120

Note: The Authorized Complement for funds other than the General Fund are reported with their respective budget requests which are presented in the “Other Funds” section of this document.

Capital Improvement Budget Overview

The Fiscal Years 2019-2023 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 costing over \$50,000 that will last 10 years or more. 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 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 Capital Improvement Budget is the annual allocation that is set aside to fund major construction projects, acquire property, purchase equipment and fund ongoing capital programs for the City. There are various sources of funding capital, however, General Obligation Bonds (G.O.) is the primary source. The City attempts to budget annual G.O. Bonds specifically at an average of \$85.0 million per year. Specific language on how to appropriate and spend construction funds is contained in the CIP resolution.

The City's Capital Budget is \$173.0 million in total allocations for FY 2019. Listed below are the major sources for Capital Funding.

Long Term Debt

General Obligation Bonds are \$85.7 million or 49.53% of the total allocation for the FY 2019.

Federal Grants / State Grants

The majority of these Federal funds are for Memphis Area Transit Authority (MATA) projects and Public

Works projects that qualify for Federal grants. State grants represent the State-matching portion of the MATA funds and Public Works projects that qualify for State funds. State funding will also come into the State Street Aid (SSA) fund. A new revenue source is coming into the SSA fund because of a State Gas tax (The Improve Act). Revenue from the Improve Act is purposed to help improve roads and as such some of the CIP projects that relate to road improvement will be partially funded from this resource.

Capital Disposition

Capital Disposition funds represent the proceeds from the sale of City assets (primarily buildings) that will be re-purposed for other building needs. Capital Disposition is \$4.0 million or 2.32% of the total allocation for FY 2019. Currently Fire Station relocations are the focus for re-purposing capital disposition funds.

Capital Pay-Go

The Sewer Fund and the Storm Water Fund current projects are funded by Capital-Pay-Go. Projects funded by "Capital-Pay-Go" allocations represent internally generated funds. Capital Pay Go is \$83.3 million or 48.15% of the total allocation for FY 2019.

Carry Forward Funding

Projects allocated in previous years' Capital Budgets, that have been delayed, may be carried forward into the next fiscal year, according to the priorities of the administration for spending in the new plan. Carry forward funds represent

\$350.5 million. These funds are the unspent allocations from the prior years approved CIP plan that could not be allocated within the prior year because the time frame for completion is greater than one year. Unspent allocations are shown as carry forward funding within the respective Divisions. Specific projects where unspent appropriations will carry forward into the FY 2019 CIP spending are identified in the respective divisions.

Capital Improvement Budget Highlights

The City's planned CIP spending aligns with current priorities that are focused on projects that enhance the City's economic development strategy, leverage federal or private funding, projects that maintain existing facilities, and projects mandated by law. The FY2019 CIP Budget for General Obligation Bond (G.O.) spending is \$85.7 million. This budget increases G. O. funding for the MATA by \$1.8 million to address the Advanced Public Transportation System project. The CIP budget also includes \$11.0 million towards the radio system upgrade for Police and other City Of Memphis safety divisions. The radio system upgrade will be ongoing for a couple of additional years until completion. In the area of Housing and Community Development \$6.0 million is included for HOPE VI. This project will remove the last public housing project in the City (Foote Homes). There is a continued emphasis on road paving which is proposed for

\$19 million in GO Bond funding, and increased funding in Information Technology to begin replacement of the Treasury System. Major highlights by Division are:

Fire Division – Funding from GO bonds and Capital Disposition funding is proposed for construction and relocation of fire stations.

General Services Division – Funding will provide for major ADA improvements, and minor improvements to various City buildings. This budget also reflects \$9.8 million for City-wide vehicle and equipment purchases.

Housing and Community Development - Funding included for MHA-Foote Future Hope VI City initiative. These funds will be additionally supported with federal funds.

Information Systems – Funding will provide for a treasury system.

Engineering Division – Funding is included for replacement of traffic signals, traffic speed humps, and transportation improvements.

Memphis Area Transit Authority – This budget is heavily leveraged by Federal and State funding. This year's budget includes, repairs to the infrastructure, the purchase of rail vehicles and funding for the Advanced Public Transportation System.

Parks and Neighborhoods – Funding will provide for environmental and recreational improvements to the Greenway, which is a trail along the Wolf River.

Police Division – Funding will provide for the renovations to the Police Academy, and for the radio system.

Public Works Division – Funding is budgeted to pave more than 400 lane miles of streets each year including ADA ramp improvements, and several road projects. The Storm Water Fund CIP budget will allow the City to make major investments in drainage infrastructure throughout the City. The Sewer Fund projects are for the repair and replacement of sewer infrastructure, new sewer connections and improvements to the treatment plants.

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 and project changes and additions. This plan examines each project in which the City participates and specifies the source of financing for the projected expenditures. The process for the CIP also begins in November when a cross divisional CIP committee is assembled to understand the city's needs and meet with divisions (starting in January) to review their requests. Requested projects are analyzed by the finance division, external bond counsel, and then reviewed with the Mayor before a CIP plan is compiled and presented, by the Mayor, to Council

along with the operating budget. After finalizing revisions, the CIP Budget is presented to Council in April. The Council then conducts its own hearings, as described above, and after adjustments adopts a CIP resolution. The Council adoption of the CIP resolution authorizes a portion of engineering, architecture, land acquisition and development costs, and rolling stock through administrative appropriation. 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 is not needed.

The Budget Office monitors the CIP by using tracking reports, which are usually completed during budget submission and may be requested at various intervals during the year. The CIP Budget may during the fiscal year when divisions submit resolutions and obtain approval from Council.

Capital 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.

Initially, the CIP revenues/expenses 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 (A/E, 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 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 date, 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

- A** Administrative Transfers and Appropriations
 - Division Directors
 - Budget Office
 - Comptroller's Office
- B** 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 of Finance and Administration
- 2 City Attorney
- 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. Then the resolutions are 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.

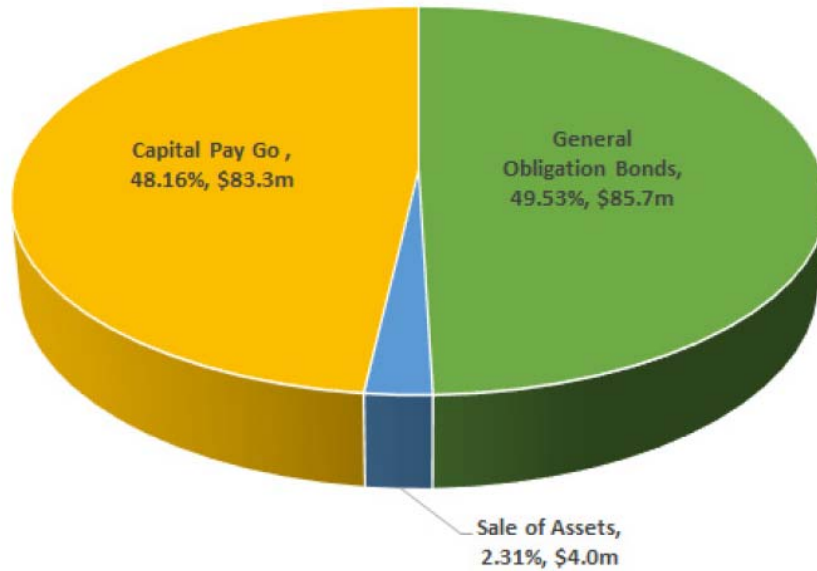
Resolutions may be returned to the originating division/bureau for corrections at any time during the process.

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.

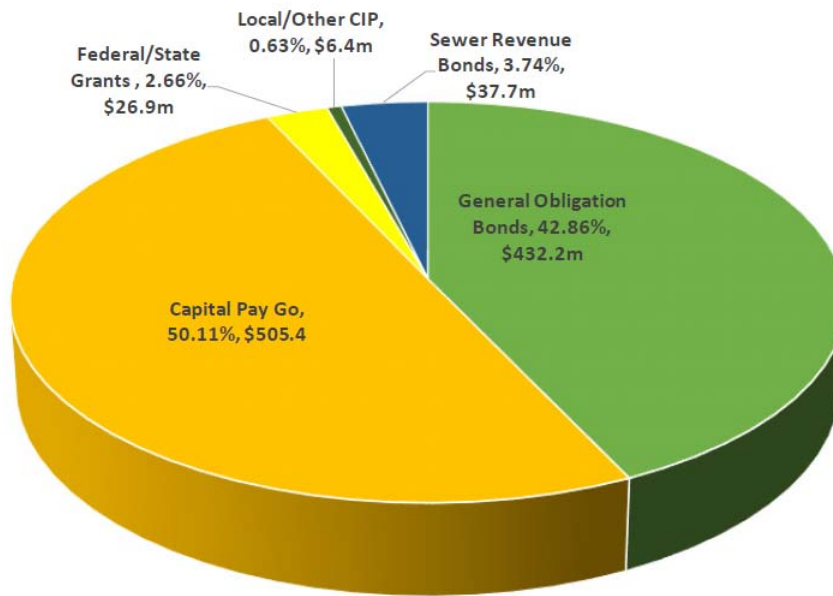
	Carry Forward	FY2019	FY2020	FY2021	FY2022	FY2023	Total
REVENUE							
General Obligation Bonds	45,103,716	85,702,131	121,833,398	70,147,831	60,571,688	48,881,043	432,242,807
Capital Pay Go-General Fund	0	4,095,00	0	0	0	0	4,095,000
Federal Grants CIP	26,148,215	0	0	0	0	0	26,148,215
State Grants All	712,000	0	0	0	0	0	712,000
Local CIP	2,352,951	4,000,000	0	0	0	0	6,352,951
Sewer Revenue Bonds	37,685,402	0	0	0	0	0	37,685,402
Capital Pay Go-Sewer	231,688,508	73,750,000	47,250,000	40,450,000	35,200,000	34,700,000	463,038,508
Capital Pay Go-StormWater	6,788,960	5,500,000	6,500,000	6,500,000	6,500,000	6,500,000	38,288,960
Total Revenue	350,479,752	173,050,131	175,583,398	117,097,831	102,271,688	90,081,043	1,008,563,843

EXPENDITURES							
Architecture and Engineering	222,338,397	50,474,892	46,085,600	39,061,920	33,001,740	32,656,500	423,619,049
Land Acquisitions	3,324,799	1,790,000	360,000	260,000	1,510,000	1,870,000	9,114,799
Contract Construction	105,934,345	80,112,800	86,322,861	60,889,720	29,327,840	44,947,483	407,535,049
Furniture Fixture Equipment	600,000	4,450,000	2,100,000	2,955,000	23,971,880	1,273,160	35,350,040
Other Cost	11,570,511	8,460,000	13,664,937	12,901,191	14,430,228	9,133,900	71,160,767
Information Technology	6,711,700	17,922,000	27,050,000	30,000	30,000	200,000	51,943,700
Capital Acquisition	0	9,840,439	0	0	0	0	9,840,439
Total Expenditures	350,479,752	173,050,131	175,583,398	117,097,831	102,271,688	90,081,043	1,008,563,843

**FY 2019 - 2023
CAPITAL IMPROVEMENT PROGRAM
WHERE THE MONEY COMES FROM**



FY 2019 Budget \$173,050,131



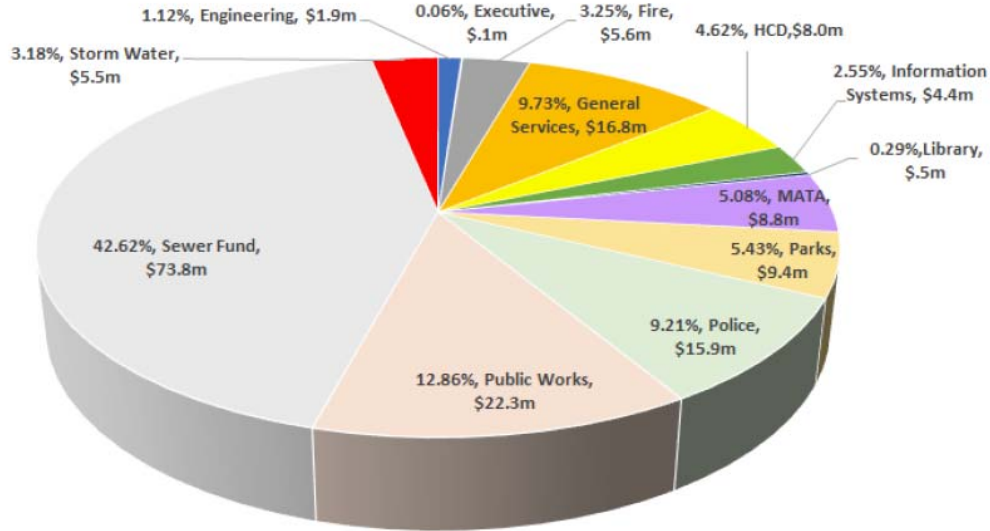
FY 2019 - 2023 Programs \$1,008,563,843

INCLUDES CARRY FORWARD ALLOCATION

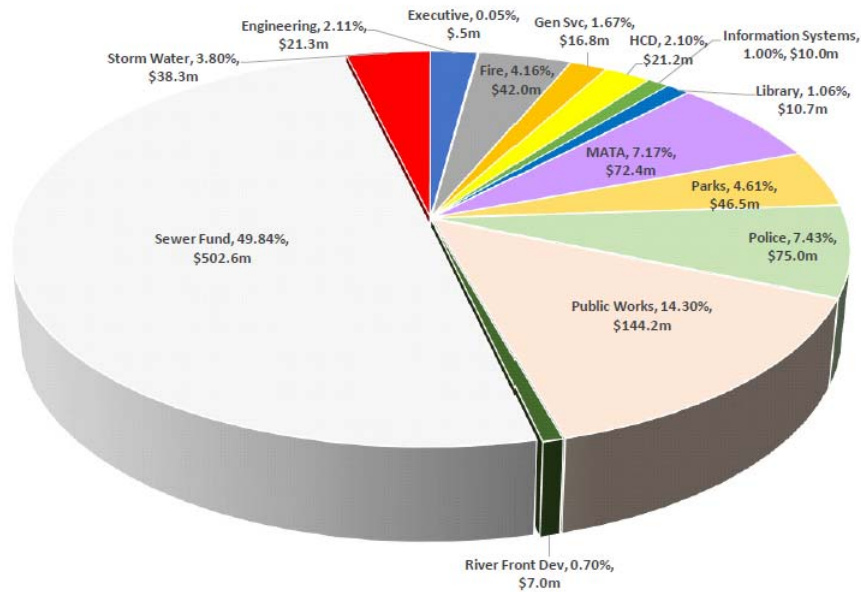
Division	Carry Forward	FY2019	FY2020	FY2021	FY2022	FY2023	Total
City Engineering	12,570,731	1,940,000	1,700,000	1,700,000	1,700,000	1,700,000	21,310,731
Executive	0	100,000	100,000	100,000	100,000	100,000	500,000
Fire	298,041	5,620,000	19,648,388	5,346,131	4,633,348	6,438,240	41,984,148
General Services	0	16,840,439	0	0	0	0	16,840,439
Housing and Comm Dev	0	8,000,000	7,200,000	6,000,000	0	0	21,200,000
Information Systems	0	4,417,000	5,620,000	0	0	0	10,037,000
Library	1,000,000	500,000	7,750,000	1,420,000	0	0	10,670,000
MATA	13,508,331	8,790,000	6,039,000	12,651,500	20,880,500	10,495,500	72,364,831
Parks	5,769,623	9,400,000	16,050,000	6,650,000	5,375,000	3,300,000	46,544,623
Police	7,513,700	15,937,000	31,612,800	13,739,200	4,341,840	1,806,303	74,950,843
Public Works	24,726,046	22,255,692	26,113,210	22,541,000	23,541,000	25,041,000	144,217,948
Riverfront Development	7,022,218	0	0	0	0	0	7,022,218
Sewer Fund	271,282,102	73,750,000	47,250,000	40,450,000	35,200,000	34,700,000	502,632,102
Storm Water	6,788,960	5,500,000	6,500,000	6,500,000	6,500,000	6,500,000	38,288,960
Total	350,479,752	173,050,131	175,583,398	117,097,831	102,271,688	90,081,043	1,008,563,843

CAPITAL IMPROVEMENT PROGRAM

**FY 2019 - 2023
CAPITAL IMPROVEMENT PROGRAM USE OF FUNDS**



FY 2019 Budget \$173,050,131



FY 2019 - 2023 Programs \$1,008,563,843

INCLUDES CARRY FORWARD ALLOCATION

The Impact of Debt Service Cost and Operating Cost for FY 2019

The cost of capital assets manifests is 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 is assigned to debt for the payment of General Obligation bonds (GO), and this 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 project above \$2.0 million in the CIP program for FY2019 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 \$2.0 million or are considered as replacement investments for fully used existing capital assets or are 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 FY2019 CIP projects follows this summary.

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 & 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: Information Services

Project Name: Treasury Tax System
Project Number: IS01082

This project provides funds for Software upgrade. Managed software will be transitioned to a SAAS/ Cloud version in order to improved productivity through technological enhancements.

G.O. Funding:	\$2.5m
Debt Service Impact:	\$200k
Operating Budget Impact:	None

Division: Memphis Area Transit Authority (MATA)

Project Name: APTS
Project Number: GA03022

This project provides funding for continuing enhancements and upgrade to the Advanced Public Transportation System (APTS) system on an annual basis. Enhancements and upgrades to the existing system will include complementary elements such as fare collection/distribution equipment, dispatch, GMMS, HRIS software, traffic signal priority equipment and various other accounting management systems. This project also includes complete

replacement of the fare collection equipment on the entire revenue vehicle fleet.

G.O. Funding:	\$5.6m
Debt Service Impact:	\$448k
Operating Budget Impact:	None

Division: Police Services

Project Name: Radio System Upgrade
Project Number: PD04025

This project will replace the City of Memphis radio system. The current radio system will have reached its end of life cycle for parts and services on December 31, 2018. This will replace the old system with a new radio system that’s compatible with P25 technology. The City/County split is 51%/49%.

G.O. Funding:	\$11.0m
Debt Service Impact:	\$880k
Operating Budget Impact:	\$500k

Division: Public Works

Project Name: Asphalt/Paving
Project Number: PW01272

This project funds the asphalt paving activities performed by the City or contracted out.

G.O. Funding:	\$19.0m
Debt Service Impact:	\$1.5m
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. CPG fund current project 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 non-point 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.

FY2019 CAPITAL IMPROVEMENT BUDGET SUMMARY

Project Number	Project Name	Carry Forward	FY2019	Total FY2019
CITY ENGINEERING				
EN19100	Traffic Signals		\$750,000	\$750,000
EN01055	Transportation Alternatives (TAP)	\$3,366,882	\$350,000	\$3,716,882
EN19200	Urban Art		\$350,000	\$350,000
EN19300	Traffic Speed Humps		\$300,000	\$300,000
EN01037	CMAQ Bike Lanes - Hampline		\$190,000	\$190,000
EN01037	CMAQ Bike Route-Hampline	\$1,750,000		\$1,750,000
EN01067	HSIP Cover Line	\$257,298		\$257,298
EN01056	Sign Shop Relocation	\$1,200,000		\$1,200,000
EN01036	STP Pedestrian Routes	\$155,062		\$155,062
EN01035	STP Bike Routes	\$428,659		\$428,659
EN01026	Medical Ctr Streetscape	\$5,212,830		\$5,212,830
EN01074	Railroad Quiet Zone	\$200,000		\$200,000
	Total Engineering	\$12,570,731	\$1,940,000	\$14,510,731
EXECUTIVE				
GA19100	Executive Cover Line	\$0	\$100,000	\$100,000
	Total Executive	\$0	\$100,000	\$100,000
FIRE SERVICES				
FS02032	EMA Sirens	\$0	\$120,000	\$120,000
FS19100	FY19 Fire Station Repair Cover	\$0	\$1,500,000	\$1,500,000
FS02029	F55 Construction	\$0	\$2,000,000	\$2,000,000
FS02011	Replace Fire Station #43	\$0	\$2,000,000	\$2,000,000
FS02027	EMA Sirens	\$298,041	\$0	\$298,041
	Total Fire	\$298,041	\$5,620,000	\$5,918,041
GENERAL SERVICES				
GS19100	FY19 Major Mod Cover Line	\$0	\$3,500,000	\$3,500,000
GS19200	FY19 Maj Mod City Hall/PSB	\$0	\$2,000,000	\$2,000,000
GS01032	CoMEM Phase II	\$0	\$1,500,000	\$1,500,000
GS0219A-G	City Wide Fleet Acquisitions	\$0	\$9,840,439	\$9,840,439
	Total General Services	\$0	\$16,840,439	\$16,840,439
HOUSING AND COMMUNITY DEVELOPMENT				
CD01030	MHA-Foote Future Hope VI	\$0	\$6,000,000	\$6,000,000
CD02013	Memphis Heritage Trail	\$0	\$500,000	\$500,000
CD01097	Klondike Smokey City Initiative	\$0	\$1,500,000	\$1,500,000

FY2019 CAPITAL IMPROVEMENT BUDGET SUMMARY *(continued)*

Project Number	Project Name	Carry Forward	FY2019	Total FY2019
Total HCD		\$0	\$8,000,000	\$8,000,000
INFORMATION SYSTEMS				
IS01078	Community Ctr Network Upgrade	\$0	\$417,000	\$417,000
IS01081	Data Center Relocation	\$0	\$1,500,000	\$1,500,000
IS01082	Treasury Tax System	\$0	\$2,500,000	\$2,500,000
Total IS		\$0	\$4,417,000	\$4,417,000
LIBRARY SERVICES				
LI01030	New Frayser Library	\$1,000,000	\$500,000	\$1,500,000
Total Library		\$1,000,000	\$500,000	\$1,500,000
MATA				
GA03007	MATA-Bus Replacement	\$1,232,084	\$1,360,000	\$2,592,084
GA03022	MATA-Adv Public Transp System	\$4,268,420	\$5,590,000	\$9,858,420
GA03025	Bus Facility Improvements	\$822,450	\$36,500	\$858,950
GA03026	Rail Vehicles	\$3,325,964	\$660,000	\$3,985,964
GA03011	MATA-Paratransit Bus	\$578,484	\$114,000	\$692,484
GA03001	MATA-Service Vehicles	\$74,094	\$67,500	\$141,594
GA03024	Rail Facility Improvements	\$844,781	\$62,000	\$906,781
GA03023	MATA-Operations/Maint Facility	\$2,026,193	\$600,000	\$2,626,193
GA03028	Midtown Connector Rapid Trans	\$0	\$300,000	\$300,000
GA03027	Central Station Project	\$335,861	\$0	\$335,861
Total MATA		\$13,508,331	\$8,790,000	\$22,298,331
PARKS SERVICES				
PK19100	Parks Coverline	\$0	\$2,020,000	\$2,020,000
PK03004	Tennis Major Maintenance	\$0	\$500,000	\$500,000
PK07012	Greenway Improvements	\$4,368,744	\$1,500,000	\$5,868,744
PK09002	Zoo Major Maintenance	\$0	\$250,000	\$250,000
PK01032	Ed Rice Comm Ctr Replacement	\$0	\$960,000	\$960,000
PK01030	Whitehaven CC Improvements	\$0	\$500,000	\$500,000
PK04016	Aquatic Facilities Major Main	\$0	\$250,000	\$250,000
PK06013	Golf Cart Path Repaving	\$0	\$275,000	\$275,000
PK08036	Brooks Museum Security Upgrade	\$0	\$225,000	\$225,000
PK01031	Council District Comm Ctr Imp	\$0	\$2,800,000	\$2,800,000
PK02004	Goodwill Homes Improvements	\$0	\$120,000	\$120,000

FY2019 CAPITAL IMPROVEMENT BUDGET SUMMARY *(continued)*

Project Number	Project Name	Carry Forward	FY2019	Total FY2019
PK07119	L.E. Brown Park	\$100,000	\$0	\$100,000
PK01030	Whitehaven Comm Ctr Imp	\$250,000	\$0	\$250,000
PK18103	Park Improvements	\$282,556	\$0	\$282,556
PK07116	Wolf River Greenway Phase 5A	\$768,323	\$0	\$768,323
Total Parks Services		\$5,769,623	\$9,400,000	\$15,169,623
POLICE SERVICES				
PD04025	Radio System Upgrade	\$0	\$11,000,000	\$11,000,000
PD02013	FY18 Police Academy Renov	\$0	\$1,100,000	\$1,100,000
PD02015	911 Communications Ctr Upgrade	\$2,500,000	\$1,500,000	\$4,000,000
PD02009	Mount Moriah Station	\$0	\$762,000	\$762,000
PD04028	Aerial Surveillance Cameras	\$0	\$1,575,000	\$1,575,000
PD02012	CSI Office Renovation	\$350,000	\$0	\$350,000
PD02014	FY18 Precinct Renovation	\$452,000	\$0	\$452,000
PD04022	In-Car Video/GPS	\$4,211,700	\$0	\$4,211,700
Total Police Service		\$7,513,700	\$15,937,000	\$23,450,700
PUBLIC WORKS				
PW19100	Asphalt/Paving Coverline	\$0	\$19,000,000	\$19,000,000
PW19200	ADA Curb Ramp Coverline	\$0	\$1,500,000	\$1,500,000
PW19500	Sidewalk Replace Var Coverline	\$0	\$500,000	\$500,000
PW04119	STBG Group 1 Resurfacing	\$0	\$304,182	\$304,182
PW04120	STBG Group 2 Resurfacing	\$0	\$410,510	\$410,510
PW04118	Harbor Avenue Repaving	\$0	\$41,000	\$41,000
PW01284	Shelby Dr-Paul Lowery to Weaver	\$0	\$500,000	\$500,000
PW01278	Poplar-Yates to I-240	\$426,089	\$0	\$426,089
PW01277	Poplar-Front to Bellevue	\$800,000	\$0	\$800,000
PW01280	Union Ave-Pauline to Flicker	\$3,000,000	\$0	\$3,000,000
PW01279	Southeastern Industrial Rd Imp	\$700,000	\$0	\$700,000
PW04117	Old Melrose Site Rehab	\$500,000	\$0	\$500,000
PW01253	Repair 14 Bridges Sam Cooper	\$3,081,000	\$0	\$3,081,000
PW01260	Sandbrook Realignment	\$275,158	\$0	\$275,158
PW04103	Walker Ave. Streetscape Ph. 2	\$647,587	\$0	\$647,587
PW01064	Elvis Presley/Shelby/Winch	\$7,755,397	\$0	\$7,755,397
PW01245	STP Bike/Ped Group	\$6,124,315	\$0	\$6,124,315
PW04114	Southbrook Mall Infrastructure	\$1,416,500	\$0	\$1,416,500

FY2019 CAPITAL IMPROVEMENT BUDGET SUMMARY *(continued)*

Project Number	Project Name	Carry Forward	FY2019	Total FY2019
Total Public Works		\$24,726,046	\$22,255,692	\$46,981,738
RIVERFRONT DEVELOPMENT CORPORATION (NEW NAME - MEMPHIS RIVER PARKS PARTNERSHIP)				
GA01004	Cobblestone Landing	\$7,022,218	\$0	\$7,022,218
Total RDC		\$7,022,218	\$0	\$7,022,218
SEWER FUND				
SW19100	FY19 Misc Sub Outfall Cover Line	\$0	\$2,650,000	\$2,650,000
SW19200	FY19 Rehab Existing Sewer Cover	\$0	\$29,750,000	\$29,750,000
SW19300	FY19 Svc Unsewered Area Cover L	\$0	\$1,850,000	\$1,850,000
SW05001	Sewer Assessment & Rehab	\$76,958,409	\$15,000,000	\$91,958,409
SW04007	Environmental Maint Reloc	\$10,239,811	\$450,000	\$10,689,811
SW02033	South Plant Expansion	\$134,313,262	\$24,050,000	\$158,363,262
SW02006	Sludge Disp/Earth Complex	\$7,050,266	\$0	\$7,050,266
SW04009	Stiles Plant Modification	\$12,832,538	\$0	\$12,832,538
SW02011	Covered Anaerobic Lagoon	\$29,887,816	\$0	\$29,887,816
Total Sewer Fund		\$271,282,102	\$73,750,000	\$345,032,102
STORM WATER FUND				
ST03207	Flood Control - ST Cover Line	\$0	\$750,000	\$750,000
ST02001	Design - ST Cover Line	\$0	\$2,000,000	\$2,000,000
ST03205	Drainage - ST Cover Line	\$0	\$2,750,000	\$2,750,000
ST03021	Gayoso Bayou Culvert-ST	\$650,000	\$0	\$650,000
ST01089	Bartlett Rd/Fletcher - ST	\$6,138,960	\$0	\$6,138,960
Total Storm Water Fund		\$6,788,960	\$5,500,000	\$12,288,960
GRAND TOTAL FY 2019		\$350,479,752	\$173,050,131	\$523,529,883