

Approved on third reading on June 18, 2012

ORDINANCE NO. 2012-17

AN ORDINANCE TO ADOPT THE FISCAL YEAR 2013 OPERATING, CAPITAL IMPROVEMENT AND DEBT SERVICE BUDGETS FOR THE CITY OF MILLINGTON AND TO ESTABLISH BUDGET RELATED PROCEDURES AND CONTROLS

BE IT ORDAINED by the Board of Mayor and Alderman of the City of Millington, Tennessee that the Fiscal Year 2013 Operating, Capital Improvement and Debt Service budgets are as follows:

SECTION 1: OPERATING BUDGETS

General Fund, net of transfers	\$ 11,593,606
State Street Aid Fund, net of Transfers	\$ 280,650
State Drug Fund	\$ 114,567
DEA Drug Fund	\$ 146,117
Storm Water Fund, net of Transfers	\$ 342,432
Sanitation Fund	\$ 912,632
Water Fund	\$ 1,307,200
Sewer Fund	\$ 1,920,200

SECTION 2: DEBT SERVICE BUDGET

Debt Service Fund Expenditures	\$ 674,526
Debt Service Fund Net Transfers	\$ (596,983)

SECTION 3: CAPITAL IMPROVEMENT BUDGETS

Capital Improvement Program Fund, net of Transfers	\$ 6,900,000
General Obligation Capital Outlay Notes, Series 2010 Project Fund	\$ 20,887

SECTION 4: OPERATING BUDGETS EXPIRE AT JUNE 30 -- BE IT FURTHER ORDAINED, That Operating Budgets are appropriated on a fiscal year basis, appropriations expire as of June 30 each year and any goods or services not received as of June 30 must be purchased from the new fiscal year budget, except that appropriations associated with purchase of fixed assets shall carry-forward. The FY13 or FY14, as appropriate, expenditure budget shall be increased equal to any outstanding encumbrance for the purchase of a fixed asset with an equal increase to the funding source (grant or planned use of fund balance).

SECTION 5: DEBT SERVICE BUDGET -- BE IT FURTHER ORDAINED, That the Debt Service Budget is appropriated on a fiscal year basis and all appropriations expire as of June 30 each year.

SECTION 6: CAPITAL PROJECTS BUDGETS -- BE IT FURTHER ORDAINED, That Capital Projects are authorized on a "project" basis -- and the appropriation expires on completion or cancellation of the project. The FY13 Capital Budget shall be increased for the unexpended portion of any appropriated project budgets as of June 30, 2012 with a corresponding amendment for the appropriate funding source.

SECTION 7: NO APPROPRIATION EXCEEDED -- BE IT FURTHER ORDAINED, That each office, department, and Elected Official which receives appropriations from the City shall adhere to the budget as approved and that no action shall be taken to purchase goods or services that will cause any fund, office, department or Elected Official to exceed its appropriations and that no personnel shall be hired or compensated, including any adjustments for any previous personnel actions found not to be in compliance with previous policy, unless provided for in this budget and in the ordinance approving the Position Control Budget and Compensation Policy for FY13.

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SECTION 8: BUDGET TRANSFERS -- BE IT FURTHER ORDAINED, That the Finance Director is authorized to transfer funds between accounts and to establish new accounts as necessary to properly account for the City's finances in accordance with generally accepted accounting principles as long as the total appropriations or revenues for any fund is not increased or decreased. Budget transfers must be approved by the Mayor until a City Manager assumes the duties of the City's Chief Operating Officer and then by the City Manager.

SECTION 9: GRANTS RECEIVED -- BE IT FURTHER ORDAINED, That the Chief Operating Officer and Finance Director are authorized to increase the budget for grant revenues and expenditures once a grant has been awarded to the City from any federal, state or other local government and accepted by resolution of the Board of Mayor and Aldermen if no matching funds are required or if adequate matching funds are available in the already appropriated budget.

SECTION 10: DONATIONS TO POLICE AND FIRE DEPTMENTS -- BE IT FURTHER ORDAINED, that both the Police Department and the Fire Department, through the respective Chief, is authorized to accept donations from individuals, businesses, civic and charitable organizations and foundations of up to \$4,500.00 per donation. Such donations shall not be restricted by the donor except as to use for the public purpose of that department. Such donations shall be deposited to the City General Fund. The City Clerk shall acknowledge such donations in writing if required by the donor for tax purposes. The Chief Operating Officer and Finance Director are authorized to increase the General Fund budget for these donations and to increase the appropriate expenditure accounts in a like amount each time a donation is received. Any donated funds received during a year and remaining unexpended at year-end shall be reported as committed fund balance and the following year's budget shall be increased as planned use of fund balance and the appropriate expenditure account.

SECTION 11: DETAILED ACCOUNT FINANCIAL PLAN -- BE IT FURTHER ORDAINED, That a financial plan with detail revenue, expenditure and transfers accounts shall be prepared in support of the budget and attached hereto as Exhibit A.

SECTION 12: GENERAL FUND OPERATING RESERVES AT JUNE 30 -- BE IT FURTHER ORDAINED, That the Board of Mayor and Aldermen hereby establish a Financial Stabilization Account (committed General Fund Fund Balance) at no less than 30% of the next fiscal year's appropriations, an Emergency Account (committed General Fund Fund Balance) in the amount of \$1,000,000 and a Library Construction Account (General Fund Fund Balance) in an amount equal to 50% of collections from the red light camera/speed van violations. Below this level, unspent budgets will accrue toward this. Amounts above this level may be used as directed by the Board.

SECTION 13: CITY FEES -- BE IT FURTHER ORDAINED, That any rate or fee established by previous resolution, ordinance or administrative action will remain in effect unless amended in the same manner as originally adopted.

SECTION 14: GRANTS GIVEN -- BE IT FURTHER ORDAINED, That grants to the Millington Chamber of Commerce and to the Millington YMCA in the amount not to exceed \$18,000 and \$150,000, respectively, are hereby appropriated to promote the general welfare of the residents of the city of Millington and that disbursements of these funds shall not be made until the individual non-profit civic organization has fully complied with T. C. A. Section 6-54-111 et.seq.

SECTION 15: REPORTING -- BE IT FURTHER ORDAINED, That the Finance Director shall submit monthly reports of revenue received and expenditures incurred to the Board of Mayor and Alderman at its regular monthly meetings and shall also schedule a quarterly work session to review the City's financial condition including detail discussion of each Fund and all modifications to the budget during the previous quarter.

SECTION 16: SEVERABILITY -- BE IT FURTHER ORDAINED, That all Ordinances heretofore passed in conflict herewith are hereby repealed insofar as they are in conflict with this Ordinance.

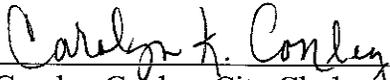
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SECTION 17: EFFECTIVE DATE – BE IT FURTHER ORDAINED, That this Ordinance shall take effect upon its third and final passage.

First Reading: June 4, 2012
Second Reading: June 14, 2012
Third Reading: June 18, 2012



Linda L. Carter, Mayor



Carolyn Conley, City Clerk