ORDINANCE No. 2025-169

**AN ORDINANCE OF THE
TOWN OF PEGRAM, TENNESSEE
ADOPTING THE ANNUAL BUDGET AND TAX RATE
FOR THE FISCAL YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026**

WHEREAS, Tennessee Code Annotated § 9-1-116 requires that all funds of the State of Tennessee and all its political subdivisions shall first be appropriated before being expended and that only funds that are available shall be appropriated; and

WHEREAS, the Municipal Budget Law of 1982 requires that the governing body of each municipality adopt and operate under an annual budget ordinance presenting a financial plan with at least the information required by that state statute, that no municipality may expend any moneys regardless of the source except in accordance with a budget ordinance and that the governing body shall not make any appropriation in excess of estimated available funds; and

WHEREAS, the Governing Body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to meeting where the Board will consider final passage of the budget.

NOW THEREFORE BE IT ORDAINED BY THE GOVERNING BODY OF THE TOWN OF PEGRAM, TENNESSEE AS FOLLOWS:

SECTION 1: That the governing body projects anticipated revenues from all sources and appropriates planned expenditures for each department, board, office or other agency of the municipality, herein presented presented together with the actual annual receipts and expenditures of the last preceding fiscal year and the estimated annual expenditures for the current fiscal year, and from those revenues and unexpended and unencumbered funds as follows for fiscal year 2026, and including the projected ending balances for the budget year, the actual ending balances for the most rececnt ended fiscal year and the estimated ending balances for the current fiscal years:

GENERAL FUND	**Actual FY 2023/2024**	**Estimated FY 2024/2025**	**Budget FY 2025/2026**
Revenues			
Local Taxes	$ 692,000	$ 761,534	$ 718,637
Intergovernmental	276,805	296,867	296,172
Licenses and Permits	17,000	11,313	10,000
Miscellaneous Revenue	61,102	91,499	65,800
Other Financing Sources			
Debt Proceeds	-	-	-
Transfers In - from other funds	-	-	-
Total Revenues and Other Financing Sources	$ 1,046,907	$ 1,161,213	$ 1,090,609
Appropriations			
Expenditures			
General Government	$ 697,015	$ 357,853	$ 967,848
Public Safety	140,000	126,790	190,000
Public Works	175,229	156,471	225,435
Parks	77,708	57,040	96,200
Other Financing Uses			-
Transfers Out - to other funds	-	-	-

Transfers Out - to other funds	-	-	-
Total Appropriations	$ 1,089,952	$ 698,154	$ 1,479,483
Change in Fund Balance (Revenues - Appropriations)	(43,045)	463,060	(388,874)
Beginning Fund Balance July 1	2,391,272	2,348,227	2,811,287
Ending Fund Balance June 30	$ 2,348,227	$ 2,811,287	$ 2,422,413
Ending Fund Balance as a % of Total Appropriations	215.4%	402.7%	163.7%

STATE STREET AID FUND	**Actual FY 2023/2024**	**Estimated FY 2024/2025**	**Budget FY 2025/2026**
Revenues			
State Gas and Motor Fuel Taxes	$ 72,520	$ 72,951	$ 72,949
Miscellaneous Revenue	285	1,300	459
Other Financing Sources			
Transfers In - from other funds	-	-	-
Total Revenues and Other Financing Sources	$ 72,805	$ 74,251	$ 73,408
Appropriations			
Public Works Department	$ 70,700	$ 18,699	$ 70,875
Transfers Out - to other funds	-	-	-
Total Appropriations	$ 70,700	$ 18,699	$ 70,875
Change in Fund Balance (Revenues - Appropriations)	2,105	55,551	2,533
Beginning Fund Balance July 1	158,957	161,062	216,613
Ending Fund Balance June 30	$ 161,062	$ 216,613	$ 219,147
Ending Fund Balance as a % of Total Appropriations	227.8%	1158.4%	309.2%

SEWER FUND		**Actual FY 2023/2024**	**Estimated FY 2024/2025**	**Budget FY 2025/2026**
Operating Revenues				
Sewer Sales		199,204	207,469	225,216
Tap Fees		11,000	11,000	11,000
Miscellaneous Revenue				
Total Operating Revenues		$ 210,204	$ 218,469	$ 236,216
Operating Expenses				
Sewer Department		$ 150,302	$ 63,554	$ 174,385
Depreciation		49,848	49,911	48,150
Total Operating Expenses		$ 200,150	$ 113,465	$ 222,535
Operating Income (Loss)		$ 10,054	$ 105,004	$ 13,681
Non-Operating Revenues (Expenses)				
Revenue:	Interest Income	$ 2,300	$ 5,285	$ 2,300
	Grants - Operating	$ -	$ -	$ -
	Other Income	$ -	$ -	$ -
Expense:	Debt Service - Interest Expense	$ (2,412)	$ (2,412)	$ (2,184)
	Other Expense	$ -	$ -	$ -
Total Non-Operating Revenue (Expenses)		$ (112)	$ 2,873	$ 116
Income (Loss) Before Capital Contributions and Transfers		$ 9,942	$ 107,877	$ 13,797

Capital Contributions and Transfers			
Capital Contributions - Tap Fees in Excess of Cost	$ -	$ -	$ -
Capital Contributions - Grants	-	-	-
Capital Contributions - Other	-	-	-
Transfers In - From Other Funds	-	-	-
Transfers Out - To Other Funds (PILOT)	-	-	-
Total Capital Contributions and Transfers	$ -	$ -	$ -
Change in Net Position	9,942	107,877	13,797
Beginning Net Position July 1	876,376	886,318	994,195
Ending Net Position June 30	$ 886,318	$ 994,195	$ 1,007,992

Statutory Change in Net Position Reconciliation:			
Change in Net Position	$ 72,134	$ 43,735	$ 209,942
Subtract:			
Capital Contributions - Tap Fees in Excess of Cost	$ -	$ -	$ -
Capital Contributions - Grants	-	-	-
Capital Contributions - Other	-	-	-
Grants - Operating	-	-	-
Transfers In - from Other Funds	-	-	-
Total amount subtracted for statutory change	$ -	$ -	$ -
Statutory Change in Net Postion*	$ 72,134	$ 43,735	$ 209,942

* *Note: A statutory negative Change in Net Position for two consecutive years will result in the local government's referral to the Tennessee Board of Utility Regulation.*

FIRE DEPARTMENT FUND	**Actual FY 2023/2024**	**Estimated FY 2024/2025**	**Budget FY 2025/2026**
Revenues			
Fire Tax	$ 179,416	$ 179,417	$ 269,417
Intergovernmental	138,260	128,575	171,132
Miscellaneous Revenue	3,050	4,554	8,500
Other Financing Sources			
Transfers In - from other funds	63,028	63,028	-
Total Revenues and Other Financing Sources	$ 383,754	$ 375,574	$ 449,049
Appropriations			
Fire Department	$ 383,703	$ 347,759	$ 449,079
One time appropriation for payroll correction	-	-	75,298
Total Appropriations	$ 383,703	$ 347,759	$ 524,377
Change in Fund Balance (Revenues - Appropriations)	51	27,814	(75,328)
Beginning Fund Balance July 1	298,078	298,129	325,943
Ending Fund Balance June 30	$ 298,129	$ 325,943	$ 250,615
Ending Fund Balance as a % of Total Appropriations	77.7%	93.7%	47.8%

SECTION 2: At the end of the fiscal year 2025, the governing body estimates fund balances or deficits as follows:

Fund	Estimated Fund Balance/ Net Position at June 30, 2025
General	$ 2,882,314
State Street Aid Fund	216,613
Sewer Fund	994,195
Fire Department Fund	325,943

SECTION 3: That the governing body herein certifies that the condition of its sinking funds, if applicable, are compliant pursuant to its bond covenants, and recognizes that the municipality has outstanding bonded and other indebtedness as follows:

Bonded or Other Indebtedness	Debt Authorized and Unissued	Principal Outstanding at June 30, 2025	FY 2025 Principal Payment	FY 2025 Interest Payment
Loan Agreements -				
Sewer - SRFL	-	200,224	21,408	2,184

SECTION 4: During the coming fiscal year (2026) the governing body has pending and planned capital projects with proposed funding as follows:

Pending Capital Projects	Total Expense	Financed by Estimated Revenues and/or Reserves	Financed by Debt Proceeds
Roads & Streets	$ 300,000	$ 300,000	$ -
City Hall & Fire Dept Remodel and Roofing	$ 258,070	$ 258,070	$ -
LDR Cameras	$ 15,000	$ 15,000	$ -
Sewer Plant Upgrade	$ 650,000	$ 650,000	$ -

Pending Future Capital Projects	Total Expense	Financed by Estimated Revenues and/or Reserves	Financed by Debt Proceeds
Sewer Plant Upgrade (cost to be determined awaiting engineering)			$ -

SECTION 5: No appropriation listed above may be exceeded without an amendment of the budget ordinance as required by the Municipal Budget Law of 1982 (TCA § 6-56-208). In addition, no appropriation may be made in excess of available fund except to provide for an actual emergency threatening the health, property, or lives of the inhabitants of the municipality and declared by a two-thirds (2/3) vote of at least a quorum of the governing body in accord with Tennessee Code Annotated § 6-56-205.

SECTION 6: Money may be transferred from one appropriation to another in the same fund in an amount of up to $5,000 by the Mayor, subject to such limitations and procedures as set by the governing body pursuant to Tennessee Code Annotated § 6-56-209. Any resulting transfers shall be reported to the governing body at its next regular meeting and entered into the minutes.

General Fund Budget Summary

O & M	2023 Actual	2024 Actual	2025 Budgeted	2025 Projected	2026 Proposed
Total Revenues	1,037,075	1,117,188	1,089,952	1,099,551	1,090,609
Operating and Maintenance	(380,279)	(358,364)	(1,152,980)	(698,154)	(920,913)
Remaining (Total Revenue minum O&M Expenses)	656,796	758,824	(63,028)	401,398	169,696

FUND BALANCE	2023 Actual	2024 Actual	2025 Budgeted	2025 Projected	2026 Proposed
Beginning Fund Balance (Previous Year Ending Fund Balance)	*$2,391,272*	*$3,048,068*	*$3,806,892*	*$3,806,892*	*$4,208,290*
Remaining (Total Revenue minum O&M Expenses from above)	656,796	758,824	(63,028)	401,398	169,696
Capital & Capital Grant Projects	0	0	0	0	(558,570)
Ending Fund Balance	**$3,048,068**	**$3,806,892**	**$3,743,864**	**$4,208,290**	**$3,819,415**

Proposed Capital Projects

Line Item	*Department*	*Description of Purchase*	*Amount*
110-41000-920	General Expenditures	City Hall/Fire Dept Remodel	$201,450
110-41000-931	General Expenditures	City Hall/Fire Dept Roofing	$57,120
110-41000-931	General Expenditures	Annual Paving	$300,000
			$558,570

SECTION 7: A detailed financial plan will be attached to this budget and become part of this budget ordinance. In addition, the published operating budget and budgetary comparisons shown by fund with beginning and ending fund balances and the number of full-time equivalent employees required by Tennessee Code Annotated § 6-56-206 will be attached.

SECTION 8: There is hereby levied a property tax of $0.3199 per $100 of assessed value on all real and personal property.

SECTION 9: This annual operating and capital budget ordinance and supporting documents shall be submitted to the Comptroller of the Treasury or Comptroller's Designee for approval pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated within fifteen (15) days of its adoption. If the Comptroller of the Treasury or Comptroller's Designee determines that the budget does not comply with the Statutes, the Governing Bod shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes or as directed by the Comptroller of the Treasury or Comptroller's Designee.

SECTION 10: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 11: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

SECTION 12: This ordinance shall take effect July 1, 2025, the public welfare requiring it.

Passed 1st Reading: May 19th, 2025

Passed 2nd Reading: June 30th, 2025

Charles Morehead

Mayor Charles Morehead

ATTESTED:

Tina Morehead

Town Recorder/Finance Director Tina Morehead

The Caption of this Ordinance was published in the Cheatham County Exchange, a newspaper [illegible] on within the Town of Pegram, Tennessee on the 2nd day of June 2025.
This Ordinance Public Notice was published in the Ledger, a newspaper of general circulation within the Town of Pegram, Tennessee, and on their website on June 18, 2025 and the Cheatham County Exchange website on June 19, 2025

Cindy Beirnes

CINDY BEIRNES STATE OF TENNESSEE NOTARY PUBLIC CHEATHAM COUNTY MY COMMISSION EXPIRES FEBRUARY 10, 2029