ATHENS CITY COUNCIL
WORK SESSION

City Hall Conference Room
Monday, June 8, 2026, 5:00 p.m.

I. CALL TO ORDER

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. COMMUNICATIONS AND SPECIAL PRESENTATIONS

V. DISCUSSION

A. Athens City Schools General Purpose Budget Amendment #2

B. Athens City Schools Resolution 2026-1 – Authority to Commit and Assign Fund Balance

C. Athens City Schools Resolution 2026-2 – Federal Projects Fund Budget

D. Review of Athens Utilities Board Fiscal Year 2027 Budget and Five-Year Budget Plan

E. Bid Award for RFB 26-03 Athens Fire Station No. 3

F. Purchase of a New Fire Engine for the Fire Department

G. Purchase of Two Animal Control Trucks for the Police Department

H. Purchase of Duty Weapons for the Police Department and Declare the Current Glock .40 Caliber Pistols as Surplus Property for Trade-in.

I. Resolution 2026-17, a Resolution Authorizing the Submission of a Grant Application with the State of Tennessee for Funding Through the Statewide School Resource Officer (SRO) Program Grant.

J. Heritage Park LPRF Grant Project – Contract Amendment

K. Additional Parking at Cook Park

L. Public Hearing and Second Reading for Ordinance 1156, an Ordinance to Amend Title 9, Chapter V of the Athens City Code by deleting the existing Chapter V, "Wrecker and Towing Service," in its Entirety and Replacing it with a New Chapter V, "Towing Services"; to Establish Regulations, permitting requirements, rotation procedures, insurance requirements, Fee Limitations, Recordkeeping Requirements, and enforcement procedures for towing services requested by the Athens Police Department.

M. Public Hearing and Second Reading for Ordinance 1157, an Ordinance to Amend 'The Zoning Ordinance of The City of Athens, Tennessee, so as to Amend The Official Zoning Map to Rezone A 3-Acre Parcel Created from the 50-Acre Developed Parent Tract Shown as Tax Map 046 Parcel 049.00 Located on Denso Drive and George R. Price Boulevard From I-2 (Heavy Industrial District) To B-3 (Intensive Business District), Said Area Being Located Within The Corporate Limits of Athens, Tennessee.

N. Public Hearing and Second Reading for Ordinance 1158, an Ordinance to Adopt a Budget and Set the Tax Rate on Taxable Property Located Within the Corporate Limits of the City of Athens, Tennessee, for the Fiscal Year July 1, 2026 Through June 30, 2027.

O. An Ordinance to amend Title 1, Chapter 1-II of the Athens City Code by Adding Section 1-46 Establishing Compensation for the Mayor and Councilmembers Pursuant to Article V, Section 4 of the Charter of the City of Athens, Tennessee.

P. City Manager Position

Q. Councilmember Items

1. Mayor Eaton
   i. McMinn Regional Humane Society
   ii. Personal Vehicles used for City Business
   iii. Stand-by Vehicles

2. Councilmember Sherlin
   i. Creating a Public Trust
   ii. Statewide Organization for Community eMpowerment (SOCM)

3. Councilmember Duggan
   i. Downtown Parking Pass

VI. NEW BUSINESS

VII. BOARDS & COMMITTEES

A. No Applications on File.
   1. Board of Adjustments & Appeals – 1 Vacancy (alternate)
   2. Historic Preservation Commission – 1 Vacancy (an architect, if available (MZO 3.04.14(B)))

B. Expiring in August 2026
   1. AMRPC August 2026 Jona McKeehan – Garrett

VIII. ADJOURNMENT

Agenda Item
V. A. Athens City Schools General Purpose Budget Amendment #2

Overview
Athens City Schools has submitted General Purpose Budget Amendment #2 for School Year 2025-2026 (attached). The amendment records revisions to the State Special Education Preschool Grant, Innovative School Models Grant, and Summer Learning Camps Grant, and records the awarding of the Public Schools Security Grant and Early Learning Tutoring Grant.

Action to Consider
Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments
Finance

ATHENS CITY SCHOOLS
GENERAL PURPOSE
BUDGET AMENDMENT # 2

SCHOOL YEAR 2025-2026

FUNDS AVAILABLE

Account No.	Appropriation	Beginning Balance	Increase	Decrease	Amended Budget
46515-SSEP	EARLY CHILDHOOD EDUCATION - STATE SPECIAL EDUCATION PRESCHOOL GRANT	31,169	0	18,461	12,708
46590-ELTG	OTHER STATE EDUCATION FUNDS - EARLT LEARNING TUTORING GRANT	-	4,500	0	4,500
46590-LCT	OTHER STATE EDUCATION FUNDS - LEARNING CAMP TRANSPORTATION	40,612	0	40,612	0
46590-SLC	OTHER STATE EDUCATION FUNDS - SUMMER LEARNING CAMP	255,282	46,074	0	301,356
46790-ISM	OTHER VOCATIONAL - INNOVATIVE SCHOOL MODELS	53,229	2,477	0	55,706
46980-PSSG	OTHER STATE GRANTS - PUBLIC SCHOOLS SECURITY GRANT	-	33,727	0	33,727
		380,292	**86,778**	**59,073**	**407,997**

Note: This amendment is recording the revision of the State Special Education Preschool, Innovative Schools Model, and Summer Learning Cammps grants and the awarding of the Public Schools Security and Early Learning Tutoring grants.

EXPENDITURES

Account No.	Appropriation	Budget	Increase	Decrease	Amended Budget
71100	REGULAR INSTRUCTION PROGRAM	10,173,542	98,880	57,231	10,215,190
71200	SPECIAL EDUCATION PROGRAM	1,317,900	4,598	23,059	1,299,439
71300	VOCATIONAL EDUCATON PROGRAM	37,729	6,000	31,874	11,855
71400	STUDENT BODY	17,449	0	0	17,449
72110	ATTENDANCE	46,437	0	1,172	45,265
72120	HEALTH SERVICES	361,457	0	4,690	356,767
72130	OTHER STUDENT SUPPORT	512,848	33,727	0	546,575
72210	REGULAR INSTRUCTION PROGRAM	992,888	19,055	0	1,011,943
72220	SPECIAL EDUCATION PROGRAM	106,773	0	0	106,773
72250	TECHNOLOGY	335,426	5,122	174	340,374
72310	BOARD OF EDUCATION	1,009,726	0	0	1,009,726
72320	OFFICE OF THE SUPERINTENDENT	240,299	0	0	240,299
72410	OFFICE OF THE PRINCIPAL	1,203,169	2,345	0	1,205,514
72510	FISCAL SERVICES	238,597	0	0	238,597
72520	HUMAN SERVICES/PERSONNEL	144,298	0	0	144,298
72610	OPERATION OF PLANT	1,205,456	0	1,993	1,203,463
72620	MAINTENANCE OF PLANT	315,798	16,706	282	332,222
72710	TRANSPORTATION	708,057	22,802	41,613	689,246
73100	FOOD SERVICE	8,190	250	4,690	3,750
73300	COMMUNITY SERVICES	382,106	0	0	382,106
73400	EARLY CHILDHOOD EDUCATION	851,900	0	0	851,900
76100	CAPITAL OUTLAY	302,300	4,940	19,940	287,300
	TOTAL EXPENDITURES:	**20,512,346**	**214,424**	**186,719**	**20,540,051**

Amended by Athens City Board of Education on ________________________ Approved by Athens City Council on ____________________________________

Secretary

City Manager

Chairman

Mayor

ATHENS CITY SCHOOLS
GENERAL PURPOSE
BUDGET AMENDMENT # 2

SCHOOL YEAR 2025-2026

DETAIL

EXPENDITURES

71100 REGULAR INSTRUCTION PROGRAM		BUDGET	INCREASE	DECREASE	AMENDED BUDGET
71100-116	TEACHERS	6,549,961	0	13,200	6,536,761
71100-117	CAREER LADDER PROGRAM	4,200	0	0	4,200
71100-128	HOMEBOUND TEACHERS	2,500	0	0	2,500
71100-163	INSTRUCTIONAL ASSISTANTS	472,555	15,400	0	487,955
71100-188	BONUS PAYMENTS	332,000	0	0	332,000
71100-189	OTHER SALARIES AND WAGES	42,000	4,000	0	46,000
71100-198	NON-CERTIFIED SUBSTITUTE TEACHERS	156,000	0	0	156,000
71100-201	SOCIAL SECURITY	467,251	688	0	467,939
71100-204	STATE RETIREMENT	452,326	231	1,058	451,499
71100-207	MEDICAL INSURANCE	999,660	0	0	999,660
71100-212	EMPLOYER MEDICARE	109,346	54	0	109,400
71100-217	STATE HYBRID STABILIZATION	44,045	0	0	44,045
71100-299	OTHER FRINGE BENEFITS	50,000	0	0	50,000
71100-312	CONTRACTS WITH PRIVATE AGENCIES	2,209	0	0	2,209
71100-330	LEASE/SBITA PAYMENTS	45,748	0	0	45,748
71100-399	OTHER CONTRACTED SERVICES	1,509	0	0	1,509
71100-429	INSTRUCTIONAL SUPPLIES AND MATERIALS	129,612	53,903	0	183,515
71100-430	TEXTBOOKS-ELECTRONIC	68,000	0	0	68,000
71100-449	TEXTBOOKS	165,000	0	0	165,000
71100-471	SOFTWARE	-	2,100	0	2,100
71100-499	OTHER SUPPLIES AND MATERIALS	12,530	0	11,530	1,000
71100-599	OTHER CHARGES	3,123	2,077	0	5,200
71100-722	REGULAR INSTRUCTION EQUIPMENT	63,967	20,428	31,443	52,951
TOTAL		**10,173,542**	**98,880**	**57,231**	**10,215,190**

71200 SPECIAL EDUCATION PROGRAM		BUDGET	INCREASE	DECREASE	AMENDED BUDGET
71200-116	TEACHERS	576,648	0	0	576,648
71200-128	HOMEBOUND TEACHERS	2,500	0	0	2,500
71200-163	EDUCATIONAL ASSISTANTS	141,767	0	7,840	133,927
71200-171	SPEECH PATHOLOGIST	116,141	0	0	116,141
71200-198	NON-CERTIFIED SUBSTITUTE TEACHERS	2,500	0	0	2,500
71200-201	SOCIAL SECURITY	52,953	0	482	52,471
71200-204	STATE RETIREMENT	53,643	0	1,396	52,247
71200-206	LIFE INSURANCE	25	0	25	0
71200-207	MEDICAL INSURANCE	186,004	0	11,992	174,012
71200-212	EMPLOYER MEDICARE	12,161	0	101	12,060
71200-217	RETIREMENT HYBRID STABILIZATION	1,834	0	0	1,834
71200-312	CONTRACTS WITH PRIVATE AGENCIES	170,924	0	1,222	169,702
71200-429	INSTRUCTIONAL SUPPLIES	300	243	0	543
71200-499	OTHER SUPPLIES AND MATERIALS	500	0	0	500
71200-725	SPECIAL EDUCATION EQUIPMENT	-	4,355	0	4,355
TOTAL		**1,317,900**	**4,598**	**23,059**	**1,299,439**

71300 VOCATIONAL EDUCATION PROGRAM		BUDGET	INCREASE	DECREASE	AMENDED BUDGET
71300-399	OTHER CONTRACTED SERVICES	0	6,000	3,143	2,857
71300-471	SOFTWARE	14,750	0	14,750	0
71300-599	OTHER CHARGES	1,500	0	1,500	0
71300-730	VOCATIONAL INSTRUCTIONAL EQUIPMENT	21,479	0	12,481	8,998
TOTAL		**37,729**	**6,000**	**31,874**	**11,855**

ATHENS CITY SCHOOLS
GENERAL PURPOSE
BUDGET AMENDMENT # 2

SCHOOL YEAR 2025-2026

72110 ATTENDANCE		BUDGET	INCREASE	DECREASE	AMENDED BUDGET
72110-162	CLERICAL PERSONNEL	1,000	0	1,000	0
72110-189	OTHER SALARIES AND WAGES	21,000	0	0	21,000
72110-201	SOCIAL SERCURITY	1,363	0	61	1,302
72110-204	STATE RETIREMENT	2,112	0	96	2,016
72110-207	MEDICAL INSURANCE	4,392	0	0	4,392
72110-212	EMPLOYER MEDICARE	320	0	15	305
72110-399	OTHER CONTRACTED SERVICES	8,000	0	0	8,000.00
72110-499	OTHER SUPPLIES AND MATERIALS	900	0	0	900
72110-524	INSERVICE/STAFF DEV	4,000	0	0	4,000
72110-599	OTHER CHARGES	3,350	0	0	3,350
TOTAL		**46,437**	**0**	**1,172**	**45,265**

72120 HEALTH SERVICES		BUDGET	INCREASE	DECREASE	AMENDED BUDGET
72120-105	SUPERVISOR/DIRECTOR	30,050	0	0	30,050
72120-131	MEDICAL PERSONNEL	190,638	0	4,000	186,638
72120-188	BONUS PAYMENTS	0	0	0	0
72120-189	OTHER SALARIES & WAGES	18,126	0	0	18,126
72120-201	SOCIAL SECURITY	14,807	0	248	14,559
72120-204	STATE RETIREMENT	22,926	0	384	22,542
72120-207	MEDICAL INSURANCE	33,069	0	0	33,069
72120-212	EMPLOYER MEDICARE	3,463	0	58	3,405
72120-217	RETIREMENT HYBRID STABILIZATION	1,193	0	0	1,193
72120-307	COMMUNICATION	1,207	0	0	1,207
72120-355	TRAVEL	-	0	0	0
72120-399	OTHER CONTRACTED SERVICES	12,787	0	0	12,787
72120-413	DRUGS AND MEDICAL SUPPLIES	685	0	0	685
72120-499	OTHER SUPPLIES AND MATERIALS	13,460	0	0	13,460
72120-524	INSERVICE/STAFF DEVELOPMENT	9,500	0	0	9,500
72120-735	HEALTH EQUIPMENT	7,046	0	0	7,046
72120-790	OTHER EQUIPMENT	2,500	0	0	2,500
TOTAL		**361,457**	**0**	**4,690**	**356,767**

72130 OTHER STUDENT SUPPORT		BUDGET	INCREASE	DECREASE	AMENDED BUDGET
72130-123	GUIDANCE PERSONNEL	277,124	0	0	277,124
72130-130	SOCIAL WORKERS	41,524	0	0	41,524
72130-201	SOCIAL SECURITY	19,756	0	0	19,756
72130-204	STATE RETIREMENT	19,976	0	0	19,976
72130-207	MEDICAL INSURANCE	48,132	0	0	48,132
72130-212	EMPLOYER MEDICARE	4,620	0	0	4,620
72130-217	RETIREMENT - HYBRID STABILIZATION	1,588	0	0	1,588
72130-322	EVALUATION AND TESTING	39,709	0	0	39,709
72130-336	MAINTENANCE AND REPAIR SERVICES-EQUIOMENT	1,500	0	0	1,500
72130-399	OTHER CONTRACTED SERVICES	12,992	10,962	0	23,954
72130-499	OTHER SUPPLIES AND MATERIALS	1,438	0	0	1,438
72130-524	IN-SERVICE/STAFF DEVELOPMENT	11,900	2,978	0	14,878
72130-599	OTHER CHARGES	1,589	0	0	1,589
72130-790	OTHER EQUIPMENT	31,000	19,787	0	50,787
TOTAL		**512,848**	**33,727**	**0**	**546,575**

ATHENS CITY SCHOOLS
GENERAL PURPOSE
BUDGET AMENDMENT # 2

SCHOOL YEAR 2025-2026

72210 SUPPORT REGULAR INSTRUCTION		BUDGET	INCREASE	DECREASE	AMENDED BUDGET
72210-105	SUPERVISOR/DIRECTOR	187,212	0	0	187,212
72210-117	CAREER LADDER	4,000	0	0	4,000
72210-129	LIBRARIANS	179,892	0	0	179,892
72210-161	SECRETARY (S)	54,218	0	0	54,218
72210-162	CLERICAL PERSONNEL	19,689	0	0	19,689
72210-163	EDUCATIONAL ASSISTANTS	19,689	0	0	19,689
72210-172	INSTRUCTIONAL COACHES	241,885	0	0	241,885
72210-189	OTHER SALARIES & WAGES	-	16800	0	16,800
72210-201	SOCIAL SECURITY	28,811	1,042	0	29,853
72210-204	STATE RETIREMENT	53,619	969	0	54,588
72210-207	MEDICAL INSURANCE	98,538	0	0	98,538
72210-212	EMPLOYER MEDICARE	6,738	244	0	6,982
72210-217	RETIREMENT HYBRID STABILIZATION	1,039	0	0	1,039
72210-336	MAINTENANCE AND REPAIR-EQUIP	4,500	0	0	4,500
72210-355	TRAVEL	1,700	0	0	1,700
72210-399	OTHER CONTRACTED SERVICE	11,951	0	0	11,951
72210-432	LIBRARY BOOKS	33,280	0	0	33,280
72210-499	OTHER SUPPLIES AND MATERIALS	3,187	0	0	3,187
72210-524	INSERVICE/STAFF DEVELOPMENT	36,837	0	0	36,837
72210-599	OTHER CHARGES	5,853	0	0	5,853
72210-790	OTHER EQUIPMENT	250	0	0	250
TOTAL		**992,888**	**19,055**	**0**	**1,011,943**

72250 TECHNOLOGY		BUDGET	INCREASE	DECREASE	AMENDED BUDGET
72250-121	DATA PROCESSING PERSONNEL	42,239	0	0	42,239
72250-189	OTHER SALARIES AND WAGES	64,471	0	0	64,471
72250-201	SOCIAL SECURITY	6,616	0	0	6,616
72250-204	STATE RETIREMENT	10,244	0	0	10,244
72250-207	MEDICAL INSURANCE	19,384	0	0	19,384
72250-212	EMPLOYER MEDICARE	1,547	0	0	1,547
72250-350	INTERNET CONNECTIVITY	26,900	0	0	26,900
72250-355	TRAVEL	100	0	0	100
72250-399	OTHER CONTRACTED SERVICES	53,000	0	0	53,000
72250-471	SOFTWARE	28,875	0	0	28,875
72250-499	OTHER SUPPLIES AND MATERIALS	600	0	0	600
72250-524	IN-SERVICE/STAFF DEVELOPMENT	3,000	0	0	3,000
72250-599	OTHER CHARGES	3,450	0	0	3,450
72250-790	OTHER EQUIPMENT	75,000	5,122	174	79,948
TOTAL		**335,426**	**5,122**	**174**	**340,374**

72410 OFFICE OF THE PRINCIPAL		BUDGET	INCREASE	DECREASE	AMENDED BUDGET
72410-104	PRINCIPALS	367,752	0	0	367,752
72410-117	CAREER LADDER PROGRAM	2,000	0	0	2,000
72410-119	ACCOUNTANTS/BOOKKEEPERS	63,693	0	0	63,693
72410-139	ASSISTANT PRINCIPALS	280,780	0	0	280,780
72410-161	SECRETARY(S)	97,065	0	0	97,065
72410-162	CLERICAL PERSONNEL	55,504	2,000	0	57,504
72410-201	SOCIAL SECURITY	53,741	124	0	53,865
72410-204	STATE RETIREMENT	58,297	192	0	58,489
72410-207	MEDICAL INSURANCE	141,977	0	0	141,977
72410-212	EMPLOYER MEDICARE	12,569	29	0	12,598
72410-307	COMMUNICATION	13,500	0	0	13,500
72410-330	LEASE/SBITA PAYMENTS	528	0	0	528
72410-336	MAINTENANCE & REPAIR SERVICES - EQUIPMENT	14,617	0	0	14,617
72410-355	TRAVEL	250	0	0	250
72410-399	OTHER CONTRACTED SERVICES	39,556	0	0	39,556
72410-435	OFFICE SUPPLIES	450	0	0	450
72410-499	OTHER SUPPLIES & MATERIALS	165	0	0	165
72410-524	IN-SERVICE/STAFF DEVELOPMENT	200	0	0	200
72410-599	OTHER CHARGES	125	0	0	125
72410-701	ADMINISTRATION EQUIPMENT	400	0	0	400
TOTAL		**1,203,169**	**2,345**	**0**	**1,205,514**

ATHENS CITY SCHOOLS
GENERAL PURPOSE
BUDGET AMENDMENT # 2

SCHOOL YEAR 2025-2026

72610 OPERATION OF PLANT		**BUDGET**	**INCREASE**	**DECREASE**	**AMENDED BUDGET**
72610-166	CUSTODIAL PERSONNEL	307,808	0	1,700	306,108
72610-189	OTHER SALARIES AND WAGES	1,130	0	0	1,130
72610-201	SOCIAL SECURITY	19,154	0	105	19,049
72610-204	STATE RETIREMENT	29,658	0	163	29,495
72610-207	MEDICAL INSURANCE	66,226	0	0	66,226
72610-212	EMPLOYER MEDICARE	4,480	0	25	4,455
72610-399	OTHER CONTRACTED SERVICES	55	0	0	55
72610-410	CUSTODIAL SUPPLIES	51,000	0	0	51,000
72610-415	ELECTRICITY	500,000	0	0	500,000
72610-434	NATURAL GAS	42,000	0	0	42,000
72610-454	WATER & SEWER	44,500	0	0	44,500
72610-502	BUILDING & CONTENT INSURANCE	138,445	0	0	138,445
72610-720	PLANT OPERATION EQUIPMENT	1,000	0	0	1,000
TOTAL		**1,205,456**	**0**	**1,993**	**1,203,463**

72620 MAINTENANCE OF PLANT		**BUDGET**	**INCREASE**	**DECREASE**	**AMENDED BUDGET**
72620-161	SECRETARIES	12,899	0	0	12,899
72620-167	MAINTENANCE PERSONNEL	55,000	0	0	55,000
72620-189	OTHER SALARIES AND WAGES	51,087	0	0	51,087
72620-201	SOCIAL SECURITY	7,377	0	0	7,377
72620-204	STATE RETIREMENT	11,423	0	0	11,423
72620-207	MEDICAL INSURANCE	21,287	0	0	21,287
72620-212	EMPLOYER MEDICARE	1,725	0	0	1,725
72620-330	LEASE/SBITA PAYMENTS	2,500	0	0	2,500
72620-335	MAINTENANCE & REPAIR SERVICES - BUILDING	13,000	16,706	282	29,424
72620-336	MAINTENANCE & REPAIR SERVICES - EQUIPMENT	28,000	0	0	28,000
72620-338	MAINTENANCE & REPAIR SERVICES - VEHICLES	4,000	0	0	4,000
72620-399	OTHER CONTRACTED SERVICES	69,000	0	0	69,000
72620-418	EQUIPMENT & MACHINERY PARTS	5,000	0	0	5,000
72620-425	GASOLINE	6,500	0	0	6,500
72620-499	OTHER SUPPLIES & MATERIALS	20,000	0	0	20,000
72620-524	INSERVICE/STAFF DEVELOPMENT	1,000	0	0	1,000
72620-717	MAINTENANCE EQUIPMENT	6,000	0	0	6,000
TOTAL		**315,798**	**16,706**	**282**	**332,222**

72710 TRANSPORTATION		**BUDGET**	**INCREASE**	**DECREASE**	**AMENDED BUDGET**
72710-105	SUPERVISOR/DIRECTOR	76,008	1,000	2000	75,008
72710-146	BUS DRIVERS	208,260	16,001	31,000	193,261
72710-162	CLERICAL PERSONNEL	12,899	0	0	12,899
72710-189	OTHER SALARIES & WAGES	30,583	2,200	0	32,783
72710-201	SOCIAL SECURITY	20,197	1,190	1,798	19,589
72710-204	STATE RETIREMENT	31,464	1,632	3,168	29,928
72710-207	MEDICAL INSURANCE	120,812	0	0	120,812
72710-212	EMPLOYER MEDICARE	4,782	278	479	4,581
72710-217	RETIREMENT - HYBRID STABILIZATOIN	2	0	0	2
72710-307	COMMUNICATION	4,000	0	0	4,000
72710-313	CONTRACTS WITH PARENTS	26,348	0	0	26,348
72710-338	MAINTENANCE AND REPAIR SERVICES-VEHICLES	30,702	0	0	30,702
72710-340	MEDICAL AND DENTAL SERVICES	2,000	0	0	2,000
72710-399	OTHER CONTRACTED SERVICES	4,208	0	0	4,208
72710-412	DIESEL FUEL	32,668	500	3,168	30,000
72710-418	EQUIPMENT AND MACHINERY PARTS	1,500	0	0	1,500
72710-499	OTHER SUPPLIES AND MATERIALS	30,000	0	0	30,000
72710-511	VEHICLE AND EQUIPMENT INSURANCE	30,000	0	0	30,000
72710-524	IN-SERVICE/STAFF DEVELOPMENT	1,700	0	0	1,700
72710-599	OTHER CHARGES	3,053	0	0	3,053
72710-701	ADMINISTRATION EQUIPMENT	1,871	0	0	1,871
72710-729	TRANSPORTATION EQUIPMENT	35,000	0	0	35,000
TOTAL		**708,057**	**22,802**	**41,613**	**689,246**

ATHENS CITY SCHOOLS
GENERAL PURPOSE
BUDGET AMENDMENT # 2

SCHOOL YEAR 2025-2026

73100 FOOD SERVICE		**BUDGET**	**INCREASE**	**DECREASE**	**AMENDED BUDGET**
73100-105	SUPERVISOR/DIRECTOR	2,000	0	2,000	0
73100-165	CAFETERIA PERSONNEL	2,000	0	2,000	0
73100-201	SOCIAL SECURITY	248	0	248	0
73100-204	STATE RETIREMENT	384	0	384	0
73100-210	UNEMPLOYMENT COMPENSATION	0	0	0	0
73100-212	EMPLOYER MEDICARE	58	0	58	0
73100-299	OTHER FRINGE BENEFITS	0	0	0	0
73100-336	MAINTENANCE & REPAIR SERVICES & EQUIPMENT	1,000	0	0	1,000
73100-422	FOOD SUPPLIES	2,500	250	0	2,750
TOTAL		**8,190**	**250**	**4,690**	**3,750**

76100 CAPITAL OUTLAY		**BUDGET**	**INCREASE**	**DECREASE**	**AMENDED BUDGET**
76100-707	BUILDING IMPROVEMENTS	162,300	4,940	4,940	162,300
76100-799	OTHER CAPITAL OUTLAY	140,000	0	15,000	125,000
TOTAL		**302,300**	**4,940**	**19,940**	**287,300**
TOTAL EXPENDITURES		**20,512,346**	**214,424**	**186,719**	**20,540,051**

Agenda Item

V. B. Athens City Schools Resolution 2026-1 – Authority to Commit and Assign Fund Balance

Overview

Governmental accounting standards require school systems to classify portions of fund balance based on the intended use of those funds. The attached resolution delegates authority to the Director of Schools to make those year-end designations in accordance with accounting and financial reporting requirements.

Action to Consider

Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments

Finance

Resolution 2026-1

Be it resolved by the Athens City Board of Education that the Director of Schools shall have the authority to establish the amounts of funds that will be Committed or Assigned for specific purposes at the end of the fiscal year for the Athens City School System.

Date: June 08, 2026

Mr. Joe Barnett
Director of Schools
____

Mr. Chris Adams
Chairman
____

Mr. Johnny Coffman
Vice-Chairman
____

Mrs. Beth Jackson
Board Member
____

Mrs. Emily Forrest
Board Member
____

Mr. Stan Harrison
Board Member
____

Mrs. Joyce Snyder
Board Member
____

Agenda Item
V. C. Athens City Schools Resolution 2026-2 – Federal Projects Fund Budget

Overview
The attached resolution establishes that the Athens City Schools Federal Projects Fund budget will be the budget approved for each separate federal project by the Athens City Board of Education and the State of Tennessee.

Action to Consider
Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments
Finance

Resolution 2026-2

Be it resolved that the budget for the Athens City Schools Federal Projects Fund shall be the budget approved for the separate projects within the fund by the Athens City Board of Education and State of Tennessee.

Date: June 08, 2026

Mr. Joe Barnett
Director of Schools
____

Mr. Chris Adams
Chairman
____

Mr. Johnny Coffman
Vice-Chairman
____

Mrs. Beth Jackson
Board Member
____

Mrs. Emily Forrest
Board Member
____

Mr. Stan Harrison
Board Member
____

Mrs. Joyce Snyder
Board Member
____

Agenda Item

V. D. Review of Athens Utilities Board Fiscal Year 2027 Budget and Five-Year Budget Plan

Overview

The Athens Utilities Board FY 2027 operating budget and five-year financial plan is attached. It covers the Power, Water, Natural Gas, Wastewater, and Fiber divisions. The plan outlines anticipated revenues, operating expenses, capital improvements, debt needs, and potential future rate adjustments.

Action to Consider

Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments

Finance

Athens Utilities Board

Fiscal Year 2027 Budget and Five Year Budget Plan

July 1, 2026

Prepared by: Michelle Millsaps

With assistance of: Craig Brymer
Eric Newberry
Phil Graves
David St. John

Table of Contents

Executive Summary

As a staff we have produced a five-year budget plan for almost a decade. Our objective is to provide a detailed budget document for the immediate fiscal year (FY) with conservative projections for the next four years in order to provide the board and our organization a long-term vision and plan for the future.

In lieu of a detailed executive summary, each division has a detailed "Year-One" budget and five-year projection summaries included within the appropriate sections of the report. The "Year-One" budget ultimately serves as the upcoming fiscal year budget for the utility, in this case for the FY beginning July 1, 2026, and ending June 30, 2027.

As always, the conclusions herein are qualified by the fact that all estimates are subject to variables outside the Athens Utilities Board's (AUB) control. Weather and economic pressures are two examples of factors beyond our control that directly affect our business. Inflationary pressures on all fronts continue to weigh heavily on net revenues for the utility overall. These pressures have resulted in recent local rate increases in the Power and Natural Gas divisions. Weather influences the performance and sales of all four divisions (Power, Water, Natural Gas, and Wastewater), but is a primary and powerful driver of the power and gas division finances.

The power division, like all divisions, continues to struggle with inflationary pressures. costs. This year, electrical revenues are projected to remain flat. From a capital investment standpoint, we will need to issue debt to address the construction of the Englewood substation, replacement of copper primary and AMI this year. We anticipate sufficient revenues to meet our needs and do not anticipate the need for an increase in power rates for this fiscal year budget.

Water net revenues remain an area of concern for the management staff. Based upon a worsening net revenue projection, we would anticipate the potential for a rate increase in late FY 2027. This will of course be dependent upon the actual financial performance of the division. Our plans include a large capital investment project to be started this year. This project, a $6.5 million dollar water reservoir and pump station, will address ongoing issues with fire protection and water supply to our industrial park and northwestern service area. We plan on funding this project through a combination of grants and debt.

The board passed a rate increase for the Natural Gas division last year. The final incremental increase will become effective July 1st, 2026. These rate actions, consistent with the recommendations from our rate consultant, should provide adequate revenues to address the concerns of the comptroller's office. The division is expected to have positive net revenues for this year.

Large wastewater capital projects at the treatment plants will require issuing debt in order to maintain our cash position and make necessary repairs and investment in our infrastructure. These projects will require at least $6.0 million to be added to our long-term indebtedness. Current projections for this year's net revenues (before extraordinary) indicate that we should not have to recommend a rate increase for wastewater this year.

It is important to remember that the long-term cost projections (budget years 2-5) and capital budget data for each division do not include any rate increases, grants, or additional debt. This approach allows us to evaluate the data with the understanding that if work is executed as planned, some action (rate increase or bond issue/loan) will be necessary by the Board in order to maintain sufficient net revenues and/or a positive cash flow over the given time period. Positive net revenues are required by the State of Tennessee for the water, wastewater, and natural gas divisions. The Tennessee Valley Authority (TVA) regulates the rates and revenues of the power division.

The bottom line for the FY 2027 budget is that we will be recommending a rate increase for the water division to our board. From an infrastructure standpoint, we will have to issue debt to cover our capital investment needs for the power, water, and wastewater division. If we are able to execute this planned scope within the year this will represent millions of dollars of bonds issued for these three divisions.

AUB MISSION STATEMENT

"To provide the highest level of essential services to enhance the quality of life for customers and our community"

AUB VISION

"AUB will be the leading provider of essential services and environmental stewardship"

AUB VALUES

Accountability

Customer Service

Employee Relations

Environmental Stewardship

Perseverance

Professionalism

Responsiveness

Safety

Teamwork

OUR STRATEGIES

Enhance Customer Service

Be Employer of Choice

Maintain and Optimize a Business Culture

Increase Use of Technology to Improve Service and Operations

Prepare for Business Growth

FISCAL YEAR 2027
"Year-One" Budget

Year-One Budget Process

Our "Year-One" budget is the upcoming FY 2027 budget for the utility. This FY budget represents our best attempt to capture the anticipated costs of daily operations across AUB as well as capital spending estimates. It is a detailed, line-item budget for each division and is modeled after Federal Energy Regulatory Commission (FERC) accounting principles. Each division's supporting line-item budget is included in Appendix 1 (page 94) of this document.

This year, for the most part, we will project revenues to be relatively consistent with last year with the exception of the natural gas division. Revenues projections for the gas division include our rate increase.

A budget cannot capture all cost items that occur in a year. A budget should be considered a plan. We work diligently to stay within budget and in so doing strive to reach our anticipated net revenue plan. As we progress through the year, we evaluate variances and adjust the budget when warranted. This is rare and occurs most commonly in the capital budget process. If a capital item is under- or over-estimated we try to maintain, at a minimum, the bottom-line anticipated cost of capital expenditures for the particular division to avoid depleting our cash reserves.

Power Division Summary

The power division capital budget for FY 2027 has some items being carried over from the prior fiscal year due to timing of Grid Resilience and Innovations Partnerships (GRIP) Program funding. Three, of the original seven capital budget line items associated with GRIP funding are included for this year's budget: (1) automated metering infrastructure (AMI); (2) Englewood substation phase I; and (3) Replacement of Copper Primary. In order to preserve our cash position, we will issue debt to fund these projects. For this year, we would need to anticipate up to $4 million in bonds to be issued for the power division.

Other notable items in the budget include equipment purchases for Truck 55 and Truck 7, ordering Truck 2, and work scope including the upgrade of the adding an equipment building and continuing the fiber buildout.

From an operational budget standpoint, FY 2027 net revenues before extraordinary are anticipated to be $1,182,662 which is more than FY 2026 revenue projections.

Currently, we see no need for an AUB rate increase for the power division in FY 2027. However, we recommend passing through any TVA rate actions that could create a revenue shortfall for AUB.

Budget Assumptions
Power Division

- Cash is projected to decrease by $1.8 million with year-end levels estimated to be $4.9 million.
- Investments in plant include over $7.3 million for projects including: AMI; Englewood substation transformers; and Englewood substation construction and house control upgrades; $300,000 for fiber buildout; $455,000 for vehicles; and $2.2 million for continuous capital improvements.
- Revenues budgeted are about the same as projected FY 2026, as are power costs, resulting in a contribution margin of $12.9 million
- Operating expenses are budgeted to be $5.9 million based upon FY 2026 projections. The increases over the two last budget years are due to inflationary pressures, in particular, increases in Administrative and General Expenses including retirement plan and group insurance expenses. Maintenance expenses are budgeted to be slightly higher than the projected total for FY 2026 reflecting trends in operating cost over the past fiscal year.
- Depreciation expense and tax equivalents are budgeted to be $60,000 higher than projected FY 2026 levels.
- Interest expense is budgeted to be $4,000 lower than the projected total for FY 2026.
- Net income (before extraordinary) is budgeted to be approximately $290,000 higher than projected FY 2026.
- Operating activities are expected to generate $1,846,061 in cash. Debt service (principal payments) is expected to use $118,000, and a net investment of $7.3 million is budgeted to be invested in plant. As stated above, total cash is projected to decrease by $1,793,000 leaving the ending cash balance at $4.94 million.

Balance Sheet Budget
Power Division

	Budget 2027	Estimated June 30, 2026	Actual December 31, 2025	Change from June 30, 2026
Assets:				
Cash and Cash Equivalents	4,912,077	6,729,690	6,790,304	(1,817,613.32)
Bond Funds Available	-	-	-	-
Customer Receivables	3,625,960	3,356,167	3,583,599	269,793.33
Due from Other Divisions	-	-	-	-
Other Receivables	136,279	92,786	182,908	43,493.50
Prepaid Expenses	33,261	33,227	212,936	33.26
Accrued Unbilled Revenue	1,219,402	1,409,792	1,439,856	(190,390.43)
Materials and Supplies Inventory	3,106,311	3,028,035	3,057,419	78,275.72
Total Current Assets	**13,033,289**	**14,649,697**	**15,267,021**	**(1,616,407.94)**
Unamortized Debt Expense	-	-	-	-
Deferred Pension Outflows	2,568,146	2,149,227	3,013,401	418,918.25
Electric Utility Plant, at Cost	93,267,211	85,971,388	86,484,105	7,295,823.00
Less: Accumulated Depreciation	(35,659,456)	(33,281,239)	(34,124,795)	(2,378,217.41)
Net Electric Utility Plant	**57,607,754**	**52,690,149**	**52,359,310**	**4,917,605.59**
Total Long Term Assets	**60,175,900**	**54,839,376**	**55,372,710**	**5,336,523.84**
Total Assets	**73,209,189**	**69,489,073**	**70,639,731**	**3,720,115.90**
Liabilities and Retained Earnings:				
Accounts Payable	4,079,156	3,935,985	4,051,534	143,170.12
Customer Deposits	532,586	521,297	544,216	11,289.52
Deferred Revenue	-	-	-	-
Other Current Liabilities	690,669	571,319	667,643	119,349.59
Total Current Liabilities	**5,302,410**	**5,028,601**	**5,263,393**	**273,809.23**
Long Term Lease Payable	3,000,000	-	-	3,000,000.00
Long Term Notes Payable	2,844,312	2,726,651	2,906,747	117,661.20
Net Pension Liability	3,755,543	5,018,549	5,158,812	(1,263,005.70)
Deferred Pension Inflows	196,571	302,069	70,480	(105,498.26)
Long Term Liabilities	**9,796,426**	**8,047,269**	**8,136,039**	**1,749,157.24**
Retained Earnings	58,110,352	56,413,203	57,240,299	1,697,149.43
Total Liabilities and Retained Earnings	**73,209,189**	**69,489,073**	**70,639,731**	**3,720,115.90**

Operating Budget
Power Division

	BUDGET 2026-2027	BUDGET 2025-2026	Projected 6/30/2026	% increase (decrease) 6/30/2026	ACTUAL PRIOR YEAR 06/30/25	ACTUAL 02/28/26
REVENUE:						
Residential Sales	20,720,363	20,804,516	20,444,239	1.35%	20,361,016	13,997,658
Small Commercial Sales	5,241,244	5,095,043	5,168,208	1.41%	5,021,463	3,542,853
Large Commercial Sales	32,973,436	32,861,223	33,109,490	-0.41%	33,436,791	21,891,588
Street and Athletic Lighting	478,595	481,972	480,972	-0.49%	491,273	317,478
Outdoor Lighting	635,998	629,600	637,538	-0.24%	634,641	422,972
Revenue from Fees	1,479,503	1,956,789	1,200,106	23.28%	1,947,150	681,532
Total Revenue	**61,529,138**	**61,829,142**	**61,040,553**	**0.80%**	**61,892,333**	**40,854,082**
Power Costs	48,640,205	48,496,606	48,640,980	0.00%	48,101,809	32,744,183
Contribution Margin	**12,888,933**	**13,332,536**	**12,399,573**	**3.95%**	**13,790,524**	**8,109,899**
OPERATING EXPENSES:						
Transmission expense	600	1,100	237	153.70%	437	-
Distribution expense	1,642,833	1,585,884	1,621,095	1.34%	1,561,588	1,078,373
Customer Service / Customer Acct. Expense	1,093,188	1,070,843	1,083,938	0.85%	1,055,987	742,143
Administrative and General Expenses	3,182,113	3,116,900	3,082,803	3.22%	2,870,615	2,022,470
Total operating expenses	**5,918,734**	**5,774,726**	**5,788,072**	**2.26%**	**5,488,627**	**3,842,986**
Maintenance Expenses						
Transmission expense	500	1,545	-		-	-
Distribution expense	1,987,945	1,908,699	1,971,498	0.83%	1,910,976	1,216,472
Administrative and general expense	103,325	74,290	102,970	0.35%	82,418	68,306
Total Maintenance Expenses	**2,091,771**	**1,984,535**	**2,074,468**	**0.83%**	**1,993,395**	**1,284,778**
Other Operating Expense						
Depreciation Expense	2,760,000	2,620,000	2,671,258	3.32%	2,572,191	1,810,432
Tax Equivalents	900,000	980,000	888,451	1.30%	978,864	589,918
Total Other Operating Expenses	**3,660,000**	**3,600,000**	**3,559,709**	**2.82%**	**3,551,055**	**2,400,350**
Total Operating Expenses	**60,310,709**	**59,855,867**	**60,063,229**	0.41%	**59,134,886**	**40,272,297**
Operating Income	**1,218,429**	**1,973,275**	**977,324**	**24.67%**	**2,757,447**	**581,784**
Income						
Operating Income	**1,218,429**	**1,973,275**	**977,324**	**24.67%**	**2,757,447**	**581,784**
Other Income	72,000	72,000	83,804	-14.09%	75,548	285,501
Total Income	**1,290,429**	**2,045,275**	**1,061,128**	**21.61%**	**2,832,996**	**867,285**
Miscellaneous Income Deductions	28,667	28,667	28,613	0.19%	26,617	19,029
Net Income Before Debt Expenses	**1,261,762**	**2,016,608**	**1,032,515**	**22.20%**	**2,806,379**	**848,256**
DEBT RELATED EXPENSES:						
Amortization of Debt Related Expenses	-	-	-		-	-
Interest Expense	79,100	88,803	82,939	-4.63%	95,171	52,554
Total debt related expenses	**79,100**	**88,803**	**82,939**	**-4.63%**	**95,171**	**52,554**
Net Income Before Extraordinary	**1,182,662**	**1,927,805**	**949,576**	**24.55%**	**2,711,208**	**795,702**
Extraordinary Income (Expense)	514,487	-	1,063,343	-51.62%	-	810,421
REVENUES IN EXCESS OF EXPENDITURES	**1,697,149**	**1,927,805**	**2,012,919**	**-15.69%**	**2,711,208**	**1,606,123**

Cash Flow Budget
Power Division

	Budget 2027
CASH FLOWS - OPERATION ACTIVITIES:	
Net Operating Income	1,182,662
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation	2,760,000
Changes in Assets and Liabilities:	
Accounts Receivable	(313,287)
Prepaid Expenses	(33)
Materials and Supplies	(78,276)
Accounts Payable	143,170
Other Current Liabilities	119,350
Customer Deposits	11,290
Accrued Unbilled Revenue	190,390
Deferred Pension Outflows	(418,918)
Deferred Pension Inflows	(105,498)
Net Pension Liability	(1,263,006)
Retirements and Salvage	(381,783)
Net Cash from Operating Activities	**1,846,061**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Changes in Notes Payable	117,661
Changes in Bonds Payable	3,000,000
Changes in TVA Loan Program	-
Net Cash from Noncapital Activities	**3,117,661**
CASH FLOWS FROM CAPITAL AND RELATED INVESTING ACTIVITIES	
Adjust Retained Earnings - TVA loss Adjustment	-
Adjust Retained Earnings - Net Pension Obligation	-
Grants, Contributions & Other Extraordinary	514,487
Changes in Electric Plant (net investment less retirements)	(7,295,823)
Net Changes in Cash Position	**(1,817,613)**
Cash at Beginning of Period	6,729,690
Cash at end of Period	4,912,077
Changes in Cash and Equivalents	**(1,817,613)**

Capital Budget
Power Division

Cash Available for Investment in Plant		**12,207,900**		
Capital Expenditures:				
Take Delivery 55' OC bucket (Truck 32 Ordered May 25)	300,000			
Replace Field Eng. PU (Truck 7)	70,000			
Replace Foreman PU (Truck 2)	85,000			
Order 55' OC bucket for FY29 (Truck 82)	-			
AMI*	300,000 *			
Substation Maintenance	80,000		Vehicles	455,000
Englewood Substation Phase I*	650,000 *		Capital Projects	4,610,000
IT/Network updates	50,000		Continuous	2,230,823
Build Out Fiber-Zion Cove,500,510,508	250,000			7,295,823
Arc Flash / Coordination Study	150,000			
SCADA Improvements	50,000			
Equipment building 100x40	260,000			
Copper Primary Replacment (GRIP)**	2,800,000 *			
Replace Dandy Dump trailer	20,000			
Other System Improvements	391,432 Continuous			
Poles	352,289 Continuous			
Primary Wire and Underground	500,000 Continuous			
Transformers	521,909 Continuous			
Services	326,193 Continuous			
IT Core (Servers, mainframe, etc.)	104,000 Continuous			
Routine Annual Substation Testing	35,000 Continuous			
		7,295,823		
Excess Cash after Plant Investments		**4,912,077**		

Funded via Grant & Debt

Water Division Summary

Similar to the power division, we have projected large increases in capital project expenditures for the water division.

There are three very large capital projects for the water division scope of work. The largest FY 2027 capital project is the proposed construction of Reservoir 6 ($6.5 million) to address water issues in the Mt. Verd Industrial Park and the Highway 305 area. Likewise, AMI expenditures ($720,000) and Matlock Phase 1 – Madison to Crestway ($1.3 million) are all significant capital investments. We would anticipate bond issues to be at least $6.5 million to cover the new reservoir. We have also included projects to replace a trailer, truck #88, and to continue system rehabilitation, water line extensions, and water line services.

Fleet and expenditures for the water division are marginally less than last year. The replacement of a single-axle dump truck and truck #88. Fleet expenditures for the water division are projected to be $260,000.

This year, we project total revenues to be consistent with prior fiscal year end. However, we anticipate a decrease in budgeted net revenues from a projected $724,510 for FY 2026 compared to the FY 2027 budget of $296,364.

The primary concern from a financial standpoint is the need for increased debt in order to meet our capital investment needs.   This debt will result in higher debt service and interest payments that may, along with inflationary pressures on all fronts, lead to a need to increase rates over the 5-year planning period.

Budget Assumptions
Water Division

- Cash is projected to be $3.2 million less for the budget year.
- Total investment in plant is budgeted at $10.9 million. This includes $260,000 in vehicles, $9.1 million in capital projects, and $985,000 in continuous items.
- Revenues are expected to be consistent with projected FY 2026.
- Contribution margin is budgeted to be slightly higher than prior year June forecast.
- Net revenues before extraordinary are expected to be $296,364.
- Extraordinary revenue is budgeted at $29,000, consistent with FY 2026
- Operating and Maintenance expenses are budgeted to be less than FY 2026 year-end projections.
- Depreciation expense is budgeted to be almost equivalent to FY 2026 projections.
- Interest on debt is expected to be lower than the FY 2026 year-end projections.
- Operating activities are budgeted to generate $752,308 in cash. Debt service is anticipated to be $66,335, and $10.4 million is budgeted to be invested in plant. Again, total cash is projected be $3.2 million less than FY 2026 at roughly $8.5 million with the issuance of $6.5 million in debt to cover the largest capital budget item.

Balance Sheet Budget
Water Division

	Budget 2027	Estimated June 30, 2026	Actual December 31, 2025	Change from June 30, 2026
Assets:				
Cash and Cash Equivalents	4,042,259	7,207,287	7,598,319	(3,165,027.70)
Customer Receivables	375,580	343,294	379,073	32,286.06
Due from Other Divisions	-	-	-	-
Other Receivables	910	700	1,893	209.57
Prepaid Expenses	10,550	3,192	91,617	7,358.00
Materials and Supplies Inventory	323,486	314,759	315,893	8,726.99
Total Current Assets	**4,752,784**	**7,869,231**	**8,386,795**	**(3,116,447.08)**
Reserve and Other	-	-	-	-
Total Restricted Assets	**-**	**-**	**-**	**-**
Deferred Pension Outflows	1,148,038	1,024,971	1,404,875	123,066.88
Water Utility Plant, at cost	47,373,933	36,993,933	36,867,394	10,380,000.00
Less: Accumulated Depreciation	(17,989,374)	(17,143,902)	(17,571,705)	(845,472.40)
Net Water Utility Plant	**29,384,559**	**19,850,031**	**19,295,689**	**9,534,527.60**
Total Long Term Assets	**30,532,597**	**20,875,002**	**20,700,563**	**9,657,594.48**
Total Assets	**35,285,381**	**28,744,234**	**29,087,358**	**6,541,147.40**
Liabilities and Retained Earnings:				
Accounts Payable	62,793	101,210	75,005	(38,416.82)
Customer Deposits	84,413	83,625	84,625	788.33
Other Current Liabilities	155,965	165,383	219,103	(9,418.73)
Total Current Liabilities	**303,171**	**350,218**	**378,733**	**(47,047.22)**
Bonds Payable	6,500,000	-	-	6,500,000.00
Notes Payable	2,998,764	3,065,099	3,100,983	(66,335.31)
Net Pension Liability	121,029	144,058	32,754	(23,028.94)
Deferred Pension Inflows	1,791,027	1,938,832	2,402,760	(147,805.07)
Total Long Term Liabilities	**11,410,819**	**5,147,988**	**5,536,497**	**6,262,830.68**
Retained Earnings	23,571,391	23,246,027	23,172,128	325,363.94
Total Liabilities and Retained Earnings	**35,285,381**	**28,744,234**	**29,087,358**	**6,541,147.40**

Operating Budget
Water Division

	BUDGET 2026-2027	BUDGET 2025-2026	Projected 6/30/2026	% increase (decrease) 6/30/2026	ACTUAL PRIOR YEAR 06/30/25	ACTUAL 02/28/26
REVENUE:						
Residential	2,390,869	2,390,869	2,303,955	3.77%	2,337,985	1,555,467
Small Commercial	2,506,467	2,506,467	2,407,684	4.10%	2,436,651	1,600,648
Large Commercial	585,348	585,348	536,574	9.09%	554,422	352,182
Other	206,300	194,800	215,073	-4.08%	196,807	155,971
Total Revenue	**5,688,984**	**5,677,484**	**5,463,285**	**4.13%**	**5,525,866**	**3,664,267**
Purchased Supply	935,612	690,000	924,981	1.15%	859,148	630,829
Contribution Margin	**4,753,372**	**4,987,484**	**4,538,304**	**4.74%**	**4,666,718**	**3,033,439**
OPERATING EXPENSES:						
Source and Pump Expense	534,777	516,165	538,919	-0.77%	562,552	343,200
Distribution Expense	296,500	319,925	292,149	1.49%	296,417	187,822
Customer Service and Customer Acct. Expense	562,630	517,689	554,972	1.38%	542,562	375,374
Administrative and General Expense	1,459,661	1,365,260	1,479,522	-1.34%	1,511,227	936,236
Total operating expenses	**2,853,567**	**2,719,039**	**2,865,561**	**-0.42%**	**2,912,758**	**1,842,632**
Maintenance Expenses						
Source and Pump Expense	78,824	77,195	78,076	0.96%	90,808	48,633
Distribution Expense	689,554	494,047	681,016	1.25%	613,210	475,335
Administrative and General Expense	9,602	70,000	9,602	0.00%	5,060	6,196
Total Maintenance Expense	**777,979**	**641,242**	**768,694**	**1.21%**	**709,078**	**530,164**
Other Operating Expenses						
Depreciation Expense	866,073	914,000	865,174	0.10%	853,405	572,615
Total Other Operating Expenses	**866,073**	**914,000**	**865,174**	**0.10%**	**853,405**	**572,615**
Total O&M Expense	**5,433,232**	**4,964,281**	**5,424,411**	**0.16%**	**5,334,389**	**3,576,239**
Income						
Operating Income	**255,753**	**713,203**	**38,874**		**191,477**	**88,028**
Other Income	133,298	110,000	137,628	-3.15%	143,071	92,397
Total Income	**389,050**	**823,203**	**176,502**	**120.42%**	**334,548**	**180,425**
Other Expense	15,385	11,000	13,856	11.04%	9,034	11,276
Net Income Before Debt Expense	**373,665**	**812,203**	**162,646**	**129.74%**	**325,513**	**169,148**
DEBT RELATED EXPENSES:						
Amortization of Debt Discount	-	-	-		-	-
Interest on Long Term Debt	77,301	87,693	78,301	-1.28%	81,764	51,534
Total debt related expenses	**77,301**	**87,693**	**78,301**	**-1.28%**	**81,764**	**51,534**
Net Income Before Extraordinary	**296,364**	**724,510**	**84,344**	**251.37%**	**243,749**	**117,614**
Grants & Extraordinary	29,000	21,000	5,640	414.16%	36,185	10,569
Net Income	**325,364**	**745,510**	**89,985**	**261.58%**	**279,934**	**128,183**

Cash Flow Budget
Water Division

	Budget 2027
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Operating Income	296,364
Adjustments to Reconcile Operating Income	
to Net Cash Provided by Operations	
Depreciation	866,073
Changes in Assets and Liabilities:	
Receivables	(32,286)
Due from Other Divisions	-
Other Receivables	(210)
Prepaid Expenses	(7,358)
Materials and Supplies Inventory	(8,727)
Current Liabilities	(47,836)
Customer Deposits	788
Deferred Pension Outflows	(123,067)
Deferred Pension Inflows	(147,805)
Net Pension Obligation	(23,029)
Retirements and Salvage	(20,601)
Net Cash from Operating Activities	**752,308**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Bonds Payable	6,500,000
Notes Payable	(66,335)
Net Cash from Financing Activities	**6,433,665**
CASH FLOW FROM CAPITAL AND INVESTING ACTIVITIES:	
Adj. R/E Recognize GASB 33 Change	-
Adj. R/E to Recognize Net Pension Obligation	-
Grants, Contributions & Other Extraordinary	29,000
Water Utility Plant (net investment less retirements)	(10,380,000)
Net from Capital and Financing Activities	**(10,351,000)**
Net Changes in Cash Position	**(3,165,028)**
Cash at Beginning of Period	7,207,287
Cash at End of Period	4,042,259
Changes in Cash and Equivalents	**(3,165,028)**

Capital Budget
Water Division

Cash Available for Investment in Plant			**14,422,259**
Capital Expenditures:			
Lowboy Trailer	60,000		
Replace Truck #88 (Single Axle Dump)	150,000		
Tractor Replacement + tiller attachement	50,000		
Diesel Generator for Highlands	100,000		
Sandblast and Re-Paint Reservoir #2	120,000		
Matlock Phase 1 - Madison to Crestway	1,300,000		
Test Wells	250,000		
Water Leak Survey	40,000		
Tank #6**	6,500,000	**	
Locker Room Improvements	30,000		
Raw Water Line Bore under Oost. Creek	75,000		
AMI Project	720,000		
Water Plant Maint and Lab Equipment	100,000	Continuous	
Meter Change Out (Large, Small and Testing)	30,000	Continuous	
Reservoir and Pump Maintenance	40,000	Continuous	
Water Line Extensions	200,000	Continuous	
Distribution Rehabilitation	200,000	Continuous	
Field and Safety Equipment	25,000	Continuous	
Water Services	300,000	Continuous	
Technology (SCADA, Computers)	70,000	Continuous	
IT Core (Servers, mainframe, etc.)	20,000	Continuous	
			10,380,000
Excess Cash after Plant Investments			**4,042,259**

Vehicles	260,000
Capital Projects	9,135,000
Continuous	985,000
	10,380,000

* Funding supplied by combination of grant and debt

Gas Division Summary

The entire planned capital budget for the gas division in FY 2027 is less than $2.1 million. The largest line items for this capital budget include: AMI; replacement of the odorant system at the Niota gate station; install line heater at Riceville gate station; extending the bay for the outdoor welding area; vehicle and equipment purchases; maintenance of gate stations; and installing a payment kiosk.

As with the power division, the natural gas operational budget is greatly affected by weather, especially winter weather, or the lack thereof. The projections of net revenues this year include the initial rate increase as of July 1st, 2025 and the second rate increase that will become effective on July 1st, 2026. We have budgeted approximately $668,000 in FY 2027 for net revenue. This is a figure that we should easily eclipse if we have any substantial cold weather next year.

Budget Assumptions
Gas Division

- Cash is anticipated to be $667,000 less by the end of the budget year.
- The Gas Division currently holds no debt, however that could eventually change dependent upon the timing of the AMI project.
- Investments in plant are expected to be $2.1 million. This includes $890,000 in capital projects, and $820,000 in continuous items, and $350,000 in vehicle replacement.
- Net revenue before extraordinary is budgeted to be $668,000.
- Total Revenue is budgeted to be significantly higher than FY 2026 due to the effect of the new rate scheduled adopted from our cost-of-service study
- Total operating and maintenance expenses are expected to be $91,000 higher than FY 2026 projections.
- Operating activities are expected to generate $1.4 million in cash, and investments in plant are budgeted to be $2.1 million. As stated above, total cash flow is expected to be a loss of $667,000.

Balance Sheet Budget
Gas Division

	Budget 2027	Estimated June 30, 2026	Actual December 31, 2025	Change from June 30, 2026
Assets:				
Cash and Cash Equivalents	7,124,724	7,791,586	8,035,391	(666,862)
Receivables	236,498	188,252	817,579	48,247
Prepaid Expenses	287,480	278,404	444,245	9,076
Deferred Pension Outflows	311,110	459,519	586,199	(148,408)
Materials and Supplies Inventory	164,846	204,942	213,641	(40,095)
Total Current Assets	**8,124,659**	**8,922,703**	**10,097,054**	**(798,044)**
Gas Utility Plant, at Cost	27,778,925	25,718,925	26,114,770	2,060,000
Less: Accumulated Depreciation	(13,154,351)	(12,319,516)	(12,832,750)	(834,835)
Net Gas Utility Plant	**14,624,574**	**13,399,410**	**13,282,021**	**1,225,165**
Total Assets	**22,749,233**	**22,322,112**	**23,379,075**	**427,121**
Liabilities and Retained Earnings:				
Short-Term Debt	-	-	-	-
Accounts Payable	275,410	405,058	738,766	(129,648)
Customer Deposits	106,664	107,673	111,843	(1,009)
Accrued Liabilities	84,505	92,825	81,072	(8,320)
Total Current Liabilities	**466,579**	**605,556**	**931,681**	**(138,977)**
Long-term Leased CNG Station	62,337	79,754	105,773	(17,417)
Total Non-Current Liabilities	**62,337**	**79,754**	**105,773**	**(17,417)**
Deferred Pension Inflows	802,960	869,224	996,370	(66,265)
Net Pension Liability	42,028	64,584	13,521	(22,556)
Long Term Liabilities	**844,988**	**933,809**	**1,009,891**	**(88,821)**
Retained Earnings	21,375,330	20,702,993	21,331,730	672,336
Total Liabilities and Retained Earnings	**22,749,233**	**22,322,112**	**23,379,075**	**427,121**

Operating Budget
Gas Division

	BUDGET 2026-2027	BUDGET 2025-2026	Projected June 30, 2026	% increase (decrease) June 30, 2026	ACTUAL PRIOR YEAR 06/30/25	ACTUAL 02/28/26
REVENUE:						
Residential	3,559,936	3,270,766	3,073,287	15.83%	2,807,120	2,140,170
Small Commercial	2,413,232	2,171,908	2,216,409	8.88%	2,103,659	1,539,551
Large Commercial	1,212,080	1,117,949	1,062,547	14.07%	1,023,417	736,194
Interruptible	1,281,653	1,097,645	1,093,592	17.20%	945,064	793,285
CNG	22,391	21,324	24,946	-10.24%	23,813	13,608
Fees and Other Gas Revenues	84,177	75,377	77,891	8.07%	77,898	56,783
Total Revenue	**8,573,469**	**7,754,970**	**7,548,672**	**13.58%**	**6,980,971**	**5,279,591**
Purchased supply	4,817,671	4,173,140	4,476,256	7.63%	3,750,910	3,569,280
Contribution Margin	**3,755,798**	**3,581,830**	**3,072,416**	**22.24%**	**3,230,061**	**1,710,311**
OPERATING EXPENSES:						
Distribution Expense	450,726	426,642	457,561	-1.49%	433,741	306,512
Customer Service and Customer Acct. Expense	392,867	389,660	392,611	0.07%	388,071	266,473
Administrative and General Expense	920,897	905,623	877,065	5.00%	900,618	608,099
Total operating expenses	**1,764,490**	**1,721,925**	**1,727,237**	**2.16%**	**1,722,430**	**1,181,083**
Maintenance Expense						
Distribution Expense	342,943	292,739	338,515	1.31%	301,467	231,872
Administrative and General Expense	8,500	10,500	10,570	-19.58%	9,313	5,638
Total Maintenance Expense	**351,443**	**303,239**	**349,085**	**0.68%**	**310,781**	**237,510**
Other Operating Expenses						
Depreciation	774,709	773,128	773,456	0.16%	771,097	514,385
Tax Equivalents	266,318	223,000	232,717	14.44%	241,737	159,625
Total Other Operating Expenses	**1,041,027**	**996,128**	**1,006,173**	**3.46%**	**1,012,834**	**674,009**
Total O&M Expenses	**7,974,631**	**7,194,431**	**7,558,751**	**5.50%**	**6,796,954**	**5,661,882**
Income						
Operating Income	**598,837**	**560,539**	**(10,079)**		**184,017**	**(382,292)**
Other Income	86,000	75,000	129,865	-33.78%	85,093	100,246
Total Income	**684,837**	**635,539**	**119,785**	**471.72%**	**269,111**	**(282,045)**
Miscellaneous Income Deductions	15,900	21,251	14,551	9.27%	49,199	11,796
Total Income before Leased Related Expense	**668,937**	**614,288**	**105,235**	**-43.05%**	**219,912**	**(293,842)**
Leased Related Expenses						
Long-Term Lease CNG Payable Interest	601	601	528	13.83%	39,998	417
Total Leased Related Expenses	**601**	**601**	**528**	**13.83%**	**39,998**	**417**
Net Income Before Extraordinary	**668,336**	**613,687**	**104,707**	**-56.88%**	**179,914**	**(294,259)**
Grants, Contributions and Extraordinary Income	4,000	100	4,145	-3.50%	4,245	-
Net Revenues in Excess of Expenditures	**672,336**	**613,787**	**108,852**		**184,159**	**(294,259)**

Cash Flow Budget
Gas Division

	Budget 2027
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Operating Income	668,336
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations:	
Depreciation	774,709
Changes in Assets and Liabilities:	
Receivables	(48,247)
Prepaid Expenses	(9,076)
Materials and Supplies Inventories	40,095
Accounts Payable and Accrued Liabilities	(137,968)
Customer Deposits	(1,009)
Deferred Pension Outflows	148,408
Deferred Pension Inflows	(66,265)
Net Pension Obligation	(22,556)
Retirements and Salvage	60,126
Net Cash from Operating Activities	**1,406,555**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Leases Payable - CNG Station	(17,417)
Net Cash from Financing Activities	(17,417)
CASH FROM CAPITAL AND INVESTING ACTIVITIES:	
Adj. R/E to Recognize GASB 33 Change	-
Adj. R/E to Recognize Net Pension Obligation	-
Grants, & Extraordinary	4,000
Changes in Gas Utility Plant(net investment less retirements)	(2,060,000)
Net Cash from Capital and Related Financing Activities	**(2,073,417)**
Net Changes in Cash Position	**(666,862)**
Cash at Beginning of Period	7,791,586
Cash at End of Period	7,124,724
Changes in Cash and Equivalents	**(666,862)**

Capital Budget
Gas Division

Cash Available for Investment in Plant		**9,184,724**		
Capital Expenditures:				
Truck 14 (2010 F450) Hauls Water/Boring	80,000			
Replace Large Trencher/Plow (Vermeer)	175,000			
UTV for street driving	30,000			
Truck 62 (Meter Reader Supervisor)	65,000			
Upgrading Cathodic Protection Field -	30,000			
Replace Leak Detectors and Locating Equipment	15,000			
CNG Conversions for Vehicles	30,000			
Extend Gas Bay for Outdoor Welding Area	100,000		Vehicles	350,000
Replace pressure chart with electronic monitor	15,000		Capital Projects	890,000
Replace Odorant System - Niota	180,000		Continuous	820,000
Indirect Line Heater - Riceville Gate Station	150,000			2,060,000
Locker Room improvements	30,000			
AMI Project	275,000			
DynaTouch Kiosk	65,000			
System Improvement (incl. new Hwy 11 crossing)	360,000	Continuous		
Main	100,000	Continuous		
Services	300,000	Continuous		
Technology (SCADA, Computers, etc.)	40,000	Continuous		
IT Core (Servers, mainframe, etc.)	20,000	Continuous		
		2,060,000		
Excess Cash after Plant Investments		**7,124,724**		

Wastewater Division Summary

This year's wastewater budget starts with a capital investment plan in excess of $4.4 million dollars. The vast majority of these expenditures will occur in five-line items associated with the Oostanaula and North Mouse Creek WWTP plants. $1.2 million is for replacement of several items at the Oostanaula WWTP. $1.2 million to replace 3,500 linear feet Slack Road to Hicks Street. We do not have that level of reserve funds available and will need to issue additional debt to replace this equipment.

We will continue to evaluate our mini-basins and design projects to further reduce inflow and infiltration (I&I) across our collection system to eliminate system overflows and reduce treatment costs. To address these issues, we have budgeted $750,000 for sewer rehab work in FY 2027. We have included $300,000 for general refurbishment of equipment at both sewer plants and $500,000 for the installation of new customer services. This will be an on-going budget item as these plants are showing their age, which is evident in equipment issues and failures.

Vehicle/equipment replacements and expenditures planned for this year in the wastewater division are expected to be $45,000.

There is always a level of concern financially for this division given the debt structure as well as the need for additional large capital outlays in the future to address I&I. In order to fund these projects, while maintaining the financial stability of the division, we will be required to issue bonds or find other funding alternatives to finance longer-lived capital projects and plant equipment replacement.

We will need to evaluate a rate increase in the wastewater division in FY 2027. We will be also re-evaluating our surcharge structure to more align these fees with costs.

Budget Assumptions
Wastewater Division

- Cash is expected to decrease by $252,000. This is based upon AUB issuing over $2.1 million in debt to cover the capital projects associated with the WWTP expenditures and replacement of 3,500 linear feet Slack Road to Hicks Street.
- Capital expenditures are budgeted at $4.4 million including $45,000 for vehicles, $2.1 million for new capital projects and $2 million for continuous projects.
- As noted above, we will have to issue new debt for FY 2027. Accounting for this results in a $6 million dollar credit on "Notes Payable" line of our cash flow budget. However, existing debt service (principal and interest) for FY 2027 is expected to be $1.5 million.
- Revenue budgets are projected to be consistent with anticipated FY 2026 levels.
- Total operating and maintenance expenses are anticipated to be slightly higher (less than 1 %) than FY 2026 projections.
- Interest expense is expected to be lower than projected FY 2026.
- Total net income is budgeted at $502,000.
- Operating activities are anticipated to use $6.9 million in cash. Principal payments are expected to be a positive $1.3 million due to debt issuance, and $4.4 million is budgeted for capital expenditures. As stated above, total cash is expected to decrease $252,000.

Balance Sheet Budget
Wastewater Division

	Budget 2027	Estimated June 30, 2026	Actual December 31, 2025	Change from June 30, 2026
Assets:				
Cash and Cash Equivalents	3,304,836	3,556,730	3,315,972	(251,893.81)
Receivables	532,108	516,981	523,482	15,126.96
Prepaid Expenses	33,773	8,719	109,979	25,053.58
Materials and Supplies Inventory	462,494	313,645	281,095	148,849.03
Unrestricted Current Assets	**4,333,210**	**4,396,074**	**4,230,528**	**(62,864.24)**
Bond and Interest Sinking Fund and Reserve	-	-	-	-
Reserve and Other	-	-	-	-
Restricted Current Assets	**-**	**-**	**-**	**-**
Total Current Assets	**4,333,210**	**4,396,074**	**4,230,528**	**(62,864.24)**
Sewer Utility Plant, at Cost	70,244,961	65,824,961	66,673,755	4,420,000.00
Less: Accumulated Depreciation	(29,469,409)	(26,439,347)	(26,827,336)	(3,030,062.70)
Net Sewer Utility Plant	**40,775,552**	**39,385,614**	**39,846,419**	**1,389,937.30**
Deferred Pension Outflows	11,155,807	1,053,590	1,323,995	10,102,216.89
Total Long Term Assets	**51,931,359**	**40,439,205**	**41,170,414**	**11,492,154.19**
Total Assets	**56,264,569**	**44,835,279**	**45,400,942**	**11,429,289.95**
Liabilities and Retained Earnings:				
Accounts Payable	258,254	267,789	201,245	(9,534.94)
Customer Deposits	255,651	254,861	256,476	790.00
Other Current Liabilities	238,842	220,125	255,925	18,716.46
Total Current Liabilities	**752,747**	**742,775**	**713,645**	**9,971.52**
Bonds Payable	7,810,664	1,905,332	1,952,666	5,905,332.00
Notes Payable - State of Tennessee	686,086	842,941	921,837	(156,855.45)
Notes Payable - Other	11,717,642	6,264,282	7,310,922	5,453,360.00
Net Pension Liability	1,841,036	1,992,968	2,251,192	(151,932.04)
Deferred Pension Inflows	96,363	148,080	30,468	(51,717.17)
Total Long Term Liabilities	**22,151,790**	**11,153,602**	**12,467,085**	**10,998,187.34**
Retained Earnings	33,360,033	32,938,902	32,220,212	421,131.09
Total Liabilities and Retained Earnings	**56,264,569**	**44,835,279**	**45,400,942**	**11,429,289.95**

Operating Budget
Wastewater Division

REVENUE:	BUDGET 2026-2027	BUDGET 2025-2026	Projected June 30, 2026	% increase (decrease) June 30, 2026	ACTUAL PRIOR YEAR 06/30/25	ACTUAL 02/28/26
Residential	2,230,000	2,230,000	2,226,650	0.15%	2,243,168	1,497,705
Small Commercial	1,850,000	1,850,000	1,845,601	0.24%	1,825,580	1,215,273
Large Commercial	3,165,325	2,800,000	3,054,861	3.62%	2,815,807	2,110,217
Other	296,000	292,000	278,910	6.13%	281,252	208,001
Total Revenue	**7,541,325**	**7,172,000**	**7,406,023**	**1.83%**	**7,165,808**	**5,031,196**
OPERATING AND MAINTENANCE EXPENSES:						
Sewer Treatment Plant Expense	2,022,706	1,885,886	2,023,003	-0.01%	2,040,294	1,304,999
Pumping Station Expense	96,511	92,434	104,138	-7.32%	104,182	56,236
General Expense	295,849	269,405	293,091	0.94%	259,222	211,004
Customer Service and Customer Acct. Expense	200,217	177,998	197,315	1.47%	184,260	132,336
Administrative and General Expense	1,389,410	1,221,776	1,429,085	-2.78%	1,401,103	887,489
Total Operating Expenses	**4,004,693**	**3,647,498**	**4,046,633**	**-1.04%**	**3,989,062**	**2,592,064**
Maintenance Expense						
Sewer Treatment Plant Expense	192,484	287,671	189,816	1.41%	271,259	135,717
Pumping Station Expense	200,840	161,770	198,298	1.28%	176,861	127,255
General Expense	305,039	315,714	300,749	1.43%	300,347	190,313
Administrative and General Expense	10,691	9,412	10,491	1.91%	10,473	7,503
Total Maintenance Expense	**709,055**	**774,566**	**699,355**	**1.39%**	**758,940**	**460,788**
Other Operating Expenses						
Depreciation	2,101,377	1,759,497	2,063,624	1.83%	1,828,196	1,400,918
Total Other Operating Expenses	**2,101,377**	**1,759,497**	**2,063,624**	**1.83%**	**1,828,196**	**1,400,918**
Total O&M Expenses	**6,815,125**	**6,181,561**	**6,809,612**	0.08%	**6,576,198**	**4,453,770**
REVENUE:						
Income						
Operating Income	**726,200**	**990,439**	**596,411**	21.76%	**589,610**	**577,425**
Other Income	20,000	20,000	42,476	-52.91%	22,140	36,213
Total Income	**746,200**	**1,010,439**	**638,887**	16.80%	**611,750**	**613,638**
Other Expense	11,000	11,000	37,139	-70.38%	8,301	10,817
Net Income Before Debt Expense	**735,200**	**999,439**	**601,748**	**22.18%**	**603,448**	**602,821**
DEBT RELATED EXPENSES:						
Bond Interest	-	-	-		-	-
Other Debt Interest	233,401	273,421	240,981	-3.15%	294,313	149,197
Total debt related expenses	**233,401**	**273,421**	**240,981**	**-3.15%**	**294,313**	**149,197**
Net Income Before Extraordinary	**501,799**	**726,019**	**360,767**	**39.09%**	**309,136**	**453,624**
Grants & Extraordinary	7,000	-	581,113	-98.80%	459,701	2,863
Net Income	**508,799**	**726,019**	**941,880**	**-45.98%**	**768,837**	**456,487**

Cash Flow Budget
Wastewater Division

	Budget 2027
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Operating Income	508,799
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations:	
Depreciation	2,101,377
Changes in Assets and Liabilities:	
Receivables	(15,127)
Prepaid Expenses	(25,054)
Materials and Supplies Inventory	(148,849)
Bond and TML Sinking Funds	-
Reserve	-
Accounts Payable	(9,535)
Accrued Liabilities	18,716
Customer Deposits	790
Deferred Pension Outflows	(10,102,217)
Deferred Pension Inflows	(51,717)
Net Pension Liability	(151,932)
Retirements and Salvage	928,685
Total Cash from Operating Activities	**(6,946,062)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Bonds payable	(94,668)
New Debt	6,000,000
Notes Payable	5,201,837
Total Cash from Noncapital Financing Activities	**11,107,169**
CASH FROM CAPITAL AND INVESTING ACTIVITIES:	
Adj. R/E to Recognize GASB 33 Change	-
Adj. R/E to Recognize Net Pension Obligation	-
Grants & Extraordinary	7,000
Sewer Utility Plant(net investment less retirements)	(4,420,000)
Total Cash from Capital and Related Financing Activities	**(4,413,000)**
Net Changes in Cash Position	**(251,894)**
Cash at Beginning of Period	3,556,730
Cash at End of Period	3,304,836
Changes in Cash and Equivalents	**(251,894)**

Capital Budget
Wastewater Division

Cash Available for Investment in Plant		**7,724,836**		
Capital Expenditures:				
Replace NMC Plant Truck #61 (2013 F150)	45,000			
Oost WWTP - Manual Coarse Bar Screen/Bypass Valves	250,000	*		
Oost WWTP - Replace Inf. 1,2; Pipes; 2 Check Valves	800,000	*	Vehicles	295,000
Oost WWTP - Digester Motive Pumps	50,000	*	Capital Projects	2,120,000
Oost WWTP - Rotating Assy (RAS Pumps)	35,000	*	Continuous	2,005,000
NMC WWTP - UV Bulbs	35,000	*		4,420,000
Replace 3,500 l.f. Central (Slack to Hicks), spray MH	1,200,000	*		
Oostanaula WWTP Refurbishment	200,000	Continuous		
NMC WWTP Refurbishment	100,000	Continuous		
Admin and Operators Buildings Maint. - Oost.	15,000	Continuous		
Laboratory Equipment	15,000	Continuous		
Lift Station Rehabilitation	50,000	Continuous		
Field and Safety Equipment	20,000	Continuous		
Collection System Rehab	750,000	Continuous		
Material Donations	5,000	Continuous		
Technology (SCADA, GIS, MH Elev. Project, Computers)	60,000	Continuous		
Services	500,000	Continuous		
Extensions	25,000	Continuous		
Grinder Pump Core Replacements	140,000	Continuous		
Manhole Rehabilitation	30,000	Continuous		
Rehabilitation of Services	75,000	Continuous		
IT Core (Servers, mainframe, etc.)	20,000	Continuous		
		4,420,000		
Excess Cash after Plant Investments		**3,304,836**		

*To be financed by debt

Fiber Division Summary

AUB fiber is small in scope. Each fiscal year the fiber divisions continues to expand as funds are available. The fiber division is a stand-alone division. We are completing our second year with a dedicated fiber employee. Although growth has been small, it has remained steady, with year-to-year customer growth in excess of 250 accounts.

The Fiber Division's asset base and retained earnings are expanding, indicating healthy capitalization and limited liabilities. Revenue growth is solid, but net income dipped slightly due to higher administrative and distribution costs. Positive cash flows from operations covers capital investments comfortably, leaving a strong liquidity position. The division maintains ample reserves after planned infrastructure spending, suggesting prudent financial management.

This is the second year that we are providing a full suite of budgets for fiber. Likewise, it is the second time that we are providing 5-year projections for the business as well. The Fiber division shows steady growth in assets and revenues, strong liquidity, and controlled capital spending. While administrative cost has risen, profitability and cash reserves remain robust, positioning the division well for continued expansion through FY 2027.

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Budget Assumptions
Fiber Division

- Total assets are expected to increase because of infrastructure additions that will be necessary to add new customers. This can be seen in the increase in total fixed assets.
- Sales revenue is expected to increase over FY 2026 year-end projections
- Operating and maintenance expenses are expected to increase due to expansion of infrastructure/equipment and personnel needed to serve a larger customer base.
- Net income is budgeted at roughly $164,000.
- Operating activities are budgeted to generate $149,000, and $50,000 is expected to be invested in plant. Total cash is expected to increase $99,000 with an ending estimated cash balance of $503,000.

Balance Sheet Budget
Fiber Division

	Budget 2026-2027	Projected 6/30/2026	Actual December 31, 2025	Change from June 30, 2024
Assets:				
Fiber Utility Plant, at Cost	557,201	507,201	541,168	50,000
Accumulated Depreciation	189,646	176,229	213,130	13,418
Net Fiber Plant	**367,555**	**330,972**	**328,038**	**36,582**
Current Assets				
Cash	502,794	403,472	534,202	99,323
Accounts Receivable	18,692	19,661	15,595	(969)
Prepaid Expenses	7,436	4,425	245	3,011
Materials & Supplies	28,457	28,872	41,774	(415)
Total Current Assets	**557,379**	**456,430**	**591,815**	**100,950**
Total Assets	**924,934**	**787,402**	**919,853**	**137,532**
Liabilities:				
Payable to Other Divisions	-	-		-
Accounts Payable	6,006	5,410	636	596
Other Current Liabilities	4,838	4,816	4,630	22
Total Current Liabilities	**10,844**	**10,226**	**5,266**	**618**
Retained Earnings	**914,090**	**777,176**	**914,587**	**136,914**
Total Liabilities and Retained Earnings	**924,934**	**787,402**	**919,853**	**137,532**

Operating Budget
Fiber Division

	Budget 2026-2027	Budget 2025-2026	Projected June 30, 2026	% increase (decrease) June 30, 2026	ACTUAL PRIOR YEAR 06/30/25	ACTUAL 02/28/26
Residential Sales	175,088	147,240	165,014	6.10%	116,237	116,725
Small Commerical Sales	73,343	72,144	72,877	0.64%	72,353	48,895
Industrial Sales	25,688	24,000	25,125	2.24%	15,750	17,125
Dark Fiber	65,394	64,104	65,344	0.08%	65,444	43,596
Governmental Sales	8,640	8,640	8,640	0.00%	8,640	5,760
Fiber Sales Revenue	**348,152**	**316,128**	**337,000**	**3.31%**	**278,423**	**232,101**
Forfeited Discounts	1,500	550	1,500	0.01%	942	962
Forfeited Discounts	**1,500**	**550**	**1,500**	**0.01%**	**942**	**962**
Other Fiber Revenue		-			100	
Miscellaneous Sales Revenue (add'l IP addresses)	2,500	1,000	2,319	7.82%	1,767	1,679
Miscellaneous Revenue-Service Charges	2,575	1,800	2,575	0.00%	3,250	1,725
Other Income - Contributions	220	-	-	0.00%	-	-
Miscellaneous Revenue - Grants	-	-	-	0.00%	-	-
Other Fiber Revenue	**5,295**	**2,800**	**4,894**	**8.20%**	**5,117**	**3,404**
Misc Revenue - WiFi Extender	400	**420**	391	2.31%	275	251
Interest Income	3,935	2,000	3,695	6.50%	3,197	2,623
Other Income	**4,335**	**2,420**	**4,086**	**6.10%**	**3,472**	**2,875**
Misc Income Deduction (Other Expense)	**4,031**	**25**	**4,031**	**0.00%**	**15**	**4,025**
Total Revenue	**355,251**	**321,873**	**343,448**	**3.44%**	**287,938**	**235,316**
Purchased Telecom	12,050	12,050	11,045	9.10%	12,049	7,029
Purchased Telecom	**12,050**	**12,050**	**11,045**	**9.10%**	**12,049**	**7,029**
Operating Expense:						
Distribution Expenses	80,861	46,108	55,935	44.56%	57,865	30,601
Customer Service and Customer Accounts	2,968	1,207	2,038	45.65%	1,207	1,815
Administrative and General Expenses	45,004	97,560	39,385	14.27%	35,097	21,725
Total Operating Expenses	**128,833**	**144,875**	**97,357**	**32.33%**	**94,168**	**54,140**
Maintenance Expense						
Maintenance of Overhead Lines	100	-	-		-	-
Maintenance of Overhead Lines - Office & Supervisory	100	-	-		-	-
Maintenance of Services	4,093	-	4,093	0.00%	19	2,392
Total Maintenance Expense	**4,293**	**-**	**4,093**	**4.89%**	**19**	**2,392**
Other Operating Expenses						
Depreciation	50,000	44,000	47,976	4.22%	43,596	33,074
Total Other Operating Expenses	**50,000**	**44,000**	**47,976**	**4.22%**	**43,596**	**33,074**
Total O&M Expenses	**195,176**	**188,875**	**149,426**	30.62%	**137,784**	**89,606**
Net Income Before Extraordinary	**160,075**	**164,948**	**235,046**	-31.90%	**181,721**	**174,148**
Grants & Extraordinary	-	-			-	147
Net Income	**160,075**	**164,948**	**235,046**	**-31.90%**	**181,721**	**174,294**

Cash Flow Budget
Fiber Division

Net Income	164,368
Adjustments to Reconcile Operating Income	
to Net Cash Provided by Operations:	
Depreciation	50,000
Changes in Assets and Liabilities:	
Accounts Receivable	969
Due from Other Divisions	-
Prepaid Expenses	(3,011)
Materials ans Supplies	415
Retirements and Salvage	(63,418)
Total Cash from Operating Activities	**149,323**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Notes and Bonds Payable	-
Total Cash from Noncapital Financing Activities	**-**
CASH FROM CAPITAL AND RELATED ACTIVITIES:	
Grants, Contributions & Other Extraordinary Income (Expense)	-
Plant	(50,000)
Net Changes in Cash Position	**99,323**
Cash at Beginning of Period	403,472
Cash at End of Period	502,794
Changes in Cash and Equivalents	**99,323**

Capital Budget
Fiber Division

Cash Available for Investment in Plant			**552,794**		
Capital Expenditures:				Vehicles	-
Services		45,000	Continuous	Capital Projects	-
IT Core (Servers, mainframe, etc.)		5,000	Continuous	Continuous	50,000
	-	-			50,000
			50,000		
Excess Cash after Plant Investments			**502,794**		

Five Year
Revenue and Cash Flow Projections

It is important to note that these projections, like the year-one budget, are typically "worst-case" scenarios that do not include issuance of new debt, grants, or increases in revenues that are seen as possibly temporary (such as large commercial wastewater revenues). If projections for any division over the five-year period indicate positive revenues and cash positions that are flat or increasing, then there is a high probability that there will be no need for any rate increases in the near future. *The contrary is not necessarily true.* If revenues and cash are declining, that does not necessarily indicate the need for a rate increase. It simply is an indicator that we will need to address the financials in terms of debt issuance, grants, postponement of capital investment, or possibly a future rate increase.

Utility revenue and cost projections are by nature "best estimates" and are susceptible to a number of variables. In particular, sales in the power and gas divisions are sensitive to weather, especially extremes in temperature. To a lesser degree, water and wastewater sales can be affected by precipitation totals, i.e., drier weather will typically result in higher sales for water and thus higher wastewater revenue.

Revenue projections must also account for changes in customer count in each classification (residential, commercial, industrial) and for general sales variation based on consumption and price. Consumption is difficult to project because the market tends to be both elastic and inelastic in nature. The basic needs are inelastic (basic home electrification, heating and cooling, baseline household water consumption) yet consumption above the basic needs (comfort zone cooling and heating, irrigation needs, ancillary lighting, etc.) are elastic, and the effects of pricing and consumer choice follow more closely classic economic consumption models.

Similarly, cash flow estimates are affected by projected capital expenses and again are "best estimates" based upon projected needs. In reality, rarely do actual capital costs in a given year mirror the capital budgets. There are a number of reasons for discrepancy including actual "needs" verses "wants"; inability to meet anticipated schedule for a project; inaccurate estimates; changes in operations that delay or eliminate the need for the expenditure; and inadequate revenues to fund expenditures. Capital projections for this exercise represent a basic wish list of value-added system improvements with few restrictions other than fiscal year finances or debt. Therefore, many projects listed in this study may not be funded during the year listed, if ever.

Statistical data used to estimate revenue and costs are listed in the appendix of this document. It is important to note that the escalation factors for each division are evaluated annually and updated to reflect current cost trends. The projections for each division along with accompanying visual aids are in the tabulated sections for each division.

POWER DIVISION

Five Year Projections

Power Division Summary

Escalation Factors:

Revenue and cost projections for the power division are based on a combination of historical data for sales, costs/expenses, and anticipated growth. Selected summary data can be found in the appendix of this report. The escalation factors are summarized in the table below:

Revenue/Cost Projection	Escalation Factor	Data Considered/Evaluated
Residential Sales	1.0%	Customer growth & Unit Sales
Small Commercial Sales	.75%	Customer growth & Unit Sales
Large Commercial Sales	.75%	Customer growth & Unit Sales
Street and Athletic Lighting	.10%	Customer growth & Unit Sales
Outdoor Lighting	1.0%	Customer growth & Unit Sales
Other	0.65%	None – Variable Factor
Purchased Power	79 percent of revenues	Percent of Total Supply/Revenue
Operating Expenses	4.9%	Total Expense-Purchased Supply
Maintenance Expenses	4.1%	O& M Expenses
Depreciation Expenses	Variable	Depreciation Trending Data
Tax Equivalents	4.7%	Long-term Trending Data
Other	0.0%	None
Debt Expense	Variable	Audits/Amortization Projections
Regular Capital Investments	Variable	Out Years – Current Year Spending
New Capital Investments	Variable	Superintendent Input

New Capital Investments:

New capital investments are summarized on an annual basis for the power division immediately following the graphs for net income, capital investment, and ending cash. The data were collected and used as input into the spreadsheet for cash flow analysis. The primary capital projects for the power division over the next five years include: AMI installation; Englewood substation rebuild; substation upgrades at our West, Central, and North locations; system rebuilds for various circuits; and expansion of fiber deeper into our communities to aid in system monitoring/operations and AMI All of these projects revolve around the continued efforts to build redundancy and robustness into the current distribution system.

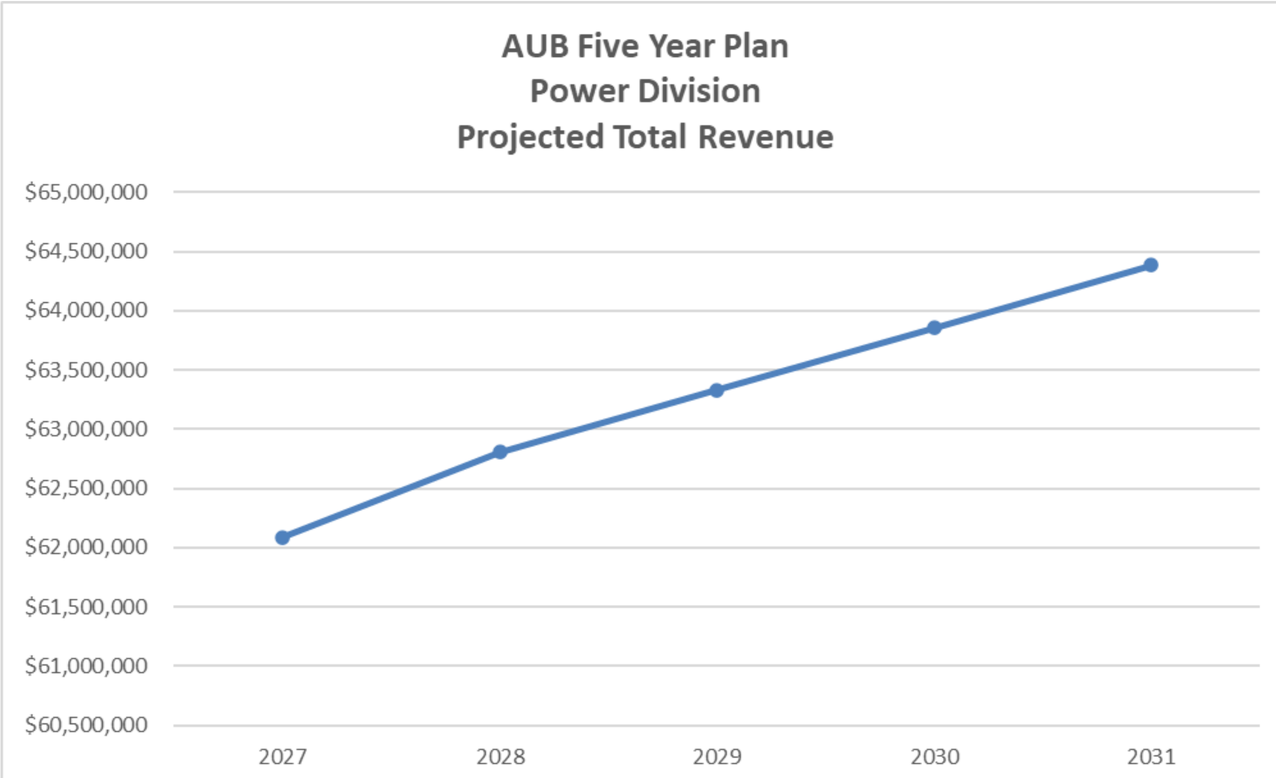
Summary:

If we move forward with AMI in the five-year planning horizon, we will have to either finance the project or look at extending schedules due to the impact on cash. AUB will determine whether to finance large projects (such as AMI and Englewood Substation) as they come into the immediate budget year. These statements are based on the assumptions and limitations of the projections used in this analysis.

Power Division
Five Year Income and Cash Projections

	2027	2028	2029	2030	2031
REVENUE:					
Residential Sales	20,720,363	21,134,770	21,346,118	21,559,579	21,775,175
Small Commercial Sales	5,241,244	5,280,553	5,320,158	5,360,059	5,400,259
Large Commercial Sales	32,973,436	33,220,737	33,469,892	33,720,917	33,973,823
Street and Athletic Lighting	478,595	479,073	479,552	480,032	480,512
Outdoor Lighting	635,998	642,358	648,782	655,270	661,822
Other	2,037,323	2,050,566	2,063,894	2,077,310	2,090,812
Total Revenue	**$ 62,086,959**	**$ 62,808,057**	**$ 63,328,396**	**$ 63,853,165**	**$ 64,382,404**
Purchased Power	48,640,205	51,502,607	51,929,285	52,359,595	52,793,571
Contribution Margin	**$ 13,446,754**	**$ 11,305,450**	**$ 11,399,111**	**$ 11,493,570**	**$ 11,588,833**
Operating Expenses	5,918,734	6,226,508	6,550,286	6,890,901	7,249,228
Maintenance Expenses	2,091,771	2,177,533	2,266,812	2,359,751	2,456,501
Depreciation Expense	2,760,000	2,884,200	3,013,989	3,149,619	3,291,351
Tax Equivalents	900,000	909,900	919,909	930,028	940,258
Other	3,100	7,000	7,000	7,000	7,000
Debt Expenses	76,000	85,703	76,887	67,944	58,842
Grant					
Net Income	**$ 1,697,149**	**$ (985,394)**	**$ (1,435,772)**	**$ (1,911,673)**	**$ (2,414,348)**

	2027	2028	2029	2030	2031
CASH FLOW					
Beginning Cash Estimate	**$ 6,729,690**	**$ 4,937,077**	**$ (2,441,189)**	**$ (10,506,045)**	**$ (16,747,173)**
Depreciation	2,760,000	2,884,200	3,013,989	3,149,619	3,291,351
Debt Service	117,662	283,750	288,750	292,750	292,750
New Debt	3,000,000				
Net Income	1,697,149	(985,394)	(1,435,772)	(1,911,673)	(2,414,348)
Regular Capital Improvements	2,205,823	2,205,823	2,146,823	2,146,823	2,146,823
New Capital Investments	4,610,000	8,095,000	8,835,000	6,600,000	5,800,000
Vehicles	455,000	760,000	450,000	525,000	425,000
Retirements and other	(2,096,601)	1,500,000	1,500,000	1,500,000	1,500,000
Estimated Ending Cash	**4,937,077**	**(2,441,189)**	**(10,506,045)**	**(16,747,173)**	**(22,449,243)**
Projected Ending Debt Balance	$ 2,163,151	$ 1,879,401	$ 1,590,651	$ 1,297,901	$ 1,005,151
O&M and Depreciation	$ 59,486,709	$ 62,876,551	$ 63,837,259	$ 64,827,811	$ 65,849,493


AUB Five Year Plan
Power Division
Projected Total Revenue
$65,000,000
$64,500,000
$64,000,000
$63,500,000
$63,000,000
$62,500,000
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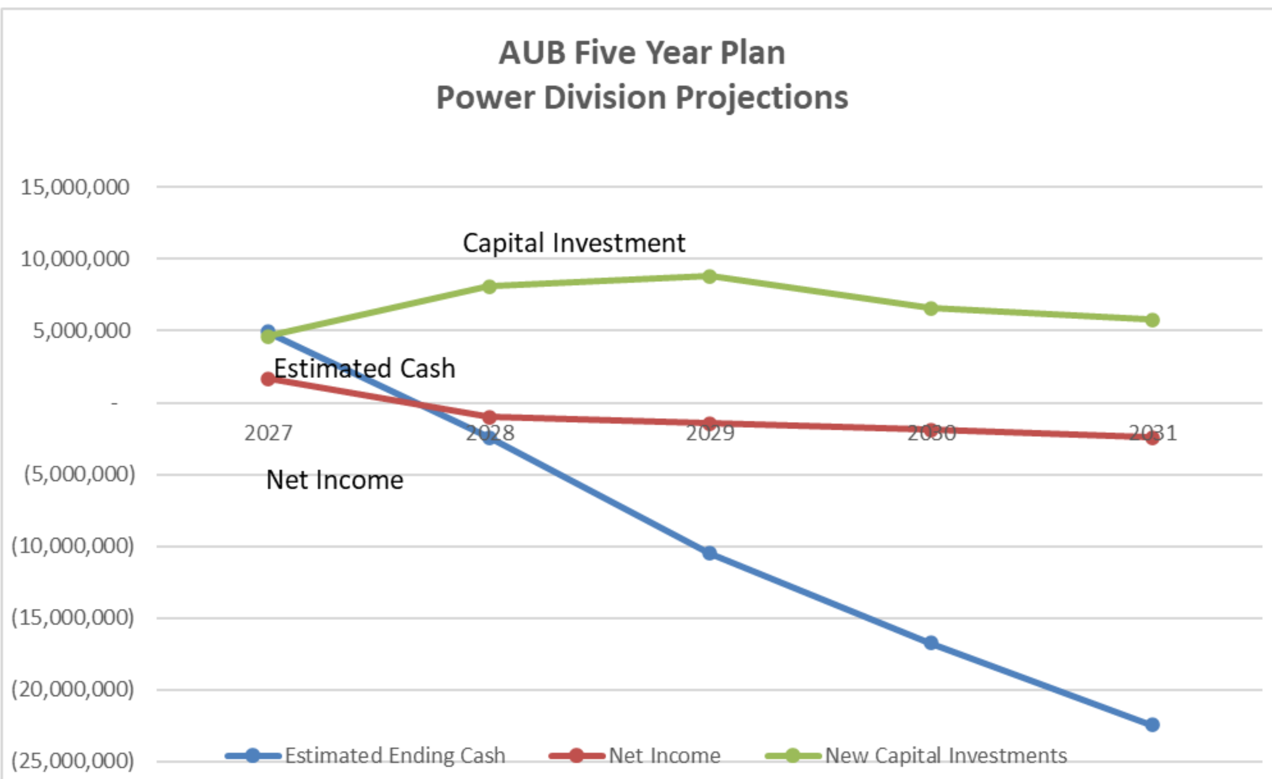
$60,500,000
2027
2028
2029
2030
2031


AUB Five Year Plan
Power Division Projections
15,000,000
10,000,000
5,000,000
-
(5,000,000)
(10,000,000)
(15,000,000)
(20,000,000)
(25,000,000)
Capital Investment
Estimated Cash
Net Income
2027
2028
2029
2030
2031
Estimated Ending Cash
Net Income
New Capital Investments

POWER DIVISION

Five Year Capital Budget
Assumptions/Input

FY 2027	Estimated Cost
Vehicles	
Take Delivery 55' OC bucket (Truck 32 Ordered May 25)	300,000
Replace Field Eng. PU (Truck 7)	70,000
Replace Foreman PU (Truck 2)	85,000
Order 55' OC bucket for FY29 (Truck 82)	
Total Vehicles	**455,000**
Capital Projects	
AMI*	300,000
Substation Maintenance	80,000
Englewood Substation Phase I*	650,000
IT/Network updates	50,000
Build Out Fiber-Zion Cove,500,510,508	250,000
Arc Flash / Coordination Study	150000
SCADA Improvements	50,000
Equipment building 100x40	260,000
Copper Primary Replacment (GRIP)**	2,800,000
Replace Dandy Dump trailer	20,000
Total Capital Projects	**4,610,000**
Continuous Items	
Other System Improvements	391,432
Poles	352,289
Primary Wire and Underground	500,000
Transformers	521,909
Services	326,193
IT Core (Servers, mainframe, etc.)	79,000
Routine Annual Substation Testing	35,000
Total Continuous Items	**2,205,823**
Vehicles	455,000
Capital Projects	4,610,000
Continuous Items	2,205,823
Total	**7,270,823**

FY 2028	Estimated Cost
Vehicles	
Delivery of SQ bucket (Truck 83 Ordered October 25)	340,000
Order SQ bucket (Truck 36, receive FY30)	
Replace foreman PU (Truck 81)	90000
Order small bucket (Truck 10, receive FY 29)	
Order digger derrick (Tk 1, receive FY 31)	
Replace Truck 33	330,000
Total Vehicles	**760,000**

Capital Projects	
AMI	300,000
Englewood Substation Phase 1	400,000
Englewood Substation Phase 2	100,000
North Athens 69 Yard Rebuild	600,000
Substation Maintenance	85,000
Build Out Fiber-Niota Burns Rd	250,000
SCADA Improvements	50,000
Central Athens breaker replacement	500,000
Copper Primary Replacment (GRIP)**	5,600,000
Replace dispatch radio console	160,000
Construction lift equipment	50,000
Total Capital Projects	**8,095,000**

Continuous Items	
Other System Improvements	391,432
Poles	352,289
Primary Wire and Underground	500,000
Transformers	521,909
Services	326,193
IT Core (Servers, mainframe, etc.)	20,000
Routine Annual Substation Testing	35,000
Total Continuous Items	**2,146,823**

Vehicles	760,000
Capital Projects	8,095,000
Continuous Items	2,146,823
Total	**11,001,823**

FY 2029	Estimated Cost
Vehicles	
Order OC bucket (Truck 82, receive FY31)	
Replace PU (Truck 52)	75,000
Replace PU (Truck 70)	75000
Delivery of small bucket (Truck 10)	300,000
Total Vehicles	**450,000**
Capital Projects	
Englewood Substation Phase 2	2,000,000
Build out Fiber - 411N	250,000
Substation Maintenance	85,000
North Athens 69 Transformer Bank Service	400,000
Central Athens Sub Highside/Controls update & breaker	300,000
SCADA Improvements	50,000
South Athens Sub Relays 69kV	150,000
Copper Primary Replacment (GRIP)**	5,600,000
Total Capital Projects	**8,835,000**
Continuous Items	
Other System Improvements	391,432
Poles	352,289
Primary Wire and Underground	500,000
Transformers	521,909
Services	326,193
IT Core (Servers, mainframe, etc.)	20,000
Routine Annual Substation Testing	35,000
Total Continuous Items	**2,146,823**

Vehicles	450,000
Capital Projects	8,835,000
Continuous Items	2,146,823
Total	**11,431,823**

FY 2030	Estimated Cost
Vehicles	
Delivery of SQ bucket (Truck 36 Ordered October 27)	350,000
Replace Eng PU (Truck 77)	80,000
Replace Metering PU (Truck 9)	95000
Total Vehicles	**525,000**

Capital Projects	
Englewood Substation Phase 2	100,000
Build out Fiber	300,000
Substation Maintenance	100,000
West Athens Sub Panel Upgrades to match New transfor	400,000
SCADA Improvements	100,000
Copper Primary Replacment (GRIP)**	5,600,000
Total Capital Projects	**6,600,000**

Continuous Items	
Other System Improvements	391,432
Poles	352,289
Primary Wire and Underground	500,000
Transformers	521,909
Services	326,193
IT Core (Servers, mainframe, etc.)	20,000
Routine Annual Substation Testing	35,000
Total Continuous Items	**2,146,823**

Vehicles	525,000
Capital Projects	6,600,000
Continuous Items	2,146,823
Total	**9,271,823**

FY 2031	Estimated Cost
Vehicles	
Delivery Digger Derrick (Truck 1)	425,000
Total Vehicles	**425,000**
Capital Projects	
Substation Maintenance	100,000
SCADA Improvements	100,000
Copper Primary Replacment (GRIP)**	5,600,000
Total Capital Projects	**5,800,000**
Continuous Items	
Other System Improvements	391,432
Poles	352,289
Primary Wire and Underground	500,000
Transformers	521,909
Services	326,193
IT Core (Servers, mainframe, etc.)	20,000
Routine Annual Substation Testing	35,000
Total Continuous Items	**2,146,823**
Vehicles	425,000
Capital Projects	5,800,000
Continuous Items	2,146,823
Total	**8,371,823**

WATER DIVISION

Five Year Projections

Water Division Summary

Escalation Factors:

Revenue and cost projections for the water division are based on a combination of historical data for sales, costs/expenses, and anticipated growth. Selected summary data can be found in the appendix of this report. The escalation factors are summarized in the table below:

Revenue/Cost Projection	Escalation Factor	Data Considered/Evaluated
Residential Sales	5.0%	Customer growth & Unit Sales
Small Commercial Sales	5,0%	Customer growth &Unit Sales
Large Commercial Sales	1.7%	Customer growth & Unit Sales
Other	1.0%	Trend Data
Purchased Supply	1.4%	Current Year/Escalation Trend
Operating Expenses	4.4%	Total Expense-Purchased Supply
Maintenance Expenses	4.2%	O and M Expenses
Depreciation Expenses	Variable	Depreciation
Regular Capital Investments	Variable	Out Years – Current Year Spending
New Capital Investments	Variable	Superintendent Input

New Capital Investments:

New capital investments are summarized on an annual basis for the water division immediately following the graphs for net income, capital investment, and ending cash. The data were collected and used as input into the spreadsheet for cash flow analysis. The primary capital projects for the water division include: reservoir for Mt. Verd Industrial Park; AMI infrastructure; water line projects on Congress Parkway and Matlock; reservoir maintenance; water line extensions; and equipment replacement.

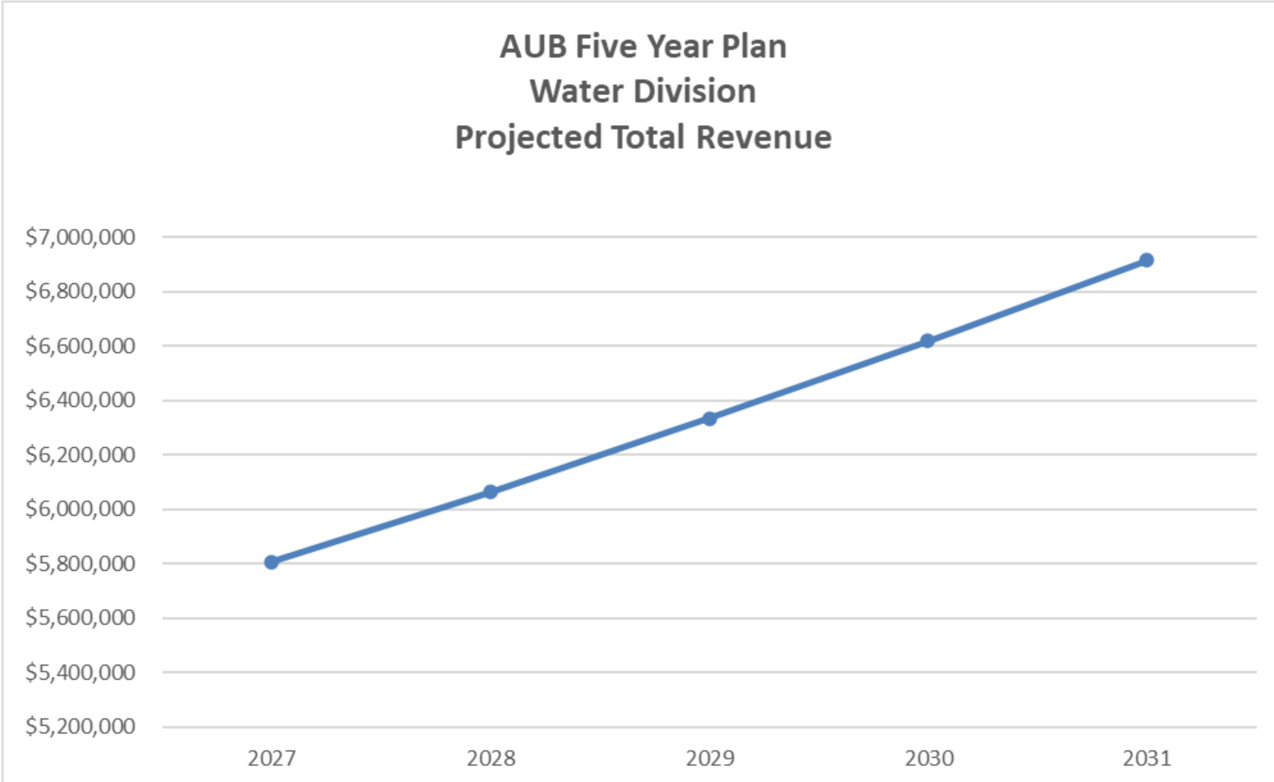
Summary:

As mentioned previously and indicated by the tables and graphical data the water division will require increased revenues with projections showing significant erosion of net revenues. As the Board knows, we are required by the state Comptroller's office to maintain positive net revenue within the water and wastewater divisions. The department appears to be healthy overall including a low debt burden and a good cash position. These statements are based upon the assumptions and limitations of the projections used in this analysis.

Water Division
Five Year Income and Cash Projections

	2027	2028	2029	2030	2031
REVENUE:					
Residential	2,390,869	2,510,413	2,635,933	2,767,730	2,906,116
Small Commercial	2,506,467	2,631,791	2,763,380	2,901,549	3,046,627
Large Commercial	585,348	595,240	605,300	615,529	625,932
Other	324,212	327,455	330,729	334,036	337,377
Total Revenue	**$ 5,806,897**	**$ 6,064,898**	**$ 6,335,342**	**$ 6,618,845**	**$ 6,916,052**
Purchased Supply	935,612	944,968	954,418	963,962	973,602
Contribution Margin	**$ 4,871,285**	**$ 5,119,930**	**$ 5,380,924**	**$ 5,654,883**	**$ 5,942,450**
Operating Expenses	2,853,567	3,007,660	3,170,073	3,341,257	3,521,685
Maintenance Expenses	777,979	810,655	844,702	880,180	917,147
Depreciation Expense	866,073	916,132	969,085	1,025,098	1,084,348
Other	-	-	-	-	-
Debt Expense	77,301	82,025	76,719	71,270	65,664
Net Income Before Grants	**$ 296,364**	**$ 303,458**	**$ 320,345**	**$ 337,078**	**$ 353,605**
Grants	29,000				
Net Income	**$ 325,364**	**$ 303,458**	**$ 320,345**	**$ 337,078**	**$ 353,605**

	2027	2028	2029	2030	2031
Beginning Cash Estimate	**7,207,287**	**$ 4,042,259**	**$ 896,627**	**$ (4,444,771)**	**$ (7,799,182)**
Depreciation	866,073	916,132	969,085	1,025,098	1,084,348
New Debt	6,500,000				
Debt Service	66,336	220,222	225,828	231,587	231,587
Net Income	325,364	303,458	320,345	337,078	353,605
Regular Capital Improvements	985,000	925,000	925,000	925,000	925,000
Capital Investments	9,135,000	3,120,000	5,420,000	3,520,000	2,970,000
Vehicles	260,000	190,000	150,000	130,000	-
Retirements and Salvage	(410,129)	90,000	90,000	90,000	90,001
Estimated Ending Cash	**$ 4,042,259**	**$ 896,627**	**$ (4,444,771)**	**$ (7,799,182)**	**$ (10,397,814)**
Projected Ending Debt Balance	8,802,477	8,582,255	8,356,427	8,124,840	7,893,253
O&M and Depreciation	$ 5,510,532.71	$ 5,761,439.55	$ 6,014,996.78	$ 6,281,766.49	$ 6,562,446.19


AUB Five Year Plan
Water Division
Projected Total Revenue
$7,000,000
$6,800,000
$6,600,000
$6,400,000
$6,200,000
$6,000,000
$5,800,000
$5,600,000
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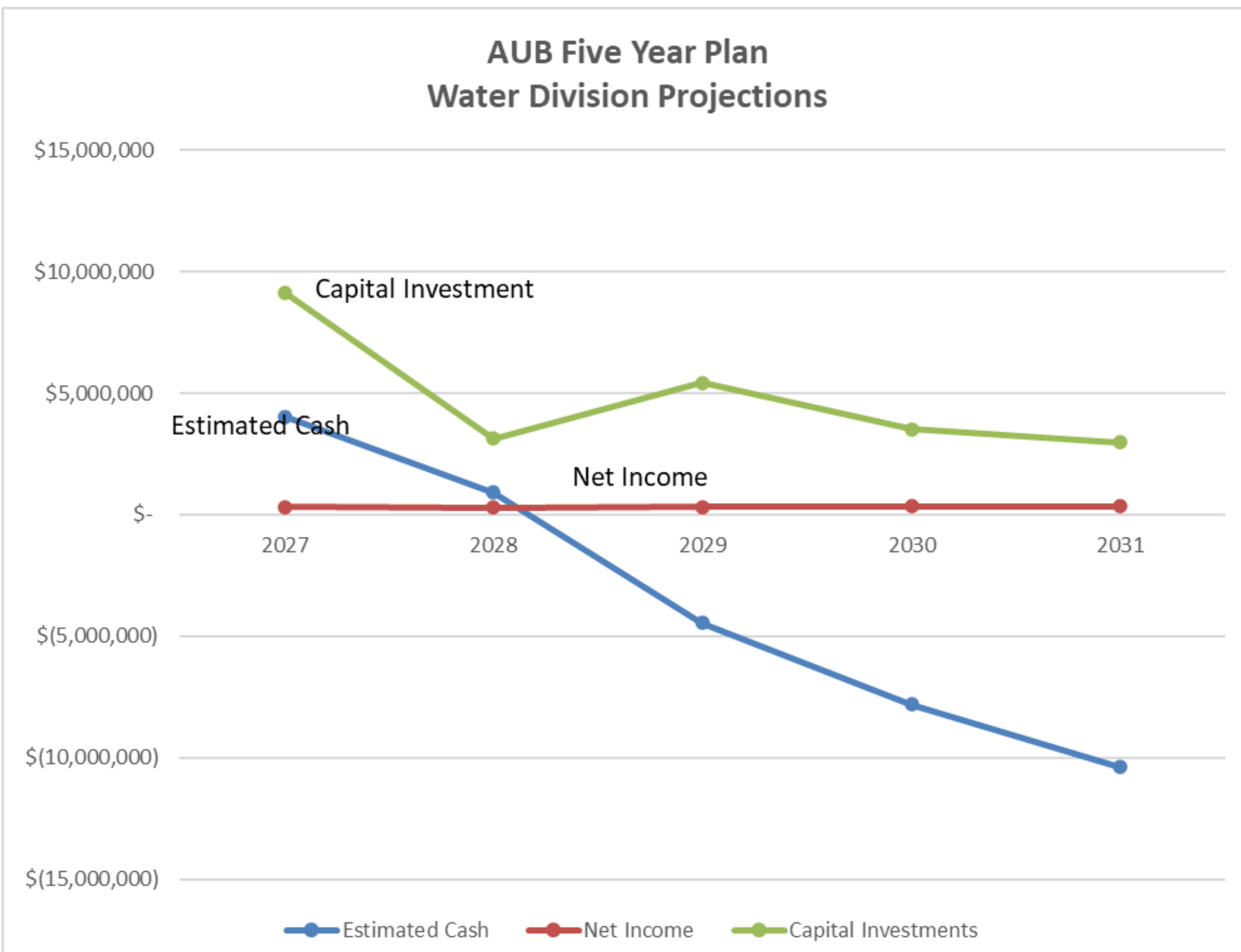
2027
2028
2029
2030
2031


AUB Five Year Plan
Water Division Projections
$15,000,000
$10,000,000
$5,000,000
$-
$(5,000,000)
$(10,000,000)
$(15,000,000)
Capital Investment
Estimated Cash
Net Income
2027
2028
2029
2030
2031
Estimated Cash
Net Income
Capital Investments

WATER DIVISION

Five Year Capital Budget
Assumptions/Input

FY 2027	Estimated Cost
Vehicles	
Lowboy Trailer	60,000
Replace Truck #88 (Single Axle Dump)	150,000
Tractor Replacement + tiller attachement	50,000
Total Vehicles	**260,000**
Capital Projects	
Diesel Generator for Highlands	100,000
Sandblast and Re-Paint Reservoir #2	120,000
Matlock Phase 1 - Madison to Crestway	1,300,000
Test Wells	250,000
Water Leak Survey	40,000
Tank #6**	6,500,000
Locker Room Improvements	30,000
Raw Water Line Bore under Oost. Creek	75,000
AMI Project	720,000
Total Capital Projects	9,135,000
Continuous Items	
Water Plant Maint and Lab Equipment	100,000
Meter Change Out (Large, Small and Testing)	30,000
Reservoir and Pump Maintenance	40,000
Water Line Extensions	200,000
Distribution Rehabilitation	200,000
Field and Safety Equipment	25,000
Water Services	300,000
Technology (SCADA, Computers)	70,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**985,000**
Vehicles	260,000
Capital Projects	9,135,000
Continuous Items	985,000
Total	**10,380,000**

FY 2028	Estimated Cost
Vehicles	
Replace Truck 16 (service truck)	125,000
Replace Truck 18 (Foreman Truck)	65,000
Total Vehicles	**190,000**
Capital Projects	
Replace CI Water Line Crossing (Rocky Mount R	350,000
Matlock Phase 2 - Crestway to Cedar Springs	1400000
WTP - Re-pave Parking / Regrade Yard & Fencin	150,000
Diesel Generator for WTP	500,000
AMI Project	720,000
Total Capital Projects	3,120,000
Continuous Items	
Water Plant Maint and Lab Equipment	50,000
Meter Change Out (Large, Small and Testing)	40,000
Reservoir and Pump Maintenance	40,000
Water Line Extensions	200,000
Distribution Rehabilitation	200,000
Field and Safety Equipment	25,000
Water Services	300,000
Technology (SCADA, Computers)	50,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**925,000**

Vehicles	190,000
Capital Projects	3,120,000
Continuous Items	925,000
Total	**4,235,000**

FY 2029	Estimated Cost
Vehicles	
Backhoe	150,000
Total Vehicles	**150,000**
Capital Projects	
Replace CI Water Line RR Ave. (East Ave. to Tell	1,500,000
Emergency Generator for Spring	500,000
Raw Water Static Mixer	100,000
Combined Plant Eff. Static Mixer	100,000
Raw Tank at WTP, Pipe work	2,500,000
AMI Project	720,000
Total Capital Projects	5,420,000
Continuous Items	
Water Plant Maint and Lab Equipment	50,000
Meter Change Out (Large, Small and Testing)	40,000
Reservoir and Pump Maintenance	40,000
Water Line Extensions	200,000
Distribution Rehabilitation	200,000
Field and Safety Equipment	25,000
Water Services	300,000
Technology (SCADA, Computers)	50,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**925,000**

Vehicles	150,000
Capital Projects	5,420,000
Continuous Items	925,000
Total	**6,495,000**

FY 2030	Estimated Cost
Vehicles	
Truck #17	55,000
Mini Excavator	75,000
Total Vehicles	**130,000**
Capital Projects	
Replace Lakefront Drive 2-1/4 CI (Blue Sp. to Hicks St)	850,000
Replace CI Water Line Palos Street	950000
RR Ave 12" (Peach St. to Tellico Ave)	850,000
WTP - Baffle Clearwell	150,000
AMI Project	720,000
Total Capital Projects	3,520,000
Continuous Items	
Water Plant Maint and Lab Equipment	50,000
Meter Change Out (Large, Small and Testing)	40,000
Reservoir and Pump Maintenance	40,000
Water Line Extensions	200,000
Distribution Rehabilitation	200,000
Field and Safety Equipment	25,000
Water Services	300,000
Technology (SCADA, GIS, Computers)	50,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**925,000**

Vehicles	130,000
Capital Projects	3,520,000
Continuous Items	925,000
Total	**4,575,000**

FY 2031	Estimated Cost
Vehicles	
Total Vehicles	**-**
Capital Projects	
CIPP Raw Water Line	1,750,000
Replace CI Water Line Knight Road	500000
AMI Project	720,000
Total Capital Projects	2,970,000
Continuous Items	
Water Plant Maint and Lab Equipment	50,000
Meter Change Out (Large, Small and Testing)	40,000
Reservoir and Pump Maintenance	40,000
Water Line Extensions	200,000
Distribution Rehabilitation	200,000
Field and Safety Equipment	25,000
Water Services	300,000
Technology (SCADA, Computers)	50,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**925,000**
Vehicles	-
Capital Projects	2,970,000
Continuous Items	925,000
Total	**3,895,000**

GAS DIVISION

Five Year Projections

Gas Division Summary

Escalation Factors:

Revenue and cost projections for the gas division are based on a combination of historical data for sales, costs/expenses, and anticipated growth. Selected summary data can be found in the appendix of this report. The escalation factors are summarized in the table below:

Revenue/Cost Projection	Escalation Factor	Data Considered/Evaluated
Residential Sales	1.0%	Customer growth and Unit Sales
Small Commercial Sales	.5%	Customer growth and Unit Sales
Large Commercial Sales	1.5%	Customer growth and Unit Sales
Interruptible	1.5%	Customer growth and Unit Sales
CNG	.98%	Customer growth and Unit Sales
Fees and Other Gas Revenues	.25%	Trend Data
Gas Cost	55 percent of revenues	5 Year Total Supply/Revenue
Operating Expenses	5.6%	Total Expense-Purchased Supply
Maintenance Expenses	2.5%	O and M Expenses
Depreciation Expenses	6.3%	Depreciation
Tax Equivalents	.89%	Capital Improvements/5-year trend
Other	0.0%	None
Regular Capital Investments	Variable	Out Years – Current Year Spending
New Capital Investments	Variable	Superintendent Input

New Capital Investments:

New capital investments are summarized on an annual basis for the gas division immediately following the graphs for net income, capital investment, and ending cash. The data were collected and used as input into the spreadsheet for cash flow analysis. As stated in the executive summary, the division is in a relatively mature position in terms of large capital projects with the exception of AMI infrastructure. Other than AMI, some of the larger capital projects on the five-year planning horizon include: Replacement of the odorant system at Niota; installation of a in-line heater for Riceville; and construction of an outdoor welding facility. Other capital expenditures include equipment and fleet replacements, maintenance of regulator stations and equipment, and ongoing efforts for reliability and safety (cathodic bed upgrades).

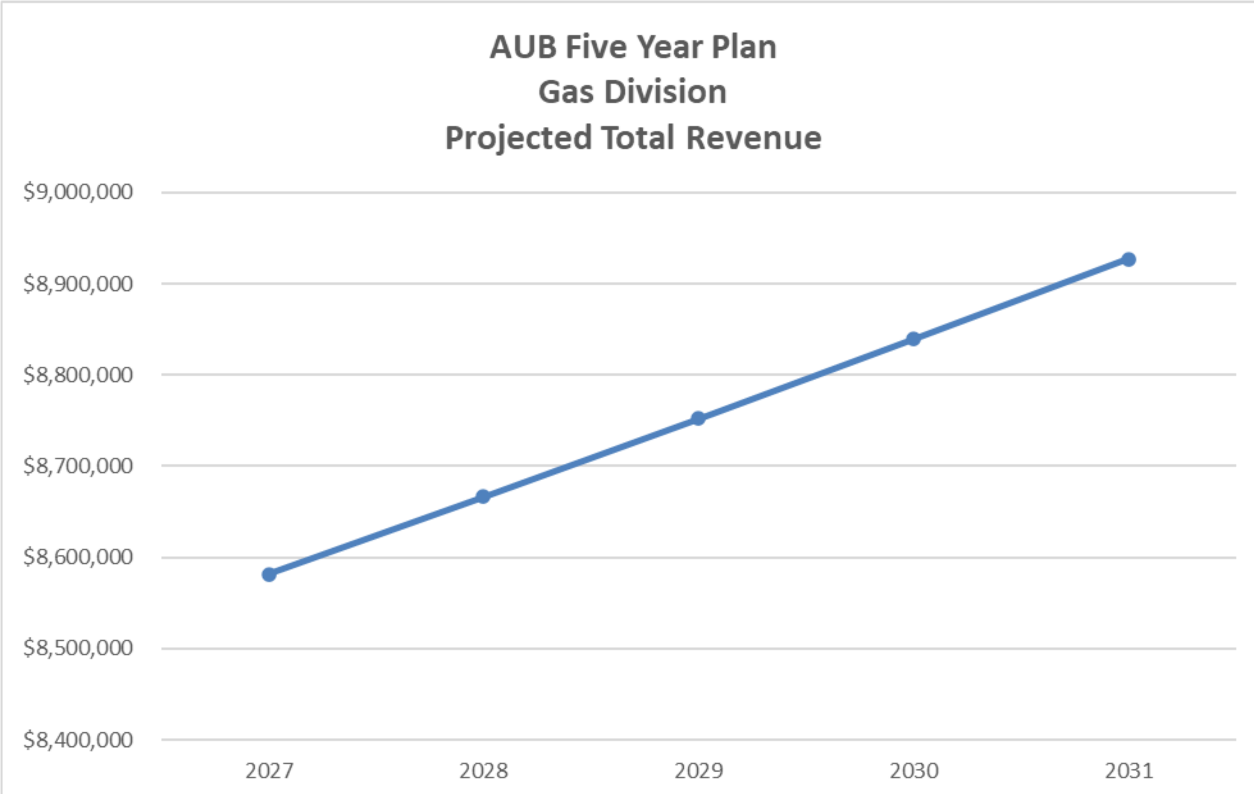
Summary:

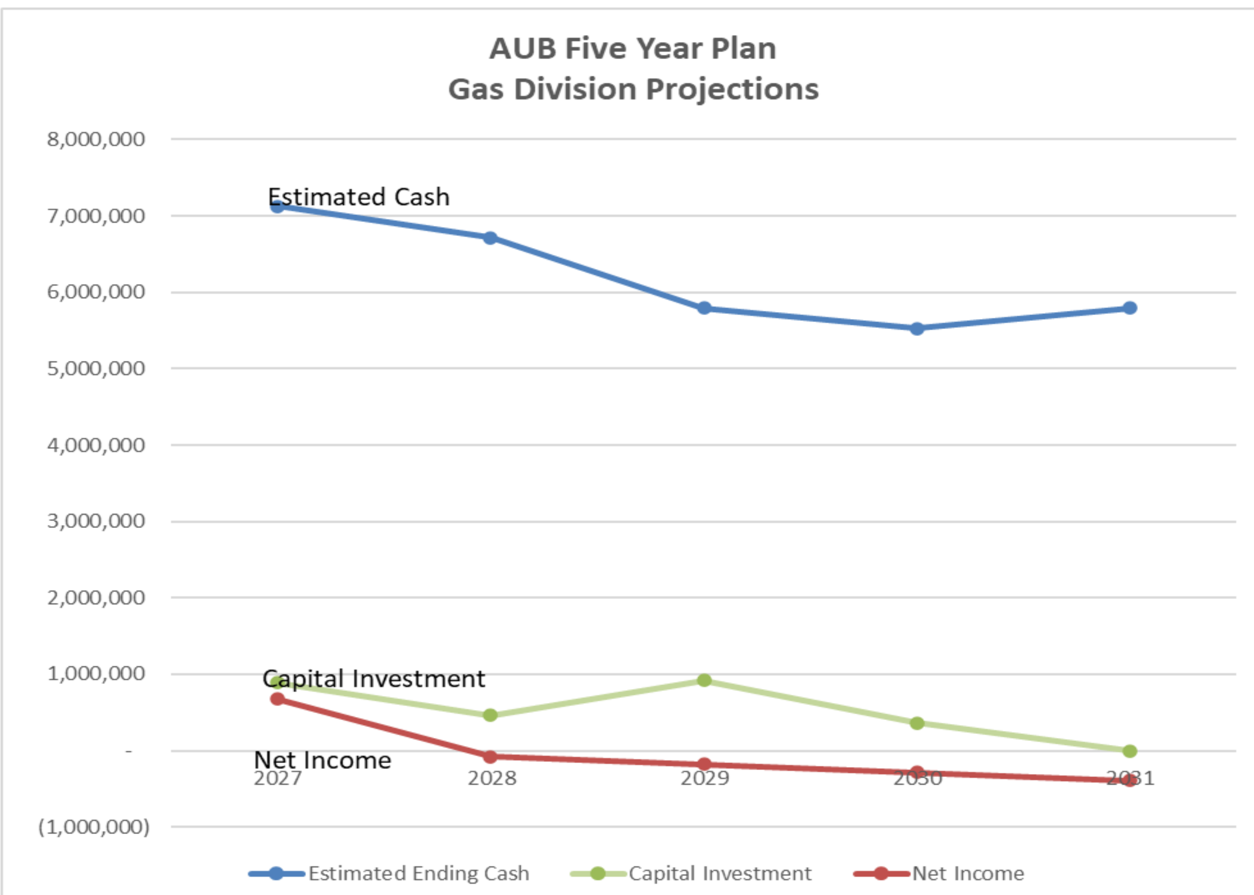
Net revenues vary significantly in the gas division dependent upon winter weather; however, the long-term trend is negative. With the implementation of new rates this fiscal year, we should have a much better net revenue situation over the five-year planning window. These statements are based upon the assumptions and limitations of the projections used in this analysis.

Gas Division
Five Year Income and Cash Projections

		2027		2028		2029		2030		2031
REVENUE:										
Residential		3,559,936		3,595,535		3,631,490		3,667,805		3,704,483
Small Commercial		2,413,232		2,425,298		2,437,425		2,449,612		2,461,860
Large Commercial		1,212,080		1,230,261		1,248,715		1,267,446		1,286,458
Interruptible		1,281,653		1,300,878		1,320,391		1,340,197		1,360,300
CNG		22,391		21,943		21,504		21,074		20,652
Fees and Other Gas Revenues		92,177		92,408		92,639		92,870		93,102
Total Revenue	**$**	**8,581,469**	**$**	**8,666,323**	**$**	**8,752,164**	**$**	**8,839,004**	**$**	**8,926,855**
Gas Cost		4,817,671		5,459,783		5,513,863		5,568,573		5,623,919
Contribution Margin	**$**	**3,763,798**	**$**	**3,206,539**	**$**	**3,238,301**	**$**	**3,270,431**	**$**	**3,302,937**
Operating Expenses		1,764,490		1,822,718		1,882,868		1,945,003		2,009,188
Maintenance Expenses		351,443		360,229		369,235		378,466		387,927
Depreciation		774,709		828,939		886,965		949,052		1,015,486
Tax Equivalents		266,318		268,981		271,671		274,387		277,131
Other		15,900		7,500		7,500		7,500		7,500
Leased CNG Station Expense		601		514		426		338		291
Grants, Contributions, Extraordinary		86,000		2,000		2,000		2,000		2,000
Net Income	**$**	**676,336**	**$**	**(80,342)**	**$**	**(178,364)**	**$**	**(282,315)**	**$**	**(392,587)**

Beginning Cash Estimate		**$7,791,586**	**$**	**7,124,724**	**$**	**6,715,922**	**$**	**5,792,036**	**$**	**5,526,200**
Depreciation		774,709		828,939		886,965		949,052		1,015,486
New Debt										
Leased CNG Station Service		17,417		17,399		17,486		17,574		17,662
Net Income		672,336		(80,342)		(178,364)		(282,315)		(392,587)
Regular Capital Improvements		820,000		520,000		520,000		520,000		305,000
Vehicles		350,000		125,000		150,000		-		-
Capital Investments		890,000		465,000		915,000		365,000		-
Other		(36,491)		30,000		30,000		30,000		30,001
Estimated Ending Cash		**7,124,724**	**$**	**6,715,922**	**$**	**5,792,036**	**$**	**5,526,200**	**$**	**5,796,436**
Projected Ending CNG Lease		128,032		110,633		93,147		75,573		57,911
O&M and Depreciation		7,708,314		8,471,670		8,652,931		8,841,093		9,036,520


AUB Five Year Plan
Gas Division
Projected Total Revenue
$9,000,000
$8,900,000
$8,800,000
$8,700,000
$8,600,000
$8,500,000
$8,400,000
2027
2028
2029
2030
2031


AUB Five Year Plan
Gas Division Projections
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
(1,000,000)
Estimated Cash
Capital Investment
Net Income
2027
2028
2029
2030
2031
Estimated Ending Cash
Capital Investment
Net Income

GAS DIVISION

Five Year Capital Budget
Assumptions/Input

FY 2027	Estimated Cost
Vehicles	
Truck 14 (2010 F450) Hauls Water/Boring	80,000
Replace Large Trencher/Plow (Vermeer)	175,000
UTV for street driving	30,000
Truck 62 (Meter Reader Supervisor)	65,000
Total Vehicles	**350,000**

Capital Projects	
Upgrading Cathodic Protection Field -	30,000
Replace Leak Detectors and Locating Equip	15,000
CNG Conversions for Vehicles	30,000
Extend Gas Bay for Outdoor Welding Area	100,000
Replace pressure chart with electronic mo	15,000
Replace Odorant System - Niota	180,000
Indirect Line Heater - Riceville Gate Station	150,000
Locker Room improvements	30,000
AMI Project	275,000
DynaTouch Kiosk	65,000
Total Capital Projects	**890,000**

Continuous Items	
System Improvement (incl. new Hwy 11 cr	360,000
Main	100,000
Services	300,000
Technology (SCADA, Computers, etc.)	40,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**820,000**

Vehicles	350,000
Capital Projects	890,000
Continuous Items	820,000
Total	**2,060,000**

FY 2028	Estimated Cost
Vehicles	
Small Dump	125,000
Total Vehicles	**125,000**
Capital Projects	
Upgrading Cathodic Protection Field -	30,000
Replace Leak Detectors and Locating Equip	15,000
CNG Conversions for Vehicles	30,000
Replace pressure chart with electronic mo	15,000
Extension on CR 110	100,000
AMI Project	275,000
Total Capital Projects	**465,000**
Continuous Items	
System Improvement	60,000
Main	100,000
Services	300,000
Technology (SCADA, Computers, etc.)	40,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**520,000**
Vehicles	125,000
Capital Projects	465,000
Continuous Items	520,000
Total	**1,110,000**

FY 2029	Estimated Cost
Vehicles	
Replace Truck #57 (Gas Crew Truck)	150,000
Total Vehicles	**150,000**
Capital Projects	
Upgrading Cathodic Protection Field -	30,000
Replace Leak Detectors and Locating Equip	15,000
33% of 3 Year Leak Survey - 3rd Party	50,000
CNG Conversions for Vehicles	30,000
Replace pressure chart with electronic mo	15000
Extension CR 700 to CR 750 (26,000 l.f.)	500000
AMI Project	275000
Total Capital Projects	**915,000**
Continuous Items	
System Improvement	60,000
Main	100,000
Services	300,000
Technology (SCADA, Computers, etc.)	40,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**520,000**
Vehicles	150,000
Capital Projects	915,000
Continuous Items	520,000
Total	**1,585,000**

FY 2030	Estimated Cost
Vehicles	
Total Vehicles	**-**
Capital Projects	
Upgrading Cathodic Protection Field -	30,000
Replace Leak Detectors and Locating Equ	15,000
CNG Conversions for Vehicles	30,000
Replace pressure chart with electronic m	15,000
AMI Project	275000
Total Capital Projects	**365,000**
Continuous Items	
System Improvement	60,000
Main	100,000
Services	300,000
Technology (SCADA, Computers, etc.)	40,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**520,000**
Vehicles	-
Capital Projects	365,000
Continuous Items	520,000
Total	**885,000**

FY 2031	Estimated Cost
Vehicles	
Total Vehicles	**-**
Capital Projects	
Upgrading Cathodic Protection Field -	30,000
Replace Leak Detectors and Locating Equipment	15,000
CNG Conversions for Vehicles	30,000
Replace pressure chart with electronic monitor	15,000
AMI Project	215000
Total Capital Projects	**305,000**
Continuous Items	
System Improvement	60,000
Main	100,000
Services	300,000
Technology (SCADA, Computers, etc.)	40,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**520,000**
Vehicles	-
Capital Projects	305,000
Continuous Items	520,000
Total	**825,000**

WASTEWATER DIVISION

Five Year Projections

Wastewater Division Summary

Escalation Factors:

Revenue and cost projections for the wastewater division are based on a combination of historical data for sales, costs/expenses, and anticipated growth. Selected summary data can be found in the appendix of this report. The escalation factors are summarized in the table below:

Revenue/Cost Projection	Escalation Factor	Data Considered/Evaluated
Residential Sales	.2%	Customer growth and Unit Sales
Small Commercial Sales	3.0%	Customer growth and Unit Sales
Large Commercial Sales	3.0%	Customer growth and Unit Sales
Other	.25%	Trend Data
Operating Expenses	6.0%	Total Expense-Purchased Supply
Maintenance Expenses	4.0%	O and M Expenses
Depreciation Expenses	0.5%	Depreciation
Regular Capital Investments	Variable	Out Years – Current Year Spending
New Capital Investments	Variable	Superintendent Input

New Capital Investments:

New capital investments are summarized on an annual basis for the wastewater division immediately following the graphs for net income, capital investment, and ending cash. The data were collected and used as input into the spreadsheet for cash flow analysis. The primary capital projects for the wastewater division in the five-year budget window are associated with replacement of biosolids equipment at Oostanaula, and a number of multi-year projects at both plants to address aging process equipment as well continuing rehabilitation projects to address system wide I&I.

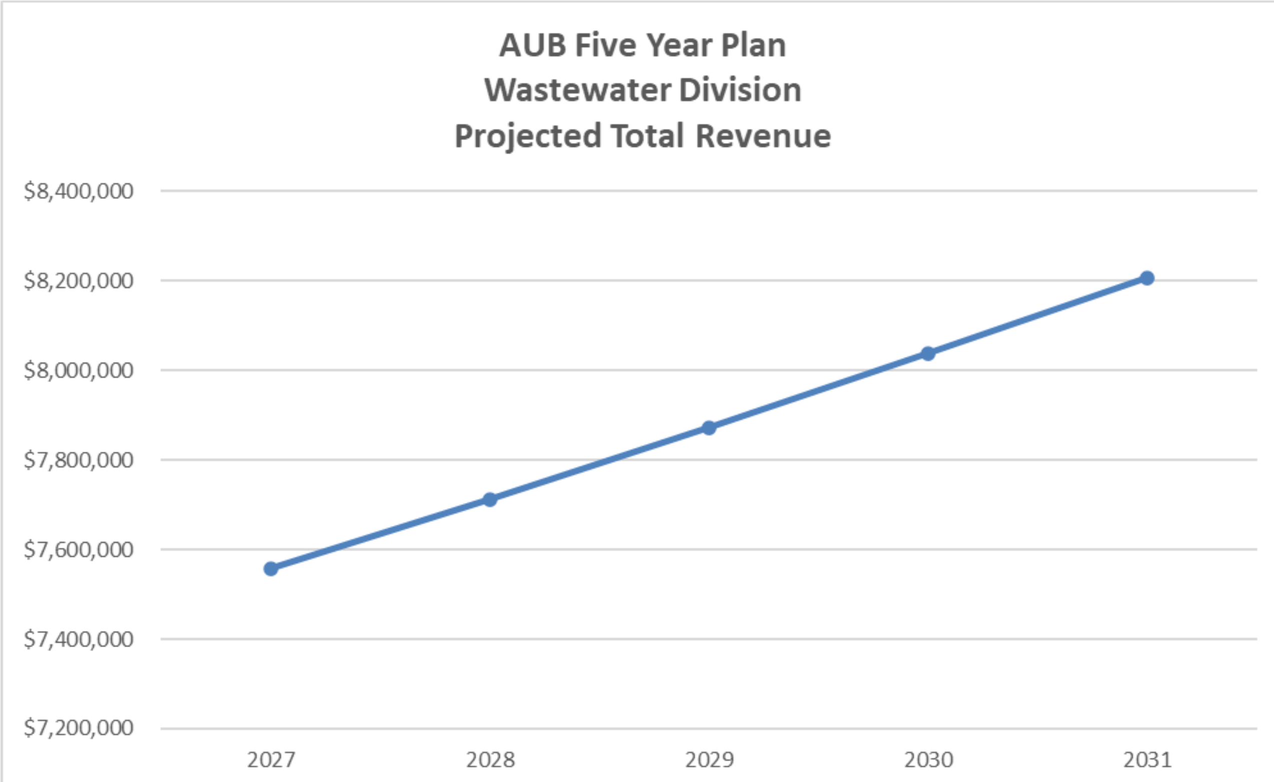
Summary:

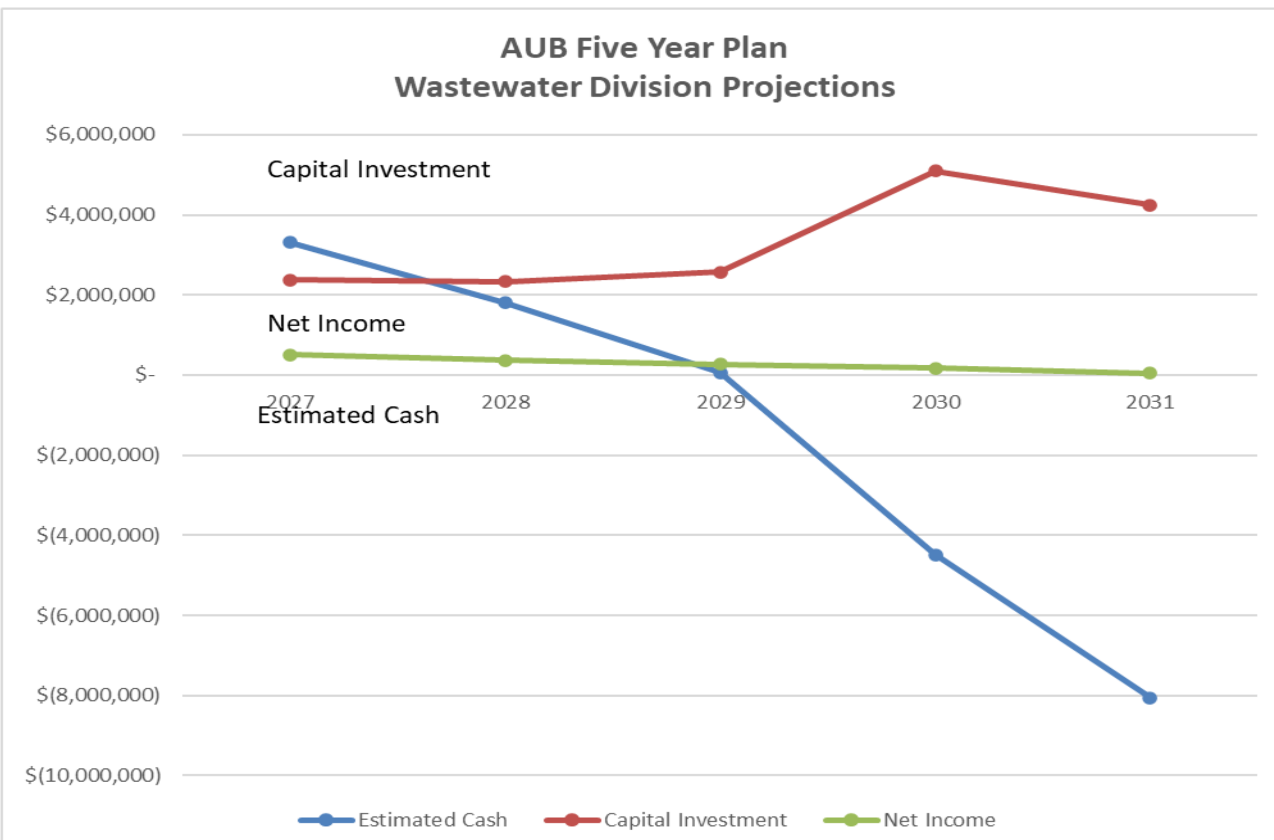
The higher revenues from large commercial sales have diminished greatly. We cannot cash-flow the current level of capital improvements needed in the next five years. The wastewater division will continue to require large annual capital expenditures to meet federal and state regulatory framework regarding system and plant overflows. It will be a delicate balance moving forward to ensure we adequately fund the division while keeping the rates as low as feasible. We will continue to focus on sound financial stewardship along with long-term financing of capital projects (where applicable) while actively seeking grant opportunities. We will continue to monitor the financial health of the division from a net revenue and cash standpoint and will make recommendations to the board regarding any need for rate increases in a timely manner. These statements are based on the assumptions and limitations of the projections used in this analysis.

Wastewater Division
Five Year Income and Cash Projections

	2027	2028	2029	2030	2031
REVENUE:					
Residential	2,230,000	2,234,460	2,238,929	2,243,407	2,247,894
Small Commercial	1,850,000	1,905,500	1,962,665	2,021,545	2,082,191
Large Commercial	3,165,325	3,260,285	3,358,094	3,458,837	3,562,602
Other	312,000	312,780	313,562	314,346	315,132
Total Revenue	**$ 7,557,325**	**$ 7,713,025**	**$ 7,873,250**	**$ 8,038,134**	**$ 8,207,818**
Operating Expenses	4,004,693	4,244,975	4,499,673	4,769,653	5,055,833
Maintenance Expenses	709,055	737,417	766,913	797,590	829,494
Depreciation	2,101,377	2,111,884	2,122,444	2,133,056	2,143,721
Other					
Debt Expense	233,401	251,500	210,065	168,436	126,606
Net Income Before Grants	**508,799**	**367,250**	**274,154**	**169,399**	**52,165**
Grants					
Net Income	**$ 508,799**	**$ 367,250**	**$ 274,154**	**$ 169,399**	**$ 52,165**

	2027	2028	2029	2030	2031
Beginning Cash	**$ 3,556,730**	**$ 3,304,836**	**$ 1,809,437**	**$ 54,974**	**$ (4,488,244)**
Depreciation	2,101,377	2,111,884	2,122,444	2,133,056	2,143,721
New Debt	6,000,000				
Net Income	508,799	367,250	274,154	169,399	52,165
Debt Service	(5,107,169)	1,301,533	1,306,061	1,310,673	1,310,673
Regular Capital Improvements	2,005,000	2,005,000	2,005,000	2,005,000	2,005,000
Vehicles	45,000	135,000	75,000	230,000	-
Capital Investments	2,370,000	2,333,000	2,565,000	5,100,000	4,245,000
Other	(9,549,239)	1,800,000	1,800,000	1,800,000	1,800,000
Ending Estimated Cash	**$ 3,304,836**	**$ 1,809,437**	**$ 54,974**	**$ (4,488,244)**	**$ (8,053,031)**
Projected Ending Debt Balance	14,623,077	13,321,544	13,047,390	12,877,991	12,825,826
O&M and Depreciation	7,048,526	7,345,776	7,599,095	7,868,735	8,155,653


AUB Five Year Plan
Wastewater Division
Projected Total Revenue
$8,400,000
$8,200,000
$8,000,000
$7,800,000
$7,600,000
$7,400,000
$7,200,000
2027
2028
2029
2030
2031


AUB Five Year Plan
Wastewater Division Projections
$6,000,000
$4,000,000
$2,000,000
$-
$(2,000,000)
$(4,000,000)
$(6,000,000)
$(8,000,000)
$(10,000,000)
Capital Investment
Net Income
Estimated Cash
2027
2028
2029
2030
2031
Estimated Cash
Capital Investment
Net Income

WASTEWATER DIVISION

Five Year Capital Budget
Assumptions/Input

FY 2027	Estimated Cost
Replace NMC Plant Truck #61 (2013 F150)	45,000
Total Vehicles	**45,000**
Capital Projects	
Oost WWTP - Manual Coarse Bar Screen/Bypass	250,000
Oost WWTP - Replace Inf. 1,2; Pipes; 2 Check Va	800,000
Oost WWTP - Digester Motive Pumps	50,000
Oost WWTP - Rotating Assy (RAS Pumps)	35,000
NMC WWTP - UV Bulbs	35,000
Replace 3,500 l.f. Central (Slack to Hicks), spray	1,200,000
Total Capital Projects	**2,370,000**
Continuous Items	
Oostanaula WWTP Refurbishment	200,000
NMC WWTP Refurbishment	100,000
Admin and Operators Buildings Maint. - Oost.	15,000
Laboratory Equipment	15,000
Lift Station Rehabilitation	50,000
Field and Safety Equipment	20,000
Collection System Rehab	750,000
Material Donations	5,000
Technology (SCADA, GIS, MH Elev. Project, Com	60,000
Services	500,000
Extensions	25,000
Grinder Pump Core Replacements	140,000
Manhole Rehabilitation	30,000
Rehabilitation of Services	75,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**2,005,000**
Vehicles	45,000
Capital Projects	2,370,000
Continuous Items	2,005,000
Total	**4,420,000**

FY 2028	Estimated Cost
Replace Truck #43 (WW Crew Truck)	135,000
Total Vehicles	**135,000**
Capital Projects	
Oost WWTP - Enlarge Biosolids Storage Bin	150,000
NMC WWTP - Replace Generator	400,000
Oost WWTP - Borger Pump (can be transfer or w	30,000
Oost WWTP - Golf Cart replacement	23,000
NMC WWTP - Replace Clarifier Drives and Bridg	650,000
NMC WWTP - Replace Grit/Grease Bridge, Festoo Classifier	255,000
Replace White Street Crossing at Tan and Travel	450,000
Replace Ridgetop P.S. with Gravity Connection	375,000
Total Capital Projects	**2,333,000**
Continuous Items	
Oostanaula WWTP Refurbishment	200,000
NMC WWTP Refurbishment	100,000
Admin and Operators Buildings Maint. - Oost.	15,000
Laboratory Equipment	15,000
Lift Station Rehabilitation	50,000
Field and Safety Equipment	20,000
Collection System Rehab	750,000
Material Donations	5,000
Technology (SCADA, GIS, MH Elev. Project, Com	60,000
Services	500,000
Extensions	25,000
Grinder Pump Core Replacements	140,000
Manhole Rehabilitation	30,000
Rehabilitation of Services	75,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**2,005,000**
Vehicles	135,000
Capital Projects	2,333,000
Continuous Items	2,005,000
Total	**4,473,000**

FY 2029	Estimated Cost
Vehicles	
Replace Mini Excavator	75,000
Total Vehicles	**75,000**
Capital Projects	
Oost WWTP - Renovate Chemical Building	300,000
Oost WWTP - UV Bulbs	65,000
NMC - Replace Sludge Thickener (delete if slud	350,000
NMC - Side-by-Side UTV replacement	25,000
Convert Park Village P.S. to Gravity Sewer	325,000
Velma Rd.-Gravity Sewer Replacement (w/ LPS-	1,500,000
Total Capital Projects	**2,565,000**
Continuous Items	
Oostanaula WWTP Refurbishment	200,000
NMC WWTP Refurbishment	100,000
Admin and Operators Buildings Maint. - Oost.	15,000
Laboratory Equipment	15,000
Lift Station Rehabilitation	50,000
Field and Safety Equipment	20,000
Collection System Rehab	750,000
Material Donations	5,000
Technology (SCADA, GIS, MH Elev. Project, Com	60,000
Services	500,000
Extensions	25,000
Grinder Pump Core Replacements	140,000
Manhole Rehabilitation	30,000
Rehabilitation of Services	75,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**2,005,000**
Vehicles	75,000
Capital Projects	2,565,000
Continuous Items	2,005,000
Total	**4,645,000**

FY 2030	Estimated Cost
Vehicles	
35,000 lb Trackhoe	230,000
Total Vehicles	**230,000**
Capital Projects	
Oost WWTP - Paint Clarifiers (strip/paint 2 of	300,000
Permanent Flow Monitor Installation	250,000
Oost WWTP - Strip/paint influent and transfe	400,000
NMC WWTP - Replace Septage Receiving Unit	250,000
Replace Interceptor (21" to 24") beginning at	3,900,000
Total Capital Projects	**5,100,000**
Continuous Items	
Oostanaula WWTP Refurbishment	200,000
NMC WWTP Refurbishment	100,000
Admin and Operators Buildings Maint. - Oost.	15,000
Laboratory Equipment	15,000
Lift Station Rehabilitation	50,000
Field and Safety Equipment	20,000
Collection System Rehab	750,000
Material Donations	5,000
Technology (SCADA, GIS, MH Elev. Project, Co	60,000
Services	500,000
Extensions	25,000
Grinder Pump Core Replacements	140,000
Manhole Rehabilitation	30,000
Rehabilitation of Services	75,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**2,005,000**
Vehicles	230,000
Capital Projects	5,100,000
Continuous Items	2,005,000
Total	**7,335,000**

FY 2031	Estimated Cost
Vehicles	
Total Vehicles	**-**
Capital Projects	
NMC WWTP - Replace Coarse Bar Screen	385,000
NMC WWTP - Replace Fine Screens	560,000
Oost WWTP - Paint Clarifiers (strip/paint 2 of 4)	300,000
Oost WWTP - Floating Aerators in Digesters	300,000
Re-locate Riceville Pump Station	1,500,000
Repl. Fisher @ Adams to Hammerhill (3,500 lf)	1,200,000
Total Capital Projects	**4,245,000**
Continuous Items	
Oostanaula WWTP Refurbishment	200,000
NMC WWTP Refurbishment	100,000
Admin and Operators Buildings Maint. - Oost.	15,000
Laboratory Equipment	15,000
Lift Station Rehabilitation	50,000
Field and Safety Equipment	20,000
Collection System Rehab	750,000
Material Donations	5,000
Technology (SCADA, GIS, MH Elev. Project, Computers	60,000
Services	500,000
Extensions	25,000
Grinder Pump Core Replacements	140,000
Manhole Rehabilitation	30,000
Rehabilitation of Services	75,000
IT Core (Servers, mainframe, etc.)	20,000
Total Continuous Items	**2,005,000**
Vehicles	-
Capital Projects	4,245,000
Continuous Items	2,005,000
Total	**6,250,000**

FIBER

Five Year Projections

Fiber Summary

Escalation Factors:

Revenue and cost projections for the fiber division are based on a very limited amount of historical data for sales, costs/expenses, and anticipated growth. We do not have high confidence in these numbers, but hope that we will be able to better refine them with each passing year. Selected summary data can be found in the appendix of this report. The escalation factors are summarized in the table below:

Revenue/Cost Projection	Escalation Factor	Data Considered/Evaluated
Standard Sales	.7%	Customer growth and Unit Sales
Advanced Sales	.7%	Customer growth and Unit Sales
Performance Sales	.7%	Customer growth and Unit Sales
Other	.7%	Trend Data
Operating Expenses	2.3%	Total Expense-Purchased Supply
Maintenance Expenses	5.7%	O and M Expenses
Depreciation Expenses	5.1%	Depreciation
Regular Capital Investments	Variable	Out Years – Current Year Spending
New Capital Investments	Variable	Superintendent Input

New Capital Investments:

New capital investments are estimated to be $50.000 per year.

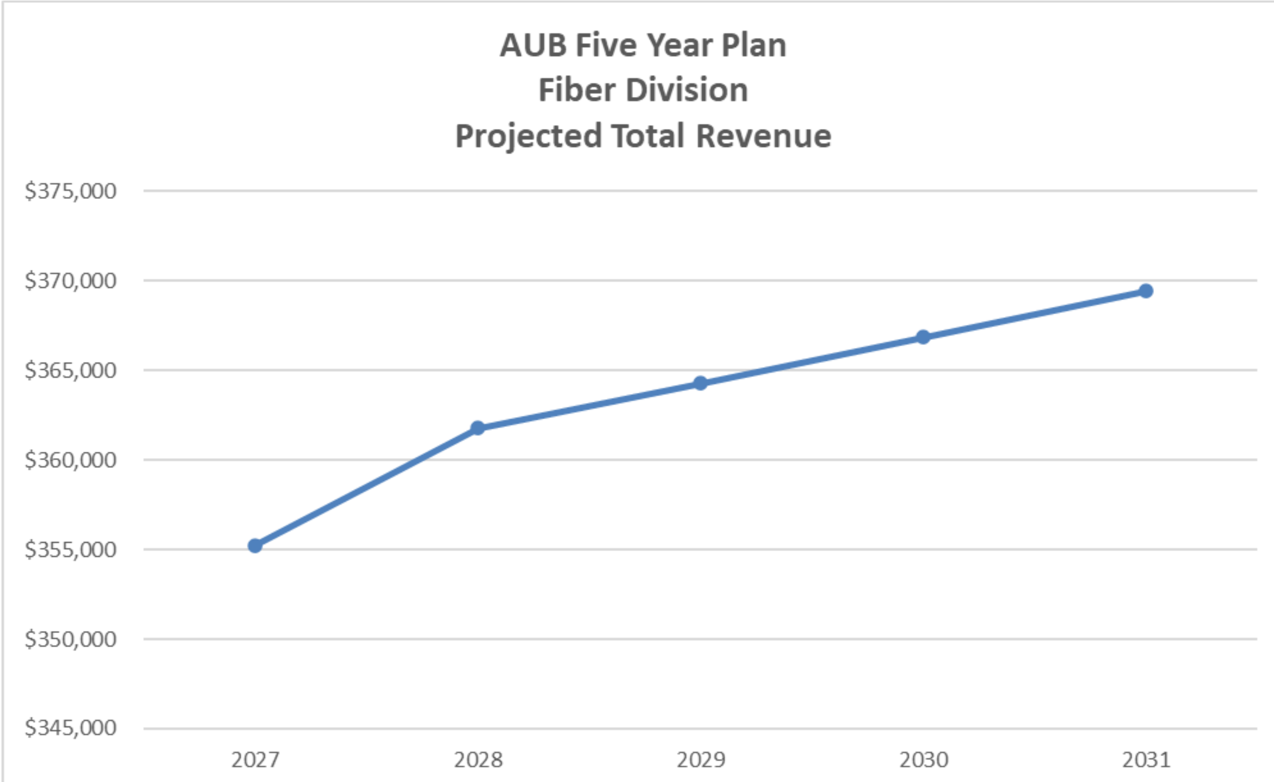
Summary:

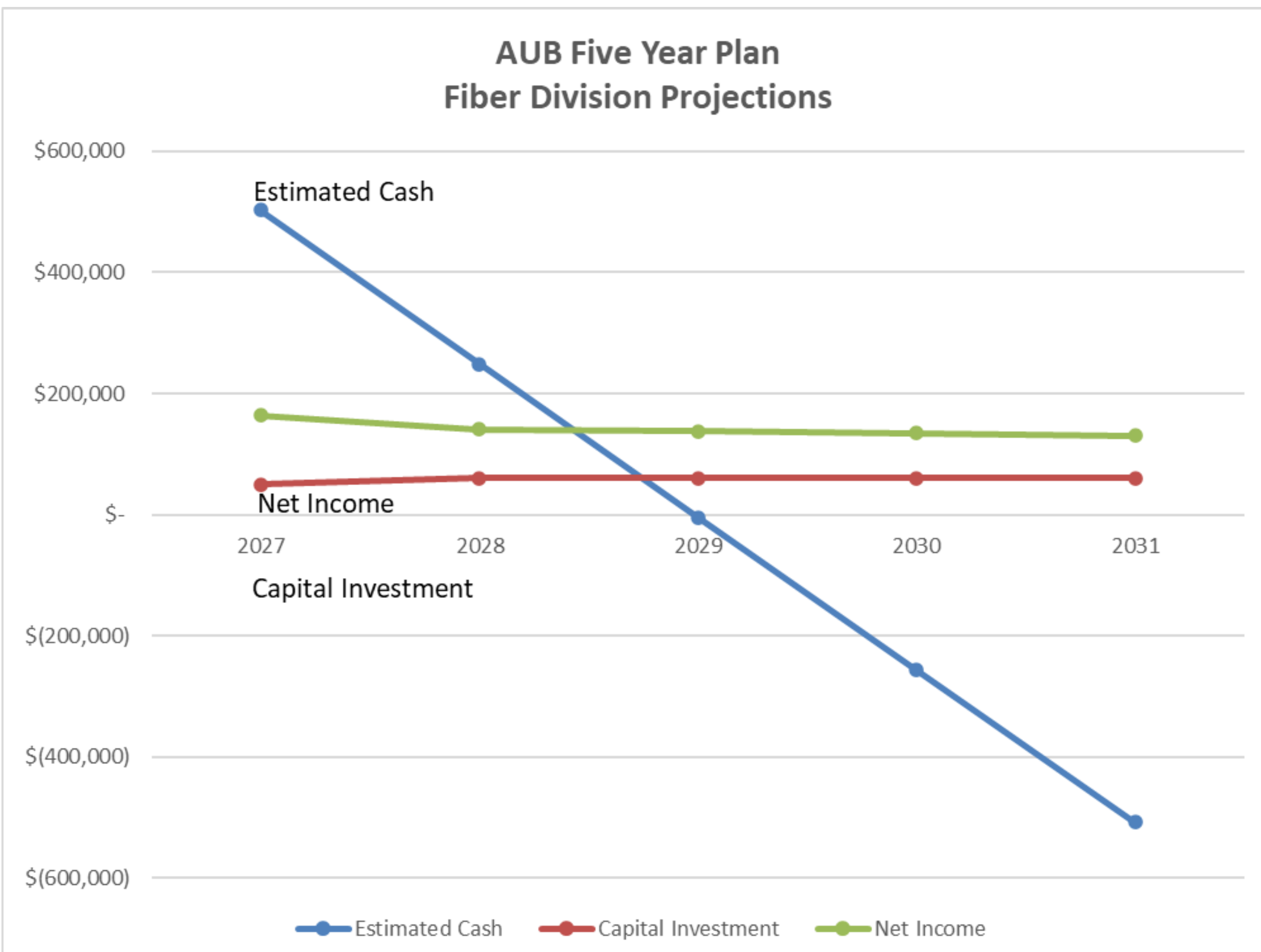
This is the second year we have considered estimating a five-year budget for the very small and very limited fiber unit. We have one vehicle and one employee, but we are slowly but surely gaining customers on a weekly basis. We will continue to monitor the financial health of the business from a net revenue and cash standpoint and will make recommendations to the board regarding any need for rate increases in a timely manner. These statements are based on the assumptions and limitations of the projections used in this analysis.

Fiber
Five Year Income and Cash Projections

	2027	2028	2029	2030	2031
REVENUE:					
Standard Service Sales	175,088	180,340	181,603	182,874	184,154
Advaced Service Sales	73,343	73,856	74,373	74,893	75,418
Performance Service Sales	25,688	25,867	26,048	26,231	26,414
Dark Fiber	65,394	65,852	66,313	66,777	67,244
Governmental Sales	8,640	8,700	8,761	8,823	8,884
Other Income	7,099	7,149	7,199	7,249	7,300
Total Revenue	**$ 355,251**	**$ 361,765**	**$ 364,297**	**$ 366,847**	**$ 369,415**
Purchased Telecom	12,050	36,176	36,430	36,685	36,941
Contribution Margin	**$ 343,201**	**$ 325,588**	**$ 327,867**	**$ 330,162**	**$ 332,473**
Operating and Maintenance Expense:	128,833	131,796	134,828	137,929	141,101
Depreciation	50,000	52,535	55,199	57,997	60,938
Net Income Before Grants	**$ 164,368**	**$ 141,257**	**$ 137,841**	**$ 134,237**	**$ 130,435**
Grants					
Net Income	**$ 164,368**	**$ 141,257**	**$ 137,841**	**$ 134,237**	**$ 130,435**

	2027	2028	2029	2030	2031
Cash Flow					
Beginning Cash	**$ 403,472**	**$ 502,794**	**$ 249,003**	**$ (4,037)**	**$ (256,271)**
Depreciation	50,000	52,535	55,199	57,997	60,938
New Debt					
Net Income	164,368	141,257	137,841	134,237	130,435
Debt Service					
Regular Capital Improvements	50,000	60,000	60,000	60,000	60,000
Other	(65,045)				
Ending Estimated Cash	$ 502,794	$ 249,003	$ (4,037)	$ (256,271)	$ (507,643)
O&M and Depreciation	178,833	184,331	190,026	195,926	202,039


AUB Five Year Plan
Fiber Division
Projected Total Revenue
$375,000
$370,000
$365,000
$360,000
$355,000
$350,000
$345,000
2027
2028
2029
2030
2031


AUB Five Year Plan
Fiber Division Projections
$600,000
$400,000
$200,000
$-
$(200,000)
$(400,000)
$(600,000)
Estimated Cash
Net Income
Capital Investment
2027
2028
2029
2030
2031
Estimated Cash
Capital Investment
Net Income

FIBER

Five Year Capital Budget
Assumptions/Input

FY 2027	Estimated Cost
Vehicles	
Total Vehicles	**-**
Capital Projects	
Total Capital Projects	**-**
Continuous Items	
Services	45,000
IT Core (Servers, mainframe, etc.)	5,000
Total Continuous Items	**50,000**
Vehicles	-
Capital Projects	-
Continuous Items	50,000
Total	**50,000**

FY 2028	Estimated Cost
Vehicles	
Total Vehicles	**-**
Capital Projects	
Total Capital Projects	**-**
Continuous Items	
Services	45,000
IT Core (Servers, mainframe, etc.)	15,000
Total Continuous Items	**60,000**
Vehicles	-
Capital Projects	-
Continuous Items	60,000
Total	**60,000**

FY 2029	Estimated Cost
Vehicles	
Total Vehicles	**-**
Capital Projects	
Total Capital Projects	**-**
Continuous Items	
Services	45,000
IT Core (Servers, mainframe, etc.)	15,000
Total Continuous Items	**60,000**
Vehicles	-
Capital Projects	-
Continuous Items	60,000
Total	**60,000**

FY 2030	Estimated Cost
Vehicles	
Total Vehicles	**-**
Capital Projects	
Total Capital Projects	**-**
Continuous Items	
Services	45,000
IT Core (Servers, mainframe, etc.)	15,000
Total Continuous Items	**60,000**
Vehicles	-
Capital Projects	-
Continuous Items	60,000
Total	**60,000**

FY 2031	Estimated Cost
Vehicles	
Total Vehicles	**-**
Capital Projects	
	30,000
Total Capital Projects	**30,000**
Continuous Items	
Services	45,000
IT Core (Servers, mainframe, etc.)	15,000
Total Continuous Items	**60,000**
Vehicles	-
Capital Projects	30,000
Continuous Items	60,000
Total	**90,000**

Appendix 1

Line-Item Budget Data For Year One

Athens Utilities Board
Power Division Line-Item Budget
June 30 2027

Account Number	Account Title	2027 Budget
0-EL-400440-0000	Residential Sales	20,720,362.75
0-EL-400441-0000	Small Commercial Sales	5,241,244.12
0-EL-400442-0000	Large Commercial Sales	32,973,436.12
0-EL-400444-0000	Street/Athletic Lighting	478,594.53
0-EL-400445-0000	Ind. Outdoor Lighting	635,998.26
	Electric Sales Revenue	**60,049,635.78**
0-EL-400450-0000	Forfeited Discounts	186,500.00
	Revenue from Late Payments	**186,500.00**
0-EL-400451-0000	Miscellaneous Service Revenue	27,319.00
0-EL-400451-0002	Misc. Rev-Service Charges	88,356.60
0-EL-400451-0003	Misc. Rev Telecom	0.00
0-EL-400451-0007	Other Income - Contributions	514,487.29
0-EL-400456-0002	Misc. Rev - Grants	310,000.00
	Misc. Service Revenue	**940,162.89**
0-EL-400454-0000	Rent From Electric Property	662,039.12
	Rent from Electric Property	**662,039.12**
0-EL-400456-0000	Other Electric Revenue	205,287.97
	Other Electric Revenue	**205,287.97**
	Total Operating Revenue	**62,043,625.76**
0-EL-403000-0000	Depreciation Expense-Dist. Plant	(2,400,000.00)
0-EL-403200-0000	Depreciation Expense-General Plant	(360,000.00)
	Depreciation Expense	**(2,760,000.00)**
0-EL-406000-0000	Amort Of Elec. Plant Acquisition. Adj.	0.00
	Amortization of Acquisition. Adj.	**0.00**
0-EL-408000-0000	Taxes - Property	(900,000.00)
0-EL-408000-0003	Taxes - U.S. Social Security	(290,000.00)
	Taxes & Tax Equivalents	**(1,190,000.00)**
0-EL-415000-0000	Misc. Rev. Surge Protector	0.00
0-EL-416000-0000	Surge Protectors Cost of Sales	0.00
0-EL-419000-0000	Interest & Dividend Income	72,000.00
0-EL-419000-1000	Early Payment Credit	0.00
0-EL-421000-0000	Misc. Non-Operating Income	0.00
0-EL-421000-0002	Loss of Disposition of Property	0.00
0-EL-421000-0003	Gain on Disposition of Property	0.00
	Other Income	**72,000.00**
0-EL-426000-0000	Misc. Income Deductions-Donations	(28,667.00)

	Misc. Income Deductions	**(28,667.00)**
0-EL-427000-0000	Interest - Series II-F-5	0.00
0-EL-427000-0001	TMBF Series 2003 Interest	(35,000.00)
0-EL-427000-0002	Int. TMBF 2009	0.00
0-EL-427000-0003	TMBF Series 2008	(41,000.00)
0-EL-427000-0004	Interest Capital Leases	0.00
	Interest on Bonds	**(76,000.00)**
0-EL-431000-0000	Other Interest Expense	0.00
0-EL-431000-0001	Interest - TN Municipal. League	0.00
0-EL-431000-0002	Interest-Customer Deposits	(3,100.00)
	Other Interest Expense	**(3,100.00)**
0-EL-428000-0000	Amort. Of Debt Disc. & Expenses	0.00
	Amortization of Debt Disc. & Exp.	**0.00**
0-EL-434000-0000	Extraordinary Income	0.00
0-EL-435000-0000	Extraordinary Deductions	0.00
	Total Extraordinary Items	**0.00**
	Total Revenue	**58,057,858.76**
0-EL-401555-0000	Purchased Power	48,640,204.98
0-EL-401555-0001	Other Purchased Power	0.00
0-EL-401555-0004	Annual Loss Adjustment-TVA	0.00
	Total Power Costs	**48,640,204.98**
0-EL-401560-0000	Operation Supervision & Engineering	100.00
0-EL-401561-0000	Load Dispatching	0.00
0-EL-401562-0000	Station Expenses	500.00
0-EL-401562-1000	Joint Station Expense-NA Sub	0.00
0-EL-401563-0000	Overhead Line Expenses	0.00
0-EL-401564-0000	Underground Line Expenses	0.00
0-EL-401565-0000	Trans. Of Elec by Others	0.00
0-EL-401566-0000	Misc. Transmission Expenses	0.00
0-EL-401567-0000	Rents	0.00
	Transmission Expense	**600.00**
0-EL-401580-0000	Operation Supervision & Engineering	144,311.91
0-EL-401581-0000	Load Dispatching Distribution	46,553.94
0-EL-401582-0000	Station Expenses	83,837.29
0-EL-401582-0001	Relocation of Facilities	0.00
0-EL-401582-0030	Office & Supervisory	0.00
0-EL-401583-0000	Overhead Line Expenses	629,425.87
0-EL-401583-0002	Inclement Weather Payroll	46,413.71
0-EL-401583-0030	Office & Supervisory	132,907.57
0-EL-401584-0000	Underground Line Expenses	15,698.30
0-EL-401585-0000	Street Lighting Expenses-Athens	1,163.70
0-EL-401585-0003	Street Lighting Expenses-Englewood	0.00
0-EL-401585-0004	Street Lighting Expenses-Niota	0.00
0-EL-401585-0006	Traffic Light Expenses-Athens	228.80
0-EL-401585-0007	Traffic Light Expenses-Niota	0.00

0-EL-401585-0008	Traffic Light Expenses-Englewood	0.00
0-EL-401586-0000	Meter Expenses	399,118.61
0-EL-401586-0001	Meter Expense - Solar	372.56
0-EL-401586-0030	Office & Supervisory	4,246.06
0-EL-401587-0000	Customer Installation Expenses	0.00
0-EL-401587-0001	Customer Load Management Exp.	0.00
0-EL-401588-0000	Misc. Distribution Expenses	138,555.14
0-EL-401589-0000	Rents	0.00
	Distribution Expense	**1,642,833.46**
0-EL-401901-0000	Supervision	79,067.68
0-EL-401902-0000	Meter Reading Expenses	304,879.11
0-EL-401902-0030	Office & Supervisory	8,491.69
0-EL-401903-0000	Customer Records & Collections Exp.	237,262.43
0-EL-401903-0002	Cashier Overages & Shortages	100.00
0-EL-401903-0003	Expenses - Transworld Collections Exp.	0.00
0-EL-401903-0030	Office & Supervisory	383,725.01
0-EL-401904-0000	Uncollectible Accounts	30,661.59
	Customer Accounts Expense	**1,044,187.51**
0-EL-401907-0000	Supervision	0.00
0-EL-401908-0000	Customer Assistance Expenses	0.00
0-EL-401909-0000	Info. & Instr. Advertising Exp.	0.00
0-EL-401910-0000	Misc. Customer. serv. & Info Exp.	0.00
	Total	**0.00**
0-EL-401911-0000	Supervision	0.00
0-EL-401912-0000	Demonstrating & Selling Expenses	17,500.00
0-EL-401912-0002	Economic Development	31,500.00
0-EL-401913-0000	Advertising Expenses	0.00
	Sales Expense	**49,000.00**
0-EL-401920-0000	Administrative & General Salaries	325,381.61
0-EL-401921-0000	Office Supplies & Expenses	412,528.11
0-EL-401921-0002	Books and Magazines	200.00
0-EL-401921-0003	Meals, Travel & Seminar Exp.	75,000.00
0-EL-401921-0004	Uniforms and Clothing	23,621.03
0-EL-401921-0005	Monthly Telecom Expense	27,702.24
0-EL-401923-0001	Outside Services - Auditors	9,692.04
0-EL-401923-0002	Outside Services - Legal	6,950.69
0-EL-401923-0003	Outside Services - Consultants	162,642.21
0-EL-401924-0000	Property Insurance	77,424.66
0-EL-401925-0000	Injuries and Damages	183,628.50
0-EL-401926-0000	Employee Pensions & Benefits	(124,169.49)
0-EL-401926-0002	Retirement Plan	984,500.00
0-EL-401926-0003	Group Insurance	440,705.00
0-EL-401926-0004	Vacation	0.00
0-EL-401926-0005	Retirement Match	220,270.65
0-EL-401926-0006	Employee Relations	43,475.31
0-EL-401928-0000	Regulatory Commission Exp	1,250.00
0-EL-401929-0000	Duplicate Charges - Credit	(97,000.00)
0-EL-401930-0000	General Advertising Expense	4,381.37
0-EL-401930-0001	Misc. General Expenses	36,091.39

0-EL-401930-0002	Misc. General Exp. - Dues	73,060.31
0-EL-401931-0000	Rents	4,777.08
	Administrative & General Expenses	**2,892,112.71**
	Total Operating Expenses	**54,268,938.66**
0-EL-402568-0000	Maintenance. Supervision & Engineering	0.00
0-EL-402569-0000	Maintenance of Structures	0.00
0-EL-402570-0000	Maintenance of Station Equipment	500.00
0-EL-402570-0001	Joint Maintenance - NA Sub	0.00
0-EL-402571-0000	Maintenance of Overhead Lines	0.00
0-EL-402572-0000	Maintenance of Underground Lines	0.00
0-EL-402573-0000	Maintenance of Misc. Trans Plant	0.00
	Transmission Expenses	**500.00**
0-EL-401590-0000	Maintenance Supervision & Engineering	94,544.77
0-EL-402592-0000	Maintenance of Station Equipment	20,951.89
0-EL-402593-0000	Maintenance of Overhead Lines	728,540.65
0-EL-402593-0001	Tree Trimming-Athens	44,718.05
0-EL-402593-0002	Tree Trimming - Contract	1,007,000.00
0-EL-402593-0003	Tree Trimming-Englewood	23,000.00
0-EL-402593-0004	Tree Trimming-Niota	8,575.91
0-EL-402593-0005	Pole Maintenance Program	0.00
0-EL-402593-0006	Maintenance of OH Line Controls	0.00
0-EL-402593-0030	Office & Supervisory	11,760.21
0-EL-402594-0000	Maintenance of Underground Lines	27,529.88
0-EL-402595-0000	Maintenance of Line Transformers	3,500.00
0-EL-402596-0000	Maintenance of Street Lights-Athens	6,343.68
0-EL-402596-0001	Maintenance of UG SL Conductors	292.76
0-EL-402596-0002	Maintenance of Street Lights-Englewood	827.57
0-EL-402596-0003	Maintenance of Street Lights-Niota	1,157.98
0-EL-402596-0004	Maintenance of Traffic Lights-Athens	303.66
0-EL-402596-0005	Maintenance of Traffic Lights-Niota	0.00
0-EL-402596-0006	Maintenance of Traffic Lights-Englewood	0.00
0-EL-402597-0000	Maintenance of Meters	0.00
0-EL-402598-0000	Maintenance of Security Lights-Athens	5,917.63
0-EL-402598-0001	Maintenance of Security Lights-Englewood	2,980.55
0-EL-402598-0002	Maintenance of Security Lights-Niota	0.00
0-EL-402598-0003	Maintenance of LW - Madisonville	0.00
	Distribution Expense	**1,987,945.18**
0-EL-402935-0000	Maintenance of General Plant	84,285.82
0-EL-402935-0002	Maintenance of Two-Way Radio Equip.	19,039.67
	Administrative & General Expense	**103,325.49**
	Total Maintenance Expenses	**2,091,770.67**
	Net Profit (Loss)	**1,697,149.43**

Athens Utilities Board
Water Division Line-Item Budget
June 30 2027

Account Number	Account Title	2027 Budget
1-WT-400440-0000	Residential Sales	2,390,869.14
1-WT-400441-0000	Small Commercial Sales	2,506,467.18
1-WT-400442-0000	Large Commercial Sales	585,347.94
	Water Sales Revenue	**5,482,684.26**
1-WT-400450-0000	Forfeited Discounts	22,700.00
	Forfeited Discounts	**22,700.00**
1-WT-400451-0000	Miscellaneous Service Revenue	14,500.00
1-WT-400451-0001	Misc. Rev-Service Charges	34,000.00
1-WT-400451-0002	Misc. Rev 3/4 Tap Fees - Inside	84,300.00
1-WT-400451-0003	Misc. Rev 3/4 Tap Fees - Outside	0.00
1-WT-400451-0004	Misc. Rev - Larger than 3/4	50,000.00
1-WT-400451-0005	Other Income - Contributions	28,000.00
1-WT-400456-0001	Contributions - Grants	1,000.00
	Misc. service Revenue	**211,800.00**
1-WT-400454-0000	Rent from Water Property	0.00
	Rent from Water Property	**0.00**
1-WT-400456-0000	Other Water Revenues	800.00
	Other Water Revenue	**800.00**
	Total Revenue	**5,717,984.26**
1-WT-403000-0001	Depreciation Exp.-Distribution Plant	(823,780.06)
1-WT-403000-0002	Depreciation Expense-Gen Plant	(42,293.06)
	Depreciation Expense	**(866,073.12)**
1-WT-408000-0000	Taxes U.S. Social Security	(124,832.64)
	Taxes & Tax Equivalents	**(124,832.64)**
1-WT-419000-0000	Interest & Dividend Income	133,297.68
1-WT-421000-0001	Property	0.00
1-WT-421000-0002	Loss on Disposition of Property	0.00
	Other Income	**133,297.68**
1-WT-426000-0000	Misc. Income Deduction-Donations	(15,385.29)
	Misc. Income Deductions	**(15,385.29)**
1-WT-431000-0000	Other Interest Expense	0.00
1-WT-431000-0001	Interest-TN Municipal. League Loan	0.00
1-WT-431000-0002	RD Loan Interest	(32,493.65)
1-WT-431000-0003	Interest SRF (DGO 11-113)	(43,832.52)
1-WT-431000-0004	Interest Customer Deposits	(974.90)
1-WT-431000-0005	Interest SRF DGO 2014-149	0.00
	Other Interest Expense	**(77,301.07)**

1-WT-428000-0000	Amortization of Debt Disc. & Expense	0.00
	Amort of Debt Disc & Expense	**0.00**
1-WT-434000-0000	Extraordinary Income	0.00
	Total Revenue	**4,767,689.82**
1-WT-401555-0000	Purchased Water	935,612.01
	Purchased Supply	**935,612.01**
1-WT-401538-0000	Power Bill for Pumping	168,059.91
1-WT-401539-0000	Purification Supplies/Expenses	124,569.70
1-WT-401540-0000	Operation of Purification Equipment	236,135.12
1-WT-401545-0000	Sludge Removal Expenses	6,011.81
	Pumping-Purification-Dis.	**534,776.54**
1-WT-401560-0000	Maps and Records	61,654.06
1-WT-401580-0000	Operation Supervision & Engineering	47,037.83
1-WT-401580-0003	Consulting Engineering Expenses	0.00
1-WT-401582-0001	Relocation of Facilities for Athens	0.00
1-WT-401582-0002	Relocation of Facilities for County	0.00
1-WT-401582-0003	Relocation of Facilities for State	0.00
1-WT-401582-0004	City of Athens-Damages	0.00
1-WT-401583-0000	Operation of Lines (Mains/Valves)	65,916.49
1-WT-401582-0002	Inclement Weather Payroll	0.00
1-WT-401583-0003	Operation of Hydrants	0.00
1-WT-401583-0004	Spotting lines/Contractors	0.00
1-WT-401583-0030	Office & Supervisory	54,613.06
1-WT-401586-0000	Meter Expenses	4,770.68
1-WT-401586-0030	Office & Supervisory	3,400.61
1-WT-401587-0000	Customer Installation Expenses	707.27
1-WT-401587-0002	Customer Installation Expenses-Cross Connect	6,339.75
1-WT-401587-0030	Office & Supervisory	12,910.28
1-WT-401588-0000	Miscellaneous Distribution Expenses	39,149.72
1-WT-401589-0000	Rents	0.00
	Distribution Expense	**296,499.75**
1-WT-401901-0000	Supervision	20,290.55
1-WT-401902-0000	Meter Reading Expenses	198,003.97
1-WT-401902-0030	Office & Supervisory	2,642.06
1-WT-401903-0000	Customer Records & Collection Expenses	115,503.62
1-WT-401903-0003	Collection Expense - Transworld	0.00
1-WT-401903-0030	Office & Supervisory	193,218.01
1-WT-401904-0000	Uncollectible Accounts	11,191.40
	Customer Acc. Expense	**540,849.61**
1-WT-401907-0000	Supervision	0.00
1-WT-401908-0000	Customer Assistance Expenses	0.00
1-WT-401909-0000	Info. & Inst Advertising Expenses	780.20
1-WT-401910-0000	Miscellaneous Customer Service & Info. Exp.	0.00
	Total	**780.20**

1-WT-401911-0000	Supervision	0.00
1-WT-401912-0000	Economic Development	21,000.00
1-WT-401913-0000	Advertising Expenses	0.00
	Total	**21,000.00**
1-WT-401920-0000	Administrative & General Salaries	154,659.45
1-WT-401920-0010	Administrative & General Salaries-Computer	0.00
1-WT-401921-0000	Office Supplies & Expenses	185,256.39
1-WT-401921-0002	Books and Magazines	120.00
1-WT-401921-0003	Meals, Travel & Seminar Expenses	16,772.28
1-WT-401921-0004	Uniforms and Clothing	8,501.72
1-WT-401923-0000	Outside Services - Auditors	6,057.48
1-WT-401923-0001	Outside Services - Legal	4,374.99
1-WT-401923-0002	Outside Services - Consultants	26,215.16
1-WT-401924-0000	Property Insurance	36,510.76
1-WT-401925-0000	Injuries and Damages	73,897.45
1-WT-401926-0000	Employee Pensions & Benefits	80,033.99
1-WT-401926-0001	Retirement Plan	470,000.00
1-WT-401926-0002	Group Insurance	173,874.10
1-WT-401926-0003	Vacation	0.00
1-WT-401926-0004	Retirement Match	32,910.64
1-WT-401926-0005	Employee Relations	10,726.70
1-WT-401930-0000	General Advertising Expenses	2,403.80
1-WT-401930-0001	Miscellaneous General Expenses	6,986.71
1-WT-401930-0002	Miscellaneous General Expenses-Dues	23,153.04
1-WT-401930-0003	Miscellaneous General Expenses-Water Plant	1,770.45
1-WT-401930-0004	Consumer Confidence Reports	0.00
1-WT-401931-0000	Rents	20,603.16
	Administrative and General Expenses	**1,334,828.29**
	Total Operating Expenses	**3,664,346.39**
1-WT-402505-0000	Maintenance of Spring and Dams	4,230.93
1-WT-402506-0000	Maintenance of Roads & Grounds	32,470.31
1-WT-402507-0000	Algae Control in Lake	0.00
1-WT-402508-0000	Maintenance of Wells	0.00
	Source of Supply Expense	**36,701.23**
1-WT-402552-0000	Maintenance of Structures	1,241.21
1-WT-402553-0000	Maintenance of Pumps	26,908.94
1-WT-402554-0000	Maintenance of Purification Equipment	13,972.40
	Pumping Expense	**42,122.55**
1-WT-402590-0000	Maintenance Supervision/Engineering	29,956.98
1-WT-402592-0000	Maintenance of Res. & Equip.	35,399.49
1-WT-402593-0000	Maintenance of Mains, Valves, Etc..	292,926.11
1-WT-402593-0002	Maintenance of Frozen Mains, SL, Meters	568.55
1-WT-402593-0003	Customer Trouble due to Freezing	458.16
1-WT-402593-0030	Office & Supervisory	6,827.17
1-WT-402594-0000	Maintenance of Services	248,487.93
1-WT-402596-0000	Maintenance of Hydrants	28,276.28
1-WT-402597-0000	Maintenance of Meters	46,652.96
1-WT-402598-0000	Maintenance of Miscellaneous Distribution	0.00

	Distribution Expense	**689,553.62**
1-WT-402935-0000	Maintenance of General Plant	9,602.08
1-WT-402935-0001	Maintenance of Two-Way Radio Equipment	0.00
	Administrative and General Expense	**9,602.08**
	Total Maintenance Expense	**777,979.49**
	Net Income	**325,363.94**

Athens Utilities Board
Gas Division Line-Item Budget
June 30 2027

Account Number	Account Title	2027 Budget
2-GS-400440-0000	Residential Sales	3,559,935.71
2-GS-400441-0000	Small Commercial Sales	2,413,232.08
2-GS-400442-0000	Large Commercial Sales	1,212,080.27
2-GS-400443-0000	CNG Sales	22,390.65
2-GS-400445-0000	Interruptible Sales	1,281,652.85
	Gas Sales Revenue	**8,489,291.56**
2-GS-400450-0000	Forfeited Discounts	32,000.00
	Forfeited Discounts	**32,000.00**
2-GS-400451-0000	Miscellaneous Service Revenue	1,100.00
2-GS-400451-0002	Miscellaneous Revenue-Service Charges	15,000.00
2-GS-400451-0003	Miscellaneous Revenue - Pilot Lights	500.00
2-GS-400451-0004	Miscellaneous Revenue - Service Line Cont.	25,000.00
2-GS-400451-0005	Appliance Refund	(1,800.00)
2-GS-400451-0006	Miscellaneous Revenue - Additional Footage	7,500.00
2-GS-400451-0007	Other Income - Contributions	4,000.00
2-GS-400451-0008	Misc. Rev. Excess Flow Valves	0.00
2-GS-400451-0010	Misc. Rev Grants	0.00
2-GS-400454-0000	Rent from Gas Property	4,777.08
2-GS-400456-0000	Other Gas Revenues	100.00
	Other Gas Revenue	**56,177.08**
2-GS-403010-0000	Depreciation Expense-Dist. Plant	(633,869.85)
2-GS-403020-0000	Depreciation Expense-Gen. Plant	(140,839.54)
2-GS-403030-0000	Depreciation CNG Plant	0.00
	Depreciation Expense	**(774,709.39)**
2-GS-408000-0000	Taxes-Property	(266,317.70)
2-GS-408030-0000	Taxes-U.S. Social Security	(65,043.81)
	Taxes & Tax Equivalents	**(331,361.51)**
2-GS-419000-0000	Interest & Dividend Income	86,000.00
2-GS-421000-0001	Gain on Disposition of Property	0.00
2-GS-421000-0002	Loss on Disposition of Property	0.00
	Other Income	**86,000.00**
2-GS-426000-0000	Miscellaneous Income Deductions-Donations	(15,000.00)
2-GS-426000-0002	Other Non-Operating Expenses	0.00
	Miscellaneous Income Deductions	**(15,600.85)**
2-GS-431000-0000	Other Interest Expense	0.00
2-GS-431050-0000	Interest - Customer Deposits	(900.00)
	Other Interest Expenses	**(900.00)**

2-GS-434000-0000	Extraordinary Income	0.00
2-GS-435000-0000	Extraordinary Deductions	0.00
	Extraordinary Income Deductions.	**0.00**
	Total Revenue	**7,540,896.89**
2-GS-401555-0000	Purchased Gas	4,817,671.04
	Purchased Gas	**4,817,671.04**
2-GS-401560-0000	Maps and Records	7,791.78
2-GS-401580-0000	Operation Supervision & Engineering	17,854.27
2-GS-401580-0003	Consulting Engineering Expenses	0.00
2-GS-401581-0000	Operation of Peak Shaving Plant	0.00
2-GS-401582-0000	Operation of Stations	0.00
2-GS-401582-0002	Relocation of Facilities for City	187.06
2-GS-401582-0003	Relocation of Facilities for County	0.00
2-GS-401582-0004	Relocation of Facilities for State	0.00
2-GS-401582-0005	Relocation of Facilities for AUB Water	36,815.38
2-GS-401582-0006	Relocation of Facilities-Private Contractors	0.00
2-GS-401582-0007	Relocation of Facilities for Niota	0.00
2-GS-401582-0030	Office & Supervisory	2,586.93
2-GS-401583-0000	Operation of Dist. Lines	154,295.11
2-GS-401583-0002	Inclement Weather Payroll	1,000.00
2-GS-401583-0010	Excess Flow Valve Installation	0.00
2-GS-401583-0030	Office & Supervisory	47,931.98
2-GS-401586-0000	Meter Expense	8,267.76
2-GS-401586-0002	Gas Seasonal Rec. & Disc.	6,217.80
2-GS-401586-0030	Office & Supervisory	2,790.84
2-GS-401587-0000	Services on Customer Premises	22,215.78
2-GS-401587-0002	Operation CNG System	132,563.13
2-GS-401588-0000	Miscellaneous Distribution Expenses	10,208.41
2-GS-401589-0000	Rents	0.00
	Distribution Expense	**450,726.22**
2-GS-401901-0000	Supervision	12,992.17
2-GS-401902-0000	Meter Reading Expenses	122,594.40
2-GS-401902-0030	Office & Supervisory	1,577.98
2-GS-401903-0000	Customer Records & Collection Expenses	82,808.03
2-GS-401903-0002	Propane Conversion Expense	0.00
2-GS-401903-0003	TRA Public Awareness Expense	4,400.00
2-GS-401903-0030	Office & Supervisory	149,494.48
2-GS-401904-0000	Uncollectible Accounts	1,500.00
	Customer Account Expense	**375,367.06**
2-GS-401907-0000	Supervision	0.00
2-GS-401908-0000	Customer Assistance Expenses	0.00
2-GS-401909-0000	Info. & Inst. Advertising Expenses	0.00
2-GS-401910-0000	Miscellaneous Customer Service & Info. Exp.	0.00
2-GS-401911-0000	Supervision	0.00
2-GS-401912-0000	Demonstrating & Selling Expenses	0.00
2-GS-401912-0002	Appliance Installation Credit	0.00

2-GS-401912-0003	Economic Development	17,500.00
2-GS-401913-0000	Advertising Expenses	0.00
	Sales Expense	**17,500.00**
2-GS-401920-0000	Administrative & General Salaries	127,576.62
2-GS-401921-0000	Office Supplies & Expenses	161,000.00
2-GS-401921-0002	Books and Magazines	91.20
2-GS-401921-0003	Meals, Travel & Seminar Expenses	19,000.00
2-GS-401921-0004	Uniforms and Clothing	4,800.00
2-GS-401923-0001	Outside Services - Auditors	4,603.68
2-GS-401923-0002	Outside Services - Legal	3,279.26
2-GS-401923-0003	Outside Services - Consultants	55,000.00
2-GS-401923-0004	Outside Legal Expenses - USGA	10,000.00
2-GS-401923-0005	Outside Legal Expenses - APGA	0.00
2-GS-401923-0006	CNG Consulting	0.00
2-GS-401924-0000	Property Insurance	27,000.00
2-GS-401925-0000	Injuries and Damages	50,000.00
2-GS-401926-0000	Employee Pensions & Benefits	(3,644.55)
2-GS-401926-0002	Retirement Plan	211,000.00
2-GS-401926-0003	Group Insurance	135,000.00
2-GS-401926-0004	Vacation	0.00
2-GS-401926-0005	Retirement Match	23,807.84
2-GS-401926-0006	Employee Relations	7,079.58
2-GS-401930-0000	General Advertising Expenses	1,809.02
2-GS-401930-0002	Miscellaneous General Expenses	3,354.49
2-GS-401930-0003	Miscellaneous General Exp. - Dues	15,095.93
	Administrative & General Expenses	**855,853.07**
	Total Operating Expenses	**6,517,117.40**
2-GS-402590-0000	Maintenance Supervision/Engineering	11,483.32
2-GS-402591-0000	Maintenance Peak Shaving Plant	0.00
2-GS-402592-0000	Maintenance of Station Equipment	73,611.47
2-GS-402593-0000	Maintenance of Lines	87,850.98
2-GS-402593-0030	Office & Supervisory	5,153.84
2-GS-402594-0000	Maintenance of Services	15,148.26
2-GS-402595-0000	Maintenance of Mains & Regulator Equip.	15,959.82
2-GS-402595-0002	Maintenance of Valves	44,037.36
2-GS-402596-0000	Maintenance CNG System	13,976.18
2-GS-402597-0000	Maintenance of Meters	75,721.91
	Distribution Expense	**342,943.13**
2-GS-402935-0000	Maintenance of General Plant	8,500.00
2-GS-402935-0002	Maintenance of Two-Way Radio Equip.	0.00
	Administrative & General Expense	8,500.00
	Total Maintenance Expenses	**351,443.13**
	Net Profit (Loss)	**672,336.36**

Athens Utilities Board
Wastewater Division Line-Item Budget
June 30 2027

Account Number	Account Title	2027 Budget
3-SW-400440-0000	Residential Sales	2,230,000.00
3-SW-400441-0000	Small Commercial Sales	1,850,000.00
3-SW-400442-0000	Large Commercial Sales	3,165,325.41
	Sewer Sales Revenue	**7,245,325.41**
3-SW-400450-0000	Forfeited Discounts	27,000.00
	Forfeited Discounts	**27,000.00**
3-SW-400451-0000	Miscellaneous Service Revenue	30,000.00
3-SW-400451-0002	Misc. Revenue-Service Charges	24,000.00
3-SW-400451-0004	Misc. Rev. Tapping Fees	12,000.00
3-SW-400451-0005	Misc. Rev. Grinder Pumps	180,000.00
3-SW-400451-0006	By-Product Sales	10,000.00
3-SW-400451-0007	Other Income - Contributions	7,000.00
3-SW-400456-0002	Misc. Rev. - Grants	0.00
3-SW-400456-0003	Misc. Rev ARRA P.F.	0.00
	Miscellaneous Service Revenue	**263,000.00**
3-SW-400456-0000	Other Sewer Revenues	13,000.00
	Total Operating Revenue	**7,548,325.41**
3-SW-403000-0001	Depreciation Expense-Dist. Plant	(2,072,382.18)
3-SW-403000-0002	Depreciation Expense-General Plant	(28,995.20)
	Depreciation Expense	**(2,101,377.38)**
3-SW-408000-0000	Taxes-U.S. Social Security	(114,531.08)
	Taxes & Tax Equivalents	**(114,531.08)**
3-SW-419000-0000	Interest & Dividend Income	20,000.00
3-SW-421000-0000	Misc. Non-Operation Income	0.00
3-SW-421000-0002	Gain on Disposition of Property	0.00
3-SW-421000-0003	Loss on Disposition of Property	0.00
	Other Income	**20,000.00**
3-SW-426000-0000	Misc. Income Deductions - Donations	(11,000.00)
	Total Donations	**(11,000.00)**
3-SW-427000-0001	Interest - 1968 Bonds	0.00
	Interest - 1969 Bonds	**0.00**
	Interest on Bonds	**0.00**
3-SW-431000-0010	Other Int. Expense - Press Vactor Truck	0.00
	Interest Other Long-Term Debt	**0.00**
3-SW-431000-0002	Interest-Athens 668-04 Loan	0.00
3-SW-431000-0003	Interest-Athens 668-05 Loan	0.00

3-SW-431000-0005	Interest on Customer Deposits	(1,500.00)
3-SW-431000-0000	Other Interest-Short Term Notes	0.00
3-SW-431000-0007	Interest-Athens 668-04 Loan	0.00
3-SW-431000-0009	Interest-SRF 92-039	0.00
3-SW-431000-0011	Interest-SRF 92-048rename 2023loan	0.00
3-SW-431000-0012	Series 1995	0.00
3-SW-431000-0013	TML Series 2003	(197,489.37)
3-SW-431000-0014	Interest CWA 09-242 SRF	(19,384.00)
3-SW-431000-0015	Interest CWA 09-242 ARRA	(3,878.79)
	Other Interest Expense	**(233,401.39)**
3-SW-428000-0000	Amortization of Debt Disc. & Expenses	0.00
	Amortization of Debt Discount & Expense	**0.00**
3-SW-434000-0000	Extraordinary Income	0.00
3-SW-435000-0000	Extraordinary Deductions	0.00
	Extraordinary Income	**0.00**
	Total Revenue	**5,108,015.56**
3-SW-401538-0000	Utilities	872,395.74
3-SW-401538-0050	Mouse Creek Plant	4,000.00
3-SW-401539-0000	Supplies & Expenses	174,623.74
3-SW-401539-0050	Supplies & Expenses	15,000.00
3-SW-401540-0000	Operation of Treatment Plant	561,795.87
3-SW-401540-0030	Office & Supervision	0.00
3-SW-401540-0050	Mouse Creek Plant	155,205.85
3-SW-401541-0000	Treatment Plant Super & Engineering	104,547.76
3-SW-401541-0050	Mouse Creek Plant	34,837.18
3-SW-401546-0000	Sludge Removal	99,225.38
3-SW-401546-0050	Mouse Creek Plant	1,074.47
	Sewer Treatment Plant Expense	**2,022,705.99**
3-SW-401555-0000	Utilities	47,000.00
3-SW-401556-0000	Operation of Pumping Station	49,510.96
	Pumping Station Expense	**96,510.96**
3-SW-401560-0000	Maps and Records	55,123.28
3-SW-401580-0000	Operation Supervision & Engineering	44,430.07
3-SW-401580-0003	Operation Super & Engineering-Consultants	0.00
3-SW-401583-0000	Operation of Lines	80,521.40
3-SW-401583-0002	Inclement Weather Payroll	0.00
3-SW-401583-0003	Industrial Pretreatment	18,664.90
3-SW-401583-0030	Office & Supervisory	77,833.10
3-SW-401586-0000	Meter Expenses	0.00
3-SW-401586-0030	Office & Supervisory	3,383.04
3-SW-401587-0000	Customer Installation Expenses	4,360.07
3-SW-401587-0030	Office & Supervisory	8,433.20
3-SW-401588-0000	Miscellaneous Distribution Expenses	3,100.00
3-SW-401589-0000	Rents	0.00
	General Expense	**295,849.07**

3-SW-401901-0000	Supervision	18,359.69
3-SW-401902-0000	Meter Reading Expenses	0.00
3-SW-401902-0030	Office & Supervisory	2,613.30
3-SW-401903-0000	Customer Records & Collections Expenses	52,106.86
3-SW-401903-0002	CUSTOMER SURVEY EXP.	0.00
3-SW-401903-0003	Expense - Transworld Collection Cost	0.00
3-SW-401903-0030	Office & Supervisory	113,097.23
3-SW-401904-0000	Uncollectible Accounts	12,132.66
	Customer Accounts Expense	**198,309.74**
3-SW-401907-0000	Supervision	0.00
3-SW-401908-0000	Customer Assistance Expenses	0.00
3-SW-401909-0000	Info & Inst. Advertising Exp.	1,907.67
3-SW-401910-0000	Misc. Customer Service & Info Expense	0.00
3-SW-401912-0000	Economic Development	0.00
	Service & Info Expense	**1,907.67**
3-SW-401920-0000	Administrative & General Salaries	136,905.84
3-SW-401920-0010	Administrative & General Salaries-Computer	0.00
3-SW-401921-0000	Office Supplies & Expenses	111,000.00
3-SW-401921-0002	Books and Magazines	100.00
3-SW-401921-0003	Meals, Travel & Seminar Expenses	13,666.80
3-SW-401921-0004	Uniform and Clothing	10,000.00
3-SW-401923-0000	Outside Services - Auditors	3,900.00
3-SW-401923-0002	Outside Services - Legal	2,800.00
3-SW-401923-0003	Outside Services- Consultants	3,397.56
3-SW-401924-0000	Property Insurance	55,272.51
3-SW-401925-0000	Injuries and Damages	107,847.04
3-SW-401926-0000	Employee Pensions & Benefits	46,308.87
3-SW-401926-0002	Retirement Plan	483,000.00
3-SW-401926-0003	Group Insurance	195,707.88
3-SW-401926-0004	Vacation	0.00
3-SW-401926-0005	Retirement Match	28,158.83
3-SW-401926-0006	Employee Relations	10,613.17
3-SW-401930-0000	General Advertising Expenses	1,500.00
3-SW-401930-0002	Miscellaneous General Expenses	55,000.00
3-SW-401930-0003	Miscellaneous General Expenses-Dues	5,000.00
3-SW-401931-0000	Rents	4,700.00
	Administrative and General Expenses	**1,274,878.49**
	Total Operating Expenses	**3,890,161.93**
3-SW-402505-0000	Maintenance of Structures	100.00
3-SW-402505-0030	Mouse Creek Plant	100.00
3-SW-402506-0000	Maintenance of Roads/Grounds	5,100.00
3-SW-402506-0050	Mouse Creek Plant	13,385.56
3-SW-402507-0000	Maintenance of Treatment Plant Equipment	138,324.26
3-SW-402507-0050	Mouse Creek Plant	35,474.18
	Sewer Treatment Plant Expense	**192,483.99**
3-SW-402551-0000	Maintenance Records-Pump Station	0.00
3-SW-402552-0000	Maintenance of Structures	0.00

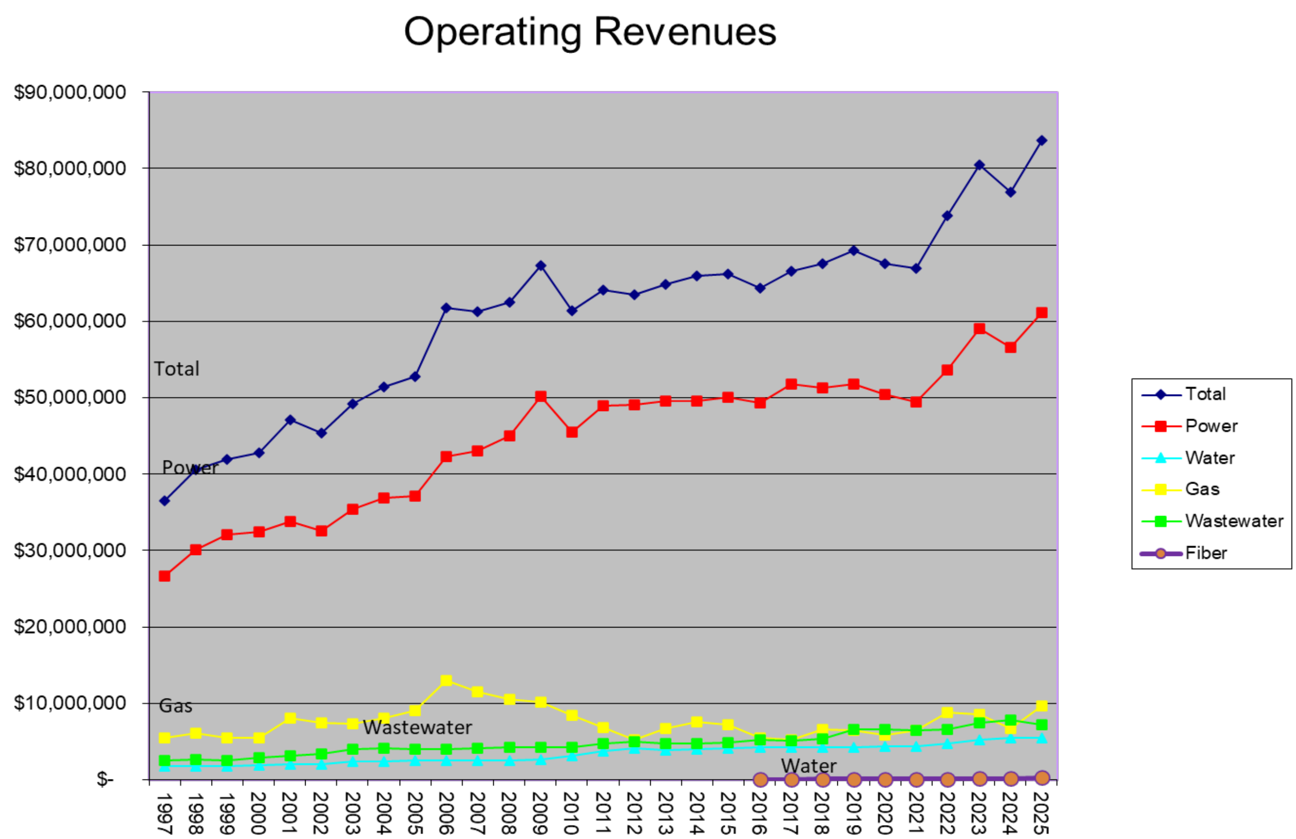
3-SW-402553-0000	Maintenance of Roads/Grounds	110,000.00
3-SW-402554-0000	Maintenance/Pump Station Equipment	90,840.46
	Pumping Station Expense	**200,840.46**
3-SW-402590-0000	Maintenance Supervision & Engineering	30,010.12
3-SW-402593-0000	Maintenance of Mains	218,306.01
3-SW-402593-0030	Office & Supervisory	4,077.35
3-SW-402594-0000	Maintenance of Services	32,329.79
3-SW-402594-0002	Maintenance of Grinder Pumps	20,315.62
	General Expense	**305,038.88**
3-SW-402935-0000	Maintenance of General Plant	10,491.20
3-SW-402935-0002	Maintenance of Two-Way Radio Equipment	200.00
	Administrative and General Expense	**10,691.20**
	Total Maintenance Expenses	**709,054.53**
	Net Profit (Loss)	**508,799.09**

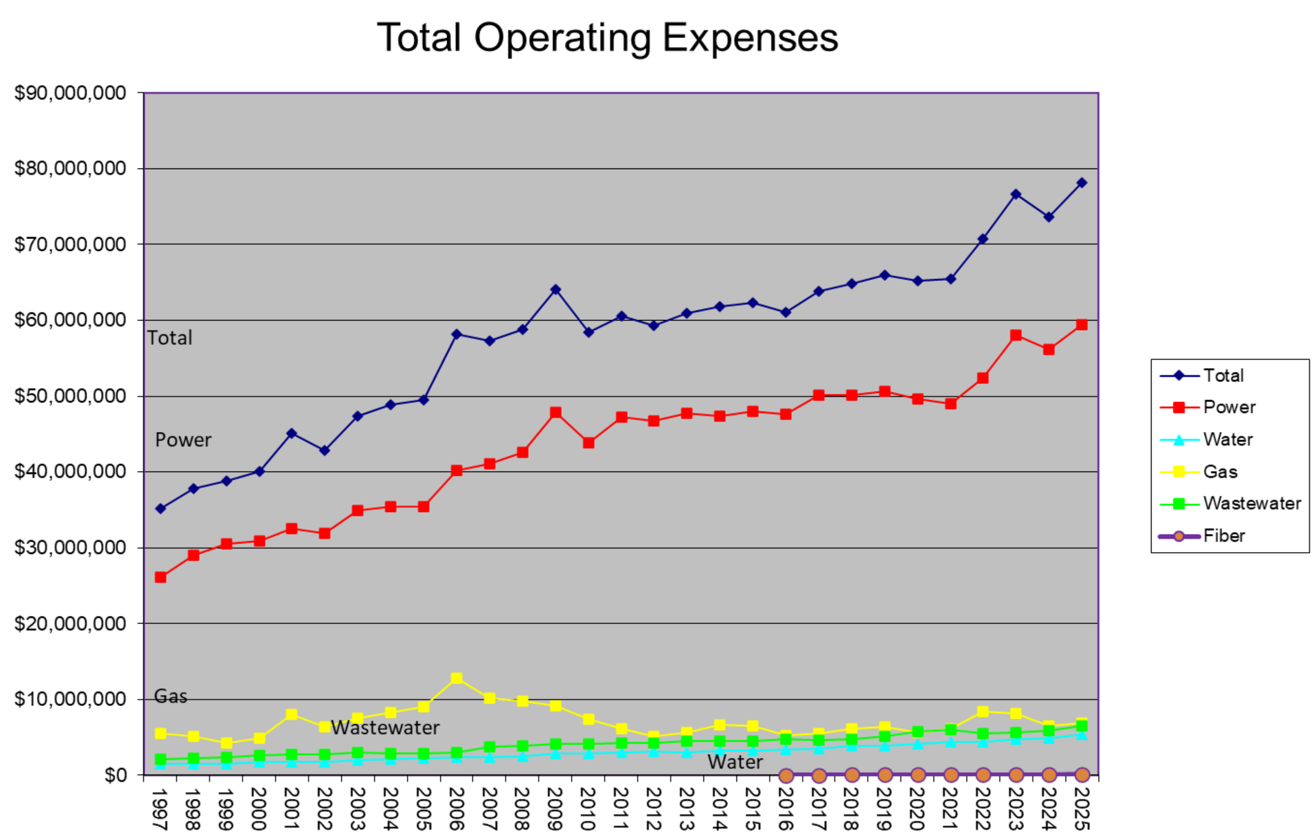
Athens Utilities Board
Fiber Function Line-Item Budget
June 30 2027

Account Number	Account Title	2027 Budget
4-FB-400440-0000	Standard Sales	175,087.50
4-FB-400441-0000	Advanced Sales	73,342.50
4-FB-400445-0000	Performance Sales	25,687.50
4-FB-400443-0000	Dark Fiber	65,394.00
4-FB-400444-0000	Government Wholesale Sales	8,640.00
	Fiber Sales Revenue	**348,151.50**
4-FB-400450-0000	Forfeited Discounts	1,500.00
	Forfeited Discounts	**1,500.00**
4-FB-400451-0000	Other Fiber Revenue	0.00
4-FB-400451-0001	Miscellaneous Sales Revenue	2,500.00
4-FB-400451-0002	Miscellaneous Revenue-Service Charges	2,575.00
4-FB-400451-0007	Other Income - Contributions	220.00
4-FB-400456-0000	Miscellaneous Revenue - Grants	
	Other Fiber Revenue	**5,295.00**
	Total Revenue	**354,946.50**
4-FB-403000-0000	Depreciation Expense	50,000.00
	Depreciation Expense	**50,000.00**
4-FB-415000-0000	Misc. Revenue - Wi-Fi Extender	400.00
4-FB-419000-0000	Interest Income	3,935.22
	Other Income	**4,335.22**
	TOTAL REVENUE	**305,250.84**
4-FB-401555-0000	Purchased Telecom	12,050.00
	Purchased Telecom	**12,050.00**
	Operating Expense:	
4-FB-401583-0000	Overhead Line Expense	30,909.81
4-FB-401920-0000	Administrative and General Salaries	4,597.58
4-FB-401921-0001	Office Supplies & Expenses	11,196.46
4-FB-401923-0000	Outside Services - Auditors	25.98
4-FB-401923-0002	Outside Services-Consultant/Engineering	3,000.00
	Total Maintenance Expenses	**14,222.44**
	Net Operating Income	**160,074.71**
	Net Income	**160,074.71**

Appendix 2

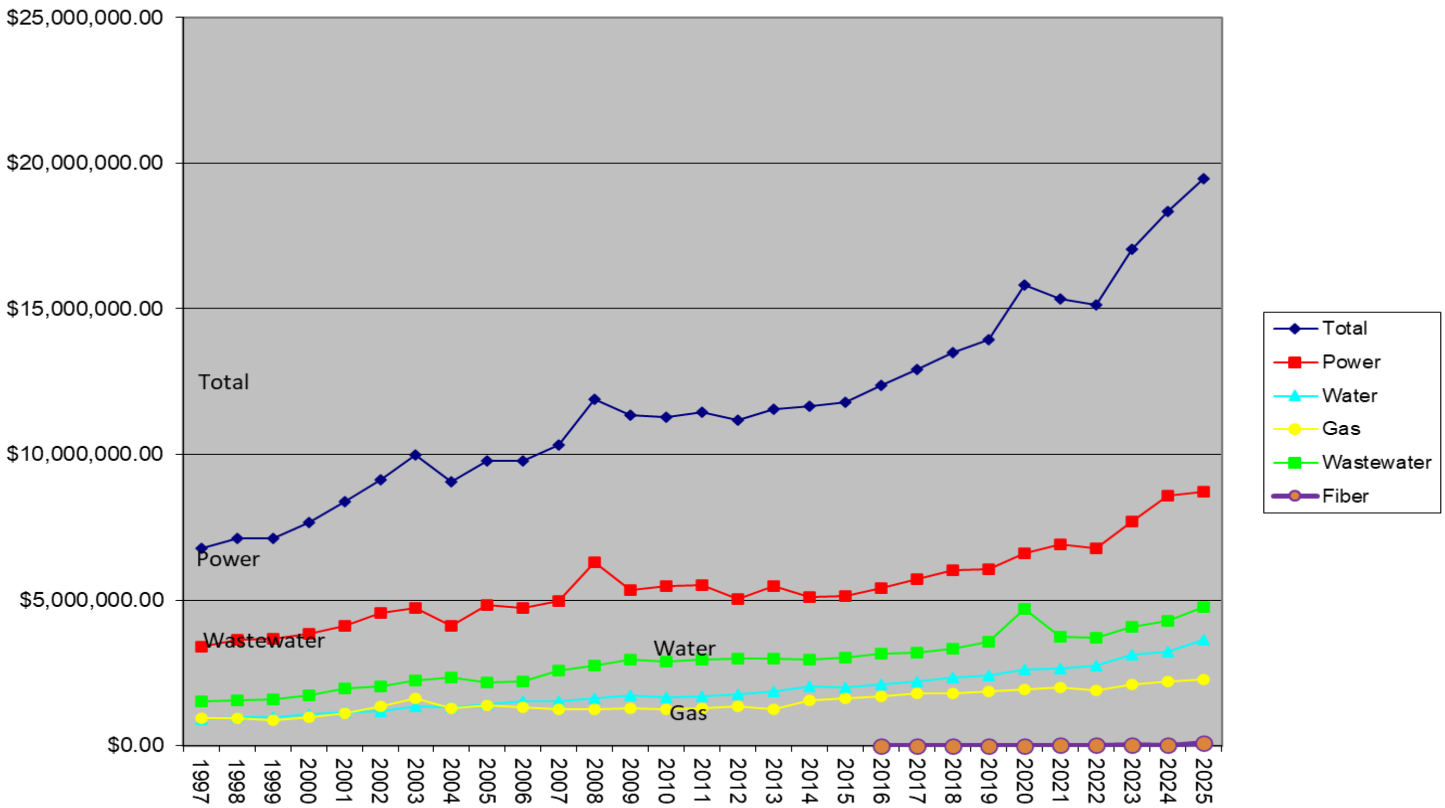
Selected Financial Data (1997-Present)


Operating Revenues
$90,000,000
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
Total
Power
Gas
Wastewater
Water
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Total
Power
Water
Gas
Wastewater
Fiber

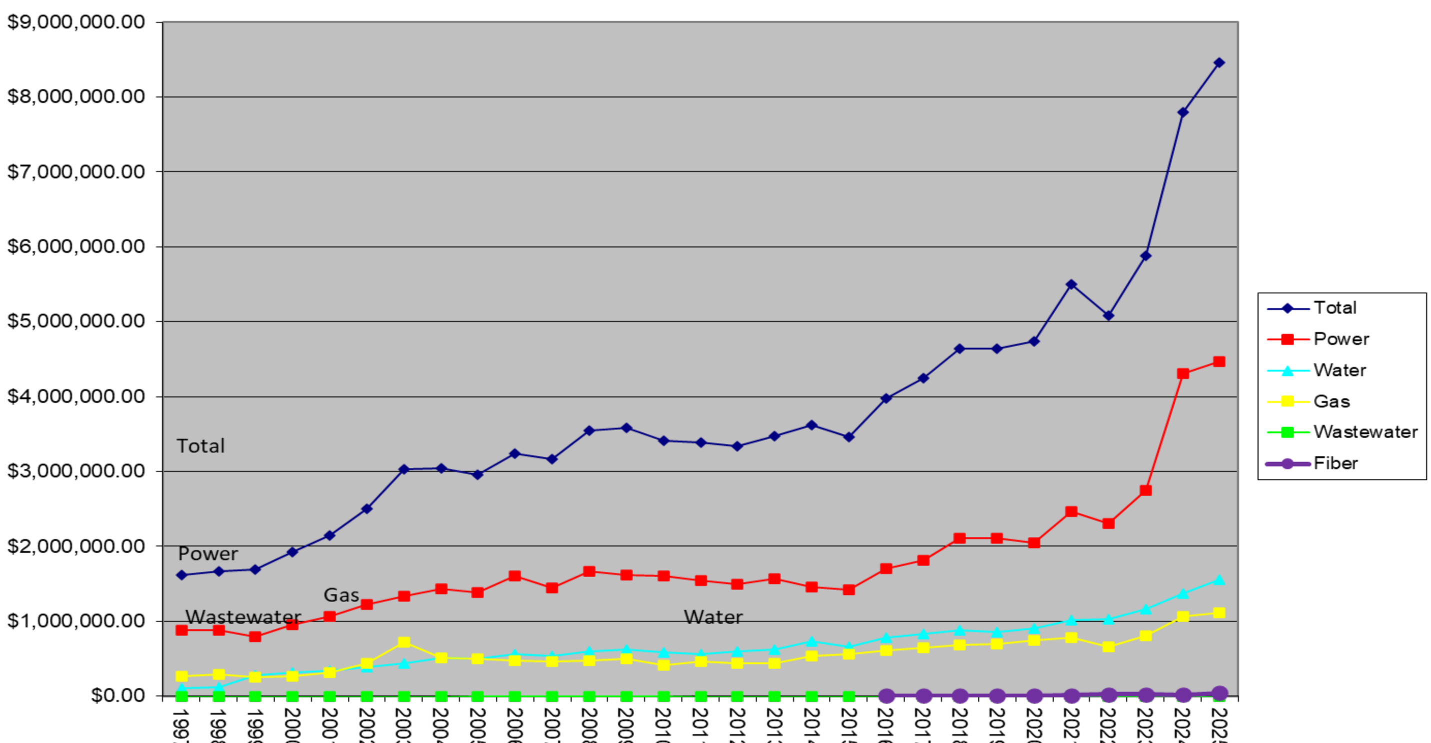

Total Operating Expenses
$90,000,000
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
Total
Power
Gas
Wastewater
Water
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Total
Power
Water
Gas
Wastewater
Fiber

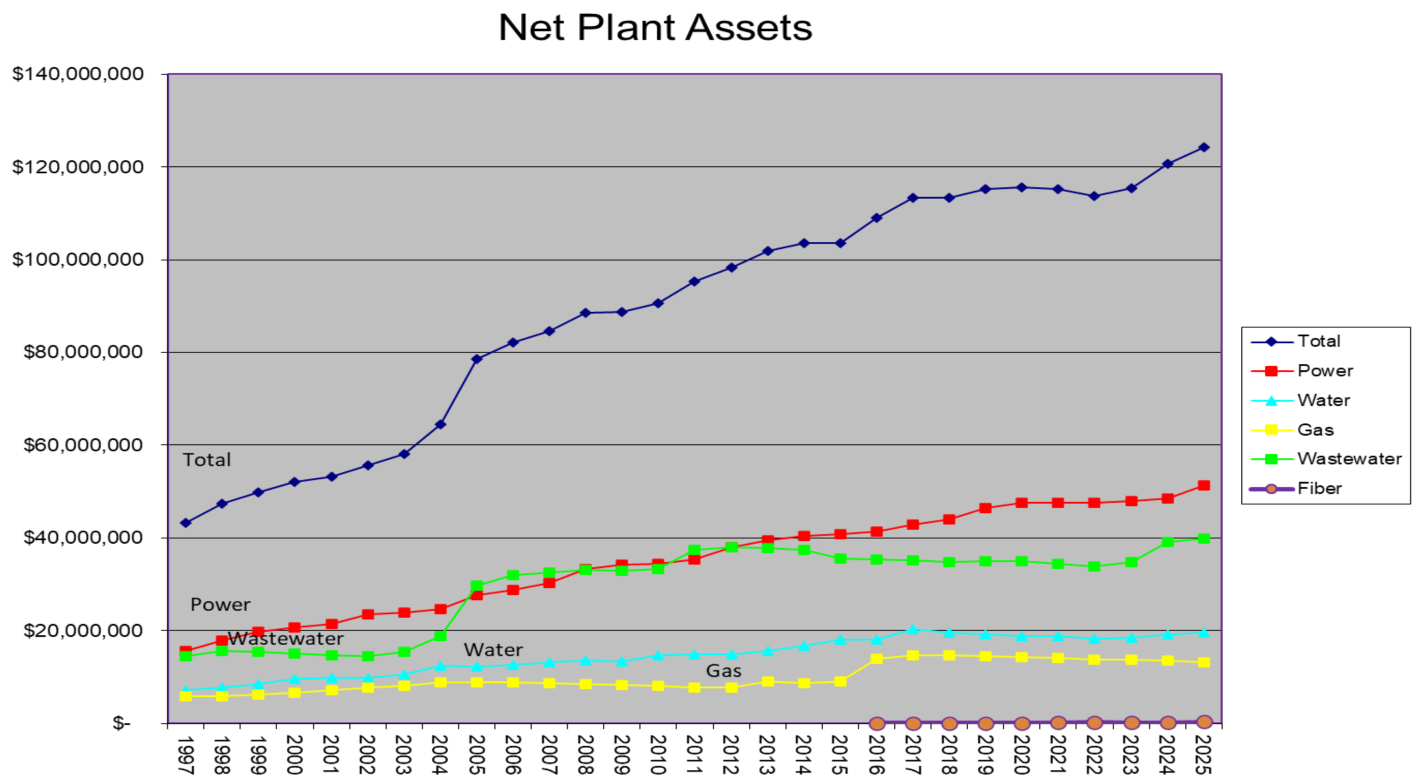
Operations and Maintenance

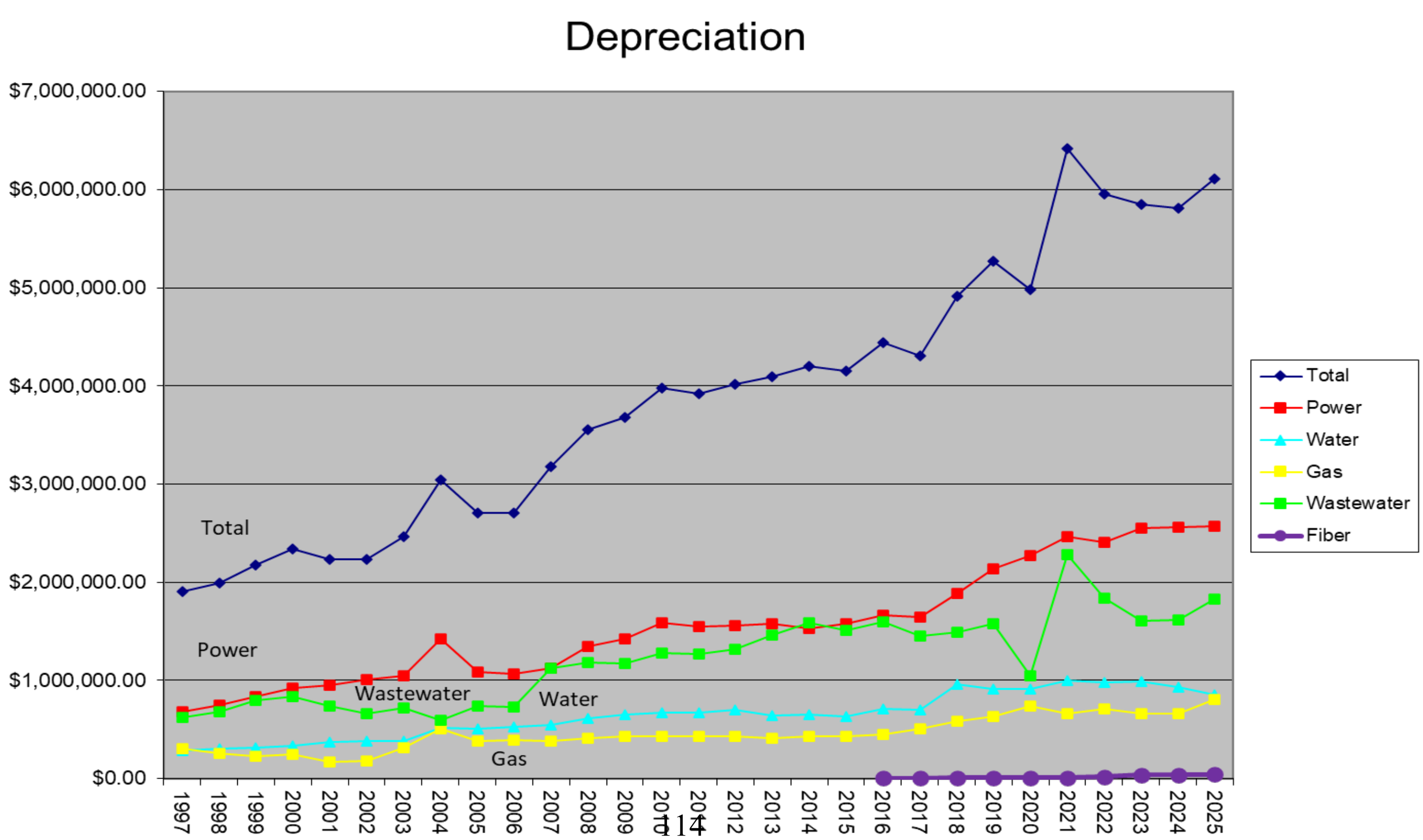
(Total Expenses - Pur. Supply and Depreciation)

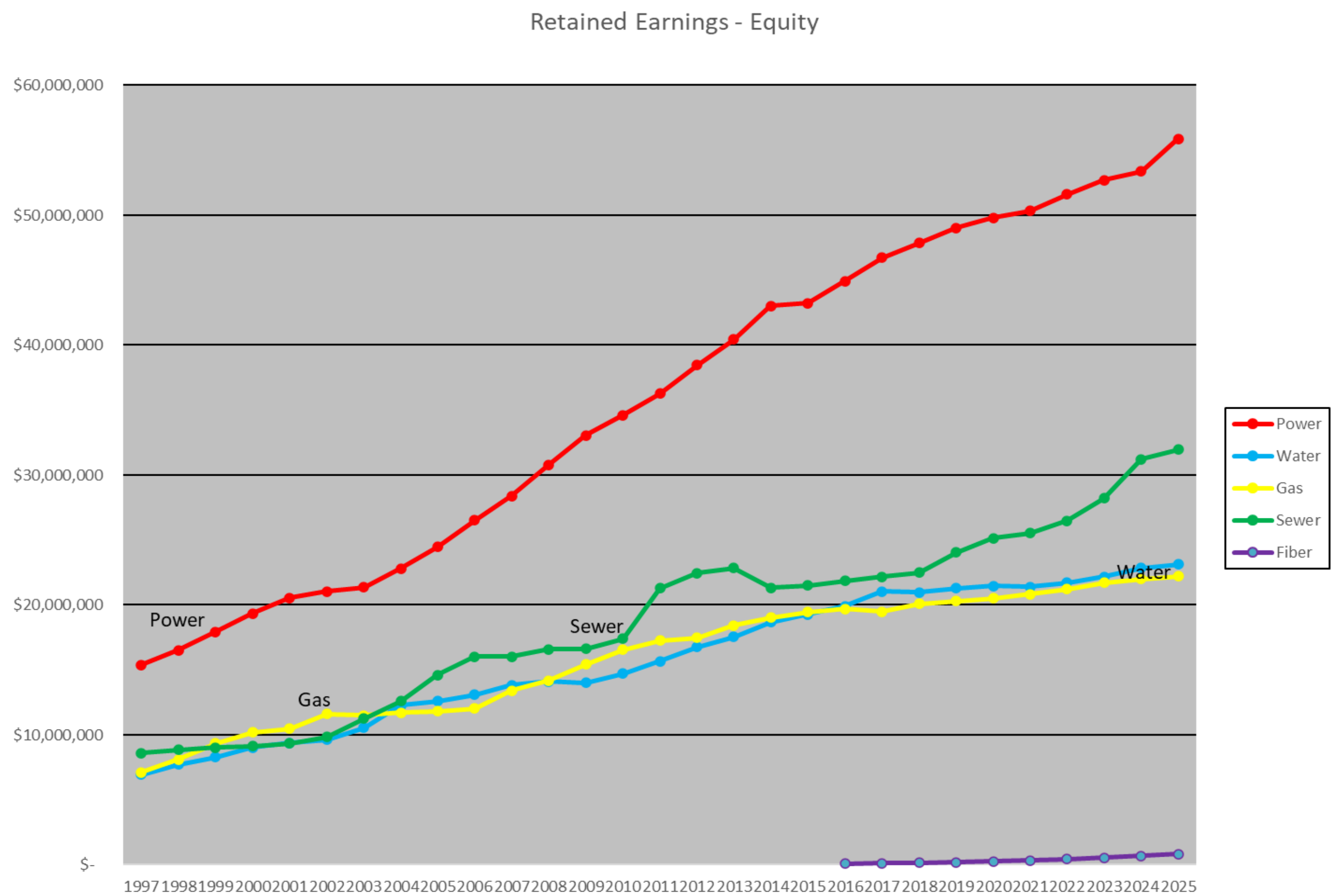


Administrative and General

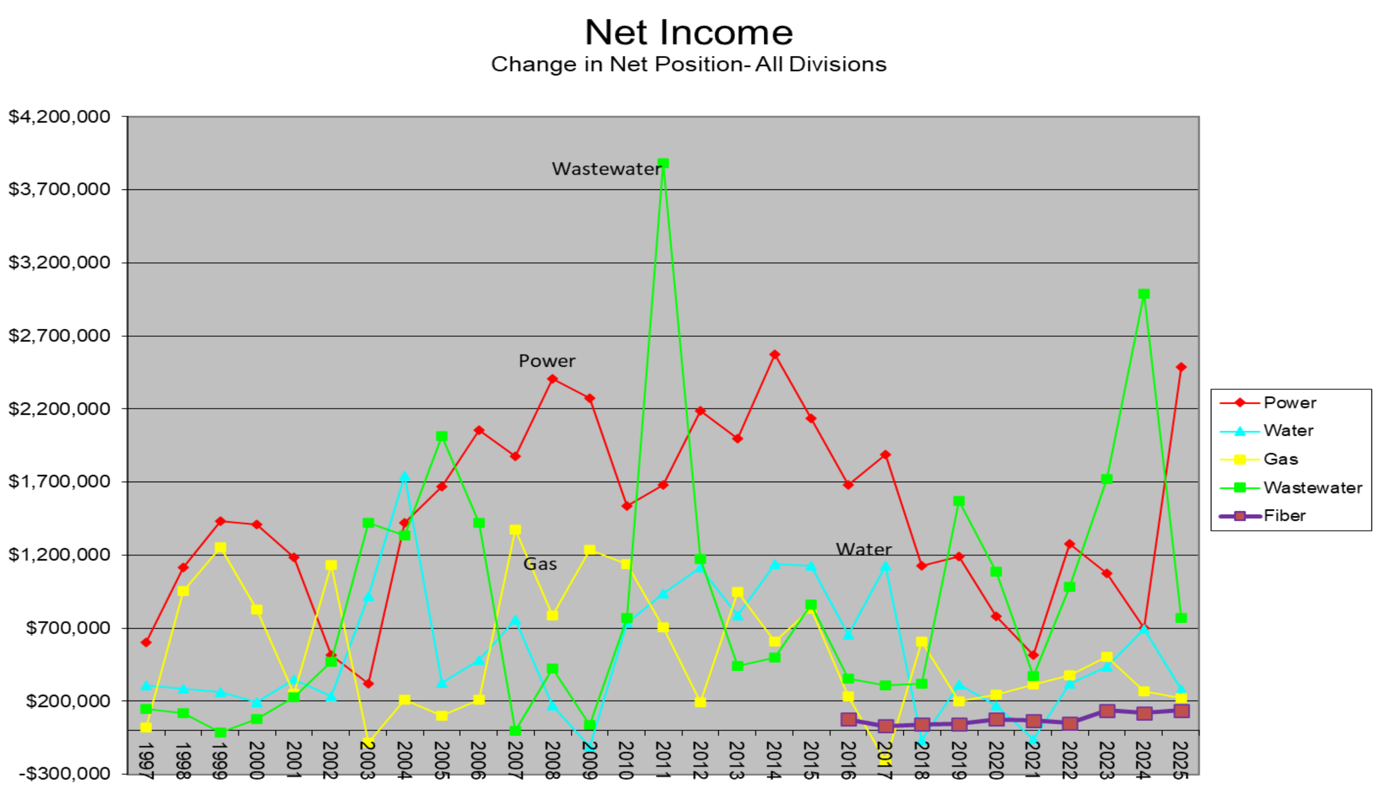



Net Plant Assets
$140,000,000
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$-
Total
Power
Wastewater
Water
Gas
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Total
Power
Water
Gas
Wastewater
Fiber

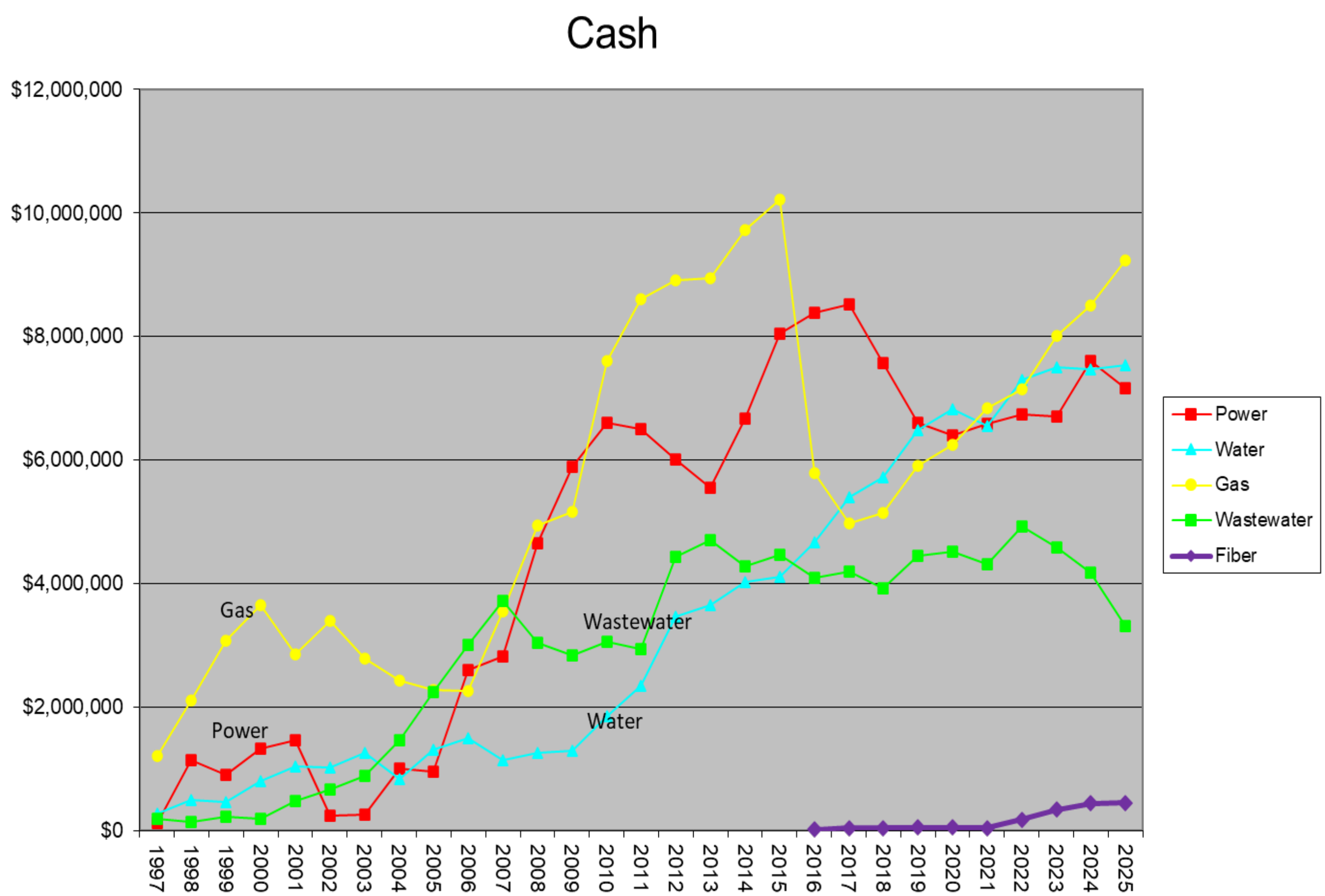

Depreciation
$7,000,000.00
$6,000,000.00
$5,000,000.00
$4,000,000.00
$3,000,000.00
$2,000,000.00
$1,000,000.00
$0.00
Total
Power
Wastewater
Water
Gas
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Total
Power
Water
Gas
Wastewater
Fiber



Retained Earnings - Equity
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Power
Gas
Sewer
Water
Power
Water
Gas
Sewer
Fiber



Net Income
Change in Net Position- All Divisions
$4,200,000
$3,700,000
$3,200,000
$2,700,000
$2,200,000
$1,700,000
$1,200,000
$700,000
$200,000
-$300,000
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Wastewater
Power
Gas
Water
Power
Water
Gas
Wastewater
Fiber


Cash
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
1997
1998
1999
2000
2001
2002
2003
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2007
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2011
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2015
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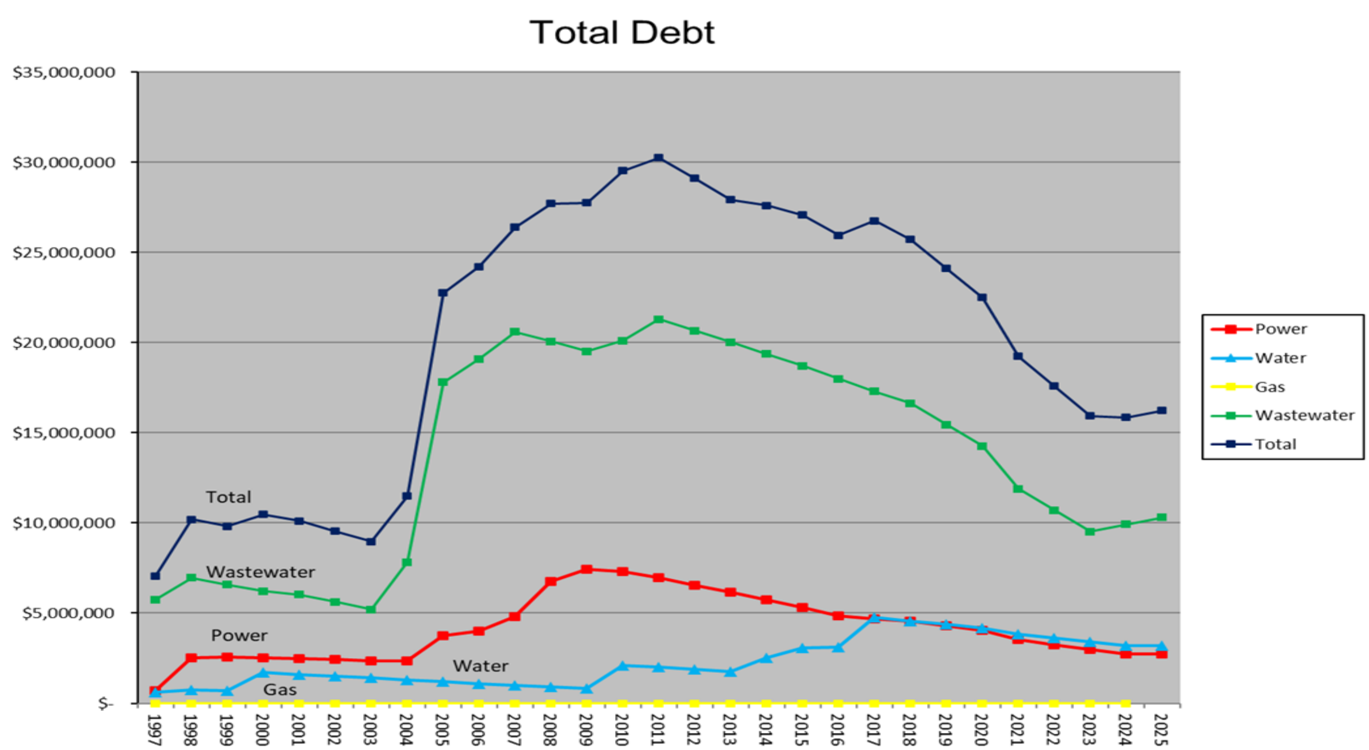
2017
2018
2019
2020
2021
2022
2023
2024
2025
Gas
Power
Wastewater
Water
Power
Water
Gas
Wastewater
Fiber


Total Debt
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
Total
Wastewater
Power
Water
Gas
Power
Water
Gas
Wastewater
Total

Appendix 3

Large Capital Projects Summary

Large Projects over $1,000,000 for FY 2027

Power Division

The copper primary replacement is estimated to cost $2.8 million this year. We would anticipate issuing debt to cover this cost.

Water Division

The construction of a new reservoir (Tank 6) to address capacity and flow in our Mt. Verd Industrial Park and Highway 305 area is anticipated to be in excess of $6 million and we plan on funding that project with grant awards and debt. The renovation of main Madison to Crestway (Phase 1) is expected to cost $1.3 million.

Wastewater Division

The replacement of 3,500 linear feet Slack Road to Hicks Road is foreseen to cost 1.2 million. We will issue debt in order to finance this equipment replacement.

Agenda Item

V. E. Bid Award for RFB 26-03 Athens Fire Station No. 3

Overview

The City solicited bids for the construction of Fire Station No. 3 under Request for Bids (RFB) 26-03. Bids were opened on May 28, 2026, and reviewed by the project architect, Wold Architects and Engineers, and the City's Purchasing Assistant. Following review of the submitted bids, KTM Builders, LLC of Chattanooga, Tennessee, was determined to be the lowest responsive bidder, in the amount of $5,985,590. The bid includes a $250,000 contingency.

The estimated total project cost is $6,755,740. This includes construction, furniture, fixtures, and equipment, special inspections, security and technology, and design fees. Approximately $400,000 of the total project cost has already been spent in this fiscal year on planning and design.

Action to Consider

Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments

Fire

2 June 2026

Angela Robbins
Purchasing Assistant/Risk Manager
815 N. Jackson St.
Athens, TN 37303

Re: Bid Recommendation
Athens Fire Station No. 3
Athens Project No. RFB 26-03
Commission No. 257040

Angela:

We have reviewed the apparent low bid submitted by KTM Builders LLC for the above referenced project. The Base Bid amount of $5,810,000 plus the Unit Prices of $175,590, for a total of $5,985,590, this is within the anticipated Bid Target.

During our review, it was noted that KTM Builders LLC had a mathematical/clerical error in its bid calculation, as the submitted Base Bid did not include the Unit Prices identified in the sealed bid. This was reviewed with the City of Athens Attorney, and this error does not create a material change that may have impacted the competitive bidding process between the contractors.

We have verified that the license classifications for the General Contractor and the subcontractors listed on the Bid Envelope are current and meet the requirements for their respective portions of the work.

Unless your office has additional questions, we recommend award of the contract to KTM Builders LLC for the total contract amount of $5,985,590.

Submitted by,

Jared Brown
Architect

pc: Beth Meadows, Wold AE
Brandon Ainsworth, City of Athens
Kevin Helms, City of Athens
Mark Kuebler, KTM Builders LLC

Wold Architects and Engineers
214 Centerview Drive, Suite 300
Brentwood, TN 37027
woldae.com | 615 370 8500

PURCHASING DIVISION

BID TABULATION SHEET

REQUESTING DEPARTMENT: Fire Department

DATE BIDS ADVERTISED: Saturday, May 2, 2026

BID NUMBER: 26-03

DATE BIDS RECEIVED: Thursday, May 28, 2026

PROJECT NAME: Fire Station No. 3

BIDDER	CITY	STATE	(Y/N) COMPLIANCE?	($) BID AMOUNT	ALT #1	ALT #2
Evans-Ailey Construction, Inc	Powell	TN	Y	$6,407,000	-$370,000	-$103,000
Frizzell Construction Company	Bristol	TN	N	$7,540,000	-$270,000	-$160,000
KTM Builders LLC	Chattanooga	TN	Y	**$5,985,590	-$210,200	-$57,000
**Corrected after speaking with architect due to discrespancy on bid form vs. bid documents - submitted bid was $5,810,000 - once unit pricing was added, mathmatical error						
Merit Construction, Inc	Knoxville	TN	Y	$6,590,000	-$323,969	-$34,955
Morgan Construction Company, Inc	Chattanooga	TN	Y	$6,850,000	-$300,000	-$78,000
Place Services Inc	Woodstock	GA	Y	$6,349,500	-$305,300	-$76,300
TriCon, Inc	Cleveland	TN	N	$6,750,000	-$325,000	-$90,000
Wilson Construction Group, LLC	Athens	TN	Y	$6,735,000	-$244,000	-$65,000

815 N. Jackson Street, Athens, TN 37303 · (423) 744-2780 · arobbins@athenstn.gov

Athens Fire Station No. 03 - Bidding Construction and Various Project Costs - REVISION 2026-06-08

Construction Estimate				
	Programming (Aug 2025)	Programming (Sept 2025)	Design Development (Feb 2026)	**Bidding** (May 2026)
Total Building and Site Cost	$8,340,000	$6,310,000	$6,827,100	**$5,985,590** Bid includes $250,000 contingency
Other Factors				
Furniture, Fixtures and Equipment [Estimate]	$400,000	$300,000	$200,000	**$200,000**
Special Inspections [Estimate]	$25,000	$25,000	$25,000	**$35,000**
Security and Technology				**$80,000**
Other Factors Estimate Total	$425,000	$325,000	$225,000	**$315,000**
Designer Fee				
Designer Fee Phase I	$45,000	$45,000	$45,000	**$45,000**
Designer Fee Phase II	$542,100	$410,150	$410,150	**$410,150**
Designer Fee Estimate Total	$587,100	$455,150	$455,150	**$455,150** $373,120 incurred through completion of bidding services
Grand Total				
Total Project Estimated Cost	$9,352,100	$7,090,150	$7,507,250	**$6,755,740**

Agenda Item
V. F.		Purchase of a New Fire Engine for the Fire Department

Overview
The Fire Department is requesting approval to purchase one new Pierce Custom Enforcer Heavy Duty Rescue Pumper to replace an existing fire engine that exceeded its planned service life during FY 2024-2025. Funding for this purchase is included in the FY 2026-2027 Fleet Fund budget and has been reserved for this replacement.

The proposed apparatus will be purchased through the Sourcewell cooperative purchasing contract. Pierce Manufacturing is offering a prepayment discount of $101,881 if the order is placed and paid by July 17, 2026, reducing the purchase price from $1,398,111 to $1,296,230. Delaying the purchase beyond July 17, 2026 may result in reduced discounts and increased manufacturing costs.

Approval is requested to initiate the purchase process prior to the July 1, 2026 effective date of the FY 2026-2027 budget, purchase one Pierce Custom Enforcer Heavy Duty Rescue Pumper through the Sourcewell cooperative purchasing program, and authorize expenditure of up to $1,296,230 from the Fleet Fund.

Action to Consider
Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments
Fire

FIRE DEPARTMENT

TO: Randy Dowling, City Manager

FROM: Brandon Ainsworth

DATE: April 7, 2026

RE: Request Council consent to purchase 1 new Fire Engine

1. The Athens Fire Department is in need of 1 new Fire Engines to replace our existing engine that aged out in the fiscal year 2024/2025. Funding for this purchase has been planned out in the Fleet Fund but was pushed out by two years. It is our intent to purchase this vehicle through a cooperative purchasing agreement administered through SOURCEWELL. The manufacturing vendor in this contract is Pierce Manufacturing Inc., a popular top-quality fire apparatus manufacturer. A pre-pay discount totaling $101,881.00 will apply if paid 100% upfront with order and payment issued by July 17, 2026. Otherwise the discount drops; and If not ordered by July 2026, the manufacturer anticipates manufacturing costs will again increase.

2. The Athens Fire Department has worked closely with the Pierce representative to review specifications approved by the agreement and in accordance with AFD's needs and the final cost numbers as delivered by the Pierce representative are as follows:

ITEM	UNIT PRICE	QUANTITY	SUBTOTAL
Fire Apparatus	$1,398,111.00	1	$1,398,111.00
Total	**$1,398,111.00**		
100% Pre-Pay Discount		1	($101,881.00)
Total Net of Prepayment w/ Order		1	**$1,296,230.00**

3. In accordance with city ordinance and state statute, we hereby request council consent to expend up to the full purchase price of **$1,296,230.00.** Drawings are attached.

CONTRACT PRICING WORKSHEET

Sourcewell
Awarded Contract
Contract # 082025-PMI

Contract No.	Date Prepared
#082025-PMI	4/7/2026

Buying Agency:	Athens FD	Dealer:	Siddons-Martin Emergency Group, LLC
Contact Person:	Brandon Ainsworth	Sales Rep:	Jeffrey Doran
Member Number:	26649	Phone:	800-784-6806
Phone:	423-252-7838	Email:	OMT@siddons-martin.com
Email:	bainsworth@athenstn.gov	Pierce Bid #:	1553

Base Spec.

Sourcewell ID #	Description:	Sourcewell Price List Date	Published Contract Price
1828	Enforcer Pumper	2/6/2026	$ 920,923.57

Removed Options from Base Spec.

Notes: (do not list options removed)	Before Discount Price
	$ 2,548.00
With Pierce Discount (5.5%)	$ 2,407.86

Added Options to Base Spec.

Notes: (do not list options added)	Before Discount Price
	$ 507,508.24
With Pierce Discount (5.5%)	$ 479,595.29

Qty	*1*	***Subtotal (Base Spec+Added/Removed Options)***	$ 1,398,111.00

Other Expenses

Description	Price
Travel	$ -
Taxes	$ -
Performance Bond	$ -
Applicable State Fees (Tire Fee, etc.)	$ -
Total Other Expenses	$ -

Discounts

Description	*Price*
100% Pre-Payment Discount	$ 101,881.00
Chassis Pre-Payment Discount	$ -
Aerial Pre-Payment Discount	$ -
Trade-In Value / Other Customer Adjustments	$ -
Total Discount	$ 101,881.00

Total Purchase Price (matches customer PO)	**$ 1,296,230.00**

Siddons Martin Emergency Group, LLC
892 Kansas St.
Memphis, TN 38106
DEALER # 21916

April 1, 2026

Brandon Ainsworth
ATHENS FIRE DEPARTMENT (TN)
815 N JACKSON ST
ATHENS, TN 37303

Proposal For: 2026 Athens Pumper

Siddons-Martin Emergency Group, LLC is pleased to provide the following proposal to ATHENS FIRE DEPARTMENT (TN). Unit will comply with all specifications attached and made a part of this proposal. Total price includes delivery FOB ATHENS FIRE DEPARTMENT (TN) and training on operation and use of the apparatus.

Description		Amount
Qty. 1 - 1553 - Pierce-Custom Enforcer Heavy Duty Rescue Pumper **(Unit Price - $1,398,111.00)** Delivery within 31-32 months of order date QUOTE # - SMEG-0011255-0		
	Vehicle Price	$1,398,111.00
	Full Prepay Discount	($101,881.00)
	1553 - UNIT TOTAL	**$1,296,230.00**
	SUB TOTAL	$1,296,230.00
	SOURCEWELL #082025-PMI (FIRE)	$0.00
	TOTAL	**$1,296,230.00**

Price guaranteed until 7/17/2026

Additional: 'Due to global supply chain constraints, any delivery date contained herein is a good faith estimate as of the date of this order/contract, and merely an approximation based on current information. Delivery updates will be made available, and a final firm delivery date will be provided as soon as possible.
Persistent Inflationary Environment Notification: If the Producer Price Index of Components for Manufacturing [www.bls.gov Series ID: WPUID6112] (the “PPI”) has increased at a compounded annual growth rate greater than 5.0% from the date of acceptance of this proposal letter (the “Order Month”) and 14 months prior to the anticipated Ready for Pickup Date (the “Evaluation Month”), then the proposal price may be increased by an amount equal to any increase exceeding 5.0% for the time period between the Order Month and the Evaluation Month. Siddons Martin and Pierce will provide documentation of such increase and the updated price for the customer’s approval before proceeding with completion of the order along with an option to cancel the order.'

Taxes: Tax is not included in this proposal. In the event that the purchasing organization is not exempt from sales tax or any other applicable taxes and/or the proposed apparatus does not qualify for exempt status, it is the duty of the purchasing organization to pay any and all taxes due. Balance of sale price is due upon acceptance of the apparatus at the factory.

Late Fee: A late fee of .033% of the sale price will be charged per day for overdue payments beginning ten (10) days after the payment is due for the first 30 days. The late fee increases to .044% per day until the payment is received. In the event a prepayment is received after the due date, the discount will be reduced by the same percentages above increasing the cost of the apparatus.

Cancellation: In the event this proposal is accepted and a purchase order is issued then cancelled or terminated by Customer before completion, Siddons-Martin Emergency Group may charge a cancellation fee. The following charge schedule based on costs incurred may be applied:

(A) 10% of the Purchase Price after order is accepted and entered by Manufacturer;
(B) 20% of the Purchase Price after completion of the approval drawings;
(C) 30% of the Purchase Price upon any material requisition.

The cancellation fee will increase accordingly as costs are incurred as the order progresses through engineering and into manufacturing. Siddons-Martin Emergency Group endeavors to mitigate any such costs through the sale of such product to another purchaser; however, the customer shall remain liable for the difference between the purchase price and, if applicable, the sale price obtained by Siddons-Martin Emergency Group upon sale of the product to another purchaser, plus any costs incurred by Siddons-Martin to conduct such sale.

Acceptance: In an effort to ensure the above stated terms and conditions are understood and adhered to, Siddons-Martin Emergency Group, LLC requires an authorized individual from the purchasing organization sign and date this proposal and include it with any purchase order. Upon signing of this proposal, the terms and conditions stated herein will be considered binding and accepted by the Customer. The terms and acceptance of this proposal will be governed by the laws of the state of Tennessee. No additional terms or conditions will be binding upon Siddons-Martin Emergency Group, LLC unless agreed to in writing and signed by a duly authorized officer of Siddons-Martin Emergency Group, LLC.

Sincerely,

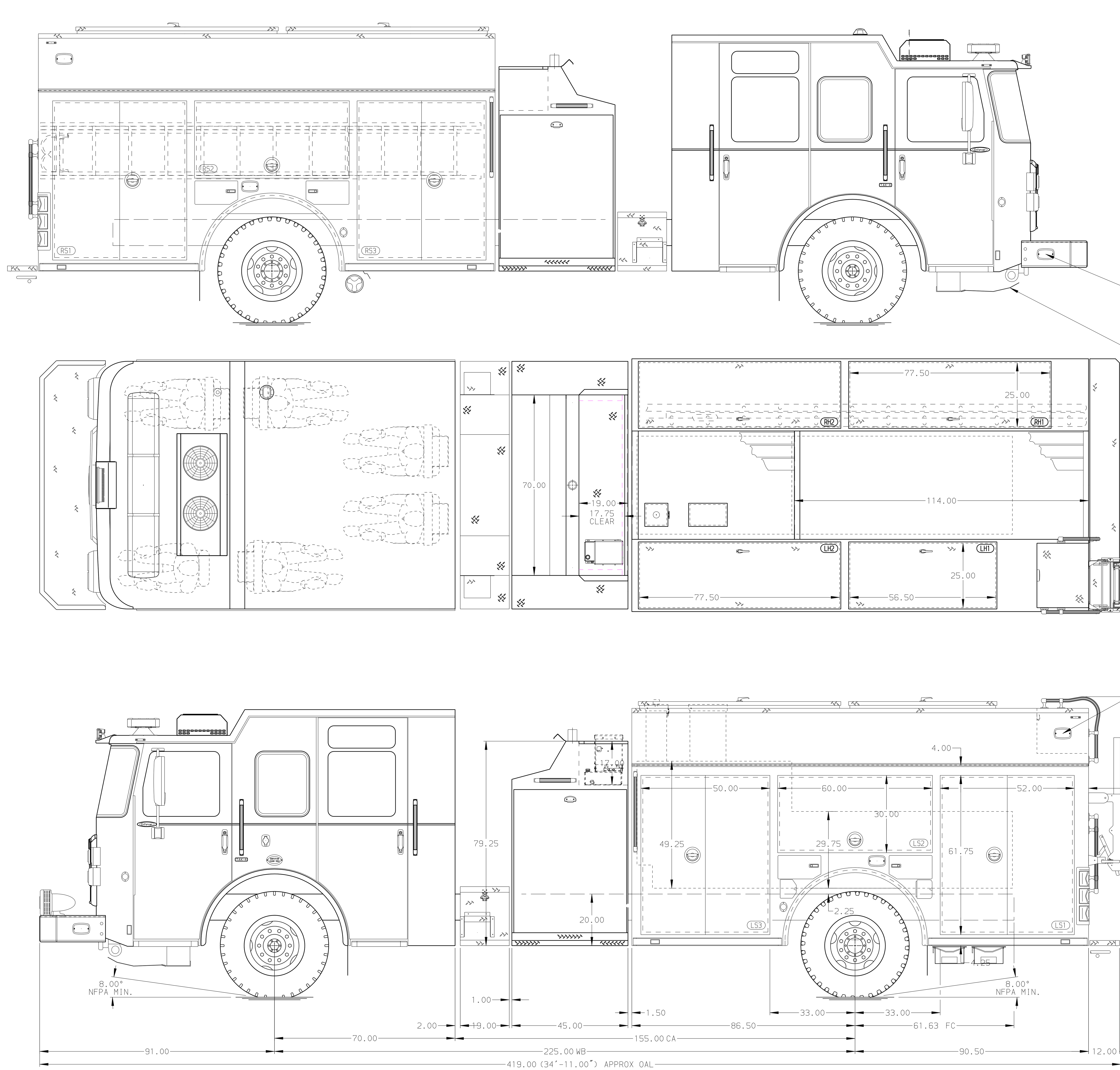
Michael Miranda 4/01/2026

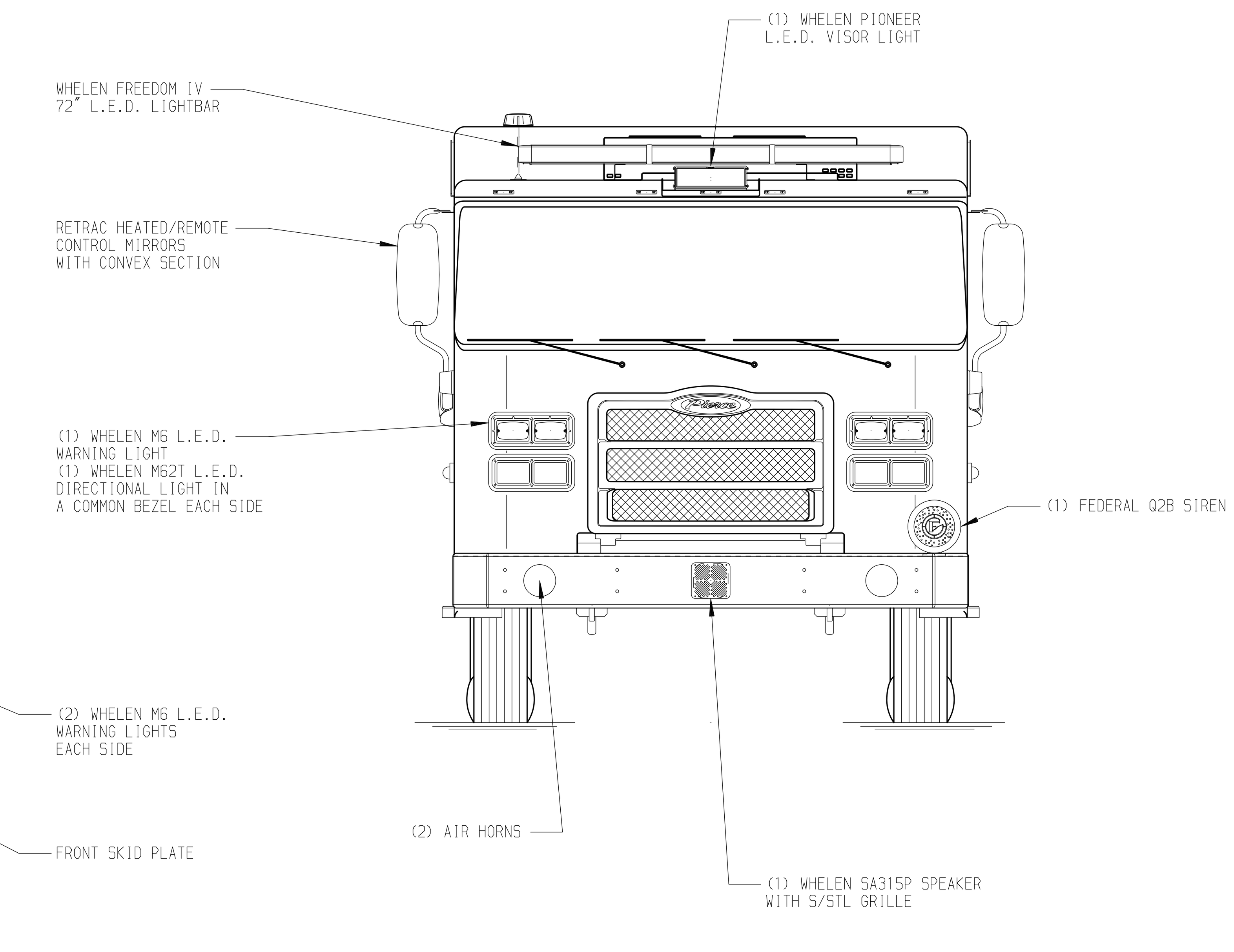
Michael Miranda

I, ____________________________, the authorized representative of ATHENS FIRE DEPARTMENT (TN), agree to purchase the proposed and agree to the terms of this proposal and the specifications attached hereto.

____

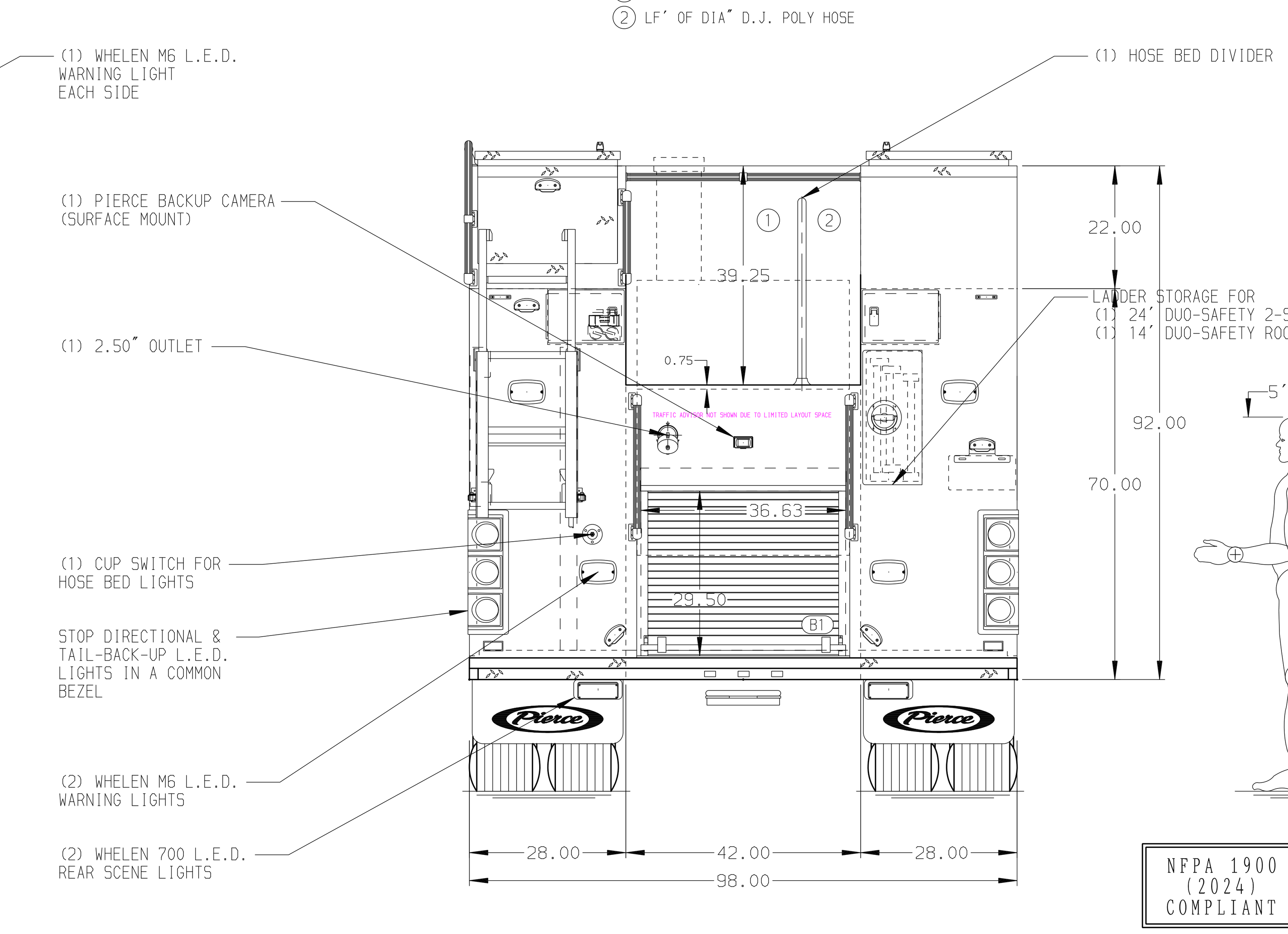
Signature & Date





BODY	TOTAL TANK CAPACITY
Pumper, HDRP, Aluminum	750 Gallon Poly Tank
COMPT, LEFT SIDE	WATER CAPACITY
177" Lap Full Height & Depth Front & Rear	730 Gallons of Water
COMPT, RIGHT SIDE	FOAM CELL CAPACITY
177" Lap Full Height & Depth Front & Rear	20 Gallon Foam Cell
COMPT, REAR	FOAM SYSTEM
29.50" FF Rollup Rear Compt w/Tailboard	Husky 3 Single Agent Foam System

HOSEBED CAPACITIES
1 LF" OF DIA" D.J. POLY HOSE
2 LF" OF DIA" D.J. POLY HOSE



NFPA 1900 (2024) COMPLIANT

CHASSIS	CAB	ELECTRICAL SYSTEM	AXLE, FRONT	PUMPHOUSE	CROSSLAYS, 1.50"	SPEEDLAYS	SAFETY
Enforcer Chassis	7010 Enforcer Cab	MUX	19,500 Lb TAK-4 Axle	45" Control Zone Top Mount	1.50" Crosslays Not Required	Speedlays Not Required	Side Roll and Frontal Impact Protection
ENGINE	BUMPER	TRANSMISSION	AXLE, REAR	PUMP	CROSSLAYS, 2.50"	GENERATOR	
525 HP Cummins X15 Engine	22" Extended Painted Steel	Allison 6th Gen, 4000 EVS P	27,000 Lb Dana Axle	2000 GPM Hale QMAX-200	2.50" Crosslay Not Required	Generator Not Required	

NOTE
DIMENSIONS SHOWN ARE APPROXIMATE AND ARE SUBJECT TO MINOR DEVIATIONS AS MAY OCCUR OR BE NECESSARY IN CONSTRUCTION.
MINOR DETAILS NOT SHOWN.

1. ONE 1.50 OUTLET WITH 2.00 PIPING AND SWIVEL LOCATED IN CENTER BUMPER TRAY
2. SHORELINE RECEPTACLE WITH KUSSMAUL SUPER AUTO-EJECT LOCATED ON DRIVER SIDE OF THE CAB
3. AIR INLET WITH DISCONNECT COUPLING IN THE DRIVER SIDE STEPWELL
4. BATTERY CHARGER LOCATED PER ORDER
5. BATTERY CHARGE INDICATOR LOCATED ON DRIVER SEAT RISER
6. ADJUSTABLE SHELVES LOCATED PER ORDER

********NOTE********
INCOMPATIBLE ISSUE WITH THE DRAWING. PLEASE SEND DRAWING IN TO PIERCE FOR EVALUATION
-CUMMINS X15 ENGINES REQUIRE THE LIFT AND TOW PACKAGE, UPDATE PULSE TO INCLUDE.
- RESTRICTED LAYOUT SPACE, TRAFFIC DIRECTING LIGHT NOT SHOWN ,PLEASE CONTACT PIERCE
-PLEASE REMOVE THE OPTION FOR LOWER CROSSLAYS

CUSTOMER APPROVAL
APPROVED BY:
DATE:

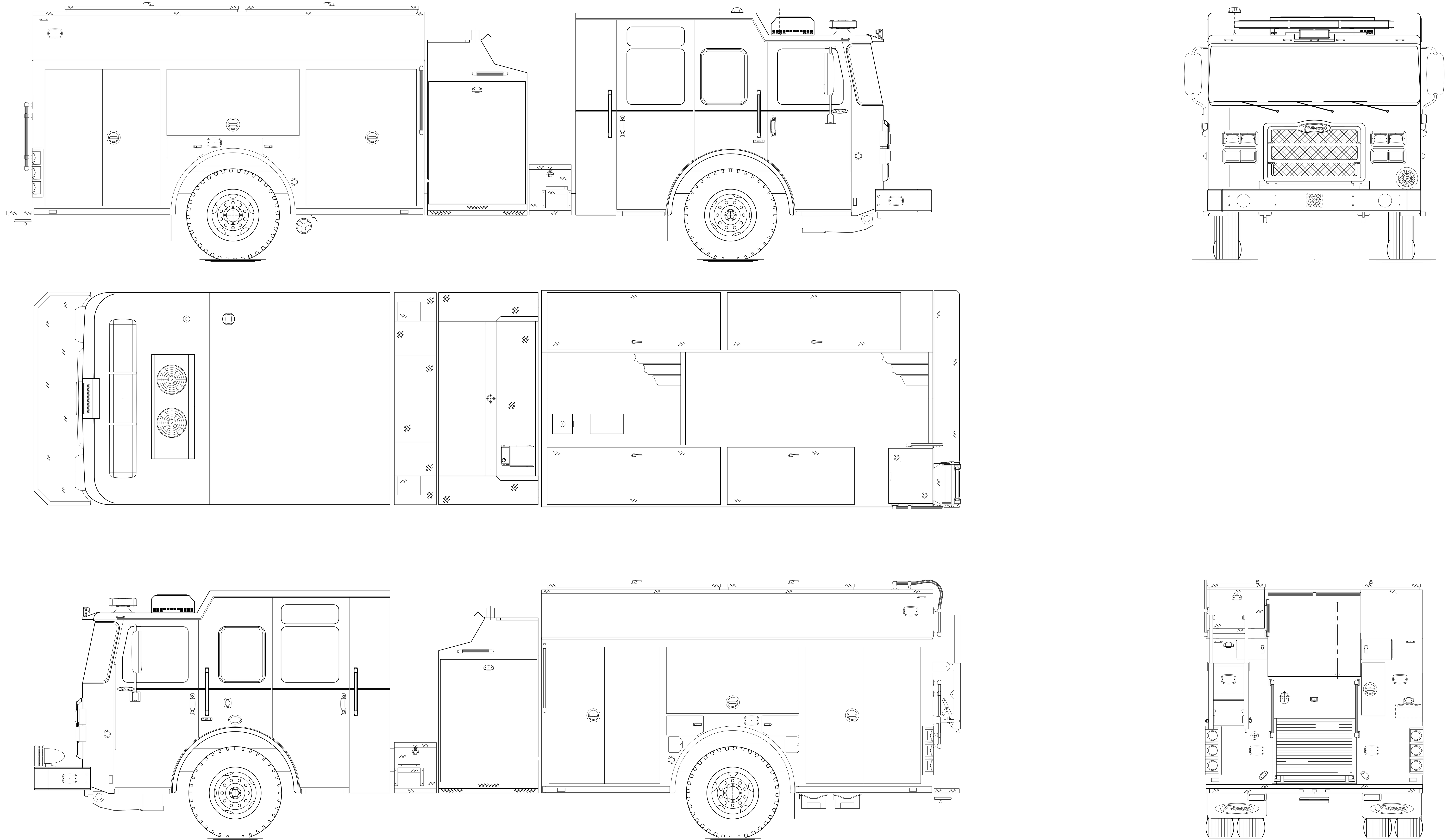
REV	DATE	BY	CH
-	-	-	-

CHASSIS DATA
MAKE: PIERCE
MODEL: -

Pierce MANUFACTURING INC.

TITLE: -
FOR: 2026 Athens Top Mount HDRP Drawing
DWG NO.:

JOB NO. -
SCALE 1:24
DATE -
DRAWN BY -
CHECKED BY -
SHEET SIZE D
SHEET NO. 1 OF 1



NOTE
LAYOUT AND SIZES PROVIDED BY CUSTOMERS
MAY VARY DUE TO AVAILABLE WORKING SPACE.

COLOR LEGEND	
PINK	LETTERING (VINYL OR REFLECTIVE)
ORANGE	STRIPING (VINYL OR REFLECTIVE)
GREEN	GOLD LEAF
YELLOW	CUSTOMER FURNISHED PRODUCT

CUSTOMER APPROVAL

APPROVED BY: ____________

DATE: ____________

MANUFACTURING INC.

JOB NO.	-
SCALE	1:24
DATE	
DRAWN BY	-
CHECKED BY	-
SHEET SIZE	D
SHEET NO.	1 OF 1

REV	DATE	BY	CH

CHASSIS DATA
MAKE: PIERCE
MODEL: -

TITLE: LETTERING, STRIPING, AND PAINTING INSTRUCTIONS
-

FOR: 2026 Athens Top Mount HDRP Drawing
-

DWG NO. LSP-LP

Created 02-MAR-2026 09:07:35

CUSTOMER APPROVAL

APPROVED BY:______________________________

DATE:____________________________________

NOTE: PLEASE REVIEW CHEVRON COVERAGE AND DOOR MATERIAL PER PULSE OPTIONS. NON-RELATED OR NON-CRITICAL MINOR DEVIATIONS MAY EXIST.

MANUFACTURING INC.

JOB NO.	–	
SCALE	1:24	
TITLE	CHEVRON DRAWING –	DRAWN BY –
FOR	– –	DATE –
DWG NO.	CHEVRON DRAWING	SHEET SIZE A
SHEET NO.	1 OF 1	

Created 02-MAR-2026 09:07:35

Agenda Item
V. G. Purchase of Two Animal Control Trucks for the Police Department

Overview
The Police Department is requesting approval to purchase two replacement vehicles for the Animal Control Division. Funding for this purchase is included in the FY 2026-2027 Fleet Management Fund budget, where vehicle replacement funds have been budgeted and reserved for this purpose.

Ford of Murfreesboro has identified two 2026 Ford F-150 Police Responder vehicles currently available through the State of Tennessee cooperative purchasing contract. The state contract price for each vehicle is $46,303, resulting in a total purchase cost of $92,606.

Approval is requested to initiate the purchase process prior to the July 1, 2026 effective date of the FY 2026-2027 budget. Early approval will allow the City to secure the available vehicles and schedule the installation of required Animal Control equipment as soon as the new fiscal year begins.

Action to Consider
Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments
Police

FINANCE DEPARTMENT

MEMORANDUM

TO: Randy Dowling, City Manager

FROM: Mike Keith, Director of Finance

DATE: June 3, 2026

RE: Purchase of Trucks for Animal Control in Police Department

The FY 2027 budget has 2 trucks budgeted for replacement of Animal Control vehicles in the Fleet Management Fund. Ford of Murfreesboro has advised that they have 2 trucks on the lot that meet this need. These vehicles are being sold utilizing the state contract as we normally do. The attached quote shows the pricing for each vehicle at $46,303.

We are requesting that approval for purchasing 2 trucks be added to the June agenda and listed under new business since this is subject to the FY 2027 budget being approved. The purchase will not be initiated until the new budget begins on July 1. By approving this in June, it will allow us to get the vehicles quickly and get them scheduled for installing all the required equipment.

Please let me know if you have any questions or need any additional information concerning this matter.

Prepared for: Jason Garren
City of Athens
Prepared by: JAMES WITT
06/02/2026

Ford of Murfreesboro | 1550 N.W. Broad St. Murfreesboro Tennessee | 371291709

2026 F-150 Police Responder 4x4 5.5' box 145" WB XL (W1P)

Price Level: 620

Pricing Summary - Single Vehicle

	MSRP
Vehicle Pricing	
Base Vehicle Price	$52,350.00
Options	$605.00
Colors	$0.00
Upfitting	$200.00
Fleet Discount	$0.00
Fuel Charge	$0.00
Destination Charge	$2,795.00
Subtotal	$55,950.00

Pre-Tax Adjustments

Code	Description	MSRP
SWC	STATE CONTRACT SWC 209 #88762	$0.00
Subtotal		$55,950.00

Discount Adjustments

Discount Adjustments	-$9,647.00
Subtotal	$46,303.00
Total	$46,303.00

Customer Signature

Acceptance Date

Prepared for: Jason Garren
City of Athens
Prepared by: JAMES WITT
06/02/2026

Ford of Murfreesboro | 1550 N.W. Broad St. Murfreesboro Tennessee | 371291709

2026 F-150 Police Responder 4x4 5.5' box 145" WB XL (W1P)

Price Level: 620

As Configured Vehicle

Code	Description	MSRP
Base Vehicle		
W1P	Base Vehicle Price (W1P)	$52,350.00
Packages		
150A	Equipment Group 150A *Includes:* *- Engine: 3.5L V6 EcoBoost* *120-MPH top speed.* *- Transmission: Electronic 10-Speed Automatic* *Includes selectable drive modes: normal/tow-haul/snow-wet/EcoSelect/sport and SelectShift automatic with progressive range select.* *- Electronic Locking w/3.31 Axle Ratio* *- GVWR: 7,050 lbs Payload Package* *- Tires: LT265/70R18 BSW A/T* *- Wheels: 18" Steel* *- HD Police-Grade Cloth 40/Blank/40 Front-Seats* *Includes reduced bolsters, 8-way power driver/manual passenger, built-in steel intrusion plates in both front-seatbacks, center-section deleted (restraint control module cover provided) and vinyl rear bench.* *- Radio: AM/FM Stereo w/6 Speakers* *- SYNC 4* *Includes 12" LCD capacitive touchscreen with swipe capability, AppLink with App catalog, 911 Assist, Apple CarPlay and Android Auto compatibility and digital owner's manual.*	N/C
Powertrain		
998	Engine: 3.5L V6 EcoBoost *120-MPH top speed.*	Included
44G	Transmission: Electronic 10-Speed Automatic *Includes selectable drive modes: normal/tow-haul/snow-wet/EcoSelect/sport and SelectShift automatic with progressive range select.*	Included
XL3	Electronic Locking w/3.31 Axle Ratio	Included
STDGV	GVWR: 7,050 lbs Payload Package	Included
Wheels & Tires		
STDTR	Tires: LT265/70R18 BSW A/T	Included
STDWL	Wheels: 18" Steel	Included
Seats & Seat Trim		
P	HD Police-Grade Cloth 40/Blank/40 Front-Seats	Included

2026 F-150 Police Responder 4x4 5.5' box 145" WB XL (W1P)

Price Level: 620

As Configured Vehicle (cont'd)

Code	Description	MSRP
	Includes reduced bolsters, 8-way power driver/manual passenger, built-in steel intrusion plates in both front-seatbacks, center-section deleted (restraint control module cover provided) and vinyl rear bench.	
Other Options		
145WB	145" Wheelbase	STD
PAINT	Monotone Paint Application	STD
STDRD	Radio: AM/FM Stereo w/6 Speakers *Includes:* *- SYNC 4* *Includes 12" LCD capacitive touchscreen with swipe capability, AppLink with App catalog, 911 Assist, Apple CarPlay and Android Auto compatibility and digital owner's manual.*	Included
18B	Black Platform Running Boards	$255.00
153	Front License Plate Bracket *Standard in states where required by law, optional to all others.*	N/C
67P	Remote Keyless-Entry Key Fob w/O Key Pad *Less PATS. Includes 4-key fobs and perimeter anti-theft alarm. Note: Available with Keyed Alike. However, key fobs are not fobbed alike when ordered with Keyed Alike.*	$350.00
Exterior Color		
YZ_01	Oxford White	N/C
Interior Color		
PB_02	Black w/HD Police-Grade Cloth 40/Blank/40 Front-Seats	N/C
Upfit Options		
TINT	TINT WINDOW - FRONT TWO WINDOWS	$200.00

SUBTOTAL	$53,155.00
Destination Charge	$2,795.00
TOTAL	$55,950.00

Prepared for: Jason Garren
City of Athens
Prepared by: JAMES WITT
06/02/2026

Ford of Murfreesboro | 1550 N.W. Broad St. Murfreesboro Tennessee | 371291709

2026 F-150 Police Responder 4x4 5.5' box 145" WB XL (W1P)

Price Level: 620

Major Equipment

(Based on selected options, shown at right)
10-speed automatic

Exterior: Oxford White
Interior: Black w/HD Police-Grade Cloth 40/Blank/40 Front-Seats

* Running boards
* Class IV tow rating
* Front tires LT load rating: C
* Lock-up transmission
* Alternator Amps: 240A
* All-speed ABS and driveline traction control
* Battery rating: 800CCA
* Battery run down protection
* Driver selectable drivetrain mode
* Wireless audio streaming
* AM/FM stereo radio
* Seek scan
* SYNC 4 external memory control
* Vehicle body length: 231.7"
* Axle capacity rear: 3,800 lbs.
* Axle capacity front: 4,050 lbs.
* Off-road ride suspension
* Manual folding door mirrors
* Daytime running lights
* Variable intermittent front windshield wipers
* 18 x 8.5-inch front and rear steel wheels
* LT265/70RS18 AT BSW front and rear tires
* Overdrive transmission
* Transmission electronic control
* Stainless steel single exhaust
* Driver selectable rear locking differential
* HD lead acid battery
* Fuel tank capacity: 25.99 gal.
* Steering wheel mounted audio controls
* 12 inch primary display
* AM/FM
* Radio data system (RDS)
* Internet radio capability
* Wheelbase: 145.0"
* Tire/wheel capacity rear: 3,800 lbs.
* Spring rating front: 3,525 lbs.
* Power door mirrors
* DRL preference setting
* Light tinted windows
* Manual climate control

As Configured Vehicle

	MSRP
STANDARD VEHICLE PRICE	$52,350.00
Equipment Group 150A	N/C
Engine: 3.5L V6 EcoBoost	Included
Transmission: Electronic 10-Speed Automatic	Included
Electronic Locking w/3.31 Axle Ratio	Included
GVWR: 7,050 lbs Payload Package	Included
Tires: LT265/70R18 BSW A/T	Included
Wheels: 18" Steel	Included
HD Police-Grade Cloth 40/Blank/40 Front-Seats	Included
145" Wheelbase	STD
Monotone Paint Application	STD
Radio: AM/FM Stereo w/6 Speakers	Included
SYNC 4	Included
Oxford White	N/C
Black w/HD Police-Grade Cloth 40/Blank/40 Front-Seats	N/C
Front License Plate Bracket	N/C
Black Platform Running Boards	$255.00
Remote Keyless-Entry Key Fob w/O Key Pad	$350.00

Prepared for: Jason Garren
City of Athens
Prepared by: JAMES WITT
06/02/2026

Ford of Murfreesboro | 1550 N.W. Broad St. Murfreesboro Tennessee | 371291709

2026 F-150 Police Responder 4x4 5.5' box 145" WB XL (W1P)

Price Level: 620

Major Equipment

* Rear under seat climate control ducts
* Seat mounted side impact driver airbag
* Seat mounted side impact front passenger airbag
* 6 airbags
* Driver front impact airbag
* Passenger front impact airbag
* Airbag occupancy sensor
* AdvanceTrac w/Roll Stability Control electronic stability control system with anti-rollover
* Manual rear child safety door locks
* 60-40 folding rear seats
* Fold-up rear seat cushion
* Manual rear seat head restraint control
* Split-bench rear seat
* Driver seat with 8-way directional controls
* Height adjustable front seat head restraints
* Power reclining driver seat
* Power driver seat fore/aft control
* Manual reclining passenger seat
* Cloth front seat upholstery
* 4-wheel disc brakes
* Electronic parking brake
* Hill Descent Control
* Fixed rear seats
* Front facing rear seat
* Height adjustable rear seat head restraints
* 3 rear seat head restraints
* 40-40 bucket front seat
* Front passenger seat with 4-way directional controls
* Manual front seat head restraint control
* Power height adjustable driver seat
* Power driver seat cushion tilt
* Manual passenger seat fore/aft control
* Cloth front seatback upholstery
* 4-wheel antilock (ABS) brakes
* Brake assist system
* Hill start assist

As Configured Vehicle

	MSRP
SUBTOTAL	$52,955.00
Destination Charge	$2,795.00
TOTAL	**$55,750.00**

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

Prepared for: Jason Garren
City of Athens
Prepared by: JAMES WITT
06/02/2026

Ford of Murfreesboro | 1550 N.W. Broad St. Murfreesboro Tennessee | 371291709

2026 F-150 Police Responder 4x4 5.5' box 145" WB XL (W1P)

Price Level: 620

Fuel Economy

City		Hwy
17 mpg		23 mpg

Agenda Item

V. H. Purchase of Duty Weapons for the Police Department and Declare the Current Glock .40 Caliber Pistols as Surplus Property for Trade-in.

Overview

The FY 2026-2027 budget includes funding within the Drug Fund for the replacement of duty weapons used by the Police Department. The department currently utilizes Glock .40 caliber pistols and is proposing to transition to Glock 9mm pistols. The purchase will be made through Craig's Firearm Supply utilizing Tennessee state contract pricing.

The total purchase cost is $49,116.50, which includes the new duty weapons, additional magazines, holsters, and related equipment. As part of the purchase, the department's existing Glock .40 caliber pistols will be declared surplus property and traded in, reducing the overall acquisition cost. The transition to 9mm pistols is also expected to reduce future ammunition costs.

Approval is requested to initiate the purchase process prior to the July 1, 2026 effective date of the FY 2026-2027 budget, authorize the purchase of replacement duty weapons for the Police Department, and declare the existing Glock .40 caliber pistols as surplus property for trade-in.

Action to Consider

Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments

Police

FINANCE DEPARTMENT

MEMORANDUM

TO: Randy Dowling, City Manager

FROM: Mike Keith, Director of Finance

DATE: June 3, 2026

RE: Purchase of Guns for Police Department

The FY 2027 budget includes the purchase of new guns for the Police Department in the Drug Fund. Craig's Firearm Supply has provided pricing using the Tennessee state contract for trading in the current Glocks that are 40 caliber to purchase 9mm Glocks. The pricing includes 2 extra magazines for each gun plus holsters.

We are requesting that approval for this purchase be added to the June agenda and listed under new business since this is subject to the FY 2027 budget being approved. The purchase will not be initiated until the new budget begins on July 1. We also need to declare the current Glocks as surplus property to be traded in once the new guns are received. One benefit of the new guns is the reduction in the ammunition cost of the 9mm compared to the 40 caliber.

Please let me know if you have any questions or need any additional information concerning this matter.

TN
MAB

Craig's Firearm Supply Inc.
Police Distributor

8761 Chapman Highway, Knoxville, TN 37920
Phone 865-573-4567 ~ Fax 865-573-0820
mattb@craigsfirearms.com

TO: **Dep. Chief Jason Garren** PHONE:

AGENCY: **Athens PD** EMAIL: garrej@athenstn.gov

DATE: **06/13/26** Quote will be honored for **30** days.

A copy of this quote must accompany your purchase order.
EACH MANUFACTURER MUST HAVE A SEPARATE PURCHASE ORDER.

ALL REMINGTON PRODUCTS REQUIRE A SEPARATE PURCHASE ORDER FOR EACH LINE ITEM.

AGENCIES ARE RESPONSIBLE FOR ALL TAXES | *AGENCY ORI* NUMBER MUST BE ON ALL PURCHASE ORDERS

PART #	ITEM DESCRIPTION	PRICE	QTY.	EXT.
	GLOCK 45 Gen6 Aimpoint COA DC8 BOF/USCR	$807.00	45	$36,315.00
	GLOCK 43X FXD 5.5lb 2 Mags	$320.50	45	$14,422.50
6360RDS-28362-481	6360RDS GLOCK 19MOS X300U STX BSK BLK RH	$199.00	35	$6,965.00
6360RDS-28362-482	6360RDS GLOCK 19MOS X300U STX BSK BLK LH	$199.00	5	$995.00
6378RDS-28362-411	6378RDS GLOCK 19MOS X300U STX PLN BLK RH	$99.00	5	$495.00
	FREIGHT for Holsters	$49.00	1	$49.00
	TN STATEWIDE #357			$0.00
				$0.00
trade in	GLOCK 22 w/box & 3 Mags	$225.00	-40	-$9,000.00
trade in	GLOCK 23 w/box & 3 Mags	$225.00	-5	-$1,125.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
	***Agency is responsible for all trade items and freight to Craig's Firearms Supply Inc.**			$0.00
		TOTAL		**$49,116.50**

AGENCY ACKNOWLEDGEMENT OF TERMS:

accept this quote as written

Agency representative's Signature: ______________________

Agency representative's printed name:
Please do not pay from this quote. Invoice will follow.

Please call with any questions about this quote.

Thank you,

Matt Brooke
Law Enforcement Sales
CELL:(865)414-4856

* Govt. agency prices do not include sales tax or FET where applicable
* Prices are due and payable NET 30 days for each invoice
* Trade-In pistols must be in good, serviceable working order
* Deductions made if trade-ins are damagedor not as specified
* Trade-In or exchange pistols must be complete with 3 magazines, working sights, and in original box, unless otherwise noted.
* Trade-In or exchange pistols must be tumed in within 30 days after receipt of new Glock pistols.

Agenda Item

V. I. Resolution 2026-17, a Resolution Authorizing the Submission of a Grant Application with the State of Tennessee for Funding Through the Statewide School Resource Officer (SRO) Program Grant.

Overview

The State of Tennessee has launched the Statewide School Resource Officer (SRO) Program Grant to support safe learning environments in public schools across the state. This grant provides up to $75,000 per year, per school to fund full-time POST-certified School Resource Officers (SROs) in public, charter, and alternative schools.

This resolution authorizes the City of Athens to apply for funding for three (3) full-time SRO positions to serve Athens City Schools. If awarded, the grant is expected to cover 100% of the costs associated with these three positions—meaning no additional cost to the City. The funding for these positions is included in the approved FY 2026–27 Budget.

SROs serve a vital role by:

- Providing a law enforcement presence on school campuses
- Responding to any criminal acts on school property
- Monitoring school visitors and maintaining order
- Developing positive relationships with students, improving the overall school climate

Approval is requested to authorize the City to submit a grant application to the State of Tennessee for funding through the Statewide School Resource Officer (SRO) Program Grant and, if awarded, to execute the necessary documents for acceptance and administration of the grant.

Action to Consider

Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments

Police

RESOLUTION NO. 2026-17

A RESOLUTION AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION WITH THE STATE OF TENNESSEE FOR FUNDING SCHOOL RESOURCE OFFICERS FOR ATHENS CITY SCHOOLS

WHEREAS, the State of Tennessee has established the Statewide School Resource Officer (SRO) Program Grant to provide funding to local law enforcement agencies to place one full-time, POST-certified SRO in each K-12 public school, public charter school, and alternative school in Tennessee; and,

WHEREAS, this funding opportunity allows local law enforcement agencies to apply for grants not to exceed $75,000 per year, per SRO, per school for which they are responsible for providing SRO services; and,

WHEREAS, the City of Athens desires to apply for such funding to enhance the safety and security of Athens City Schools by placing POST-certified SROs in qualifying schools, in partnership with local law enforcement; and,

WHEREAS, SROs provide a crucial link between schools, law enforcement, and the broader community, and play an important role in maintaining safe learning environments.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, TENNESSEE:

That the recitals above are true and accurate and form a part of this Resolution; and

That meeting in regular session this **16th** day of **June, 2026**, that the Mayor and City Manager are hereby authorized, empowered, and directed to submit a grant application as provided herein.

BE IT FURTHER RESOLVED that upon award of the grant, the Mayor and City Manager are hereby authorized to enter into an agreement and execute all necessary documents for the acceptance and administration of the grant on behalf of the City of Athens.

ON MOTION BY ______________________________

SECONDED BY ______________________________

said Resolution was approved by roll call vote on the **16th** day of **June**, **2026**.

____
Larry Eaton, Mayor

ATTEST:

____
Randall Dowling, City Manager

APPROVED AS TO FORM:

____
Christopher M. Caldwell, City Attorney

Agenda Item
V. J. Heritage Park LPRF Grant Project – Contract Amendment

Overview
The Heritage Park Local Parks and Recreation Fund (LPRF) Grant Project is substantially complete and nearing final closeout. Funding for this project was provided through a combination of LPRF grant funds and local matching funds previously approved by City Council.

During construction, eighteen (18) approved change orders resulted in a net contract increase of $86,966.13. The original construction contract included a contingency allowance of $70,512.35, leaving a remaining balance of $16,453.78 that exceeds the available contingency and requires additional Council authorization.

Several of the change orders addressed necessary repair and maintenance items at Heritage Park, including replacement of a leaking water line serving the pavilion, repairs to pavilion column stonework, and replacement of electrical service and lighting at the flagpole. Completing this work while the contractor was already mobilized on site provided the most cost-effective approach prior to project closeout.

Approval is requested to increase the contract with Wilson Construction Group, LLC, by $16,453.78, resulting in a revised contract amount of $1,497,213.13.

Action to Consider
Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments
Public Works

PUBLIC WORKS

TO: Randall Dowling, City Manager

FROM: Kevin L. Helms, Project Manager

Cc: Matt Siniard, Parks and Recreation Director

Ben Burchfield, Public Works Director

DATE: May 29, 2026

SUBJECT: Heritage Park LPRF Grant Project

Background

The City entered into an agreement with Wilson Construction Group, LLC, for work associated with this project. The agreement was based upon the low bid submitted by the contractor in the amount of $1,480,759.35. The agreement established September 22, 2025, as the date for work to commence. The contractor's bid included a 5% contingency in the amount of $70,512.35.

The project is substantially complete, and the contractor is currently addressing items identified during the final walkthrough conducted by City staff and the project architect. These items are expected to be resolved prior to this item being considered by council during the month of June. The state agency overseeing the grant funding is scheduled to conduct an inspection on June 8th. Once any items they note are resolved, the project will be ready to close out.

Throughout the course of construction, there were a total of eighteen change orders that were approved. These change orders included work that both increased and decreased the overall project cost. As each was approved, the associated amount was either added to or subtracted from the project contingency.

In total, the approved change orders resulted in a net increase of $86,966.13. This amount exceeds the available contingency by $16,453.78. This represents approximately 1.1% of the original contract amount. The City Council needs to approve an increase in the contract with Wilson Construction Group, LLC, in this amount.

Although it does not affect the action requested, two additional factors are worth noting. The City's cost for acquiring site amenities for the project was $7,402.00 less than the amount approved by City Council, which offsets a portion of the overrun on this contract when considering the overall project budget.

Additionally, three change orders addressed routine park repair and maintenance items. Because the contractor was already mobilized onsite and the work needed to be completed before project closeout, completing this work through the existing contract was the most cost-effective approach. The following repair and maintenance items included:

- $8,258.51 Replace water line from meter to pavilion which was leaking under the parking lot.
- $4,720.00 Repair and replace stones which had broken loose from the base of columns supporting the pavilion.
- $3,761.00 Install new conduit and electrical wire from the pavilion to the flagpole and replace light fixture at the flagpole.

Action Item

Approve an increase of $16,453.78 to the contract with Wilson Construction Group, LLC, for work associated with the Heritage Park LPRF Grant Project, resulting in a new contract total of $1,497,213.13.

Agenda Item
V. K. Additional Parking at Cook Park

Overview
Additional parking at Cook Park has been discussed for some time. This issue was discussed during the April 12, 2026 work session and again during the May 11, 2026 work session.

During the May work session council reviewed the cost estimates to add additional parking prepared by Public Works Department staff.

- Extend the existing parking on Cook Drive to add 14 new spaces: $360,000
- Create new parking on East Harper Johnson Drive to add 26 new spaces: $280,000
- Create new parking on Cook Drive adjacent to the railroad to add 30 new spaces: $280,000

An updated memo from the Public Works Department is attached. This memo includes an additional cost estimate for a modified version of the E. Harper Johnson Drive parking layout.
- base option would add 14 new parking spaces: $245,000
- expanded option would 38 parking spaces: $335,000

Action to Consider
Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments
Parks & Recreation, Public Works

PUBLIC WORKS

MEMORANDUM

TO: Randy Dowling, City Manager

FROM: Ben Burchfield, Public Works Director

DATE: June 4, 2026

SUBJECT: Cook Park Parking Assessment Revision

At the April 13th City Council work session, Public Works staff were requested to complete a feasibility assessment for constructing additional parking at Cook Park. Public works generated three layouts for consideration and presented these at the May 2026 study session.

A request was made for Public Works staff to attend a small group meeting on May 14, 2026, onsite at the park to discuss initial parking recommendations with community stakeholders. Attendees provided input on the three options and based on that Public Works has determined that the preferred option is a modified version of the E Harper Johnson layout initially presented to Council.

A map of the modified parking area (two options) is attached. Details are as follows:

1. The initially presented configuration has been mirrored/flipped to have parking spaces face into the park, instead of towards E Harper Johnson.
    a. Multiple attendees preferred this, which will allow patrons to be in a car and keep an eye on activity within the park
2. Base option adds 14 new spaces (for a total of 25 spaces in the park, including existing)
    a. 3 spaces are ADA accessible; one is the existing space at the Cook Dr parking lot, two are van accessible spaces in the new parking area.
    b. Base option has a projected cost of $245,000
3. If desired, parking spaces can be mirrored on the other side of the one-way drive to add an additional 13 spaces (for a total of 38 spaces in the park, including existing)
    a. The expanded parking option has a projected cost of $335,000
4. Parking circulation is designed to be one-way to minimize size/footprint within the park
    a. Drive lane circulation has been flipped from the original layout; cars now enter from Wabash and exit onto E Harper Johnson. This was necessary to

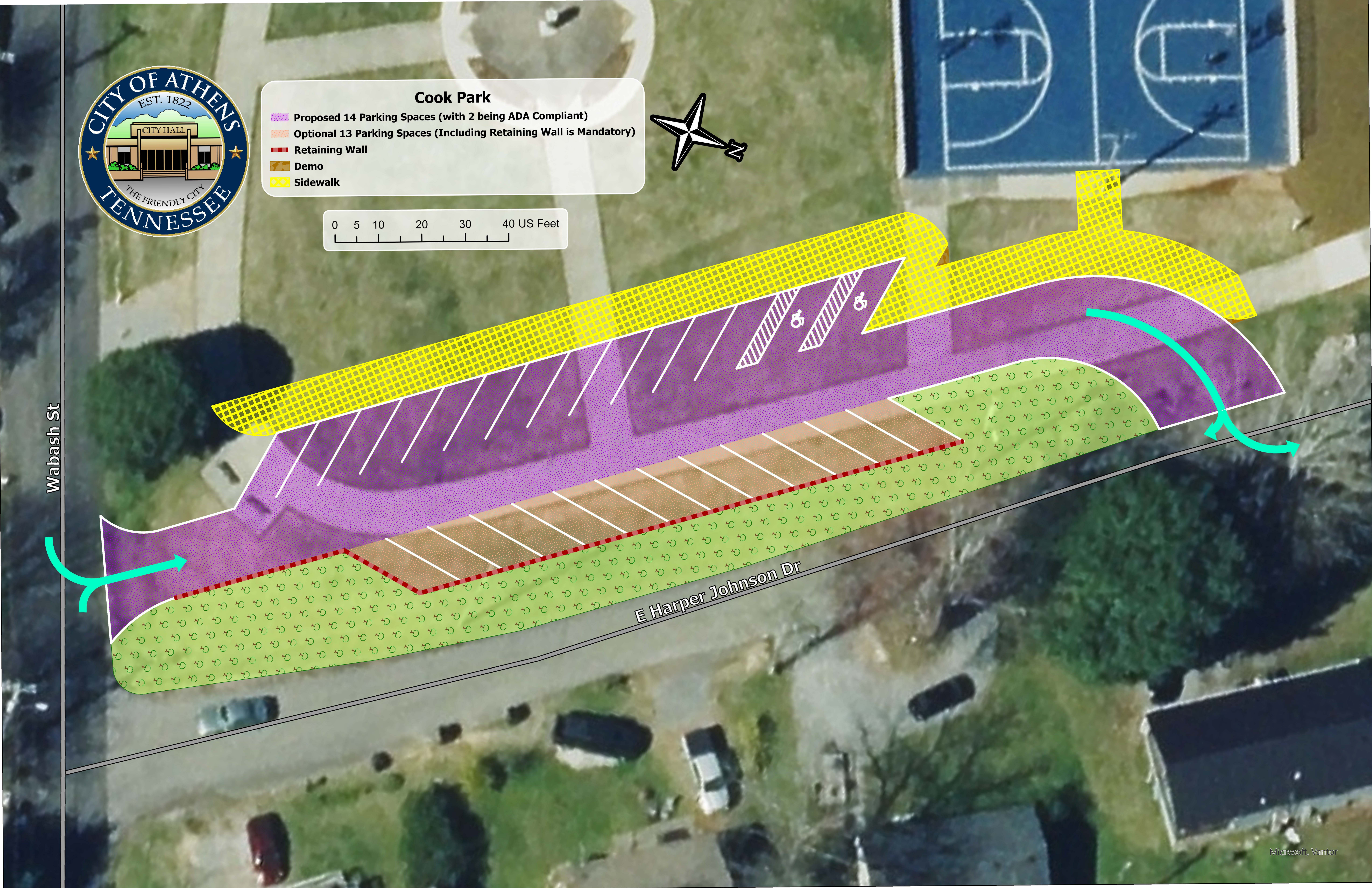
accommodate the request to change direction of the parking spaces (facing in towards the courts instead of out towards Harper Johnson)

5. This project would involve limited demolition of existing sidewalk facilities
6. This project would result in some loss of usable green space (7,000-10,000 SF)
    a. One thing to consider is that it does put parking directly next to existing park amenities (basketball court) in addition to potential future park amenities (i.e. repurposing green space to a splash pad, additional courts, etc.)
7. The updated base option cost dropped primarily due to being able to eliminate the segmented retaining wall, which isn't needed if the parking is flipped
    a. There is still a projected need for the small, segmented retaining wall in order to accommodate additional parking along E Harper Johnson if the larger/expanded option is chosen

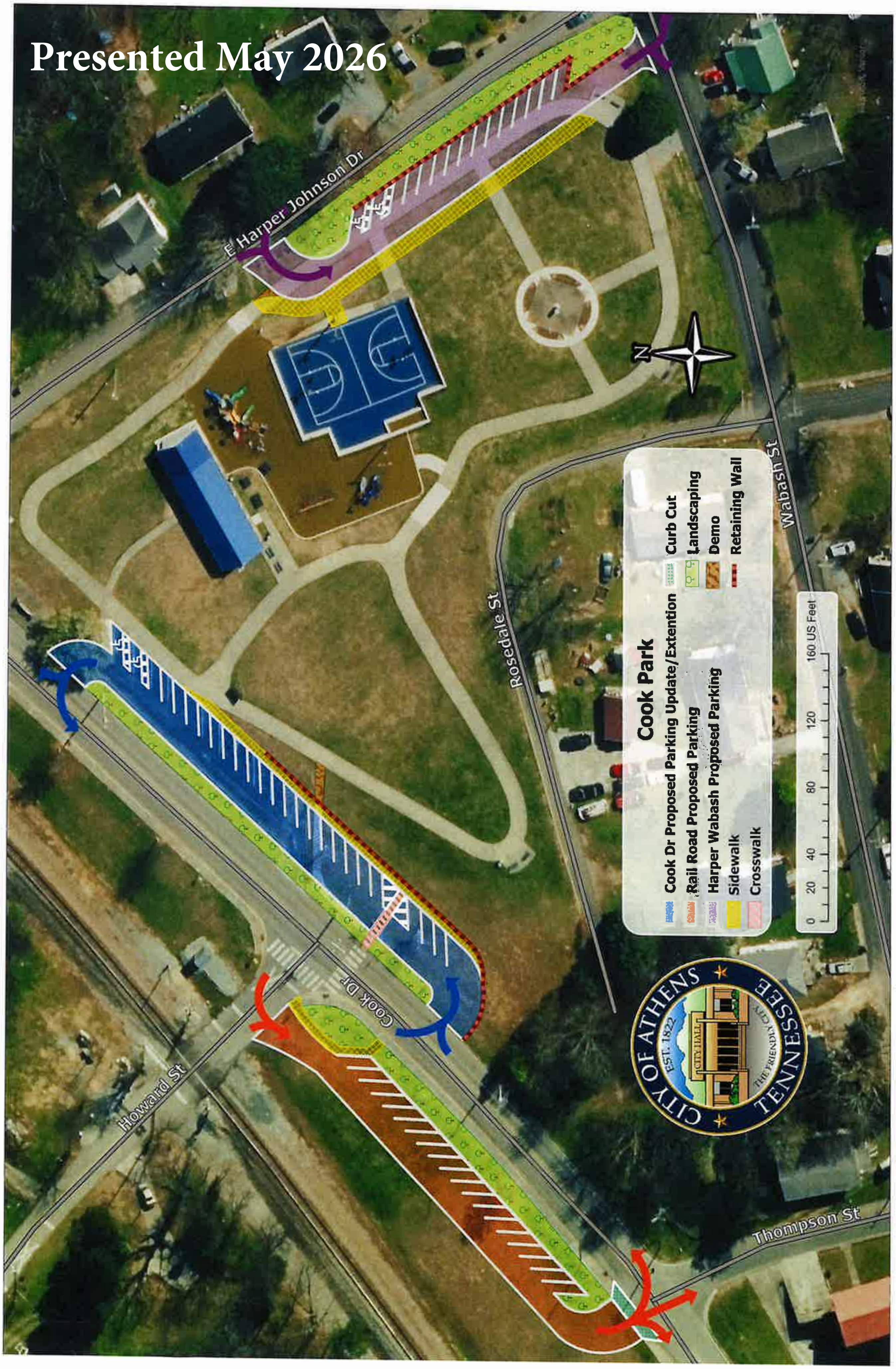
In summary, based on public input the proposed layout(s) best aligns with the current and future needs of park users. Council has two options to consider.

As was discussed at the input meeting, this assessment does not include costs for relocation of the monument. As was explained at the meeting, relocation should instead be considered at a future date commensurate with a decision on potential repurposing of green space. Consideration should be given as to whether the monument should be relocated elsewhere in the park (i.e. at the front next to the flagpole, as has been mentioned) or whether it may be preferable to modify/integrate it into whatever amenity is constructed in a more holistic way that allows park goers to enjoy the facilities while also learning more about the park's history.

If there are any additional questions or concerns, let me know.


Cook Park
Proposed 14 Parking Spaces (with 2 being ADA Compliant)
Optional 13 Parking Spaces (Including Retaining Wall is Mandatory)
Retaining Wall
Demo
Sidewalk
0 5 10 20 30 40 US Feet
N
CITY OF ATHENS
EST. 1822
CITY HALL
THE FRIENDLY CITY
TENNESSEE
Wabash St
E Harper Johnson Dr
Microsoft, Vantor

Presented May 2026



Agenda Item

V. L. Public Hearing and Second Reading for Ordinance 1156, an Ordinance to Amend Title 9, Chapter V of the Athens City Code by deleting the existing Chapter V, "Wrecker and Towing Service," in its Entirety and Replacing it with a New Chapter V, "Towing Services"; to Establish Regulations, permitting requirements, rotation procedures, insurance requirements, Fee Limitations, Recordkeeping Requirements, and enforcement procedures for towing services requested by the Athens Police Department.

Overview

The Police Department and City staff have reviewed the City's existing towing ordinance and determined that a comprehensive update is needed to provide clearer operational standards and align local regulations with current Tennessee law and the Tennessee Highway Patrol Towing Service Standards Manual. The proposed ordinance repeals the existing Chapter V, "Wrecker and Towing Service," and replaces it with a new Chapter V, "Towing Services," establishing updated requirements for towing companies responding to calls requested, authorized, or directed by the Athens Police Department.

This Title of the Athens City Code has not been updated since 2019, and the City currently has eight towing companies on the rotation list that must abide by it.

Action to Consider

Consensus is needed to move this item to the regular session on June 16, 2026 for public hearing and second reading.

Affected Departments

Police Department

ORDINANCE NO. 1156

AN ORDINANCE TO AMEND TITLE 9, CHAPTER V OF THE ATHENS CITY CODE BY DELETING THE EXISTING CHAPTER V, "WRECKER AND TOWING SERVICE," IN ITS ENTIRETY AND REPLACING IT WITH A NEW CHAPTER V, "TOWING SERVICES"; TO ESTABLISH REGULATIONS, PERMITTING REQUIREMENTS, ROTATION PROCEDURES, INSURANCE REQUIREMENTS, FEE LIMITATIONS, RECORDKEEPING REQUIREMENTS, AND ENFORCEMENT PROCEDURES FOR TOWING SERVICES REQUESTED BY THE ATHENS POLICE DEPARTMENT

WHEREAS, the City of Athens has authority to regulate the use of its streets, public rights-of-way, public property, and law enforcement towing procedures in furtherance of the public health, safety, and welfare;

WHEREAS, the City Council desires to update the City's wrecker and towing service regulations to provide clear standards for towing companies responding to calls requested, authorized, or directed by the Athens Police Department;

WHEREAS, the City Council finds that a fair and orderly rotational towing system, together with appropriate permitting, insurance, equipment, recordkeeping, and fee requirements, will promote safe and efficient removal, transportation, storage, and release of vehicles;

WHEREAS, the City Council further desires to align the City's towing regulations with applicable Tennessee law and the Tennessee Department of Safety and Homeland Security Tennessee Highway Patrol Towing Service Standards Manual, as amended or replaced; and

WHEREAS, the City Council finds that the adoption of this ordinance is in the best interest of the City and its citizens.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF ATHENS AS FOLLOWS:

SECTION 1.
Title 9, Chapter V of the Athens Municipal Code, currently titled "Wrecker and Towing Service," is hereby deleted in its entirety and replaced with the following new Chapter V, "Towing Services":

9-111 Purpose and Policy

(1) The purpose of this chapter is to establish regulations, procedures, and standards for towing companies called by the City of Athens Police Department to remove disabled, wrecked, abandoned, immobile, unattended, seized, or impounded motor vehicles from City streets, public rights-of-way, public property, or other locations where the Police Department has lawful authority to request towing services.

(2) It is the policy of the City to use a fair rotational call system for City-requested towing services, except when a vehicle owner, operator, or authorized agent requests a specific towing company, when public safety requires another response, or when the Police Department directs otherwise under law.

(3) This chapter is intended to:

   (a) Promote the safe and efficient removal, transportation, storage, and safekeeping of vehicles placed in the custody of towing companies at the request of the Police Department.
   (b) Require towing companies to comply with this chapter, the City fee schedule, the Tennessee Department of Safety and Homeland Security Tennessee Highway Patrol Towing Service Standards Manual, as amended, Tenn. Code Ann. § 55-31-104 (Motor Vehicle Portal), and any other applicable Tennessee law.
   (c) Ensure that towing companies used by the Police Department are reputable, reliable, properly permitted, properly insured, properly equipped, and staffed by qualified drivers.
   (d) Protect vehicle owners, lienholders, insurers, and the public from unreasonable fees, unsafe practices, solicitation at crash scenes, improper release of vehicles, loss of personal property, and inconsistent rotation practices.

9-112 Applicability

(1) This chapter applies to towing services requested by, authorized by, or directed through the City of Athens Police Department. It does not regulate purely private towing transactions.

(2) A towing company called at the request of a vehicle owner, operator, or authorized agent is not required to be on the City rotation list unless the Police Department determines that the vehicle creates an immediate traffic hazard or the requested towing company is unavailable, unwilling, or unable to respond in a reasonable time.

9-113 Definitions

Abandoned motor vehicle. A motor vehicle meeting the definition of an abandoned motor vehicle under Tenn. Code Ann. § 55-31-102, as amended, including a vehicle left unattended on public property for statutory periods, a vehicle in obvious disrepair, a vehicle illegally left on public property, or other vehicles defined by state law.

City-requested tow. A tow requested, authorized, or directed by the Police Department, including through dispatch, when the owner, operator, or authorized agent does not request a specific towing company or when public safety or law enforcement necessity requires City-directed towing.

Disabled, immobile, or wrecked vehicle. A motor vehicle that cannot safely move under its own power due to accident, mechanical failure, damage, weather, emergency conditions, or other circumstances requiring towing or recovery.

Owner-requested tow. A tow requested by the vehicle owner, operator, or authorized agent. The Police Department will honor such requests unless public safety, response time, equipment availability, or law enforcement needs require a City-requested tow.

Police Chief. The Chief of Police of the City of Athens or the Chief's designee.

Rotation list. The list maintained by the Police Department of towing companies approved and permitted by the City to respond to City-requested towing calls on a weekly rotating basis.

Storage facility. A lot, building, or other facility used by a towing company for the storage and safekeeping of vehicles towed at the request of the Police Department.

Tennessee Manual. The Tennessee Department of Safety and Homeland Security, Tennessee Highway Patrol Towing Service Standards Manual, revised January 2017, as amended, superseded, or replaced.

Towing company. Any person, firm, corporation, partnership, association, or other entity engaged in the business of offering towing, recovery, transport, or storage services by use of tow trucks and storage facilities.

Tow truck. A vehicle used to tow, recover, transport, or carry motor vehicles and classified under this chapter and the Tennessee Manual as Class A, B, C, or D, as applicable.

Winching. Involving the use of a motor-powered spool of cable to recover a vehicle from locations not accessible for direct hook-up. This process is used to move vehicles from areas like ditches, mud, or embankments to a position where they can be towed, separate from standard loading or towing procedures.

Working days. Monday through Friday, excluding official City holidays, unless state law requires a different calculation for a specific notice or deadline.

9-114 Administration

(1) The Police Chief shall administer and enforce this chapter. The Police Chief may approve, issue, renew, suspend, revoke, or deny permits under this chapter; maintain the rotation list; establish administrative forms and procedures; conduct inspections and audits; investigate complaints; and issue written directives consistent with this chapter.

(2) The Police Chief's action granting, denying, suspending, or revoking a towing company permit or driver permit is subject to review by the City Manager upon written appeal to the City Manager within ten (10) calendar days after written notice of the decision as provided in this chapter or as otherwise required by law.

9-115 Permit Required; City Rotation Eligibility

(1) No towing company, tow truck, or tow truck driver shall participate on the City rotation list unless approved by the Police Chief and issued the required City permit.

(2) As a condition of initial and continuing eligibility, a towing company shall:

(a) Be listed on the Tennessee Highway Patrol rotation list for the applicable towing class.
(b) Be licensed and registered to do business in Tennessee and comply with all applicable federal, state, and local requirements.
(c) Maintain the insurance required by this chapter at all times.
(d) Maintain tow trucks, equipment, drivers, records, and storage facilities in compliance with this chapter and the Tennessee Manual.
(e) Charge no more than the fees authorized by the City's fee schedule and applicable Tennessee law.

9-116 Initial Application

(1) A towing company seeking placement on the City rotation list shall submit a complete application to the Police Department during the annual application period of June 1 through June 30, unless the Police Chief opens an additional application period due to public need.

(2) The application shall include, at a minimum:

(a) Proof of current Tennessee Highway Patrol rotation status.
(b) A completed Towing Service Application (SF-1112), Driver Qualification Form (SF-1117), Tow/Storage Rates Disclosure Form (SF-1118), Company Information Disclosure Form (SF-1119), Facilities and Equipment Inspection Form (SF-1120), Driver/Vehicle Inspection Report for each tow truck (SF-1156), and any successor or substantially equivalent form required by the Police Department.
(c) Current certificates of insurance identifying required vehicle liability, garage keepers' liability, and on-hook coverage.
(d) Proof that each owner and driver responding to City-requested calls has completed required Traffic Incident Management training.
(e) Criminal history check for the towing company's owner(s) and all tow truck drivers. A felony conviction or pending felony charge shall prohibit the owner or drivers from being permitted to be on the City's rotation list.
(f) A copy of a sample customer invoice.
(g) A certification that the applicant has read, understands, and will comply with this chapter, applicable Tennessee law, the Tennessee Manual, and Police Department directives.

9-117 Permit Term; Renewal; Changes During Permit Year

(1) Permits shall be valid for one (1) permit year, beginning July 1 and ending June 30, unless suspended or revoked earlier. Renewal applications shall be submitted between June 1 and June 30 each year with the same information and forms as the original application but updated to reflect current information.

(2) A towing company shall promptly notify the Police Department, in writing, of changes in ownership, business name, business address, telephone number, storage facility, insurance, tow trucks, drivers, or any other material application information. New or substitute tow trucks and drivers may be approved during the permit year if they meet all requirements of this chapter before responding to City-requested calls.

(3) During renewal, the Police Department may inspect records, tow trucks, equipment, driver qualifications, storage facilities, insurance, and rates. If deficiencies are found, renewal may be denied, delayed, conditioned, or withheld until the deficiencies are corrected.

9-118 Fees and Fee Schedule

(1) Application fees, renewal fees, permit fees, service fees, and maximum towing and storage charges shall be established by the City Council through the annual budget process.

(2) No towing company responding to a City-requested tow shall charge a rate or fee exceeding the City fee schedule, the maximum fee approved by the Tennessee Highway Patrol for the same service, or any other applicable state-law limitation, whichever is most restrictive.

9-119 Required Insurance

(1) Each approved towing company shall maintain insurance covering towing and storage operations at all times. The policy shall be in the name of the towing company or the towing company's owner and shall identify the tow trucks covered.

(2) A certificate of insurance shall be filed with the City before placement on the rotation list and upon renewal, policy change, expiration, cancellation, or request by the Police Chief. Certificates must itemize vehicle liability, garage keepers' liability, and on-hook coverage.

(3) For purposes of this section, the following definitions shall apply:

(a) Vehicle Liability: insurance that pays for damages due to bodily injury and property damage to others for which the towing company is responsible.
(b) Garage Keepers Liability: insurance that protects a garage keeper against liability for damage to vehicles in his/her care, custody, or control.
(c) On-Hook Coverage: insurance that will normally pay to repair or replace a vehicle that the towing company did not own if it is damaged by a collision, fire, theft, explosion, or vandalism while being towed or hauled.

Tow Truck Class	Minimum Vehicle Liability	Minimum Garage keepers Liability	Minimum On-Hook Coverage
Class A and Class D	$1,000,000	$75,000	$75,000
Class B	$1,000,000	$150,000	$150,000
Class C	$1,000,000	$200,000	$200,000

(4) An umbrella policy is acceptable as long as it covers the required categories and provides total coverage equal to or greater than the applicable minimums. Nothing prevents a towing company from obtaining greater coverage.

(5) The towing company assumes responsibility for personal injury, property damage, and loss or damage to vehicles and contents caused by the towing company's intentional, reckless, or negligent acts or omissions from the time the towing company makes contact with a vehicle or takes custody of a vehicle.

9-120 Tow Truck Classifications

(1) Tow trucks shall be classified as Class A, Class B, Class C, or Class D in accordance with this chapter and the Tennessee Manual. Each tow truck shall be listed in only one class for rotation purposes unless separately approved by the Police Chief.

Class	Primary Use	Minimum Standard
Class A	Passenger cars, pickup trucks, small trailers, and recovery work where winching or recovery is required.	14,000 lbs. GVWR minimum; 4-ton boom and power winch; 100 feet of 3/8-inch cable or 7/16-inch synthetic rope; wheel-lift or sling/cradle equipment; safety restraints.

Class B	Medium-size trucks, trailers, and similar vehicles.	26,000 lbs. GVWR minimum; double boom with 8-ton individual boom/winch capacity or single boom with 16-ton capacity; 200 feet of 7/16-inch cable; cradle tow plate or sling.
Class C	Large trucks, road tractors, tractor-trailer combinations, and heavy recovery.	35,000 lbs. GVWR minimum; double boom with 12.5-ton individual boom capacity or single boom with 25-ton capacity; 200 feet of 9/16-inch cable; air brakes; tandem live-drive axles; under-reach capable of towing an 80,000-lb. tractor-trailer combination.
Class D	Car carriers or rollback vehicle transporters for passenger cars, pickup trucks, and small trailers where extensive recovery is not required.	14,000 lbs. GVWR minimum; carrier bed with required cylinders; 4-ton winch; 50 feet of 3/8-inch cable; two safety chains; not intended for extensive winching or recovery.

9-121 Required Equipment for Each Tow Truck

(1) Each tow truck responding to a City-requested tow shall carry and maintain all equipment required by the Tennessee Manual and this chapter. Required equipment includes, at a minimum:

(a) One functional, amber-colored rotating, strobe, or LED warning light permanently mounted on top of the tow truck. Sirens are prohibited.
(b) Emergency flashers and directional lights visible to the front in amber color.
(c) One heavy-duty push broom; one shovel; one axe; one pinch bar, pry bar, or crowbar; one set of bolt cutters; and equipment necessary to remove glass, debris, and other injurious substances from the roadway.
(d) Flood lights mounted high enough to illuminate the scene at night.
(e) One fully charged 20-pound fire extinguisher or two fully charged 10-pound fire extinguishers with an Underwriters Laboratories rating of 4A:B:C or greater, securely mounted.
(f) At least 50 pounds of fluid absorption compound for Class A, Class B, and Class D tow trucks and at least 100 pounds for Class C tow trucks.
(g) Three red emergency reflectors.
(h) A light bar capable of displaying two tail lamps, two stop lamps, and two turn signals on the rearmost vehicle while in tow when the towed vehicle's lights cannot be displayed.
(i) All additional chains, straps, dollies, cribbing, blocking, absorbent, tarps, securement devices, and safety equipment reasonably necessary for the class of tow and scene conditions.

(2) Each tow truck shall display the towing company's name, address, telephone number, and USDOT number if applicable. The information shall be permanently affixed or painted on both sides of the tow truck, visible from 50 feet. Magnetic signs are not permitted.

9-122 Driver Qualifications and Conduct

(1) Each driver responding to City-requested calls shall:

(a) Be at least 21 years of age unless a specific exception is required by state law.
(b) Possess a valid Tennessee driver license or commercial driver license appropriate for the tow truck and work performed.
(c) Have no felony conviction or pending felony charge that disqualifies the driver under the Tennessee Manual or this chapter.
(d) Complete required Traffic Incident Management System training before responding to City-requested calls.
(e) Wear a high-visibility traffic safety vest, shirt, or coat meeting ANSI Class 2 or higher while working at or near the scene and use amber colored lights on scene and while towing a vehicle.

(f) Comply with all lawful directions of the Police Department officer in charge of the scene.
(g) Operate safely, lawfully, and professionally, and avoid conduct that reflects adversely on the City or creates a safety risk.
(h) The towing company shall maintain a current driver list and shall notify the Police Department before any new driver responds to City-requested calls. A driver who becomes disqualified shall not respond to City-requested calls until reinstated by the Police Chief.

9-123 Business Office and Storage Facilities

(1) Each towing company shall maintain a business office with a highly visible exterior sign displaying the towing company's name, address, and telephone number. Current tow and storage rates shall be posted conspicuously at the business office in a form clearly visible to customers.

(2) The business office and storage facility shall be accessible to customers and the Police Department from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding City holidays, and at other reasonable times for law enforcement purposes, vehicle release, or emergency conditions.

(3) Each towing company shall provide adequate, safe, and secure storage for vehicles towed at the request of the Police Department. Storage facilities shall be secured by fencing, lighting, and surveillance cameras and other security measures approved by the Police Chief to deter theft and vandalism.

(4) If the storage facility is separate from the business office, the storage facility shall have a highly visible exterior sign displaying the towing company's name, address, and telephone number. No two towing companies, including affiliated or parent/subsidiary entities, may share the same storage facility unless expressly approved by the Police Chief for good cause and consistent with the independence requirements of this chapter.

9-124 Rotation List and Dispatch Procedures

(1) The Police Department shall maintain the rotation list by tow truck company. Rotation list shall be seven (7) days for each permitted towing company. Calls shall be made through dispatch or other Police Department procedures approved by the Police Chief.

(2) A towing company shall have at least one properly equipped, operating, permitted tow truck and qualified driver available 24 hours per day, including holidays, during its rotation. If the towing company cannot respond, lacks proper equipment, does not answer, or declines the call, the next towing company on the rotation list shall be called.

(3) The towing company shall respond to a wreck or disabled vehicle within 20 minutes after being called, except for verifiable extenuating or unusual circumstances approved by the Police Department. Class C heavy-duty calls may be allowed additional response time when necessary due to equipment availability, distance, scene complexity, or public safety needs.

(4) If a towing company misses two calls within one rotation cycle, the Police Chief may suspend, condition, or remove the company from the rotation list.

(5) The Police Department officer in charge of a scene may direct the towing company to remove the vehicle creating the greatest hazard first, to use additional equipment, to preserve evidence, to avoid entering a vehicle, or to transport a vehicle to a particular facility.

9-125 Owner-Requested Towing Companies

(1) The Police Department shall honor the request of the owner, operator, or authorized agent of a disabled, wrecked, abandoned, immobile, or unattended vehicle to call a specific towing company, whether or not that towing company is on the City rotation list, unless:

(a) The requested towing company is not available, refuses the call, or cannot respond within 20 minutes, or within 30 minutes for a Class C heavy-duty tow, unless a longer time is approved by the Police Department officer in charge;
(b) The vehicle presents an immediate traffic hazard or public safety risk requiring prompt removal;
(c) The requested towing company lacks the equipment needed for the vehicle or scene;
(d) The tow is connected to a seizure, impound, arrest, investigation, evidence hold, or other law enforcement need requiring City-directed handling; or
(e) The request is otherwise inconsistent with applicable law or public safety.

If any exception applies, the Police Department may call the towing company on the City rotation list.

9-126 Towing, Recovery, Scene Cleanup, and Transport Standards

(1) Each towing company responding to a City-requested tow shall:

(a) Tow, recover, transport, and store vehicles safely and in accordance with this chapter, the Tennessee Manual, applicable law, and industry best practices.
(b) Use the tow truck class, equipment, and personnel appropriate for the vehicle and scene.
(c) Remove glass, vehicle parts, and other injurious substances from the street or highway as required by Tenn. Code Ann. § 55-8-170 and this chapter. Debris shall not be placed in the passenger compartment of a vehicle.
(d) Not intentionally drain vehicle fluids onto the road, right-of-way, stormwater system, soil, or surrounding environment.
(e) Use reasonable care to prevent additional damage to the vehicle and its contents.
(f) Transport the vehicle to the towing company's approved storage facility, a destination requested by the vehicle owner or operator after charges are agreed upon, a Police Department impound facility, or another location directed by the Police Department.
(g) Not perform repairs or additional services unless requested by the vehicle owner, operator, authorized agent, insurer, or lienholder, or unless necessary to safely remove a hazard.
(h) Not solicit towing work at or near a crash, disabled vehicle, or law enforcement scene unless called by the vehicle owner, operator, authorized agent, or Police Department.

9-127 Vehicle Holds, Release, Personal Property, and Firearms

(1) No towing company shall release a vehicle impounded by, seized by, or held at the direction of the Police Department without authorization from the Police Department. If no law enforcement hold exists, the vehicle shall be released to a verified owner, lienholder, insurer, or authorized agent upon proof of the right to possess the vehicle and payment of lawful charges.

(2) A towing company shall safeguard personal property in towed or stored vehicles. Unless the Police Department places a hold or otherwise directs, the towing company shall release personal property or cargo to the verified owner or authorized agent during normal business hours without charge.

(3) If a firearm is found in a stored vehicle, the towing company shall follow Tennessee law (§ 55-31-105) and any Police Department procedure governing notification, safekeeping, transfer, and release.

9-128 Billing, Invoices, and Records

(1) Each towing company shall use a standard invoice form containing the towing company's name, physical address, storage facility address, telephone number, and email address.

(2) An invoice shall be prepared for each City-requested tow. When the owner, operator, or authorized representative is present and circumstances permit, a copy shall be provided at the scene or as soon as practicable. The towing company shall retain duplicate invoices and tow records for at least two (2) years or a longer period in a chronological order as required by law or City policy.

(3) Each invoice shall include, at a minimum:

(a) Date, time, and location of the tow;
(b) Name and address of the person requesting or authorizing the tow, if known;
(c) Name and address of the vehicle owner, operator, or person involved, if known;
(d) Vehicle year, make, model, color, license plate number, state, and VIN, if available;
(e) Tow truck class used and destination of the vehicle;
(f) Itemized charges, including towing, mileage, winching, recovery, storage, notification, and any approved additional charges;
(g) A good-faith estimate of charges when final charges cannot be determined at the scene;
(h) Daily storage rate and the date and time storage charges begin;
(i) Name of the driver or employee preparing the invoice.
(j) Invoices, rates, dispatch records, release forms, notices, photographs, storage logs, and other records related to City-requested tows shall be available for inspection by the Police Chief during normal business hours or during an investigation.

9-129 Independence, Prohibited Conduct, and Conflicts

(1) A towing company on the City rotation list shall be independent of every other towing company on the City rotation list. Unless approved by the Police Chief for good cause, no towing company may share a telephone number, address, business license, storage facility, tow trucks, or required operating equipment with another rotation towing company.

(2) A towing company and its owners, officers, employees, agents, and drivers shall not:

(a) Refer, sell, assign, subcontract, delegate, or transfer a City-requested call to another towing company without approval from the Police Department.
(b) Solicit towing work at a crash, disabled vehicle, or law enforcement scene unless requested by the vehicle owner, operator, authorized agent, or Police Department.
(c) Charge unauthorized rates, hidden fees, administrative fees, gate fees, release fees, credit card surcharges, or other fees prohibited by the City fee schedule or state law.
(d) Refuse lawful release of a vehicle, personal property, or cargo after the person seeking release presents required proof and pays lawful charges, unless a Police Department hold or legal restriction applies.
(e) Use an unpermitted tow truck or unqualified driver for a City-requested call.

9-130 Audits, Inspections, and Complaints

(1) The Police Chief may inspect or audit any approved towing company's tow trucks, equipment, business office, storage facility, insurance, driver files, rates, invoices, tow records, notices, and release records during normal business hours or at other reasonable times when needed for public safety, compliance, or investigation.

(2) Complaints may be submitted by vehicle owners, operators, lienholders, insurers, towing companies, City employees, or members of the public. The Police Chief may investigate complaints and may require written responses, records, photographs, invoices, or other information from the towing company.
(3) Failure to cooperate with an audit, inspection, complaint investigation, or records request is grounds for the towing company to be deleted from the City rotation list.

9-131 Suspension, Revocation, Removal, and Corrective Action

(1) The Police Chief may deny, suspend, revoke, condition, or refuse to renew a permit; remove a towing company, tow truck, or driver from the City rotation list; or require corrective action for any violation of this chapter, City policy, the Tennessee Manual, applicable law, or public safety standards.

(2) Grounds for being removed from the rotation list include, but are not limited to:

(a) False, misleading, incomplete, or fraudulent application information or records;
(b) Failure to maintain insurance, equipment, tow truck registration, qualified drivers, required training, or storage facilities;
(c) Failure to answer, timely respond to, or properly complete City-requested calls;
(d) Use of unpermitted tow trucks or unqualified drivers;
(e) Overcharging, unauthorized fees, refusal to honor the fee schedule, or failure to provide itemized invoices;
(f) Improper solicitation, kickbacks, referral arrangements, call delegation, or conflicts of interest;
(g) Failure to safeguard vehicles, personal property, cargo, or evidence;
(h) Failure to release vehicles or property when release is legally required;
(i) Failure to comply with notice, recordkeeping, or audit requirements;
(j) Unsafe operations, discourteous conduct, criminal conduct, or conduct creating a risk to the public, the City, or the Police Department;
(k) Any violation of this chapter, the Tennessee Manual, or applicable state or federal law.

(3) The Police Chief may impose immediate temporary suspension when continued participation presents a public safety risk, threatens loss or damage to vehicles or evidence, involves lapsed insurance, or otherwise requires immediate action.

9-132 Appeal

(1) A towing company or driver aggrieved by a denial, suspension, revocation, removal, or refusal to renew may file a written appeal with the City Manager within ten (10) calendar days after written notice of the decision, unless a different period is required by law.

(2) The City Manager, or the City Manager's designee, shall review the record and may affirm, reverse, modify, or remand the decision. The City Manager's decision shall be final administrative action of the City unless otherwise provided by law.

9-133 City Liability and Payment Responsibility

(1) The City is responsible for payment only for fees and charges the City expressly authorizes or is legally required to pay, including charges associated with vehicles seized, impounded, or held by the Police Department when City payment is required by law, court order, or written authorization.

(2) Except as provided in this section, the City is not responsible for towing, recovery, preservation, storage, administrative, or related charges owed by a vehicle owner, operator, lienholder, insurer, or other responsible party.

SECTION 2.

CODIFICATION AUTHORITY.
The City Manager or designee is authorized to make ministerial, non-substantive corrections necessary to codify this ordinance, including formatting, numbering, lettering, internal sequencing, typographical, citation, and cross-reference corrections, and to update internal references affected by renumbering, provided that no change is made to the substantive meaning, effect, or legislative intent of this ordinance.

REPEALER.
All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

SEVERABILITY.
If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

ORDINANCE NO. 1156

EFFECTIVE DATE.
This ordinance shall take effect upon final passage, the public welfare requiring it.

First Reading:	**May 19, 2026**	**Passed**
Public Hearing Notice:	**May 27, 2026**	**Published**
Second Reading:	**June 16, 2026**	
Date of Public Hearing	**June 16, 2026**	

ATTEST:

Larry Eaton, Mayor

Randall Dowling, City Manager

APPROVED AS TO FORM:

Christopher Caldwell, City Attorney

Agenda Item

V. M. Public Hearing and Second Reading for Ordinance 1157, an Ordinance to Amend 'The Zoning Ordinance of The City of Athens, Tennessee, so as to Amend The Official Zoning Map to Rezone A 3-Acre Parcel Created from the 50-Acre Developed Parent Tract Shown as Tax Map 046 Parcel 049.00 Located on Denso Drive and George R. Price Boulevard From I-2 (Heavy Industrial District) To B-3 (Intensive Business District), Said Area Being Located Within The Corporate Limits of Athens, Tennessee.

Overview

The City Council is being asked to consider a rezoning request submitted by Denso Manufacturing and the Athens-McMinn Family YMCA for a newly created 3-acre parcel located on Denso Drive and George R. Price Boulevard. The parcel is being created from a larger, developed parent tract identified as Tax Map 046, Parcel 049.00. The request is to rezone the property from I-2 Heavy Industrial District to B-3 Intensive Business District.

The purpose of the rezoning is to allow for the future development of a daycare/childcare center. The property is adjacent to existing B-3 Intensive Business District zoning to the west, including the area near the Higher Learning Center. Because the proposed childcare center would be open to the public, commercial zoning is needed.

Approval of the rezoning would not, by itself, authorize construction or operation of the childcare center. Under the current zoning regulations, a daycare/childcare center in the B-3 district requires additional approval as a Use on Review. Therefore, if the rezoning is approved, the applicants would still need to return for the required Use on Review approval before proceeding with that use.

The Athens Municipal-Regional Planning Commission reviewed the request at its May 4, 2026 meeting and voted unanimously, 4-0, to recommend approval to City Council.

Action to Consider

Consensus is needed to move this item to the regular session on June 16, 2026 for public hearing and second reading.

Affected Departments

Community Development

ORDINANCE NO. 1157

AN ORDINANCE TO AMEND 'THE ZONING ORDINANCE OF THE CITY OF ATHENS, TENNESSEE, SO AS TO AMEND THE OFFICIAL ZONING MAP TO REZONE A 3-ACRE PARCEL CREATED FROM THE 50-ACRE DEVELOPED PARENT TRACT SHOWN AS TAX MAP 046, PARCEL 049.00, LOCATED ON DENSO DRIVE AND GEORGE R. PRICE BOULEVARD FROM I-2 HEAVY INDUSTRIAL DISTRICT TO B-3 INTENSIVE BUSINESS DISTRICT, SAID AREA BEING LOCATED WITHIN THE CORPORATE LIMITS OF ATHENS, TENNESSEE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF ATHENS AS FOLLOWS:

SECTION 1.
That the Official Zoning Map of Athens, Tennessee, identified and referred to in Section 3.02 of said Zoning Ordinance, be amended to show the following described property and zoning designation as described within the body of this ordinance and shown on the attached illustration titled "Rezoning Request for Denso Manufacturing Athens, TN and Athens-McMinn Family YMCA to change a 3-acre parcel created from the 50-acre developed parent tract shown as Tax Map 046, Parcel 049.00, located on Denso Drive and George R. Price Boulevard from I-2 Heavy Industrial District to B-3 Intensive Business District," said property being within the corporate limits of Athens, Tennessee:

> **Area Description (I-2 to B-3)**
> The parcel to be rezoned from I-2 to B-3 is a 3-acre parcel created from the 50-acre developed parent tract shown on the Tennessee Real Estate Property Assessment Data Website as Tax Map 046 Parcel 049.00. The parcel is located on Denso Drive and George R. Price Boulevard and is further described in the attached illustration that has been created from the Official Zoning Map of the City of Athens, Tennessee (Exhibit A).

SECTION 2.
That all ordinances, resolutions, motions, or parts thereof in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict only. If any sentence, clause, phrase, or paragraph of this Ordinance shall be declared unconstitutional or invalid by a court of competent jurisdiction, such holding shall not affect the remaining portions of this Ordinance, which shall remain in full force and effect.

SECTION 3.
As required by T.C.A. § 13-7-203, a public hearing subject to twenty-one (21) calendar days' notice has been held, and the ordinance meets the requirements of T.C.A. § 13-7-201 through 13-7-210, including the approval of all necessary agencies.

SECTION 4.
That this Ordinance shall take effect upon final passage and as provided by law.

First Reading:	**May 19, 2026**	**Passed**
Public Hearing Notice:	**May 27, 2026**	**Published**
Second Reading:	**June 16, 2026**	
Date of Public Hearing	**June 16, 2026**	

ATTEST:

____
Larry Eaton, Mayor

____
Randall Dowling, City Manager

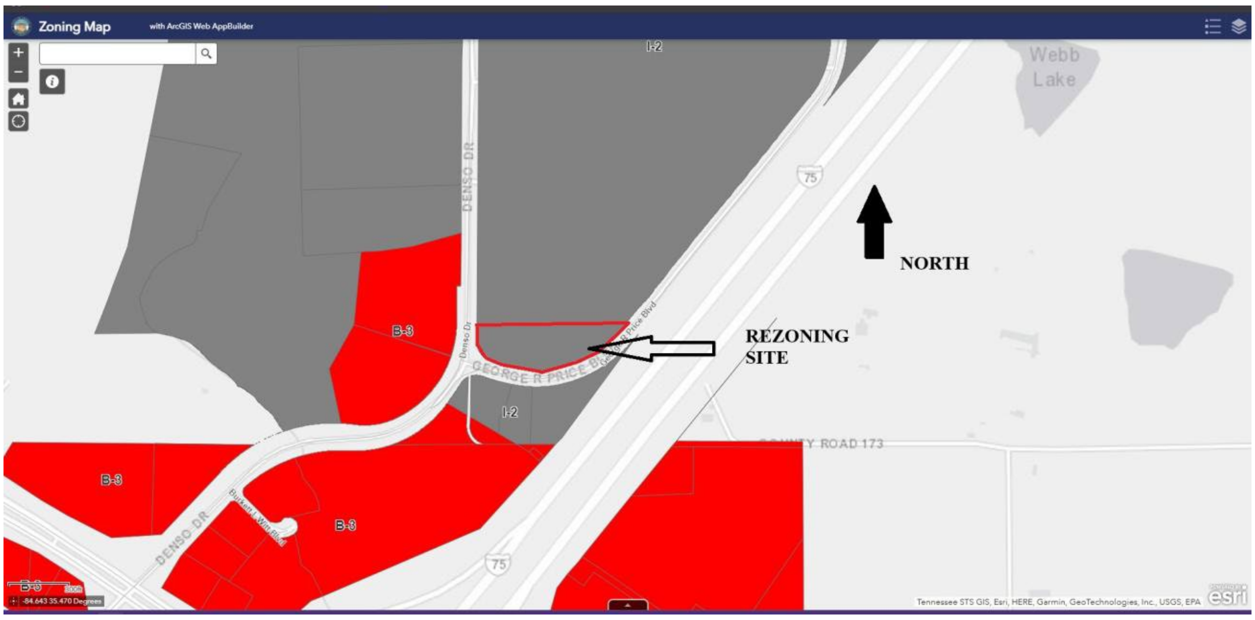
APPROVED AS TO FORM:

____
Christopher Caldwell, City Attorney

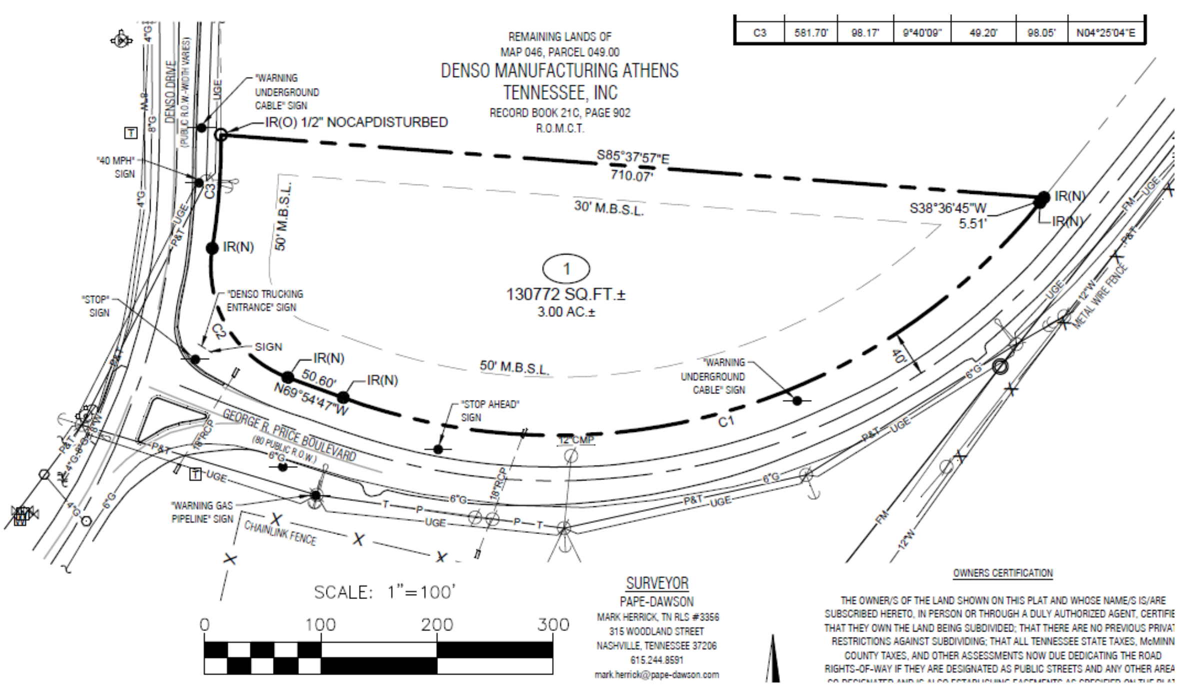
Exhibit A

Rezoning Request for Denso Manufacturing Athens, TN and Athens-McMinn Family YMCA to change a 3-acre parcel created from the 50-acre developed parent tract shown as Tax Map 046, Parcel 049.00, located on Denso Drive and George R. Price Boulevard from I-2 Heavy Industrial District to B-3 Intensive Business District.

Official Zoning Map of the City of Athens, Tennessee



Survey Plat of 3-Acre Parcel



Agenda Item

V. N. Public Hearing and Second Reading for Ordinance 1158, an Ordinance to Adopt a Budget and Set the Tax Rate on Taxable Property Located within the Corporate Limits of the City of Athens, Tennessee, for the Fiscal Year July 1, 2026 through June 30, 2027.

Overview

City Council reviewed the proposed Fiscal Year 2026-27 budget during the Budget Work Session on May 7, 2026. During the regular session on May 27, 2026 City Council approved the following amendments to ordinance 1158:

1. Reduce Fleet fund transfer by 10%.
2. Reduce all outside agencies by 10%.
3. Reduce transfer from General Fund to Debt Service Fund by $100,000.
4. Remove $16,000 in expenses for the soap box derby program.
5. Remove $16,800 in expenses for all auto allowances.
6. Remove $60,000 salary for Stormwater Engineer.
7. Remove $11,000 furniture expenses for Stormwater Engineer.
8. Add $230,000 in expenses for salary and benefits for three new firefighters.
9. Revisions to the fee schedules for Parks and Recreation program and event fees, park fees, and Police Department city-requested towing fees.

Upon approval of the City Council the FY 2026-27 budget will take effect on July 1, 2026.

Action to Consider

Consensus is needed to move this item to the regular session on June 16, 2026 for public hearing and second reading.

Affected Departments

All

ORDINANCE NO. 1158

AN ORDINANCE TO ADOPT A BUDGET AND SET THE TAX RATE ON TAXABLE PROPERTY LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF ATHENS, TENNESSEE, FOR THE FISCAL YEAR JULY 1, 2026 THROUGH JUNE 30, 2027.

WHEREAS, the Council for the City of Athens, Tennessee, after much consideration and study of the budget prepared and submitted by the City Manager, considers said budget to be in complete detail showing the financial condition of the City for the past fiscal year, and the proposed budget and expenditures for the various departments for the fiscal year beginning **July 1, 2026** through **June 30, 2027**.

Section 1.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF ATHENS, TENNESSEE, AS FOLLOWS:

That the budget hereto attached and made a part hereof consisting of the following words and figures, be and is hereby adopted as the Budget for the City of Athens, Tennessee, for the Fiscal Year beginning July 1, 2026 and extending through June 30, 2027.

	Actual 2024-2025	Estimated 2025-2026	Proposed 2026-2027
GENERAL FUND			
GENERAL FUND REVENUES			
Taxes	18,961,603	18,542,000	19,001,000
Intergovernmental Revenue	2,973,357	2,808,000	3,019,000
Charges for Services	388,030	276,000	315,000
Fines and Forfeits	165,063	100,000	220,000
Interest	649,701	550,000	525,000
Miscellaneous	856,314	30,000	30,000
TOTAL GENERAL FUND REVENUES	23,994,068	22,306,000	23,110,000
GENERAL FUND EXPENDITURES			
ADMINISTRATION			
City Council	157,726	140,300	177,700
City Hall	253,775	220,900	222,700
City Manager's Office	363,793	384,400	368,600
TOTAL ADMINISTRATION	775,294	745,600	769,000
COMMUNITY DEVELOPMENT			
Administration	233,084	246,300	234,600
Cemeteries	124,911	52,200	53,200
Codes Enforcement	372,176	396,600	471,700
TOTAL COMMUNITY DEVELOPMENT	730,171	695,100	759,500
FINANCE	616,869	613,000	634,100
FINANCE - PURCHASING	126,916	93,400	98,100
FIRE			
Administration	255,418	245,600	251,800
Prevention	135,802	151,600	146,700
Suppression	2,937,663	3,102,300	3,392,300
TOTAL FIRE	3,328,883	3,499,500	3,790,800

HUMAN RESOURCES	271,340	278,900	292,600
INFORMATION TECHNOLOGY	413,644	898,100	597,500
PARKS & RECREATION			
Administration	233,878	240,700	332,200
Maintenance	796,296	901,700	937,000
Swimming Pools	62,722	61,600	67,900
Program Planning	467,740	421,500	453,900
TOTAL PARKS & RECREATION	1,560,636	1,625,500	1,791,000
POLICE			
Administration	354,803	353,000	362,100
Detectives	871,690	606,600	638,000
Patrol	3,412,356	3,624,300	3,817,000
TOTAL POLICE	4,638,849	4,583,900	4,817,100
PUBLIC WORKS			
Administration	440,874	444,000	434,500
Animal Shelter	289,180	309,300	294,400
Fleet Maintenance	409,915	407,200	420,800
Street Cleaning	1,099,689	1,077,000	1,076,800
Street Construction	567,389	674,000	639,100
Street Maintenance	875,737	1,106,600	1,095,200
Traffic Control	402,187	372,800	457,800
TOTAL PUBLIC WORKS	4,084,971	4,390,900	4,418,600
ATHENS CITY SCHOOLS	2,421,000	2,421,000	2,421,000
ATHENS UTILITIES BOARD	526,403	530,000	540,000
COMMUNICATIONS	366,716	378,000	393,000
SPECIAL APPROPRIATIONS	384,542	443,100	367,200
TRANSFERS	3,462,000	1,400,000	1,300,000
TOTAL GENERAL FUND EXPENDITURES	23,708,234	22,596,000	22,989,500
CHANGE IN CASH/FUND BALANCE	285,834	(290,000)	120,500
BEGINNING CASH/FUND BALANCE	19,240,960	17,154,000	17,500,000
ENDING CASH/FUND BALANCE	19,526,794	16,864,000	17,620,500
ENDING CASH AS A % OF EXPENDITURES	82.36%	74.63%	76.65%

DEBT SERVICE FUND-SCHOOLS

DEBT SERVICE FUND REVENUES			
Interest	164,602	100,000	100,000
City Schools Contributions	700,000	700,000	700,000
Debt Proceeds	5,000,000	0	0
Transfers	1,941,528	1,000,000	900,000
TOTAL DEBT SERVICE FUND REVENUES	7,806,130	1,800,000	1,700,000

DEBT SERVICE FUND EXPENDITURES	6,575,189	1,529,000	1,529,000
CHANGE IN CASH/FUND BALANCE	1,230,941	271,000	171,000
BEGINNING CASH/FUND BALANCE	2,812,032	4,029,000	4,300,000
ENDING CASH/FUND BALANCE	4,042,973	4,300,000	4,471,000
ENDING CASH AS A % OF EXPENDITURES	61.49%	281.23%	292.41%
DEBT SERVICE FUND-CITY PROJECTS			
DEBT SERVICE FUND REVENUES			
Interest	17,511	5,000	5,000
Transfers	400,000	400,000	400,000
TOTAL DEBT SERVICE FUND REVENUES	417,511	405,000	405,000
DEBT SERVICE FUND EXPENDITURES	383,465	381,500	380,000
CHANGE IN CASH/FUND BALANCE	34,046	23,500	25,000
BEGINNING CASH/FUND BALANCE	79,226	98,000	121,000
ENDING CASH/FUND BALANCE	113,272	121,500	146,000
ENDING CASH AS A % OF EXPENDITURES	29.54%	31.85%	38.42%
SANITATION FUND			
SANITATION FUND REVENUES			
Charges For Services	1,023,867	989,000	1,099,000
Interest	68,156	50,000	70,000
Miscellaneous	73,868	1,000	1,000
TOTAL SANITATION FUND REVENUES	1,165,891	1,040,000	1,170,000
SANITATION FUND EXPENDITURES	1,268,771	1,239,300	1,272,700
CHANGE IN CASH/FUND BALANCE	(102,880)	(199,300)	(102,700)
BEGINNING CASH/FUND BALANCE	3,675,549	3,500,000	3,300,000
ENDING CASH/FUND BALANCE	3,572,669	3,300,700	3,197,300
ENDING CASH AS A % OF EXPENDITURES	281.59%	266.34%	251.22%
CONFERENCE CENTER FUND			
CONFERENCE CENTER REVENUES			
Charges For Services	46,847	40,000	30,000
General Fund Contribution	120,000	0	0
TOTAL CONFERENCE CENTER REVENUES	166,847	40,000	30,000
CONFERENCE CENTER EXPENDITURES	89,766	172,900	109,500
CHANGE IN CASH/FUND BALANCE	77,081	(132,900)	(79,500)
BEGINNING CASH/FUND BALANCE	446,666	520,000	387,000
ENDING CASH/FUND BALANCE	523,747	387,100	307,500
ENDING CASH AS A % OF EXPENDITURES	583.46%	223.89%	280.82%
DRUG FUND			
DRUG FUND REVENUES			
Fines and Forfeits	56,828	30,000	30,000
Interest	6,958	5,000	5,000
TOTAL DRUG FUND REVENUES	63,786	35,000	35,000

DRUG FUND EXPENDITURES	25,223	35,000	107,500
CHANGE IN CASH/FUND BALANCE	38,563	0	(72,500)
BEGINNING CASH/FUND BALANCE	168,686	200,000	200,000
ENDING CASH/FUND BALANCE	207,249	200,000	127,500
ENDING CASH AS A % OF EXPENDITURES	821.67%	571.43%	118.60%
HOTEL/MOTEL FUND			
HOTEL/MOTEL FUND REVENUES			
Hotel/Motel Tax	489,962	420,000	420,000
Interest	31,402	10,000	20,000
TOTAL HOTEL/MOTEL FUND REVENUES	521,364	430,000	440,000
HOTEL/MOTEL FUND EXPENDITURES	189,961	563,300	522,300
CHANGE IN CASH/FUND BALANCE	331,403	(133,300)	(82,300)
BEGINNING CASH/FUND BALANCE	683,722	990,000	850,000
ENDING CASH/FUND BALANCE	1,015,125	856,700	767,700
ENDING CASH AS A % OF EXPENDITURES	534.39%	152.09%	146.98%
CAPITAL IMPROVEMENT FUND			
CAPITAL IMPROVEMENT FUND REVENUES:			
Grant Funds	521,208	6,308,500	1,341,000
Investment Income	705,170	300,000	300,000
Miscellaneous	27,541	25,000	25,000
Third Party Contributions	0	475,000	176,300
Transfer From General Fund	1,942,000	0	0
TOTAL CAP IMPROVE FUND REVENUES	3,195,919	7,108,500	1,842,300
CAPITAL EXPENDITURES	3,997,480	16,675,000	11,478,000
CHANGE IN CASH/FUND BALANCE	(801,561)	(9,566,500)	(9,635,700)
BEGINNING CASH/FUND BALANCE	15,148,372	14,500,000	11,000,000
ENDING CASH/FUND BALANCE	14,346,811	4,933,500	1,364,300
ENDING CASH AS A % OF EXPENDITURES	358.90%	29.59%	11.89%
FLEET MANAGEMENT FUND			
FLEET MANAGEMENT FUND REVENUES			
Fleet Charges	1,270,900	1,279,900	1,148,100
Interest	362,000	200,000	200,000
Capital Contributions	289,552	0	0
Gain on Sale of Assets	20,655	20,000	30,000
TOTAL FLEET FUND REVENUES	1,943,107	1,499,900	1,378,100
FLEET FUND PURCHASES	722,707	706,000	2,706,000
CHANGE IN CASH/FUND BALANCE	1,220,400	793,900	(1,327,900)
BEGINNING CASH/FUND BALANCE	10,283,234	11,000,000	11,500,000
ENDING CASH/FUND BALANCE	11,503,634	11,793,900	10,172,100
ENDING CASH AS A % OF EXPENDITURES	1591.74%	1670.52%	375.91%

ORDINANCE NO. 1158

Section 2.

BE IT FURTHER ORDAINED that the budget hereto attached and made a part hereof consisting of the following words and figures, be and is hereby adopted as the Budget for the Athens City Schools, for the Fiscal Year beginning **July 1, 2026** and extending through **June 30, 2027**, as approved by the Athens City Board of Education:

	General Purpose Fund	Federal Projects Fund	Food Service Fund	Total All Funds
Revenues:				
Local Taxes	6,370,000	0	0	6,370,000
Charges for Services	229,000	0	47,000	276,000
Other Local Revenues	209,900	0	78,200	288,100
State Education Funds	13,446,014	0	11,000	13,457,014
Federal Funds received through State	51,248	1,471,793	1,613,006	3,136,047
Other Sources	100	0	0	100
Total estimated revenues	20,306,262	1,471,793	1,749,206	23,527,261
Expenditures:				
Regular Instruction	10,434,835	558,368	0	10,993,203
Special Education	1,338,167	559,377	0	1,897,544
Student Body Education	33,337	0	0	33,337
Support Services:				
Attendance	51,403	0	0	51,403
Health Services	355,742	0	0	355,742
Other Student Support	524,112	65,459	0	589,571
Regular Instruction	1,052,225	226,314	0	1,278,539
Special Education	110,644	62,275	0	172,919
Education Technology	234,994	0	0	234,994
Board of Education	1,012,741	0	2,500	1,015,241
Office of Superintendent	235,923	0	0	235,923
Office of Principal	1,227,785	0	0	1,227,785
Fiscal Services	247,403	0	0	247,403
Human Services/Personnel	150,262	0	0	150,262
Operation of Plant	1,202,302	0	0	1,202,302
Maintenance of Plant	282,163	0	0	282,163
Transportation	863,240	0	0	863,240
Non-Instructional Services:				
Food Service	3,134	0	1,746,706	1,749,840
Community Services	322,422	0	0	322,422
Early Childhood Education	891,728	0	0	891,728
Regular Capital Outlay	1,327,237	0	0	1,327,237
Total expenditures	21,901,799	1,471,793	1,749,206	25,122,798
Change in cash/fund balance	(1,595,537)	0	0	(1,595,537)
Beginning cash/fund balance	10,872,239	0	1,187,851	12,060,090
Ending cash/fund balance	9,276,702	0	1,187,851	10,464,553
Ending cash as a % of expenditures	42.36%	0.00%	67.91%	

Section 3.

BE IT FURTHER ORDAINED that the taxes provided by Chapter 387 of the Public Acts of 1971 known as the Business Tax Act, as amended, are hereby enacted, ordained and levied on the businesses, business activities, vocations or occupations carried on in the City of Athens, Tennessee, at the rates and in the manner prescribed by said Act; also, the tax on the gross sales of beer sold within the corporate limits of the City of Athens, Tennessee, as provided by Chapter 76 of the Public Acts of Tennessee, as amended, for the **fiscal year 2026-2027**.

Section 4.

BE IT FURTHER ORDAINED that the authority of municipalities to assess and collect certain privilege and license taxes is based upon the population of municipalities according to the **Federal Census of 2020** on a graduated basis or any subsequent Federal Census or other census authorized by and certified to the Federal Government by the Tennessee State Planning Commission, whichever is latest. It is therefore, declared by the Council for the City of Athens that the official census for Athens, Tennessee, is **14,084**. The levy and collections are only to the extent not repealed by Chapter 387 of the Public Acts of 1971.

Section 5.

BE IT FURTHER ORDAINED that the City Manager or his Assistant shall collect a fee on all business licenses sold in accordance with applicable state law and said fee shall be turned over to the City for General Fund purposes. The Tennessee Department of Revenue will receive business tax payments under the Business Tax Act and the Director of Finance shall coordinate with the Tennessee Department of Revenue regarding the City receiving its appropriate share of business taxes collected pursuant to this ordinance.

Section 6.

BE IT FURTHER ORDAINED that the tax rate for the year **2026-2027** be and is hereby fixed at **$1.0078** on each ONE HUNDRED DOLLARS ($100.00) assessed value of taxable property located within the corporate limits of the City of Athens, Tennessee.

Section 7.

BE IT FURTHER ORDAINED that refuse collection and disposal charges for fiscal year **2026-2027** is hereby fixed as follows: small professional, commercial or business establishments operating within the City of Athens shall pay a minimum fee of **$9.50** per month; large professional, commercial or business establishments operating within the City of Athens shall pay a minimum fee of **$28.50** per month; all residences within the City of Athens shall pay a minimum fee of **$9.50** per month.

Section 8.

BE IT FURTHER ORDAINED that the Mayor and City Manager, by appropriate authorization may borrow upon tax anticipation notes such sums or sum of money as may be necessary to defray current operating expenses, provided however, that such notes shall bear interest at a rate not to exceed one (1%) percent in excess of prime interest rates set by New York Banks and shall not be borrowed for a period longer than the current fiscal year and said sums shall not exceed fifty percent (50%) of the annual tax levy as set out in Section 5 of the Corporate Powers of the Charter of the City of Athens, Tennessee, said interest to be exempt from all Federal, State, and Municipal taxation.

Section 9.

BE IT FURTHER ORDAINED that if for any reason a budget ordinance is not adopted prior to the beginning of the next fiscal year, the appropriations in this budget ordinance shall become the appropriations for the next fiscal year until the adoption of the new budget ordinance in accordance with Section 6-56-210, Tennessee Code Annotated provided sufficient revenues are being collected to support the continuing appropriations. Approval for a continuation budget will be requested from the Director of the State and Local Finance Division in the Office of the Comptroller of the Treasury if any indebtedness is outstanding.

Section 10.

BE IT FURTHER ORDAINED that all Ordinances, and parts of Ordinances in conflict with this Ordinance shall be, and the same are, hereby repealed and superseded.

Section 11.

BE IT FURTHER ORDAINED that if any section, paragraph, clause, or sentence of this Ordinance shall be held invalid by a Court of competent jurisdiction, such holding shall not affect the remaining sections, paragraphs, clauses, and sentences.

Section 12.

BE IT FURTHER ORDAINED in that the fiscal year begins on **July 1, 2026**, and time is of the essence, therefore, this Ordinance is declared to be an emergency ordinance to take effect from and after its passage.

FIRST READING:	**May 19, 2026**	**Passed**
SECOND READING:	**June 16, 2026**	
DATE OF PUBLIC HEARING:	**June 16, 2026**	

ATTEST:

LARRY EATON, Mayor

RANDALL DOWLING, City Manager

APPROVED AS TO FORM:

CHRISTOPHER M. CALDWELL, City Attorney

Agenda Item

V. O. An Ordinance to amend Title 1, Chapter 1-II of the Athens City Code by Adding Section 1-46 Establishing Compensation for the Mayor and Councilmembers Pursuant to Article V, Section 4 of the Charter of the City of Athens, Tennessee.

Overview

In September 2025, the City Council adopted Resolution 2025-25 requesting a Charter amendment to remove the fixed compensation amounts for the Mayor and Councilmembers from the City Charter and authorize compensation to be established by ordinance. The Tennessee General Assembly approved the amendment as Private Chapter No. 46, and the legislation was signed into law on April 16, 2026. Under the amended Charter (attached), compensation for the Mayor and Councilmembers must be established by ordinance adopted by the City Council.

This ordinance amends Title 1 of the Athens City Code (attached) by adding Section 1-46, which establishes the framework for setting compensation for the Mayor and Councilmembers pursuant to Article V, Section 4 of the Charter. The ordinance also provides that compensation changes may not take effect during an elected official's current term of office and clarifies that authorized expense reimbursements are not considered compensation.

The proposed ordinance (attached) includes an effective date of November 21, 2028, which would ensure that any compensation established under the ordinance is applied uniformly after all elected offices have begun a new term.

Council may also choose an earlier effective date of November 17, 2026, which would allow implementation following the 2026 municipal election. However, because only three Council seats will be subject to election in 2026, any compensation established by the ordinance would apply only to those Councilmembers beginning a new term at that time. As a result, three Councilmembers would receive the new compensation amount while the remaining two Councilmembers would continue to receive compensation under the previous structure until the beginning of their next term. The proposed November 21, 2028 effective date avoids this disparity by ensuring that all Councilmembers are subject to the same compensation structure at the same time.

Action to Consider

Consensus is needed to move this item to the regular session on June 16, 2026 for consideration.

Affected Departments

City Council

ORDINANCE NO. 0000

AN ORDINANCE TO AMEND TITLE 1, CHAPTER 1-II OF THE ATHENS CITY CODE BY ADDING SECTION 1-46 ESTABLISHING COMPENSATION FOR THE MAYOR AND COUNCILMEMBERS PURSUANT TO ARTICLE V, SECTION 4 OF THE CHARTER OF THE CITY OF ATHENS, TENNESSEE

WHEREAS, Article V, Section 4 of the Charter of the City of Athens, Tennessee, as amended by Private Chapter No. 46 of the Private Acts of 2026, provides that the compensation of the Mayor and Councilmembers shall be established from time to time by ordinance duly adopted by the City Council, subject to any limitations imposed by Tennessee law; and

WHEREAS, Article V, Section 4 of the Charter further provides that no change in compensation shall take effect during the term for which the Mayor or any Councilmember was elected, but that such changes may take effect for subsequent terms of office; and

WHEREAS, the City Council desires to amend the Athens City Code to establish compensation for the Mayor and Councilmembers in accordance with the Charter;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF ATHENS, TENNESSEE AS FOLLOWS:

SECTION 1.

That Title 1, Chapter 1-II of the Athens City Code is hereby amended by adding a new Section 1-46 to read as follows:

<u>1-46 Compensation of Mayor and Councilmembers</u>

(1) Pursuant to Article V, Section 4 of the Charter of the City of Athens, Tennessee, the Mayor shall receive compensation in the amount of $__________ per month for service as Mayor.

(2) Each Councilmember shall receive compensation in the amount of $__________ per month for service as a member of the City Council.

(3) The compensation established by this section shall be paid in accordance with the City's regular payroll or accounts payable procedures and shall be subject to all applicable federal and state withholding, reporting, and tax requirements.

(4) No change in compensation for the Mayor or any Councilmember shall take effect during the term for which the Mayor or Councilmember was elected. Any future change in compensation adopted by ordinance shall take effect only for a subsequent term of office, unless otherwise permitted by applicable law.

(5) Reimbursement of actual and necessary expenses incurred in the performance of official duties, when authorized by law, ordinance, policy, or approved budget appropriation, shall not be considered compensation for purposes of this section.

SECTION 2.

CODIFICATION AUTHORITY.
The City Manager or designee is authorized to make ministerial, non-substantive corrections necessary to codify this ordinance, including formatting, numbering, lettering, internal sequencing, typographical, citation, and cross-reference corrections, and to update internal references affected by renumbering, provided that no change is made to the substantive meaning, effect, or legislative intent of this ordinance.

REPEALER.
All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

SEVERABILITY.
If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

EFFECTIVE DATE.
This ordinance shall take effect on November 21, 2028, the public welfare requiring it.

First Reading: **June 16, 2026**
Public Hearing Notice:
Second Reading:
Date of Public Hearing

ATTEST:

Larry Eaton, Mayor

Randall Dowling, City Manager

APPROVED AS TO FORM:

Christopher Caldwell, City Attorney

CHAPTER 1-II CITY COUNCIL

1-43 Time And Place Of Regular Meetings

The city council shall hold regular monthly meetings at 6:00 p.m., Local Standard Time, on the third Tuesday of each month at the city hall.

(Code 1972, § 1-101; Code 1995, § 1-101)

1-44 Order Of Business

At each meeting of the city council, the following regular order of business shall be observed unless dispensed with by a majority vote of the members present:

1. Call to Order
2. Invocation
3. Pledge of Allegiance
4. Roll Call
5. Approval of Minutes
6. Communications and Special Presentations
7. Citizens Comments Germane to the Agenda
8. Consent Agenda
9. Ordinances
10. Old Business
11. New Business
12. Reports
13. Report from the City Manager
14. Citizens Comments
15. Adjournment

(Code 1972, § 1-102; Code 1995, § 1-102; Ord. No. 1072, § 1, 1-15-2019; Ord. No. 1115, § 1, 1-17-2023; Ord. No. 1126, § 1, 3-19-2024)

HISTORY
Amended by Ord. 1072 on 1/15/2019
Amended by Ord. 1115 on 1/17/2023
Amended by Ord. 1126 on 3/19/2024
Amended by Ord. 1135 on 10/30/2024

1-45 General Rules Of Order

The rules of order and parliamentary procedure contained in Robert's Rules of Order, Newly Revised, shall govern the transaction of business by and before the city council at its meetings in all cases to which they are applicable and in which they are not inconsistent with provisions of the Charter or this Code.

(Code 1972, § 1-103; Code 1995, § 1-103)

ARTICLE V City Council

Section 1. Be it further enacted, That the Councilpersons at the first regular meeting after the first and each biennial election, shall elect one of their number mayor for a term of two years, and thus organized, the body shall be known as the City Council. [As amended by Priv. Acts 2024, ch. 60, § 3]

Section 2. Be it further enacted, That any qualified voter of the city who resides in the city shall be eligible for election to the Office of Councilperson, provided that a failure to continue to reside in the city shall vacate such person's office. Councilpersons shall serve no more than three (3) terms. The three-term limit shall begin with the 2024 and 2026 elections. Furthermore, if a Councilperson was appointed mid-term, then that appointed term shall not count toward the three-term limit prescribed herein. [As amended by Priv. Acts 1992, ch. 215, § 2; and Priv. Acts 2024, ch. 60, § 3]

Section 3. Be it further enacted, That no person shall become a Councilperson who shall have been convicted of malfeasance in office, bribery, or other corrupt practice, or crime, or of violating any of the provisions of Section 3645 of the Code of Tennessee in reference to elections, and if any Councilperson shall be so convicted, he shall forfeit his office. [As amended by Priv. Acts 2024, ch. 60, § 3]

Section 4. Be it further enacted, The compensation of the Mayor and Councilmembers shall be established from time to time by ordinance duly adopted by the City Council, subject to any limitations imposed by Tennessee law. No change in compensation shall take effect during the term for which the Mayor or any Councilmember was elected; however, such changes may take effect for subsequent terms of office. [As replaced by Priv. Acts 1986, ch. 121, § 1; further replaced by Priv. Acts 1998, ch. 164, § 3; and as amended by Priv. Acts 2024, ch. 60, § 3; further replaced by Private Acts of 2026, ch. 46, § 1]

Section 5. Be it further enacted, That the legislative and all other powers except as otherwise provided by this charter are delegated to and vested in the City Council; and the City Council may, by ordinance or resolution not inconsistent with this charter, prescribe the manner in which any powers of the city shall be exercised, provide all means necessary or proper therefor, and do all things needful within or without the City or State to protect the rights of the City.

Section 6. Be it further enacted, That the City Council shall exercise its powers in session duly assembled, and no member or group of members thereof, shall exercise or attempt to exercise the powers conferred upon the City Council except through proceedings adopted at some regular or special session.

Section 7. Be it further enacted, That the City Council shall, by ordinance, fix the time and place at which the regular meetings of said board shall be held.

Section 8. Be it further enacted, That whenever, in the opinion of the Mayor or of any two Councilpersons, the welfare of the city demands it, the Mayor shall call special meetings of the City Council upon at least twelve hours written notice served on each Councilperson personally, or left at his usual place of residence. Each call for special meeting shall set forth the character of the business to be discussed at such meeting and no other business shall be considered at such meeting. [As amended by Priv. Acts 2024, ch. 60, § 3]

Section 9. Be it further enacted, That the Mayor shall preside at all meetings of the City Council.

Section 10. Be it further enacted, That when any vacancy in said council shall occur, such vacancy shall be filled by the Councilpersons. The newly elected member shall serve until the third Tuesday in November following the next regular election or until his successor shall be elected and qualified for the unexpired term. [As amended by Priv. Acts 2000, ch. 83, § 2; and Priv. Acts 2024, ch. 60, § 3]

Section 11. Be it further enacted, That at the first meeting of the Council, and thereafter at the first meeting after a general city election, said Council shall choose from its membership a Vice-Mayor to act in the absence or disability of the Mayor.

Section 12. Be it further enacted, That such member shall act as Mayor during any temporary absence or disability of the Mayor, and whenever a permanent vacancy occurs in the office of Mayor, such member shall become Mayor and hold office as such for the unexpired term, and the office of Councilperson thus vacated, shall be filled as otherwise provided herein; and a new Vice-Mayor shall be chosen from the Councilpersons at their next regular meeting. [As amended by Priv. Acts 2024, ch. 60, § 3]

Section 13. Be it further enacted, That a majority of all the members of said Council shall constitute a quorum, but a smaller number may adjourn from day to day or from time to time and may compel the attending of the absentees in such manner and under such penalties as the City Council may provide. Unless otherwise provided in this charter, a majority of all members of the Council shall be required to pass an ordinance, resolution or motion.

Section 14. Be it further enacted, That said City Council may determine the rules of its proceedings, subject to this charter, and may arrest and punish by fine or imprisonment, or both, any member or other person guilty of disorderly or contemptuous behavior in its presence. It shall have power and may delegate it to any committee, to subpoena witnesses, and order the production of books and papers relating to any subject within its jurisdiction; to call upon its own officers or the chief of police to execute its process, and to arrest and punish by fine or imprisonment, or both, any person refusing to obey such subpoena or order.

Its presiding officer or the chairman of any committee may administer oaths to witnesses. It shall keep a journal of its proceedings, and the yeas and nays on all questions shall be entered therein. [As amended by Priv. Acts 1994, ch. 180, § 3]

Section 15. Be it further enacted, That all sessions of the Council shall be public, and subject to change of time and/ or place in case of emergency.

Section 16. Be it further enacted, That prior to the end of each fiscal year the Council shall designate a certified public accountant who, as of the end of the fiscal year, shall make an independent audit of accounts and other evidences of financial transactions of the city government and shall submit their report to the Council and to the City Manager. Said report shall be entered and become a permanent part of the minutes of a regular meeting of the City Council. This Audit may be conducted on an annual, quarterly, or a continuous basis. Such accountants shall have no personal interest, directly or indirectly, in the fiscal affairs of the city government or any of its officers. The City Council shall cause to be published annually a notice to the general public that an audit opinion has been received and copies are available for review in the Department of Finance. This notice shall be published within 30 days of the deadline for filing such reports with the State Comptroller's office. [As amended by Priv. Acts 1990, ch. 213, § 9; and Priv. Acts 2004, ch. 92, § 1]

Section 17. Be it further enacted, That in the case of the death, resignation or removal of the City Manager, as soon as practicable thereafter, the City Council shall cause an audit to be made of the city books by a certified public accountant.

Section 18. Be it further enacted, That all powers of the city and the determination of all matters of policy shall be vested in the Council. Without limitation of the foregoing, the Council shall have power to:

(1) Appoint and remove the City Manager;

(2) Establish other administrative departments and distribute the work of the division;

(3) Adopt the budget;

(4) Inquire into the conduct of any office, department or agency of the city and make investigations as to municipal affairs;

(5) Appoint the members of the Athens Utilities Board;

(6) Appoint all other boards, except members of the Board of Education, that may now or hereafter be authorized by law;

(7) Adopt plats;

(8) Adopt and modify the official map of the city;

(9) Regulate and restrict the height and number of stories of buildings and other structures, the size of yards and courts; the density of populations and the location and use of buildings for trade, industry, business, residence or other purposes;

(10) Provide for safe and sanitary housing accommodations for families of low income;

(11) Create a housing authority;

(12) Adopt, modify and carry out plans proposed by the planning commission for the clearance of slum districts and rehabilitation of blighted areas;

(13) Adopt, modify and carry out plans proposed by the planning commission for the re-planning, improvement and re-development of the neighborhoods and for the re-planning, reconstruction or re-development of any area or district which may have been destroyed in whole or in part by disaster.

Section 19. Be it further enacted, That neither the Council nor any of its members shall request, propose, direct or otherwise attempt to influence the City Manager, or any of his subordinates in the selection, promotion, or demotion, or removal of an employee in any administrative service or activity, or office of the city government. Neither the Council nor the members thereof, shall give any orders to any subordinate of the Manager, either publicly or privately, directly or indirectly.

HISTORY
Amended by Other Charter Section 4 replaced on 5/19/2026