

The City of Morristown

Office of Administration



March 20, 2026

Office of the Hamblen County Mayor
511 West Second North Street
Morristown, TN 37814

Dear Mayor Cutshaw,

Thank you for the invitation again this year to be considered for a special allocation toward Parks and Recreation efforts benefitting the citizens of Hamblen County. The website for the City of Morristown – and more specifically, the page for the Finance Department – includes links to both the City's FY 2026 budget as well as the FY 2025 Annual Financial Report. (<https://www.mymorristown.com/departments/finance/index.php>)

We would like to request a contribution of \$500,000 from the county, which is consistent with the request we have made in each of the last four (4) fiscal years. In FY 23, 24, and 25, Hamblen County continued to provide support at \$300,000 as it had done previously. In FY 26, the county reduced the funding to \$150,000, which we understand given budget constraints.

We expect that the FY 2027 budget for Parks & Recreation (excluding special capital projects) will be approximately \$3,500,000. Our request from the county would amount to roughly 14% of that budget while participation in programs and documented facility use by non-City residents in Hamblen County amounts to **73.8%** of total participants. This does not take into consideration non-programmed or unscheduled use of parks or park facilities, which would likely drive the number much higher. Specific to youth sports, our registration data shows that **69.8%** of participants are non-City residents of Hamblen County.

The City pursues various revenues to help offset operations of the parks and programs, including concession sales, team registrations, field and facility rentals, sponsorships, and individual registrations. Of all the programs, leagues, activities, and events Parks & Recreation hosts, despite other revenue sources, youth sports require by far the greatest investment and subsidy from city taxpayers. In recognizing the high proportion of out-of-city, Hamblen County residents that participate in youth sports, we believe the request for \$500,000 is reasonable.

There is a misconception that the City increased registration fees for out-of-city participants this year in retaliation following the County's reduction to financial contribution. This is incorrect, and that change was not retaliatory; while the change was in part due to decreased funding support, the change was appropriate given the disproportion of users described above. The \$15 increase (27%) is a modest and reasonable increase to offset some of the subsidy from city taxpayers. You will find it is not uncommon for communities to charge 50% more in fees for non-resident participants.

We believe you will find that the City continues to make considerable investments in our park system, including an ongoing project to add a pickleball complex and full-sized football field at Frank Lorino Park, the coming completion of driveway and parking at the highest elevation at Fulton-Hill Park, upgrades to floors, lighting, and basketball

Office of the Hamblen County Mayor
March 20, 2026
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goals at Talley-Ward, and a recent Master Plan to guide coming improvements at Wayne Hansard to name a few. The City remains committed to creating valuable recreation facilities and opportunities to benefit all park system users – particularly our youth – and we invite the County to partner with us again to this end.

We welcome the opportunity to speak with members of the county's budget committee should that be beneficial, and we remain open to creative partnerships that help us advance our common cause of improving quality of life for citizens of Morristown and Hamblen County. We look forward to working together in FY 2027.

Respectfully,



Andrew Ellard,
City Administrator



BUDGET & WORK PLAN

FISCAL YEAR 2026

July 1, 2025 - June 30, 2026

FY 2026 Budget



MAYOR

Gary Chesney

COUNCIL MEMBERS

Al A'Hearn

Chris Bivens

Bob Garrett

Tommy Pedigo – Vice Mayor

Joseph Senter

Kay Senter

*For Fiscal Year Beginning July 1, 2025
And Ending June 30, 2026*

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GFOA Budget Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Morristown
Tennessee**

For the Fiscal Year Beginning

July 1, 2024

Christopher P. Morill

Executive Director

FY 2026 Budget Message

May 9, 2025

Mayor and Council members:

I am pleased to present this proposed budget for Fiscal Year 2026 for the City of Morristown. Information contained within takes into consideration a review of operations over the last year, citizen input through our annual citizen survey, strategic planning efforts by the City Council, and the critical insights of department heads of all city departments. Across all operational areas, we have carefully monitored trends in revenues and expenditures and keep a cautious look to factors outside our control that may impact the City's financial condition. As always, our aim is to pursue the highest level of service possible while preserving and improving the City's fiscal position. This budget continues that approach, and continues to remain conservative while also pursuing long-term goals. Readers will find a thorough description of the recent achievements as well as near-term goals and objectives of each department and division within this budget document.



Vision

In August 2024, the City Council participated in a Strategic Planning retreat, which included a review of their mission and vision statements previously crafted in 2015. It was determined that some fine-tuning was warranted, and the Council established new statements to clearly communicate its mission "To provide the highest quality of life for our residents, businesses, and guests while sustaining an environment conducive to future growth and economic development." The mission statement serving as essentially a "purpose" statement, the group established that the vision statement to guide the process of meeting that mission would be "The City of Morristown will provide professional and efficient services, demonstrate leadership as a regional hub, and expand economic opportunities." I believe that the information contained within this document exhibits commitment to pursue this mission and vision.

During the same 2024 retreat, the City Council reaffirmed the six functional categories or goal areas that the Administration seeks to tackle: A Healthy and Vibrant City, Responsible Management of the City's Physical Assets, Strong & Diverse Economy, Thriving and Livable Neighborhoods, High Performing Organization, and Safe & Secure Community. Each department seeks to describe its activities, its accomplishments, and its work plan in terms of one or more of these six functional categories that tie back to the City's vision and mission.

Transformation, Momentum, and Continuous Improvement

The themes of the last three budget years were "Transformational Change," "Maintaining Momentum," and "Continuous Improvement." In FY 2023, the opening of the Morristown Landing Recreation & Event Center and a variety of American Rescue Plan Act (ARPA) grant-funded projects, and the \$23 million RAISE grant announcement were representative of the Transformational Change anticipated. In FY 2024, the City embarked on several bond-financed projects including the construction of a new fire station and the design of several major park improvements. The Landing completed a very successful Year 1 of operation, and the City and TDOT partnered to move the RAISE grant project forward.

The “Continuous Improvement” focus of FY 2025 is evident in the continuation of several projects, such as the RAISE project on South Cumberland moving through the design process, the completion of the new Fire Station No. 3 and training facility, and the bidding and start of several major park improvement projects. Additionally, “Continuous Improvement” consists of various internal improvements utilizing software as a means to improve efficiencies and to save taxpayer dollars.

An overview of some of the key programs and projects of the last year are provided below.

A HEALTHY & VIBRANT CITY



Wayne Hansard Park Master Plan

Over the last two years, the City has acquired acreage west of Wayne Hansard Park and South of the Morristown Airport Industrial District Park. In FY 2025, the City began a Master Planning process to determine the best use of the property to most effectively take advantage of the available land. The plan is intended to find the right balance between rail-accessible industrial property and expansion area for known recreational park needs.

Morristown Landing

The community continues to respond to the various amenities available at the Landing. Business focus continues to be fitness and wellness, but also meetings and events, tournaments and meets, and food & beverage. Membership in Year 1 easily outpaced estimates and surpassed Year 5 targets with more than 5,400 members. At the end the 2nd full fiscal year of operations, membership is approximately 8,000.

Over the last year, the City and Landing leadership team have continued to pursue an expansion of the catering kitchen to create a full-service kitchen to better support the quantity and size of events the Landing is capable of supporting. Staff has been cautious about the cost of expansion and has worked through two versions of plans thus far.



Park Improvements

The City borrowed \$10 million in FY 2024 to fund construction of the new Fire Station 3 and an ambitious list of improvements and upgrades of park facilities. In FY 2025, we completed the fire station and training tower facility and we worked through design and bidding on improvements for Fulton-Hill Park and Frank Lorino Park. Improvements designed for Fulton-Hill Park largely focus on the Great Lawn, which is the highest elevation of the park. Designs include a paved driveway for better access, dedicated parking, electric infrastructure upgrades and plaza area to better accommodate food trucks and a stage for events, and a new pavilion that visitors can enjoy. Designs for Frank Lorino Park include the creation of 9 lighted pickleball courts, the conversion of two undersized football fields into one full sized multi-purpose field, and paved driveways through the soccer complex.

Financing secured in FY 2024 also covered the cost of new irrigation and an updated lighting system for the baseball/softball fields, which were both completed in FY 2025.

Wildwood Park will also see a replacement of an outdated playground facility in FY 2025. The new structure has been secured and will be work begin at the end of FY 2025 and beginning of FY 2026.

Maintenance

In response to a City Council Strategic Planning goal, the Parks & Recreation Department established a more formalized Maintenance Plan to ensure that certain maintenance occurs on appropriate, prescribed schedules.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



Talley-Ward

The City held a ribbon cutting ceremony at Talley-Ward Community Center to celebrate and unveil various updates to the facility. The original basketball goals were replaced with adjustable goals that can be lowered for any age group and can be fully raised out of the way for non-basketball events. The tiled gym floor was replaced with a traditional wood basketball court, which both brightens the space and adds to the quality of the playing experience. Gym lights were replaced with LED fixtures, walls were painted in scheme complementing the Parks & Recreation logo colors, and the baseline wall pads were replaced.



Transportation

The City continued its commitment to investing in maintenance of streets, paving approximately 6.4 miles of roadway and applying a rejuvenation technique to 5 miles. The rejuvenation process is ideally done approximately 5 years after new asphalt is applied. The process reintroduces chemicals into the asphalt with the result of adding approximately 5 additional years of life to the roadway surface. At a fraction of the cost of paving, it is well worth the effort and investment to rejuvenate roadways at the 5-year mark in order to extend their useful life in the long-run.

At Frank Lorino Park, Snyder Road was extended and a 4-way stop created at the upper baseball/softball parking lot. This new entry allowed for the closure of a less-than-ideal entry to the same parking lot just to the west. The parking lot was also resurfaced and striped with a new alignment with a focus on safety.

Several projects funded by TDOT but managed by the City of Morristown made progress in FY 2024. These are typically projects that span two or more fiscal years. The right-of-way acquisition process concluded, and the bidding process began on a project to resurface East Morris and to install traffic signals at two intersections. Design and environmental review were completed on a project intended to add a dedicated turn lane for traffic turning from Central Church Road onto W Andrew Johnson Highway. The right-of-way acquisition phase got underway and should conclude in FY 2026. Design was completed and the right-of-way acquisition phase began on a multimodal project to connect several areas along east-west corridors where sidewalks currently do not exist, and Phase 5 of the greenway project entered a right-of-way acquisition phase.

The City also completed three (3) railroad crossing improvement projects, which were TDOT funded. Projects on South Haun Drive, Jackson Street, and Sugar Hollow Road all served to resurface the approaches on both sides of the railroad.

TDOT completed several of its own projects in the City in FY 2025: the realignment of the intersections at US 25E and Progress Parkway, the construction of a second turn lane from W Andrew Johnson Highway onto Merchant's Greene, and the concrete rehabilitation on US 25E from Morelock Road to the bridge at Cherokee Lake. Construction began on a long-awaited widening of Highway 11E east on the east side of Morristown, which is expected to continue until 2029.

TDOT continued in planning for a much-anticipated improvement on State Route 160 at Sulphur Springs and at Martin Luther King Jr. Boulevard. TDOT has begun the environmental review phase as they pursue federal funding for a project to create right-turn-only traffic movements onto SR-160 and construct a J-turn west of these locations. Due to the urgency of the issue, the City and TDOT worked together to create a more immediate, but temporary, solution at the intersection of Martin Luther King Jr. Boulevard. The temporary solution was implemented in January 2025 – just ahead of the opening of a new elementary school on Martin Luther King Jr. Boulevard.

With the opening of the new elementary school on Martin Luther King Jr. Boulevard, the additional traffic has brought attention to issues at intersections further north. The City has engaged engineering services to signalize one intersection and to consider closure and redesign at others. Work on these sites is anticipated for FY 2026.

Public Works

Work is underway at the Public Works Complex – within the Police Department’s impound lot – to construct a new storage building dedicated to specialty vehicles and for evidence processing.

Following study of the Havley Springs drainageway, a series of projects have been designed to improve stormwater flow. Projects were bid out this year and will be completed in FY 2026.

STRONG & DIVERSE ECONOMY



Commercial Development

While development throughout Morristown remains strong, the most noticeable commercial development continues in the vicinity of West Andrew Johnson Highway and Merchants Greene Boulevard. Two new hotels are nearing completion. A neighboring, new retail center began opening tenant spaces for more retailers and restaurants. Nearby, a tax-increment-financing project at Bellwood Farms continued in preliminary work and is expected to begin considerable site work in the coming months. Two new medical facilities opened along Merchants Greene, and another large facility is working its way through the planning process. The number of site plans reviewed in 2024 was slightly higher than 2023, continuing an upward trend over the last four years.

An expansion of taxilanes for additional hangars at the Morristown Regional Airport is made possible by a public-private partnership entered last year. In FY 2025, the airport saw the completion of the taxilanes and the completion (or substantial completion) of five (5) corporate hangars. As many as five (5) more hangars are anticipated with full build-out. Additionally, the City approved a ground lease for the construction of a new hangar and classroom for the local chapter of the Experimental Aviation Association (EAA) on the east end of the airfield. Growth at the airport is indicative of health in both commercial and industrial sectors of Morristown’s economy.

Industrial Development

Workforce development efforts and strong, intentional industrial recruitment continue to uphold Morristown as a successful industrial hub. In the last year, industrial development accounted for \$194 million in building expansion and new equipment and 384 new jobs.

The City, County, Chamber of Commerce, Morristown Utilities, and Industrial Development Board are all committed to supporting local industry and continuing to pursue investments locally to attract additional



industrial citizens – particularly those that diversify the sectors represented in Morristown. In FY 2025, we were awarded a Site Development Grant of \$4 million to apply to site preparation and the construction of a 250,000 square foot speculative building on lot 10 of the East Tennessee Progress Center (ETPC) Industrial Park. The Chamber of Commerce continues to field requests regarding lot 10 in the ETPC as well.

As mentioned previously, the City has engaged a consultant to help create a master plan for the eventual expansion and development of Wayne Hansard (recreational) Park and the Morristown Airport Industrial District (MAID) on land the City recently acquired. The site includes acreage fronting a Norfolk Southern railroad line that could conceivably allow for the development of two or more rail-accessible industrial sites – a rarity in our region.

In FY 2025, Morristown Utilities completed construction of a one-million gallon water tank and 16-inch water line extension near exit 12, to provide domestic water and fire protection needs that may enable redevelopment of the former Enka site. The City committed \$4 million of its allocation of ARPA funding through TDEC to support the project.

Downtown

The City used a portion of its ARPA funding to upgrade electrical infrastructure downtown along certain sections of Main Street, around the downtown green, and at the Farmers Market. These upgrades have better supported events like festivals and concerts that require more power for vendors and performers as well as food trucks. Over the last few years, Morristown businesses have been successful in applying for Historic Preservation grants, and several projects are underway downtown that will revive retail and office space and also create new downtown residential opportunities.

THRIVING LIVABLE NEIGHBORHOODS



Residential Development

Despite an increase in interest rates and various economic uncertainties on the national level, Morristown's residential development continues to appear busy and steady. The total number of subdivision applications received in 2024 continued to rise over 2023 and years prior. However, the number of lots created by those subdivisions fell from 2023 to 2024 – as they had the year prior. Smaller phases of large subdivisions, smaller subdivisions in general, and more small lot subdivisions are likely contributors to this change – not to mention that the years prior saw incredible increases that perhaps should not be expected year over year. Despite fewer new lots being created in 2024, more single-family homes and more apartment units were completed than in 2023, and since 2021, the total number of new residences being completed has been consistent.



The number of permits issued for single-family residences increased in 2024 but remained somewhat consistent. From 2021 to 2024, the number of new single-family permits has been 161, 159, 143, and 153, respectively. Multi-family development of new units increased in 2024 to 92 compared to 44 in 2023 and 72 in 2022.

While these metrics show increases over the prior year (with the exception of major subdivision new lots created), last year also showed some mixed messages. Production of housing units appears to remain fairly consistent, and developers seem to have no problem selling or renting units. Housing affordability remains a discussion with very conflicting opinions in that some view housing prices as becoming unattainable while others – perhaps those still moving to the area – clearly find that local housing prices are attainable.

While the fire at the Parks-Belk building in 2024 was a setback in terms of housing inventory – as the developer intends to create some residences in that space – it is not the only downtown property slated to add residential units. Several buildings are currently undergoing renovation to include apartment units on upper floors, and it is anticipated that the more residents we have living downtown, the more it will drive demand for active commercial spaces to fill available spaces and to begin expanding the footprint of downtown.

Neighborhoods

Among the goals laid out by the City Council in their 2024 Strategic Planning retreat was a call to re-establish ward or neighborhood meetings. Pre-COVID, the City Council held ward-based meetings periodically – and usually to speak to a particular topic of current interest. In FY 2025, staff began leading neighborhood-based meetings in partnership with City Council. The format of the new meetings intends to focus on smaller areas in order to get to the heart of any issues that are of particular interest to that neighborhood rather than a wider audience. By May 2025, we had held four (4) such meetings. Leadership from various departments attend the meeting to ensure that concerns are heard by the right people and questions can be confidently answered. Additionally, staff takes input gathered back and creates gameplans for addressing concerns raised as soon as possible.

Strategic Planning

City Council's 2024 Strategic Planning retreat goals included commitment to a variety of topics that seek to positively influence neighborhoods. Pursuing aesthetic improvement strategies, developing a walkable community, incentivizing urban renewal, and creating appropriate incentive plans are among the topics that the Council, Planning Commission, and staff will continue to tackle in the months ahead. This year, Planning staff has pursued several code updates in an effort to improve aesthetics in the long term.

HIGH PERFORMING ORGANIZATION



Human Resources

In FY 2025, the City implemented the second and final phase of the class and compensation study that initiated in 2023. This year, we also began to review certain positions identified as highly competitive or difficult to fill for our stance in comparison with the market regionally. Periodic efforts such as this will help to ensure the City remains competitive in the years between more formal compensation studies.

Fiscal Stability

For several years, the city has had a policy to maintain an unassigned fund balance that is no less than 15% and no more than 40% of the City's general fund expenditures. Feedback from Moody's credit rating agency suggested that while having a minimum is good, having a maximum gives an appearance of a limiting factor. This year, City Council updated the policy to require a minimum of 20% but removed the maximum limit.

When a variable rate bond issue from 2009 was due to reset to a higher interest rate this year, the City took the opportunity to reduce overall debt early rather than refinance it all. The City paid in full the amounts associated with Solid Waste services and with the Storm Water enterprise. With the refinancing of the remainder of that particular issue, the City has no remaining variable rate debt.

Software Improvements

Staff continues to seek out ways to take advantage of our software programs to do more – and to be more efficient and effective. In FY 2025, the City implemented an Employee Access function for payroll, which allows all employees to access pay advices and W-2's online and saves the City in considerable printing and preparation time. In the future, this same system can be expanded or additional benefits functionality.

The City also implemented an Asset Management program that interacts with the City's existing finance/accounting enterprise application as well as inventory and human resource records. An accompanying work order system allows for the automatic charging of costs to the right departments and updates inventory and material records in real time.

This year, Finance implemented new cashiering and online payment functionality that better interacts with other departments like Planning and also serves to eliminate much of the credit card processing fees that have previously been absorbed by the City.

SAFE & SECURE COMMUNITY



Fire Station 3 & Training Facility

With the coming widening of US Highway 11E and its related improvements, certain cross streets will be permanently closed, which will negatively impact response for the existing Fire Station 3. The outdated station, and the coming highway project became the impetus for replacing the station in a new location. Construction of a new Fire Station 3 and adjacent training facility got underway in April 2024 on 10 acres on Thompson Creek Road. With completion anticipated in May 2025, the campus is expected to be a valuable asset not only for Morristown but also for other regional agencies seeking to use a live-burn training facility.

Police Department Security Cameras

In FYI 2025, the Police Department secured two new technologies to help officers multiply their resources. Officers can only be in one place at a time, but new live-view event cameras allow the department to provide oversight in crowded environments like concerts, parades, and festivals. New stationary cameras installed in strategic locations help the department to view downtown happenings or review footage for incidents. It is hoped that the mere presence of cameras might also deter crime.

FY 2026 Initiatives

Meeting Challenges

Budget presentations over the last few years have carried the following themes: "Transformational Change," "Maintaining Momentum," and "Continuous Improvement." As we move ahead in FY 2026, there is a list of large-scale projects that we continue to pursue, there are practices and processes that we continue to fine-tune, and there are software solutions that we continue to employ to create efficiencies. Several considerable projects, such as East Morris Blvd. resurfacing, a slate of projects along the Havley Springs drainageway, sidewalk and pathway improvements along Morristown's primary east-west corridor, a new roundabout at Walters and Cherokee Drive, pursuit of various park improvements, and increasing the annual resurfacing to 10 miles are among the most notable goals. With that, "**Meeting Challenges**" that lie ahead is an appropriate theme for FY 2026. Not only do we intend to take on these projects, but we continue to seek out functions throughout City operations where we can continue to raise the bar and improve efficiency.

A HEALTHY & VIBRANT CITY



Though the Morristown Landing is still a very new community facility, the management team is beginning to recognize trends and zero-in on the optimal mix of activity types. In FY 2026, we expect to complete

construction of a conversion of the catering kitchen at the Landing into a full-service kitchen to enable the Landing staff to better provide for large events requiring plated dinner service.

Having now bid out the work on an ambitious list of park improvements for Frank Lorino Park and Fulton-Hill Park, we expect to see construction get underway early in FY 2026. These improvements intend to bring more active users to those parks and to improve the overall quality of experience. At Frank Lorino Park, a new pickleball complex, a conversion of the football fields into a championship field, and paving work through the soccer complex will be easily recognizable changes. In the case of Fulton-Hill Park, construction will provide better access to the Great Lawn, a new pavilion, and infrastructure upgrades to better support outdoor events.

The master planning effort underway to address expansion at Wayne Hansard Park and the Morristown Airport Industrial District is expected to be completed in FY 2026. This master plan will serve as a blueprint for how much of the newly acquired land will be retained for industrial use and how much will eventually be developed into additional recreational space. The plan will also outline the optimal layout for various recreational uses.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



Transportation

It is imperative that the City continue to provide resources necessary to maintain infrastructure, and nowhere is this more visible than in road condition. In FY 2026, we plan to pave 10 miles of city streets and to apply the rejuvenation technique to 5 miles. We will continue to pursue transportation improvements throughout the city not only with both local funds but also through partnerships with TDOT and developers, where appropriate. We expect to complete right-of-way acquisition for an additional turn lane on Central Church Road, for a multimodal sidewalk project along critical east-west corridors, and for Phase 5 of the City's Greenway. We expect to complete construction on the project to widen East Morris Boulevard. The roundabout at Walters & Cherokee Drive will be completed. A series of intersection improvements are anticipated in the vicinity of Martin Luther King Jr. Parkway, Jarnigan Avenue, and Lincoln Avenue. The City will also begin construction on a new alignment of South Bellwood Road to support further commercial development.

Stormwater

Following the completion of designs in FY 2025, the City will complete construction on a series of improvements to the Havelly Springs drainageway. These projects were the subject of new debt that was incurred specifically for this purpose in late 2024.

Talley-Ward

Though the Talley-Ward Community Center has seen considerable investment and upgrading in the last couple of years, its history and importance as the City's only community center type building for so long warrants continued investment. In FY 2026, we plan to replace the permanent stage floor adjacent to the newly resurfaced basketball court. Continued repainting and refreshing throughout the building and resurgence of programming in the building, including an emphasis on teen activities, has brought the facility back to life in recent years.

STRONG & DIVERSE ECONOMY



Like most of the country, Morristown is not immune to economic impacts like fluctuations in interest rates, tariff decisions, inflation, and national sentiment about the economy. With a diverse industrial base, we remain concerned but cautiously optimistic about near- and long-term outlook as our local industries continue to expand and we continue to field prospects interested in our area. Likewise, we remain concerned about factors impacting local businesses and housing development but we continue to see sales tax and permit activity moving in a positive direction.

Commercial development continues in areas throughout Morristown, and the growth and demand along the Merchants Greene corridor is the most notable with two ongoing TIF-supported retail developments, the Morristown Landing, two hotels, retail, and several medical facilities driving the growth. The addition of new hotels to the area is an exciting prospect – supporting the hotel needs for local industrial and commercial business as well as recreational tourism now driven by the Morristown Landing.

The recent award of a \$4 million Site Development Grant for the site preparation of lot 10 and construction of a speculative industrial building in the East Tennessee Progress Center was welcome news in FY 2025, and we expect to make good progress on the site and building in FY 2026.

THRIVING LIVABLE NEIGHBORHOODS



As we began in FY 2025, City staff will continue to pursue neighborhood-level public meetings to get out and report to people about the work the City is doing and, more importantly, to gather feedback about what issues or concerns are most pressing for particular neighborhoods. Social media will continue to be a great mass communications outlet for us, but the personal touch of meeting in person with neighbors is incredibly valuable.

Connectivity within and among different neighborhoods and commercial areas of the city remains a priority. Public Works will continue to invest annually in sidewalk repair and maintenance and the upgrade of various intersections for ADA accessibility. Additionally, we will continue to press forward toward construction of Phase 5 of the greenway, extending it from the Freddie Kyle trailhead to Davis Street, and we will also continue moving forward on the multimodal grant project to connect sidewalk sections along major east-west corridors through the City. Finally, City staff will continue to coordinate with TDOT toward the \$23 million RAISE grant funded improvements for South Cumberland.

HIGH PERFORMING ORGANIZATION



As a component of implementing the new class & compensation study over the last two years, a performance evaluation system was also incorporated. At the end of calendar year 2025, we will have completed the third iteration of those evaluations. As a new process, there is learning involved for those being evaluated as well as the evaluators, and we will work to continue to improve consistency among evaluators in the year ahead.

While we are aware of the need to refinance a variable rate debt issue for Morristown Utilities in FY 2026, the City has no intention to issue new debt for its own purposes. We will continue to be cautious in spending decisions, to be conservative in revenue projections, to maintain healthy reserves, and to consider opportunities to eliminate debt when practical.

With the new Asset Management and work order system implemented, in FY 2026, the City will seek other opportunities to employ the system. This could mean implementing the system in departments like Parks & Recreation or the Fire Department, or in locations like the Airport, where the system was not originally considered. Anywhere the system can be used that might improve process or workflow, it should be considered prior to considering other outside programs.

SAFE & SECURE COMMUNITY



With construction of the new Fire Station 3 and training tower finishing at the end of FY 2025, we expect that the classroom and adjacent live-burn training facility will immediately become a fantastic amenity for our own department as well as other departments in the region. The station and the training facility have the potential to positively influence the City's ISO rating.

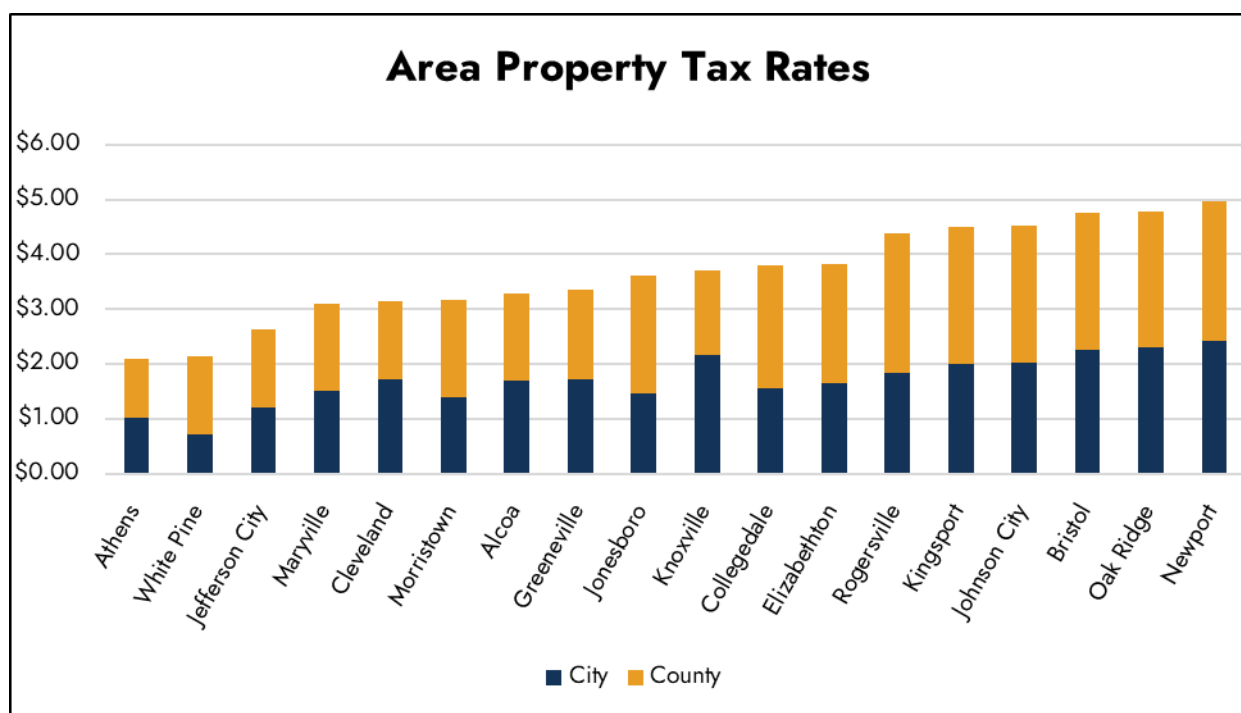
Due to the extended lead time for fire apparatus, it is advisable that Morristown budget and place an order for a new ladder truck. This apparatus is estimated at \$2.5 million with a 2+ year lead time. While the funds will be immediately encumbered when ordered, it would likely be at least FY 2028 before the apparatus would be delivered.

Funding the Plan:

Property Tax and Other Fees

A healthy economy and stable, sound, consistent financial practices enable us to present this plan for the FY 2026 operations without any changes to property taxes – and without notable impacts to programs or operational levels of service. Take note that this is a reappraisal year for Hamblen County, so while the rate appears to have dropped, the tax rate represents the same base level as in the last 5 fiscal years.

The graph below shows that Morristown continues to boast one of the lowest combined property taxes in the region. Tennessee is generally recognized as one of the States with the lowest tax burden and Morristown residents benefit doubly in that property taxes are among the lowest in the area. This budget plan continues that favorable position among our neighbors.



Source: Tennessee Comptroller – Division of Property Assessments – 2024 Tax Year

Some departments such as Planning and Parks & Recreation have begun to assess their fees for various services, applications, programs, etc. Though changes are not incorporated into the budget at this time, we have identified that certain fee structures are insufficient for the services provided – and in comparison with peer communities – and may warrant changes in the near future.

Sanitation Fees

At this time, no changes are recommended to Sanitation fees. An ongoing expansion at the landfill required a prior year debt issue, and an expansion to the plans will additionally result in the need to refinance the debt in 2028 to take advantage of a longer useful life. As the expansion project is ongoing, the City will remain in contact with the solid waste board for information on progress with the project. Should change orders or other additional costs become necessary, it is recognized the landfill may need additional

financing, which could trigger higher tipping fees and higher sanitation fees charged by the City. Unless and until such a situation is realized, no change is recommended for Sanitation fees.

Storm Water Rates

The rate increase in FY 2025 is believed to be sufficient. That increase was the first since 2011 and was overdue to ensure revenue covered ongoing maintenance costs, increased depreciation expenses, and the need to take on a series of new capital projects. No change to Storm Water rates is recommended for FY 2026.

Borrowing

This budget includes no new debt for the general fund. One variable rate debt issue associated with Morristown Utilities is due to reset in August 2025, and we anticipate refinancing that issue on their behalf.

Use of Reserves

Since the recession of the late 2000's, the City has maintained a conservative management philosophy and has built reserves with which to construct capital projects and to provide for unforeseen emergencies. This budget plan continues with that approach. With an estimated unassigned fund balance of 34.2% of total expenditures at the end of FY 2026, this budget includes a proposed one-time drawdown of \$7.8 million from fund balance to cover the expenditures associated with the construction of intersection improvements along Dr. Martin Luther King Jr. Pkwy., the purchase of certain specialty vehicles and capital equipment items, the purchase of a ladder truck for the Fire Department, and the preparation of an industrial site and building at the East Tennessee Progress Center for eventual sale to a prospective industry. Funds from the sale of this property will go back to the City's fund balance. This approach keeps the City's finances strong, maintaining sufficient reserves, and follows City Council's financial policies.

Conclusion

Each of the City's departments puts an incredible amount of effort into creating this comprehensive budget plan. Though it is terribly difficult to identify trends and recognize needs for your department 6-18 months in advance, that is exactly what our department heads are asked to do. They begin gathering documents and planning programs as early as January and February...and it is very much appreciated. This process is made easier knowing that we work with leaders that are passionate about what they do, about the people they work with and the City they serve. A special thanks to Larry Clark, Emily Wood, Michelle Woods, and Rachel Westra for their expertise, countless hours invested, and commitment to this process.

I am pleased to present the proposed budget for Fiscal Year 2026. There are several large-scale projects that I know we are all excited to see get off the ground and come to completion, but we are also in a constant cycle of planning for "what's next." And Morristown has a lot of "what's next" in store. The City Council's participation in the Strategic Planning session last year was incredibly valuable to our team – giving clear direction on an ambitious slate of goals and projects to pursue. While we have several tasks yet to tackle, I believe you will see evidence of your planning efforts throughout this document.

Sincerely,

Andrew Ellard,
City Administrator

[Click here for Proposed FY2026 Budget Presentation Powerpoint](#)

Community Vision and Goals

Mission

To provide the highest quality of life for our residents, businesses, and guests while sustaining an environment conducive to future growth and economic development.

Vision Statement

The City of Morristown will provide professional and efficient services, demonstrate leadership as a regional hub, and expand economic opportunities.

Strategic Action Plan

The annual budget is the primary medium through which the City can pursue its stated mission. To facilitate the annual budgeting process – and to ensure it serves as an effective action plan intended to achieve its mission, the community utilizes a multi-faceted approach. Two key tools are used to develop a strategic plan to achieve our mission. These are the Council’s priority goals and an annual Citizen survey.

Council Top Priority Goals

In the summer of 2024, the Mayor and Council held a retreat to refine the mission and vision statements shown above and to develop a list of priority goal projects for the City. The following were identified as consensus priorities:

- Communicate the reason for the renovation of South Cumberland and actively communicate throughout the execution.
- Develop a plan for Sherwood Park Renovation.
- Develop a plan that elevates the priority of general Park maintenance.
- Establish and maintain proper levels of personnel in Police and Fire Departments continuously.
- Establish policies to incentivize urban renewal.
- Plan for and attract a Performing Arts Center, beginning immediately with a vision for a long-term project.
- Develop a visitor and newcomer Welcome Strategy.
- Facilitate the creation of a public art piece every year.

Council also agreed that these additional goals should be accomplished:

- Develop an organization-wide staffing plan
- Inform City Council as early in the process as possible for all significant projects.
- Establish a joint meeting between the City Council and Planning Commission.
- Develop walkable communities.
- Re-establish quarterly neighborhood or ward meetings.
- Consider appropriate incentive plans for certain types of development.
- Build upon community aesthetics strategies.
- Map out all City-owned properties.

- Review the operations contract for the Morristown Landing, and act as needed.
- Sustain or improve the City's ISO rating.
- Create a Master Plan for the expansion of Wayne Hansard Park and Morristown Airport Industrial District.
- Monitor traffic changes and forecasts and actively plan and execute improvement projects.
- Coordinate with non-profits strategies impacting un-housed people.

Each year the Council meets to review progress toward achieving these goals and adjust them as appropriate. The Council and staff work together throughout the year to develop action items to achieve these goals with specific objectives for the coming year.

Composite Plan

The annual budget and workplan for the coming year includes a variety of information to help the reader assess the performance of City departments. Departments report workload data in a table with up to five years of history. Results from the Citizen Survey are reflected in graphic format, showing historical comparisons. Each department also reports major accomplishments in the current year and goals for the coming year. These goals are intended to advance the strategic plan. To help the reader relate department goals to the strategic plan, goals are categorized in the following groups:

HIGH PERFORMING ORGANIZATION



These goals seek to provide professional management encouraging a culture of innovation, collaboration, and transparency to deliver quality services through an exceptional workforce. Goals in this group typically emphasize efficiency, improved workflow and community engagement.

THRIVING LIVABLE NEIGHBORHOODS



Goals in this group seek to strengthen the foundation, enhance the value, and improve the quality and sustainability of neighborhoods. These efforts focus on neighborhood livability and community appearance, a top priority for the City Council. They also focus on another of Council's key priorities - to develop & maintain our "community infrastructure", including trails, greenways, and parks. In addition, these objectives seek to strengthen efforts to preserve and enhance our natural environment.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



Thoughtful planning and operations promote the long-term viability of the City's infrastructure and facilities. Transportation corridors will provide accessibility to destinations throughout the city by complementing the built environment and offering well-connected, safe, and attractive transportation networks.

SAFE & SECURE COMMUNITY



Certain departmental goals seek to provide safe and secure neighborhoods which are fundamental to the quality of life and economic vitality of Morristown residents.

STRONG & DIVERSE ECONOMY



Maintain and grow a strong and diverse economy through a variety of businesses, industries, and employment opportunities to benefit all residents and businesses.

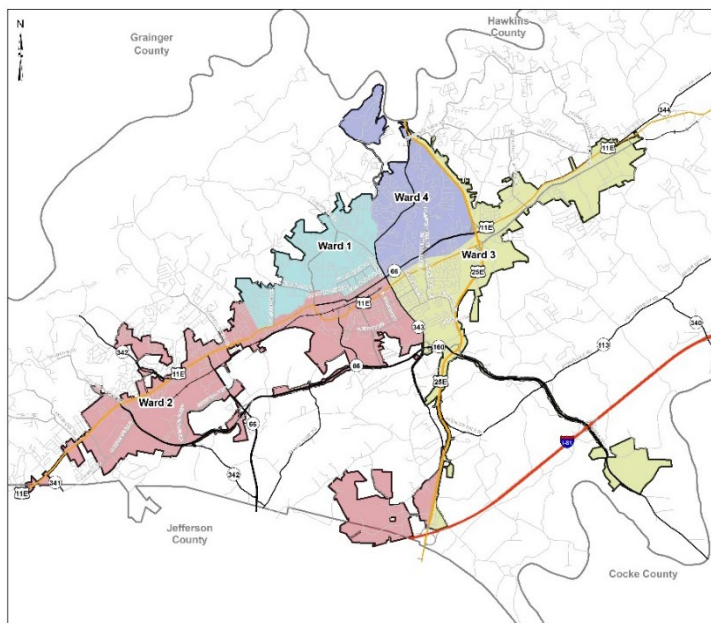
A HEALTHY & VIBRANT CITY



As the cultural and healthcare hub of the Lakeway area, residents and visitors will benefit from Morristown's rich arts and entertainment opportunities, inspiring parks and civic spaces, excellent health services, diverse educational opportunities, and healthy local food options.

Community Survey

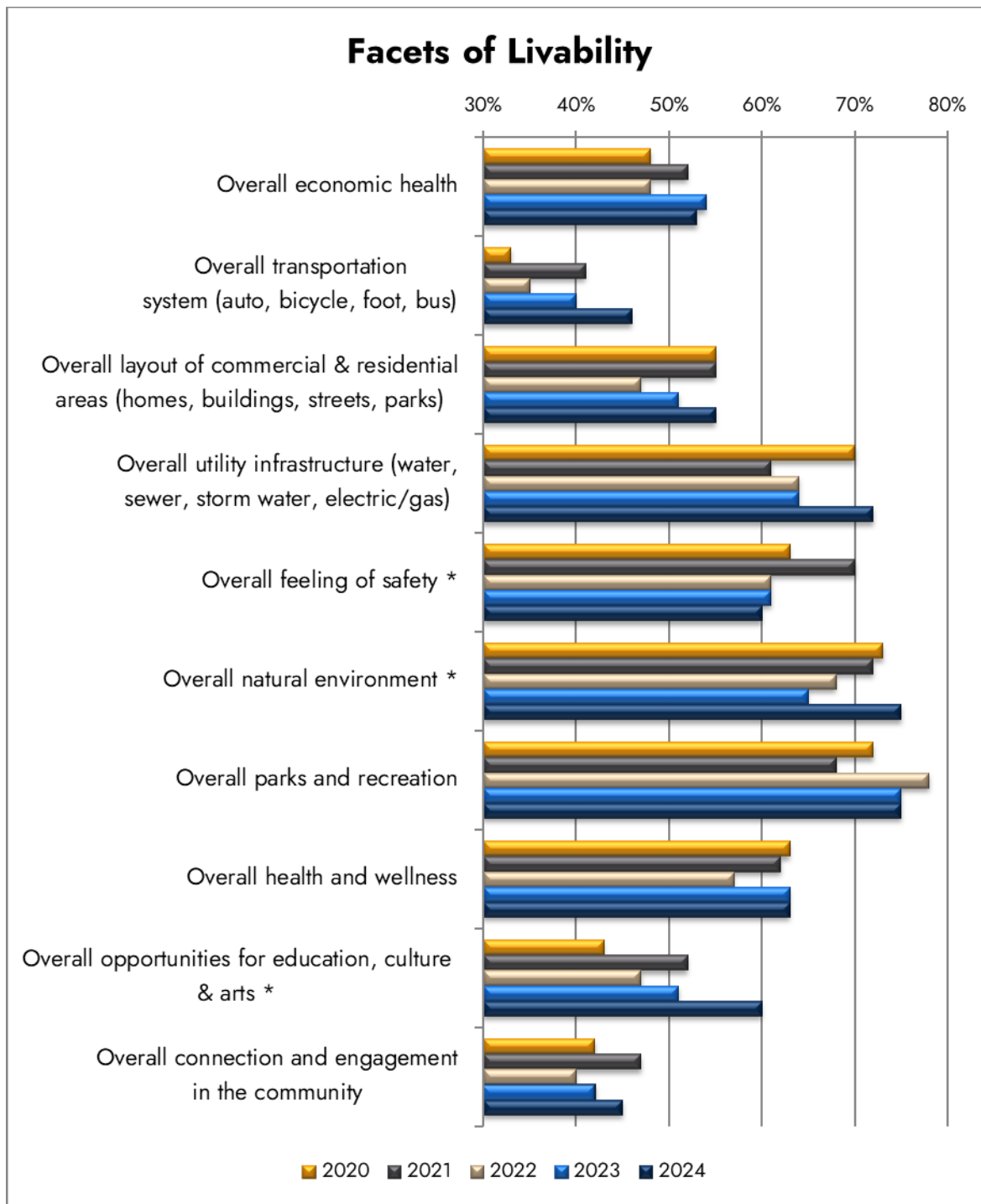
2024 marks the 14th consecutive year that Morristown has participated in the National Community Survey (NCS), providing statistically valid insight into resident opinions about communities and their services. In addition to this snapshot of resident opinion, the NCS offers two important comparisons which help interpret results. Scores are tracked over time, helping to identify trends and highlighting improvements or declining conditions. In addition to seeing trends within Morristown, survey results are compared to more than 600 localities across the nation. These localities, whose residents evaluated the same kinds of topics, are used as a national benchmark to further add context to responses. The City of Morristown uses these resident opinions to guide operations and to help in setting priorities for funding; survey results are an integral part of this budget plan.



Facets of livability

The NCS measures resident opinions considering ten central facets of a community:

- Economy
- Mobility
- Community Design
- Utilities
- Safety
- Natural Environment
- Parks and Recreation
- Health and Wellness
- Education, Arts, and Culture
- Inclusivity and Engagement



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

*- reflects an area rated below the national benchmark

In looking at these ten key facets, one may first note that respondents rate Morristown below other communities across the country (the national benchmark) in only one area (Safety). Last year’s report showed us below our peers in two areas, and in five areas two years ago. Overall, this shows continued, incremental improvement.

As statistically accurate representations of our community, we should take responses into consideration in light of both significant changes in local policy or procedures as well as national trends and broader environmental conditions that may influence responses. This can help to understand why certain shifts may occur from one year to another. And while there can be temporary aberrations or explainable short-

term changes, we should be particularly aware of areas where we are repeatedly below national benchmarks or where there is a sustained trend in a facet of livability.

Balancing performance and importance

While each of the ten facets of livability are areas where any city should be interested in pursuing improvement, the reality of limited resources gives good reason to balance focus areas with the demands of the community. To this end, it is helpful to know what aspects of the community are most important to residents and which they perceive as being of higher or lower quality. It is especially helpful to know when a facet of livability is considered of high importance but rated as lower quality, as this should be a top priority to address.

To help guide decisions on future resource allocation, resident ratings of the importance of services were compared to their ratings of the quality of these services. Residents' responses are plotted to illustrate facets that are either on track, need attention, or have possibly been over-invested. If one were to draw an imaginary line diagonally from the bottom left up through the intersection of the median lines, and continuing up and right, that would show a hypothetical target to match ideal quality in proportion to importance based on the survey.

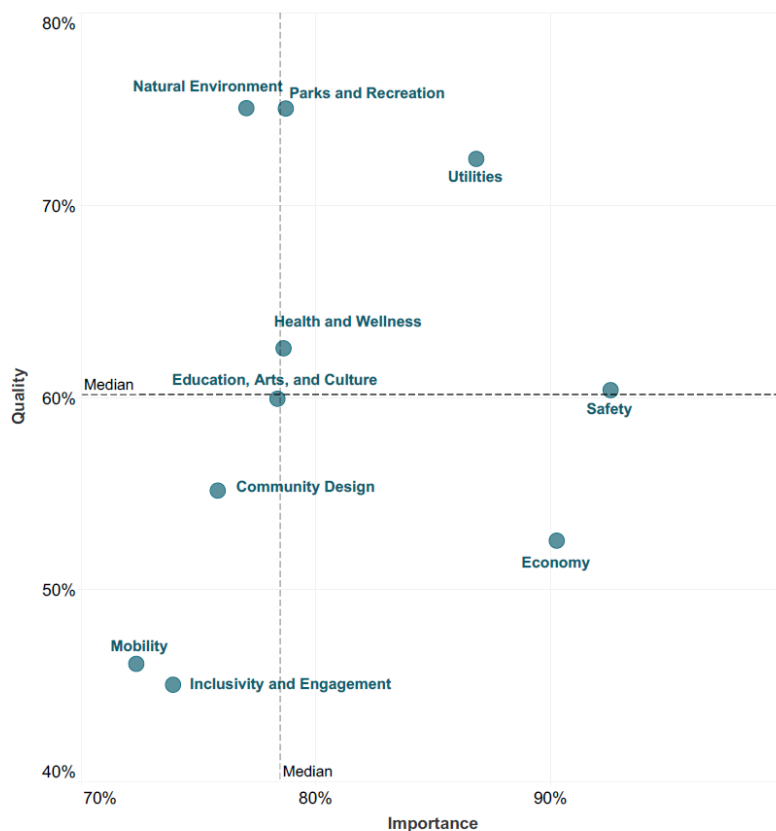
- Facets that are on track would indicate that residents rate the quality of that facet as being in proper proportion to what they perceive as the level of importance of that facet. It may be an indication that recent or historic investment levels in those areas have been proper according to residents' expectations.
- Facets that are far above the target line would indicate that residents rate the quality of that facet as being much higher proportionately than they view the importance of that facet. This may be an indication that recent or historic investment levels in those areas have been higher than necessary based on the expectations of residents.
- Facets that are far below the target line would indicate that residents rate the quality of the facet as being much lower proportionately compared with the importance with which they view that facet. This may be an indication that recent or historic investment levels in those areas have been lower than necessary based on the expectations of residents.

Because our target is based on the median of all results, some services will land in the top half of both lists (higher quality and higher importance); some will be in the top half of one list but the bottom half of the other (higher quality and lower importance or lower quality and higher importance); and some services will be in the bottom half of both lists.

Services receiving quality ratings of excellent or good by 60% or more of respondents were considered of "higher quality" and those with ratings lower than 60% were considered to be of "lower quality." Services were classified as "more important" if they were rated as essential or very important by 78.5% or more of respondents. Services were rated as "less important" if they received a rating of less than 78.5%. This classification uses the median ratings for quality and importance to divide the services in half.

The quadrants in the following figure show which community facets were given higher or lower importance ratings (right-left) and which had higher or lower quality ratings (up-down). Facets of livability falling closer to an imaginary diagonal line from the lower left to the upper right are those where performance ratings are more commensurate with resident priorities. Facets scoring closest to the lower right-hand corner of the matrix (higher in importance and lower in quality) are those that may warrant further investigation to see if changes to their delivery are necessary to improve their performance. This is the key part of this chart on which to focus. Facets falling in the top left-hand corner of the chart (lower in

importance but higher in quality) are areas where performance may outscore resident priorities and may be a consideration for lower resource allocation.



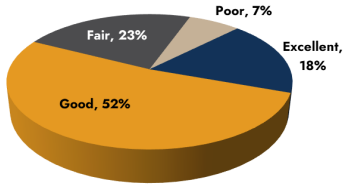
This matrix serves to highlight both opportunities and challenges for Morristown’s leadership. We have long emphasized economic development as a priority and managing a strong local economic environment should remain a primary goal for the near future. One of our primary responsibilities in serving our citizens is public safety. This has always been a top priority for residents and we will continue to make this a priority focus for the coming years.

Parks & Recreation has been a particular focus in recent years with the opening of the Morristown Landing Recreation & Event Center, considerable work recently completed on the Talley Ward Community Center, and large-scale upcoming improvements at two of the City’s largest parks. Morristown is proud of its parks and its recreational opportunities and should certainly work to maintain the facilities residents enjoy so much, but the survey over the last couple of years would suggest that major capital investment in recent years has perhaps been sufficient at least for the moment.

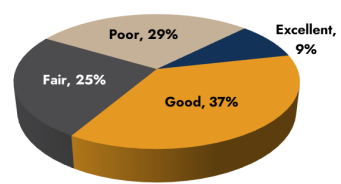
While many facets are measured as being on track, there is no suggestion that the City should cease investing in these areas. Continued, measured investment in Utilities; Education, Arts, & Culture; Health & Wellness; Inclusivity & Engagement; Mobility; and Housing & Community Design will be necessary to ensure our services in these areas continue to meet resident expectations.

Survey Dashboard

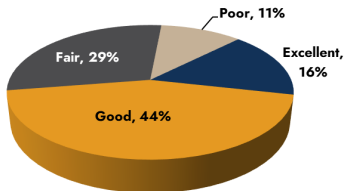
Quality of Life



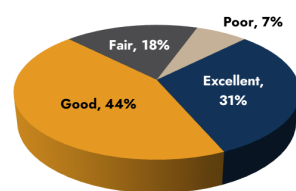
Mobility



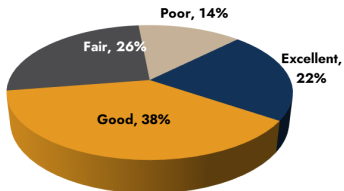
Safety



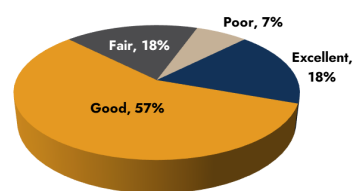
Recreation



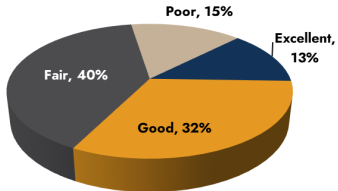
Education, Arts & Culture



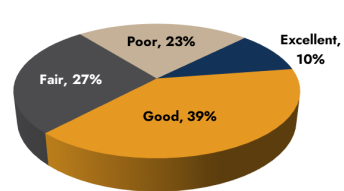
Natural Environment



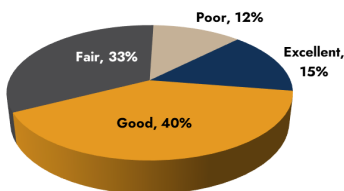
Community Engagement



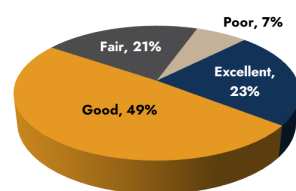
Governance



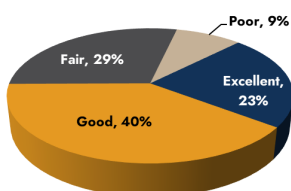
Community Design



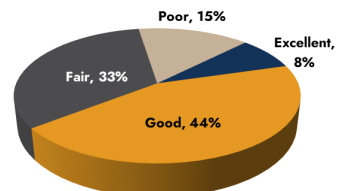
Utilities



Health & Wellness



Economy



Highlights – Key Findings

Highest-performing areas:

- Residents' overall confidence in Morristown's government has increased significantly since 2023, with nearly half of residents rating their confidence as excellent or good.
- Three-quarters of respondents rated the overall quality of the natural environment as excellent or good, a ten-point increase from 2023.
- The vibrancy of Morristown's downtown/commercial areas was positively rated by about 6 in 10, continuing an upward trend in 2024.
- Around 6 in 10 residents appreciated the community's opportunities for education, culture, and the arts, and opportunities to attend special events and festivals, both of which increased significantly from 2023.

Lowest-performing areas:

- Safety remains an area of focus for the City, with 6 in 10 residents rating the quality of safety in Morristown as excellent or good, which fell below the national benchmark. Additionally, the sense of safety in Morristown's downtown/commercial areas has dropped significantly since 2023. Safety was the only facet where quality fell below the national benchmark.
- Mobility continues to show room for improvement with positive ratings for ease of travel by bicycle and traffic flow on major streets decreasing significantly from the last survey iteration.
- Cost of living saw a decrease in positive ratings from 2023, with only one-third of residents rating it as excellent or good.

Other notable results:

- When asked to rate the Morristown Police Department's enforcement of traffic laws, residents rated the enforcement of seatbelt use (65% excellent or good) and intoxicated driving (63% excellent or good) the highest, and cell phone use while driving (41% excellent or good) the lowest.
- Fred Miller Park and Frank Lorino Park are the most visited in Morristown, with 70% and 61% of residents, respectively, reporting that they have visited these parks.
- Nearly half of all respondents indicated they attended the Christmas Parade, being the most well attended event in the City.

Areas of greatest change since 2023:

Of the 123 evaluative questions included on both the 2023 and current survey iterations, 98 were statistically similar to previous results. Upward trends were seen in 14 items, while 11 ratings decreased since 2023. The most significant of those trends are listed below.

Increases:

- Cleanliness of Morristown (+11%)
- Overall quality of the natural environment (+10%)
- Yard waste pick-up (+9%)
- Opportunities to attend special events and festivals (+9%)
- Attracting people from diverse backgrounds (+9%)
- Overall opportunities for education, culture, and the arts (+9%)

Decreases:

- Ease of travel by bicycle (-14%)
- Cost of living (-13%)

- Snow removal (-10%)
- Feeling safe from fire, flood, or other natural disasters (-9%)
- Traffic flow on major streets (-9%)

In addition to these high-level survey results, this document reflects a wide range of detail relating to functional areas. Survey responses are reviewed in each department along with other performance data. The reader can also find the complete 2024 survey report on the City's website at bit.ly/NCSReport2024.

Budget Ordinance

ORDINANCE No. 4806

AN ORDINANCE OF THE CITY OF MORRISTOWN, TENNESSEE ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026

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

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

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

NOW THEREFORE BE IT ORDAINED BY THE MAY AND CITY COUNCIL OF THE CITY OF MORRISTOWN, TENNESSEE AS FOLLOWS:

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

GENERAL FUND	Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
Revenues			
Local Taxes	\$ 41,038,438	\$ 41,355,541	\$ 42,195,000
Licenses And Permits	1,146,285	1,020,227	1,086,000
Intergovernmental	8,061,598	7,763,860	14,373,685
Charges For Services	247,456	233,695	323,500
Fines And Forfeitures	675,147	523,351	524,600
Other	2,995,502	2,049,523	1,423,529
Other Financing Sources			
Issuance of Debt / Debt Proceeds	-	1,060,796	-
Sale of Capital Assets	414,007	105,620	1,170,000
SBITAs	10,980	-	-
Transfers In - from ARPA Fund	-	3,000,000	1,000,000
Total Revenues and Other Financing Sources	\$ 54,589,413	\$ 57,112,613	\$ 62,096,314
Appropriations			
Expenditures			
Mayor & Council	\$ 238,375	\$ 226,389	\$ 385,297
City Administrator	903,986	942,879	998,861
Finance	1,131,243	1,349,113	1,239,781
Purchasing	73,748	86,470	92,888
Computer Operations	400,134	354,595	361,368
Human Resources	145,079	218,340	240,072
Risk Management	215,428	208,605	280,743
Legal Services	95,742	102,838	110,000
Court Administration	29,130	27,533	33,148
Community & Economic Affairs	472,498	481,614	510,895
Codes Enforcement	195,621	223,047	252,993
Community Development Administration	505,173	250,130	1,571,019
Engineering	242,857	240,348	337,888
GIS	272,106	272,635	297,882
Inspections	463,657	486,308	593,694
Police Department	12,534,446	11,129,978	12,452,942
Fire Department	9,844,089	11,476,230	13,794,716
Public Works	9,177,821	10,115,352	12,889,344
Parks & Recreation	2,671,427	2,949,574	3,518,654
Natural Resource Maintenance	319,807	356,512	498,468
Civic Support	1,883,218	2,244,672	10,228,847
Airport	590,247	234,161	762,600
Retiree Health Insurance	393,498	405,635	615,000
Debt Service	6,328,557	7,104,932	6,125,798
Other Financing Uses			
Transfers Out - to other funds	2,723,070	7,118,011	1,450,000
Total Appropriations	\$ 51,850,957	\$ 58,605,901	\$ 69,642,898
Change in Fund Balance (Revenues - Appropriations)	2,738,456	(1,493,288)	(7,546,584)
Beginning Fund Balance July 1	44,184,844	46,923,300	45,430,012
Ending Fund Balance June 30	\$ 46,923,300	\$ 45,430,012	\$ 37,883,428
Ending Fund Balance as a % of Total Appropriations	90.5%	77.5%	54.4%

Debt Service paid from General Fund

Debt Management

110-49100-711	Note Principal Paid	\$ 424,434	\$ 1,508,970	\$ -
110-49100-731	Note Interest Paid	47,882	60,822	-
110-49100-711	Bond Principal Paid	2,985,000	3,260,000	3,788,140
110-49100-731	Bond Interest Paid	2,274,566	2,280,375	2,334,158
Total Annual Debt Service Payments		\$ 5,731,882	\$ 7,110,167	\$ 6,122,298

LAMTPO FUND		Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
Revenues				
City Revenues	\$ 25,683	\$ 19,363	\$ 87,500	
Other County Revenue	88,719	72,789	350,000	
Transportation Planning Reimbursement	146,677	12,861	-	
Total Revenues and Other Financing Sources		\$ 261,079	\$ 105,013	\$ 437,500
Appropriations				
Expenditures				
Transportation Planning Administration	\$ 195,048	\$ 96,817	\$ 437,500	
Total Appropriations		\$ 195,048	\$ 96,817	\$ 437,500
Change in Fund Balance (Revenues - Appropriations)		66,031	8,196	-
Beginning Fund Balance July 1		243,195	309,226	317,422
Ending Fund Balance June 30		\$ 309,226	\$ 317,422	\$ 317,422
Ending Fund Balance as a % of Total Appropriations		158.5%	327.9%	72.6%

SOLID WASTE FUND		Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
Revenues				
Solid Waste Fees	\$ 3,012,412	\$ 3,087,721	\$ 2,840,000	
Sale of City Property	21,224	500	1,000	
Miscellaneous Other Revenue	445	-	-	
Total Revenues and Other Financing Sources		\$ 3,034,081	\$ 3,088,221	\$ 2,841,000
Appropriations				
Sanitation	\$ 1,374,648	\$ 1,815,958	\$ 2,079,893	
Recycling	\$ 300,294	\$ 262,187	\$ 301,608	
Debt Service	29,981	87,675	-	
Total Appropriations		\$ 1,704,923	\$ 2,165,820	\$ 2,381,501
Change in Fund Balance (Revenues - Appropriations)		1,329,158	922,401	459,499
Beginning Fund Balance July 1		1,743,468	3,072,626	3,995,027
Ending Fund Balance June 30		\$ 3,072,626	\$ 3,995,027	\$ 4,454,526
Ending Fund Balance as a % of Total Appropriations		180.2%	184.5%	187.0%

NARCOTICS FUND		Actual	Estimated	Budget
		FY 2024	FY 2025	FY 2026
Revenues				
Fines And Forfeitures		\$ 70,220	\$ 96,796	\$ 60,000
Sale of Equipment		-	26,058	-
Total Revenues and Other Financing Sources		\$ 70,220	\$ 122,854	\$ 60,000
Appropriations				
Drug Enforcement		\$ 144,735	\$ 67,370	\$ 89,555
Total Appropriations		\$ 144,735	\$ 67,370	\$ 89,555
Change in Fund Balance (Revenues - Appropriations)		(74,515)	55,484	(29,555)
Beginning Fund Balance July 1		135,306	60,791	116,275
Ending Fund Balance June 30		\$ 60,791	\$ 116,275	\$ 86,720
Ending Fund Balance as a % of Appropriations		42.0%	172.6%	96.8%

STORM WATER FUND		Actual	Estimated	Budget
		FY 2024	FY 2025	FY 2026
Operating Revenues				
Storm Water Utility Fees		\$ 1,455,285	\$ 1,905,378	\$ 1,974,000
Non-Operating Revenues, Grants, Contributions, & Transfers In				
Investment Income		10,508	28,806	10,000
Issuance of Debt / Debt Proceeds		-	2,500,000	-
Grants - Capital		953,085	128,360	-
Transfers In - from other funds		804,968	-	-
Total Revenues		\$ 3,223,846	\$ 4,562,544	\$ 1,984,000
Appropriations				
Operating Expenses				
Storm Water Administration		\$ 398,549	\$ 377,075	\$ 414,344
Drain Way Management		815,405	909,756	3,462,203
Depreciation		379,857	376,009	437,855
Non-Operating Expenses and Transfers Out				
Debt Service - Interest		25,398	545,602	444,520
Total Appropriations		\$ 1,619,209	\$ 2,208,442	\$ 4,758,922
Change in Net Position (Revenues - Appropriations)		1,604,637	2,354,102	(2,774,922)
Beginning Net Position July 1		4,682,585	6,287,222	8,641,324
Ending Net Position June 30		\$ 6,287,222	\$ 8,641,324	\$ 5,866,402

Debt Service to be Paid Out of Storm Water Fund

Debt Management				
440-49190-711	Note Principal Paid	\$ 3,293	\$ 43,158	\$ -
440-49190-731	Note Interest Paid	1,278	678	-
440-49190-711	Bond Principal Paid	235,000	335,000	345,000
440-49190-731	Bond Interest Paid	53,700	123,676	99,400
Total Annual Debt Service Payments	Annual Debt Service Payments	\$ 293,271	\$ 502,512	\$ 444,400

MORRISTOWN LANDING FUND	Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
Revenues			
Lease/Rentals	\$ 65,680	\$ 65,680	\$ 65,680
Other Financing Sources			
Transfers In - from General Fund	850,000	850,000	700,000
Total Revenues and Other Financing Sources	\$ 915,680	\$ 915,680	\$ 765,680
Appropriations			
Other Social, Cultural, and Recreational	\$ 849,634	\$ 850,000	\$ 700,000
Total Appropriations	\$ 849,634	\$ 850,000	\$ 700,000
Change in Fund Balance (Revenues - Appropriations)	66,046	65,680	65,680
Beginning Fund Balance July 1	312,995	379,041	444,721
Ending Fund Balance June 30	\$ 379,041	\$ 444,721	\$ 510,401
Ending Fund Balance as a % of Appropriations	44.6%	52.3%	72.9%

ARPA FUND	Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
Revenues			
ARPA Grant - TDEC	\$ 2,004,794	\$ 3,644,696	\$ -
Investment Income	-	11,066	-
Other Local Revenue	40,583	-	-
Other Financing Sources			
Transfers In - from General Fund	-	4,000,000	-
Total Revenues and Other Financing Sources	\$ 2,045,377	\$ 7,655,762	\$ -
Appropriations			
Expenditures			
Public Utility Projects	\$ -	\$ 2,798,138	\$ -
Other General Government Projects	997,420	-	-
Other Financing Uses			
Transfers Out - to other funds	1,959,238	3,011,066	1,000,000
Total Appropriations	\$ 2,956,658	\$ 5,809,204	\$ 1,000,000
Change in Fund Balance (Revenues - Appropriations)	(911,281)	1,846,558	(1,000,000)
Beginning Fund Balance July 1	64,723	(846,558)	1,000,000
Ending Fund Balance June 30	\$ (846,558)	\$ 1,000,000	\$ -
Ending Fund Balance as a % of Total Appropriations	-28.6%	17.2%	0.0%

E-CITATION FUND	Actual FY 2024	Estimated Actual FY 2025	Budget FY 2026
Revenues			
E-Citation Fees	\$ 382	\$ -	\$ -
Other Financing Sources			
Transfers In - from other funds	-	-	-
Total Revenues and Other Financing Sources	\$ 382	\$ -	\$ -
Appropriations			
Other Public Safety	\$ 25,500	\$ -	\$ 1,944
Total Appropriations	\$ 25,500	\$ -	\$ 1,944
Change in Fund Balance (Revenues - Appropriations)	(25,118)	-	(1,944)
Beginning Fund Balance July 1	27,062	1,944	1,944
Ending Fund Balance June 30	\$ 1,944	\$ 1,944	\$ -
Ending Fund Balance as a % of Total Appropriations	7.6%	-	0.0%

SECTION 2: At the end of the fiscal year 2026, the governing body estimates fund balances or deficits as follows:

Fund	Estimated Fund Balance/Net Position at June 30, 2025
General Fund	\$ 45,430,012
Solid Waste Fund	3,995,027
Narcotics Fund	116,275
E-Citation Fund	1,944
Morristown Landing Fund	444,721
ARPA Fund	1,000,000
LAMTPO	317,422
Storm Water Fund	8,641,324

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

Bonded or Other Indebtedness	Debt Authorized and Unissued	Principal Outstanding at June 30, 2025	FY2026 Principal Payment	FY2026 Interest Payment
Bonds -				
2017 General Obligation Bonds	\$ -	\$ 7,255,000	\$ 330,000	\$ 240,263
2018 General Obligation Bonds	\$ -	\$ 10,975,000	\$ 1,475,000	\$ 430,350
2019B General Obligation Bonds	\$ -	\$ 32,455,000	\$ 1,110,000	\$ 1,066,988
2021A General Obligation Bonds	\$ -	\$ 2,220,000	\$ 220,000	\$ 44,000
2022 General Obligation Bonds	\$ -	\$ 4,015,000	\$ 260,000	\$ 168,850
2023 General Obligation Bonds	\$ -	\$ 8,855,000	\$ 495,000	\$ 386,175
2024 General Obligation Bonds - Refunding Series 2009	\$ -	\$ 1,059,830	\$ 118,140	\$ 41,532
2024 General Obligation Bonds	\$ -	\$ 2,375,000	\$ 125,000	\$ 95,000

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

Pending Capital Projects	Pending Capital Projects - Total Expense	Pending Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Pending Capital Projects Expense Financed by Debt Proceeds
Various Park Improvements	\$ 3,250,000	\$ -	\$ 3,250,000
Cherokee & Walters Drive Rounabout	\$ 850,000	\$ 850,000	
Fuel Farm at Public Works	\$ 350,000	\$ 350,000	
Resurface City Streets - 10 Miles	\$ 2,500,000	\$ 2,500,000	
Rejuvenate City Streets - 5 Miles	\$ 100,000	\$ 100,000	
Central Church Raod Widening	\$ 599,227	\$ 599,227	
East Morris Resurfacing	\$ 3,865,316	\$ 3,865,316	
Sidewalk Improvements East-West Corridor	\$ 1,085,000	\$ 1,085,000	
Public Works Expansion	\$ 973,000		\$ 973,000
Martin Luther King Jr Pkwy, Jarnigan Ave & Lincoln Av	\$ 750,000	\$ 750,000	
Site Development - Lot 10 ETPC	\$ 7,550,000	\$ 7,550,000	
Storm Water - Havely Springs & MAID	\$ 2,500,000		\$ 2,500,000
Airport Terminal Improvements	\$ 350,000	\$ 350,000	

Proposed Future Capital Projects	Proposed Future Capital Projects - Total Expense	Proposed Future Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Proposed Future Capital Projects Expense Financed by Debt Proceeds
Lorino Lane at Snyder Road	\$ 250,000	\$ 250,000	
Collinson Ford at Wooddale	\$ 80,000	\$ 80,000	
East Main Calming Project	\$ 300,000	\$ 300,000	

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

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

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

SECTION 8: There is hereby levied a property tax of \$0.9424 per \$100 of assessed value on all real and personal property.

SECTION 9: This annual operating and capital budget ordinance and supporting documents shall be submitted to the Comptroller of the Treasury or Comptroller's Designee for approval if the City has debt issued pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated within fifteen (15) days of its adoption. This budget shall not become the official budget for the fiscal year until such budget is approved by the Comptroller of the Treasury or Comptroller's Designee in accordance with Title 9, Chapter 21 of the Tennessee Code Annotated (the "Statutes".) If the Comptroller of the Treasury or Comptroller's Designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes or as directed by the Comptroller of the Treasury or Comptroller's Designee. If the City does not have such debt outstanding, it will file this annual operating and capital budget ordinance and supporting documents with the Comptroller of the Treasury or Comptroller's Designee.

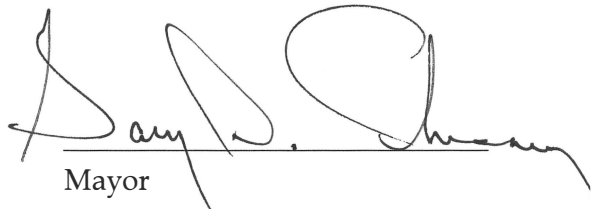
SECTION 10: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

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

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

Passed 1st Reading: June 3, 2025

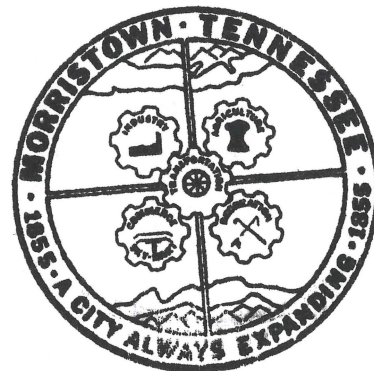
Passed 2nd Reading: June 17, 2025


Mayor

ATTESTED:


City Administrator

SEAL



Fund Summaries

All Funds

FY 2026										
	General	E-Citation	Morristown Landing	ARPA	LAMTPO	Narcotics	Storm Water	Solid Waste	All Funds Total	
Revenues:										
Property Tax	\$ 15,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,400,000	
Local Option Sales Tax	21,000,000	-	-	-	-	-	-	-	21,000,000	
Other Local Taxes	5,795,000	-	-	-	-	-	-	-	5,795,000	
Licenses, Permits & Fees	1,590,600	-	-	-	-	60,000	-	-	1,650,600	
Use of Money & Property	2,512,529	-	-	-	-	-	1,984,000	-	4,496,529	
Service Charges & Fees	424,500	-	65,680	-	-	-	-	2,841,000	3,331,180	
Intergovernmental	14,373,685	-	-	-	437,500	-	-	-	14,811,185	
Transfers In	1,000,000	-	700,000	-	-	-	-	-	1,700,000	
Bond Proceeds	-	-	-	-	-	-	-	-	-	
Total Revenues & Other Financing Sources:	\$ 62,096,314	\$ -	\$ 765,680	\$ -	\$ 437,500	\$ 60,000	\$ 1,984,000	\$ 2,841,000	\$ 68,184,494	
Expenditures/Expenses										
General Administration	\$ 7,306,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 414,344	\$ -	\$ 7,720,873	
Public Safety	26,247,658	1,944	-	-	-	89,555	-	-	26,339,157	
Public Works, Streets and Transportation	12,889,344	-	-	-	-	-	3,462,203	2,381,501	18,733,048	
Parks & Recreation	3,518,654	-	700,000	-	-	-	-	-	4,218,654	
Agriculture and Natural Resources	498,468	-	-	-	-	-	-	-	498,468	
Civic Support	10,228,847	-	-	-	-	-	-	-	10,228,847	
Airport	762,600	-	-	-	-	-	-	-	762,600	
Community & Economic Development	-	-	-	-	437,500	-	-	-	437,500	
Debt Service	6,125,798	-	-	-	-	-	444,520	-	6,570,318	
Other	615,000	-	-	-	-	-	-	-	615,000	
Depreciation	-	-	-	-	-	-	437,855	-	437,855	
Transfers Out	1,450,000	-	-	1,000,000	-	-	-	-	2,450,000	
Total Expenditures/Expenses & Other Financing Uses:	\$ 69,642,898	\$ 1,944	\$ 700,000	\$ 1,000,000	\$ 437,500	\$ 89,555	\$ 4,758,922	\$ 2,381,501	\$ 79,012,320	

General Fund

CITY OF MORRISTOWN

FY 2026 Budget

	<i>FY2024</i>	<i>FY 2025</i>	<i>FY 2025</i>	<i>FY 2026</i>
	<i>Actual</i>	<i>Original Budget</i>	<i>Projected</i>	<i>Proposed Budget</i>
REVENUES				
Taxes	41,038,438	39,956,220	41,355,541	42,195,000
Licenses, Permits and Fees	1,726,367	1,501,600	1,494,507	1,590,600
Use of Money and Property	3,496,542	1,451,179	2,187,084	2,512,529
Service Charges and Fees	255,488	203,000	250,825	424,500
Intergovernmental Revenues	8,061,598	10,021,463	7,763,860	14,373,685
Other Financing Sources	10,980	2,000,000	4,060,796	1,000,000
Total Revenues & Other Financing Sources	\$ 54,589,413	\$ 55,133,462	\$ 57,112,613	\$ 62,096,314
EXPENDITURES				
General Government	5,384,777	6,533,356	5,470,844	7,306,529
Public Safety	22,378,535	22,278,606	22,606,208	26,247,658
Public Works	9,177,821	12,629,407	10,115,352	12,889,344
Parks and Recreation	2,671,427	3,346,809	2,949,574	3,518,654
Natural Resource Maintenance	319,807	390,821	356,512	498,468
Civic Support	1,883,218	1,989,124	2,244,672	10,228,847
Miscellaneous	983,745	1,488,200	639,796	1,377,600
General Fund Debt Service	6,328,557	5,704,168	7,094,863	6,125,798
Bond Expenditures	-	-	10,069	-
Total Expenditures	49,127,887	54,360,491	51,487,890	68,192,898
Other Financing Uses				
Transfer to Morristown Landing Fund	850,000	600,000	850,000	700,000
Transfer to Capital Projects Fund	1,873,070	-	2,268,011	750,000
Transfer to ARPA Fund	-	2,000,000	4,000,000	-
Total Other Financing Uses	2,723,070	2,600,000	7,118,011	1,450,000
Total Expenditures & Other Financing Uses	51,850,957	56,960,491	58,605,901	69,642,898
Net Change in Fund Balance	2,738,456	(1,827,029)	(1,493,288)	(7,546,584)
Beginning Fund Balance	44,184,844	57,898,023	46,923,300	45,430,012
Ending Fund Balance	\$ 46,923,300	\$ 56,070,994	\$ 45,430,012	\$ 37,883,428

Solid Waste Fund

CITY OF MORRISTOWN

FY 2026 Budget

	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2025</i>	<i>FY 2026</i>
	<i>Actual</i>	<i>Original Budget</i>	<i>Projected</i>	<i>Proposed Budget</i>
REVENUES				
Solid Waste Fees	\$ 3,012,412	\$ 2,840,000	\$ 3,087,721	\$ 2,840,000
Sale of City Property	21,224	1,000	500	1,000
Insurance & Customer Reimbursement	445	-	-	-
Total Revenues	3,034,081	2,841,000	3,088,221	2,841,000
EXPENDITURES				
Sanitation	1,374,648	2,090,685	1,815,958	2,079,893
Recycling	300,294	313,816	262,187	301,608
Debt Service	29,981	9,161	87,675	-
Total Expenditures	1,704,923	2,413,662	2,165,820	2,381,501
Net Change in Fund Balance	1,329,158	427,338	922,401	459,499
Beginning Fund Balance	1,743,468	3,125,994	3,072,626	3,995,027
Ending Fund Balance	\$ 3,072,626	\$ 3,553,332	\$ 3,995,027	\$ 4,454,526

Storm Water Fund

CITY OF MORRISTOWN

FY 2026 Budget

	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2025</i>	<i>FY 2026</i>
	<i>Actual</i>	<i>Original Budget</i>	<i>Projected</i>	<i>Proposed Budget</i>
OPERATING REVENUES				
Storm Water Utility Fees	\$1,455,285	\$1,974,000	\$1,905,378	\$1,974,000
Other State Revenue	953,085	-	128,360	-
Miscellaneous	-	-	-	-
NON-OPERATING REVENUES & TRANSFERS IN				
Interest Earnings	10,508	1,500	28,806	10,000
Transfer In - From ARPA Fund	804,968	-	-	-
Bond Proceeds	-	2,500,000	2,500,000	-
Total Revenues	<i>3,223,846</i>	<i>4,475,500</i>	<i>4,562,544</i>	<i>1,984,000</i>
OPERATING EXPENSES				
Storm Water Administration	398,549	395,916	377,075	414,344
Drain Way Management	815,405	3,336,151	909,756	3,462,203
Depreciation	379,857	437,500	376,009	437,855
NON-OPERATING EXPENSES & TRANSFERS OUT				
Debt Service	25,398	498,692	545,602	444,520
Total Expenses	<i>1,619,209</i>	<i>4,668,259</i>	<i>2,208,442</i>	<i>4,758,922</i>
 Change in Net Assets	 1,604,637	 (192,759)	 2,354,102	 (2,774,922)
Net Assets - Beginning	4,682,585	4,220,374	6,287,222	8,641,324
Net Assets - Ending	\$6,287,222	\$4,027,615	\$8,641,324	\$5,866,402

Narcotics Fund

CITY OF MORRISTOWN

FY 2026 Budget

	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2025</i>	<i>FY 2026</i>
	<i>Actual</i>	<i>Original Budget</i>	<i>Projected</i>	<i>Proposed Budget</i>
REVENUES				
Program Income	\$ 52,320	\$ 42,000	\$ 65,796	\$ 50,000
Sale of Equipment	-	-	26,058	-
Judgements & Restitution	17,900	4,000	31,000	10,000
Total Revenues	70,220	46,000	122,854	60,000
EXPENDITURES				
Narcotics Enforcement	144,735	105,300	67,370	89,555
Total Expenditures	144,735	105,300	67,370	89,555
Net Change in Fund Balance	(74,515)	(59,300)	55,484	(29,555)
Beginning Fund Balance	135,306	117,361	60,791	116,275
Ending Fund Balance	\$ 60,791	\$ 58,061	\$ 116,275	\$ 86,720

LAMTPO Fund

CITY OF MORRISTOWN

FY 2026 Budget

	<i>FY 2024 Actual</i>	<i>FY 2025 Original Budget</i>	<i>FY 2025 Projected</i>	<i>FY 2026 Proposed Budget</i>
REVENUES				
City Revenues	\$ 25,683	\$ 20,798	\$ 19,363	\$ 87,500
Transportation Planning Reimbursements	88,719	121,821	72,789	350,000
Other County Revenue	146,677	-	12,861	-
Total Revenues	261,079	142,619	105,013	437,500
EXPENDITURES				
Transportation Planning Administration	195,048	142,619	96,817	437,500
Total Expenditures	195,048	142,619	96,817	437,500
Net Change in Fund Balance	66,031	-	8,196	-
Beginning Net Position	243,195	243,195	309,226	317,422
Ending Net Position	\$ 309,226	\$ 243,195	\$ 317,422	\$ 317,422

E-Citations Fund

CITY OF MORRISTOWN

FY 2026 Budget

	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2025</i>	<i>FY 2026</i>
	<i>Actual</i>	<i>Original Budget</i>	<i>Projected</i>	<i>Proposed Budget</i>
REVENUES				
E-Citation Fees	\$ 382	\$ -	\$ -	\$ -
Transfers In	-	-	-	-
Total Revenues & Other Financing Sources	382	-	-	-
EXPENDITURES				
Other Public Safety	25,500	1,500	-	1,944
Transfers Out	-	-	-	-
Total Expenditures & Other Financing Uses	25,500	1,500	-	1,944
Net Change in Fund Balance	(25,118)	(1,500)	-	(1,944)
Beginning Fund Balance	27,062	1,890	1,944	1,944
Ending Fund Balance	\$ 1,944	\$ 390	\$ 1,944	\$ -

Morristown Landing Operations Fund

CITY OF MORRISTOWN

FY 2026 Budget

	<i>FY 2024 Actual</i>	<i>FY 2025 Original Budget</i>	<i>FY 2025 Projected</i>	<i>FY 2026 Proposed Budget</i>
REVENUES				
<u>Service Charges and Fees</u>				
Lease/Rentals	\$ 65,680	\$ 65,680	\$ 65,680	\$ 65,680
Transfers In	850,000	600,000	850,000	700,000
Total Revenues & Other Financing Sources	\$ 915,680	\$ 665,680	\$ 915,680	\$ 765,680
EXPENDITURES				
Other Social, Cultural, and Recreational	849,634	600,000	850,000	700,000
Total Expenditures	849,634	600,000	850,000	700,000
Net Change in Fund Balance	66,046	65,680	65,680	65,680
Beginning Fund Balance	312,995	179,621	379,041	444,721
Ending Fund Balance	\$ 379,041	\$ 245,301	\$ 444,721	\$ 510,401

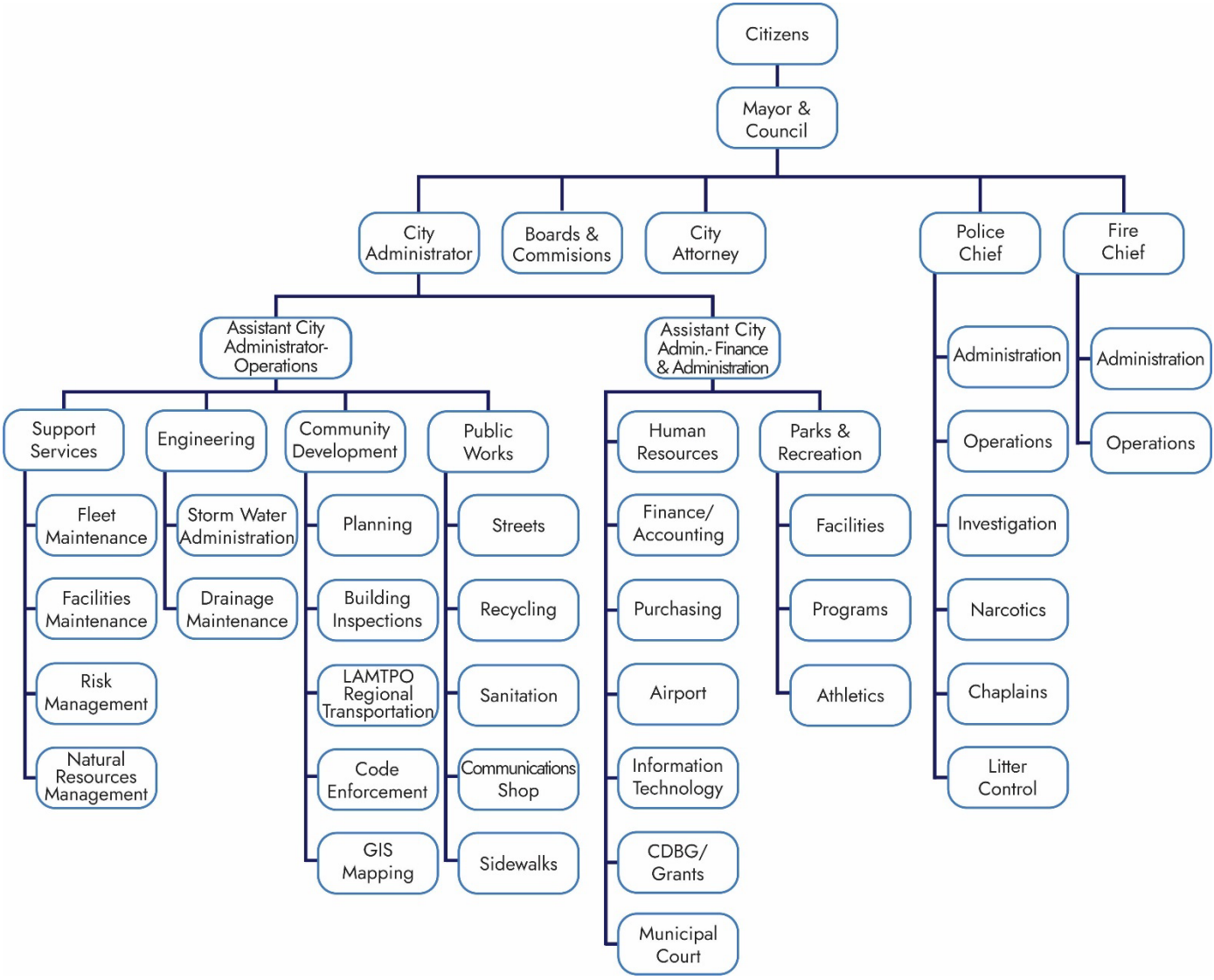
American Rescue Plan Act Grant Fund

CITY OF MORRISTOWN

FY 2026 Budget

	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2025</i>	<i>FY 2026</i>
	<i>Actual</i>	<i>Original Budget</i>	<i>Projected</i>	<i>Proposed Budget</i>
REVENUES				
ARPA Grant	\$ -	\$ -	\$ -	\$ -
ARPA Grant - TDEC	2,004,794	4,000,000	3,644,696	-
Interest	-	10,000	11,066	-
Other Local Revenue	40,583	-	-	-
Transfers In	-	2,000,000	4,000,000	-
Total Revenues	2,045,377	6,010,000	7,655,762	-
EXPENDITURES				
Highway & Street Projects	-	-	-	-
Public Utility Projects	-	4,000,000	2,798,138	-
Social, Cultural & Recreation Projects	-	-	-	-
Other General Government Projects	997,420	-	-	-
Transfers Out	1,959,238	2,010,000	3,011,066	1,000,000
Total Expenditures & Other Financing Uses	2,956,658	6,010,000	5,809,204	1,000,000
Net Change in Fund Balance	(911,281)	-	1,846,558	(1,000,000)
Beginning Fund Balance	64,723	(846,558) 	(846,558)	1,000,000
Ending Fund Balance	\$ (846,558)	\$ (846,558)	\$ 1,000,000	\$ -

City-Wide Organization Chart

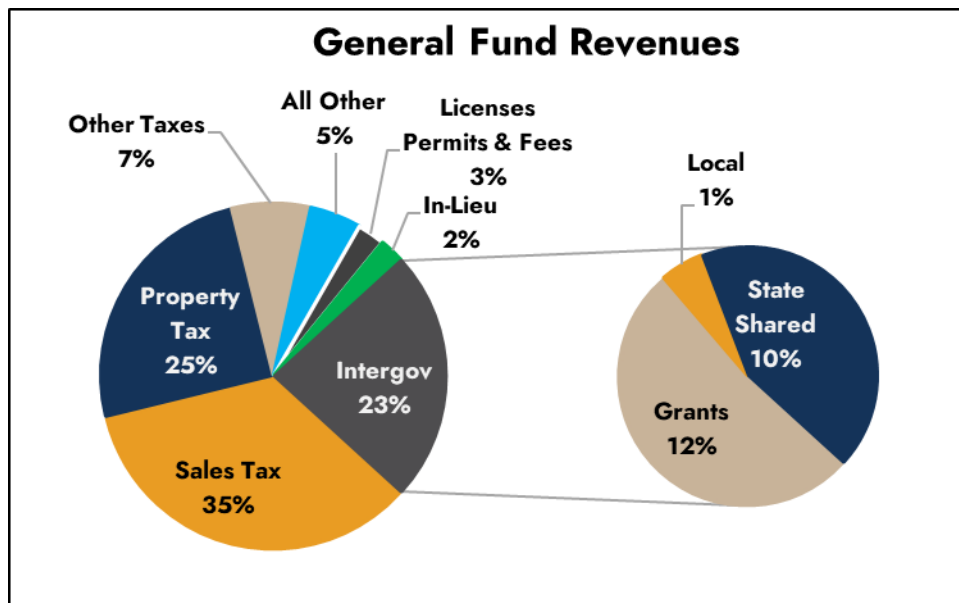


GENERAL FUND



Revenue Analysis

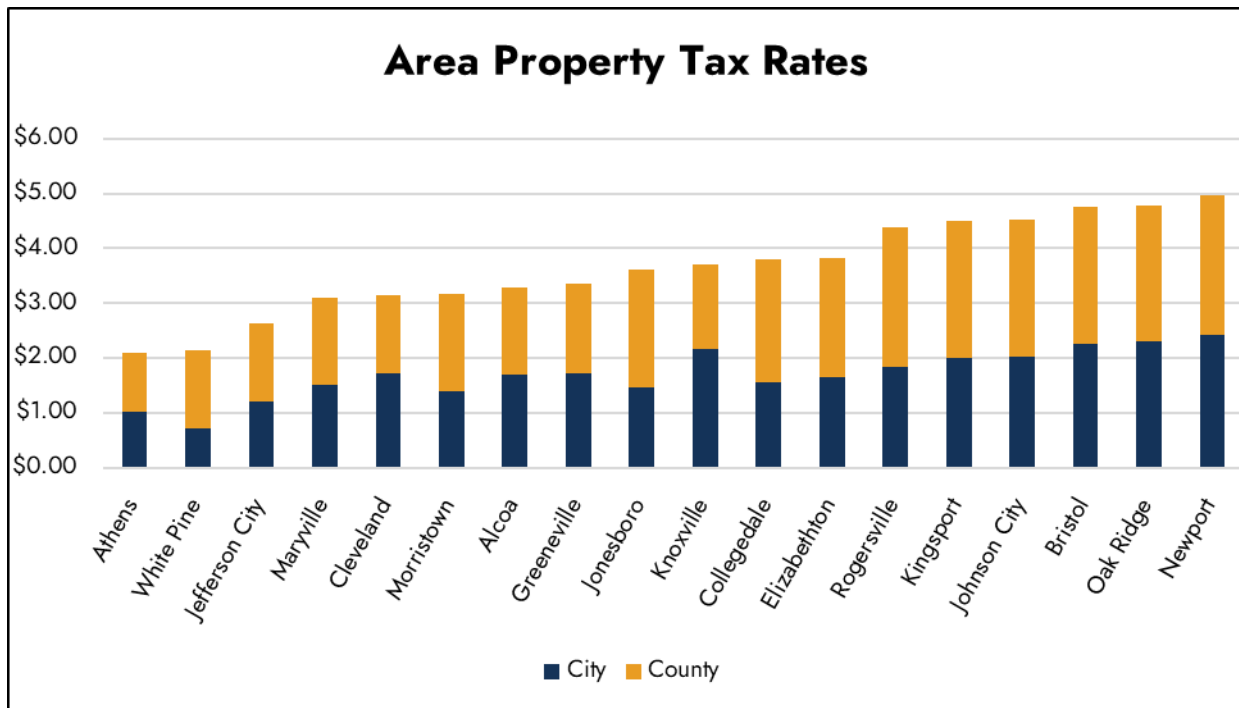
The City's operation relies heavily on both property tax and sales tax from consumer spending. Over the last several years, overall growth in recurring revenues has been highlighted by the continual increase in sales taxes and business tax. While revenue from permits shows a slight decline this year, it remains a stable revenue source. This mixture of healthy sales-, business-, and development-related revenue exhibits the overall strength of the local economy. The graph below illustrates that sales tax will be the largest source of revenue for the City this year followed by property tax and intergovernmental sources. While property tax has seen growth over the years, some of that growth is related to tax incremental financing. This means that a portion of the growth of the tax generated by certain properties is applied towards the cost of public infrastructure costs of that development for a set period of time and, in the interim, is unavailable for other purposes. Included in the interlocal government revenue are one-time state and federal grants for street improvements and airport projects as well as CDBG and HOME Grants. The projected increase in intergovernmental revenue is due to both the timing of grant projects and increases in several of the State Shared revenue streams.



The analysis that follows throughout this section describes the various key factors impacting general fund revenue over time.

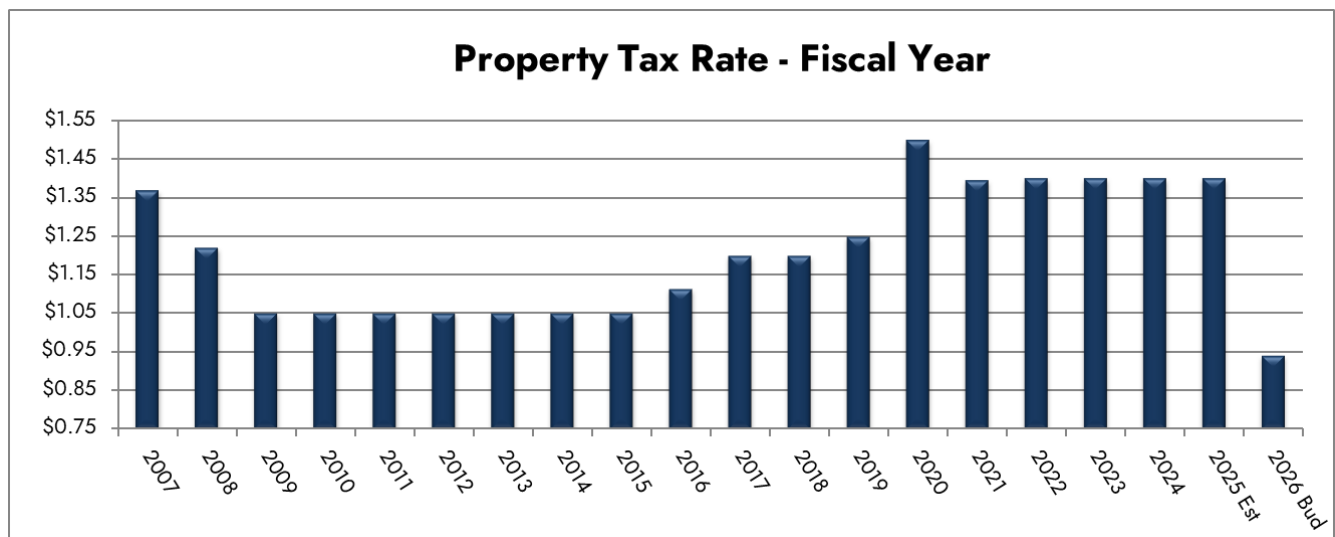
Taxes:

Property Taxes:



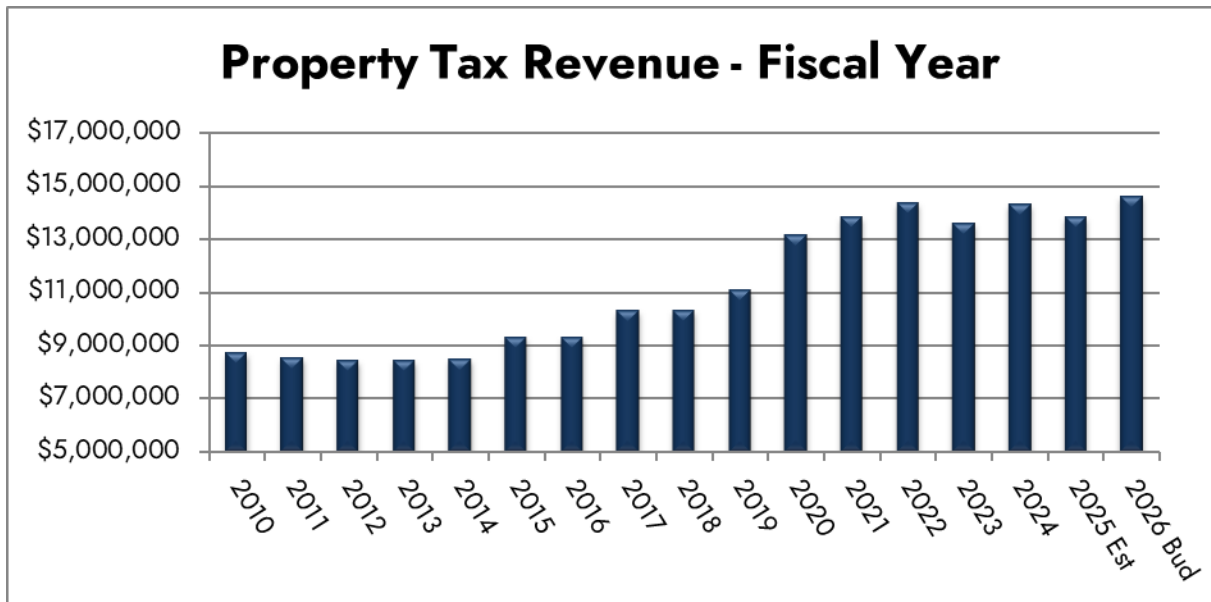
Source: Tennessee Comptroller – Division of Property Assessments – 2024 Tax Year

As can be seen from the chart above, property tax rates in Morristown are among the lowest in the region. For purposes of comparison, the combined City and County tax rates are shown. Some school systems are operated by Cities and others by Counties. The combined rates offer a clearer picture of the total tax levy on citizens.

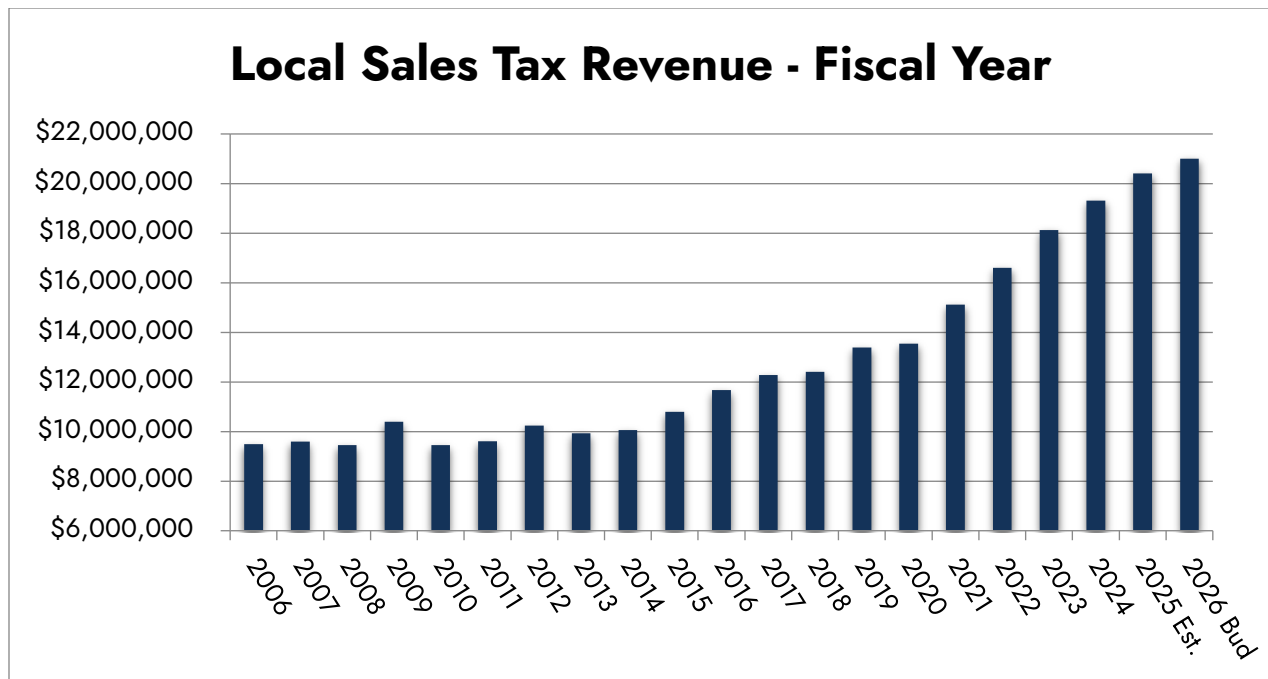


2007	•Rate \$1.37
2008 \$1.22	•Rate decreased •Sales tax referendum passage
2009-2015 \$1.05	•Rate decreased in 2009 •Remained constant through 2015
2016 \$1.114	•Rate Increased •County-Wide reassessment
2017 \$1.20	•Rate Increased by \$0.09 •To fund paving & capital projects
2019 \$1.25	•Rate Increased by \$0.05 •To fund major capital projects through issuance of debt
2020 \$1.50	•Rate Increased by \$0.25 •Assist with issuance of debt to fund construction of Morrisotwn Landing
2021 \$1.3958	•Rate decreased •City-Wide Reassessment
2022-2024 \$1.40	•Rate was rounded to \$1.40 and remained constant through 2024
2025 \$0.9424	•Equalized Tax Rate \$0.9424 •County-Wide Reassessment

Property tax rates were increased in FY 2007 and reduced in FY 2008 after passage of the sales tax rate referendum. The tax rate remained constant until FY 2016 when the rate was increased with the county-wide reassessment. State law provides that the rate is adjusted to remain revenue neutral; in years when the values increase, the rate is reduced. Since the reassessment reflected the impact of the recession, values decreased, and our tax rate was increased in order generate the same revenue generated in the prior year. With the FY 2017 budget, the tax rate increased by 9 cents to provide funding for needed paving and capital projects. In FY 2019, a tax rate increase of 5 cents was approved to fund major capital projects through issuance of debt. In FY 2020, a tax rate increase of 25 cents was approved to assist with the issuance of debt for Morristown Landing. The FY 2021 budget was impacted with the county-wide reassessment and the tax rate decreased to \$1.3958. Unlike the reassessment in FY 2016, this reassessment had an increase in values, therefore the tax rate decreased to generate the same revenue generated in the prior year. The FY 2022 tax rate was rounded to two decimal places taking the tax rate to \$1.40. Though 2025 is a reappraisal year in which we anticipate the tax rate to be reduced (due to increasing property values), the FY 2026 budget proposes no increase to the new certified rate. Effectively, this will mark the fourth consecutive year with no budgeted tax increase. Growth in the property tax collected is based on new development within the City.



Revenue collections fell from FY 2011 through FY 2013 with the recession and the closing of the Berkline furniture plant. Revenues showed modest growth in FY 2014. Increased development activity in both commercial and industrial sectors has brought about healthy growth in recent years. It should be noted that incentive programs such as Tax Increment Financing (TIF) payments for major commercial developments and Payment-in-Lieu-of-Tax (PILOT) programs for industrial projects partially offset this growth in revenue. The cost of these programs is shown as an expense in the Other Agencies section of the budget. The increase in the tax rate in FY 2017 resulted in new revenue of about \$750,000 above the growth of property tax revenue from development. The increase in the tax rate in FY 2019 generated approximately \$430,000 in additional revenues to fund major capital projects. The 25-cent tax increase in FY 2020 generated an additional \$2,175,000 to assist with debt as it relates to Morristown Landing. While the reassessment resulted in a decline in the tax rate, there was a slight increase in revenue collected during FY 2021. This revenue stream remained strong in FY 2024 with slight growth estimated in FY 2025. The 2025 tax year which will be FY 2026 is a reappraisal year. Property taxes are revenue neutral during a reappraisal/reassessment year. This means that while assessments have increased, the certified tax rate will decrease.



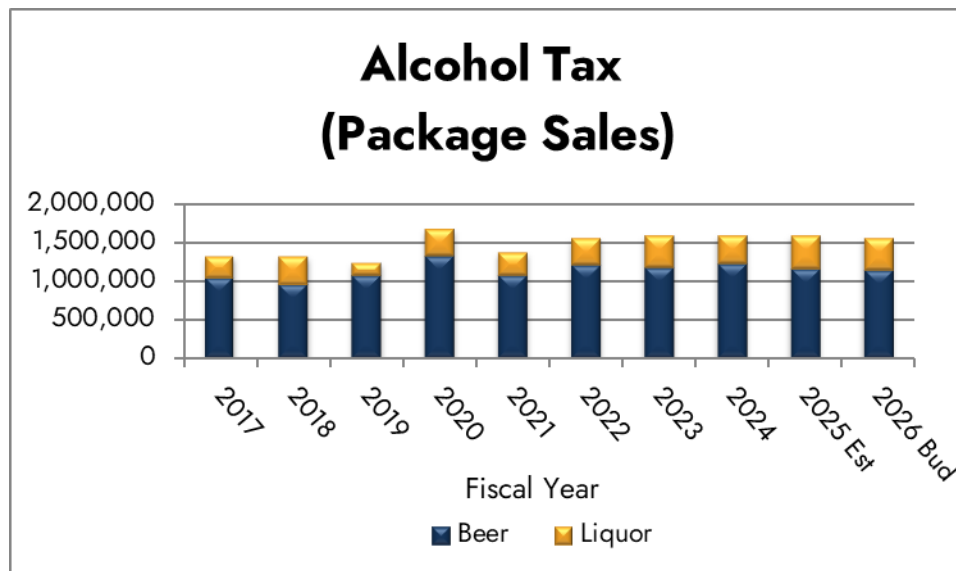
Local Sales Tax:

One of the major sources of revenue for the General Fund is the local sales tax. A cursory review of sales tax collections might lead one to conclude that the period from fiscal year 2008 through 2013 was extremely volatile. In order to assess sales taxes, one must take into account several factors. First, the national recession saw retail sales fall across the nation. A second factor is that some of the surrounding jurisdictions developed shopping centers competing with Morristown's position as a regional hub. In FY 2009 the City passed a referendum increasing its sales tax rate from 1.25% to 1.5%. In 2010, Hamblen County followed suit and adjusted their rate. If one takes this changing rate into account along with national and regional economic conditions, sales activity is a little clearer.

The City was experiencing growth in 2003-2005, but began to see slowing in 2006. These initial reductions were most likely due to regional competition. Later declines in sales reflect the impact of the recession. In FY 2011, the trend of decline turned and actual collections surpassed FY 2010 collections. In the spring of 2011, Berkline announced that they were ceasing production in Morristown; with the loss of these 500 jobs, growth in local sales was expected to cool in FY 2012. The impact of Berkline's closing was more than offset by regional growth and revenue grew by nearly 5%. Despite a stronger local economy, collections for FY 2013 declined. The major traffic disruption from two highway renovation projects on the highway 25E corridor hampered retail activity in the eastern commercial area. In FY 2014, the disruption from construction activity bottomed and there was a slight increase. Development of major retail centers have helped spur significant growth and helped reinforce our role as a regional hub of commercial activity since that time. National Brands such as Aldi, Buffalo Wild Wings, Dick's Sporting Goods, Harbor Freight, Ulta Beauty, and many others have located to Morristown in recent years. The City continued to experience significant growth in retail development with more national brands and small businesses opening their doors in FY 2019. Sales tax experienced modest growth in FY 2020 around 1.2%. With the unknown effects that the COVID-19 pandemic would have financially, revenue projections were conservatively made for FY

2021. However, despite a worldwide pandemic, Morristown experienced 12% growth. Morristown continues to experience local option sales tax growth. In FY 2022 we saw growth of around 10% and continued to see additional growth of around 9% in FY 2023. Sales tax continued to show consistent growth in FY 2024 with a 6.6% increase over FY 2023. We are projecting another 5% in growth during FY 2025 but are conservatively budgeting based on an estimated 2.6% growth in FY 2026.

Alcohol Taxes:



Historically, revenue from the package sale of alcohol has remained constant and we continue to conservatively project collections. Even through a pandemic, FY 2021 revenue, while showing a decrease compared to FY 2020, remained constant. We saw a slight increase in FY 2022 and are continuing to see this revenue stream remain constant during FY 2023 and FY 2024. We are projecting this revenue stream to remain constant in FY 2025 and are budgeting the same in FY 2026.

Hotel / Motel Tax:

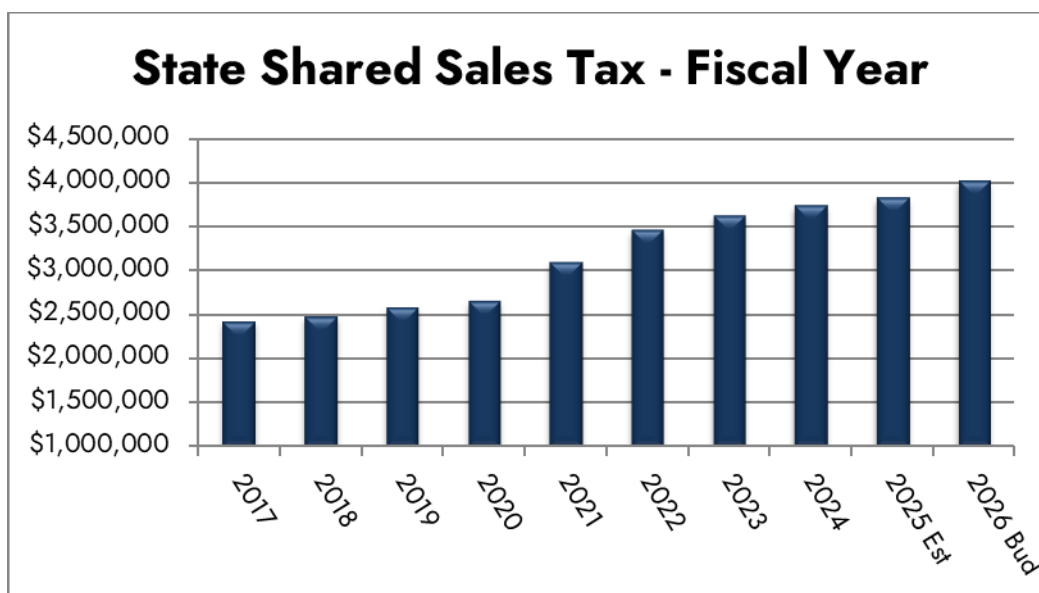


A portion of these receipts are dedicated to promoting tourism and programs to improve the historic downtown. In December 2009, the City sought approval to increase the cap on the lodging tax rate from 5% to 7%. The State Legislature approved the measure, allowing City Council to increase the rate in FY 2011. Since the rate increase, revenue has grown reflecting a more active local economy and the success of efforts to attract visitors to our area. The decline in revenue for FY 2020 is attributed to the COVID-19 pandemic. Although the pandemic still lingered, we saw this revenue begin to trend back to pre-pandemic amounts, and in FY 2022 saw growth of approximately 45%. Modest growth continued in FY 2023 and remained constant in FY 2024 with growth of less than 1%. This revenue stream continues to be monitored to see how the opening of the Morristown Landing Recreation and Events Center affect this revenue stream. For now it is estimated in FY 2025 and projected in FY 2026 to remain constant.

Intergovernmental Revenues:

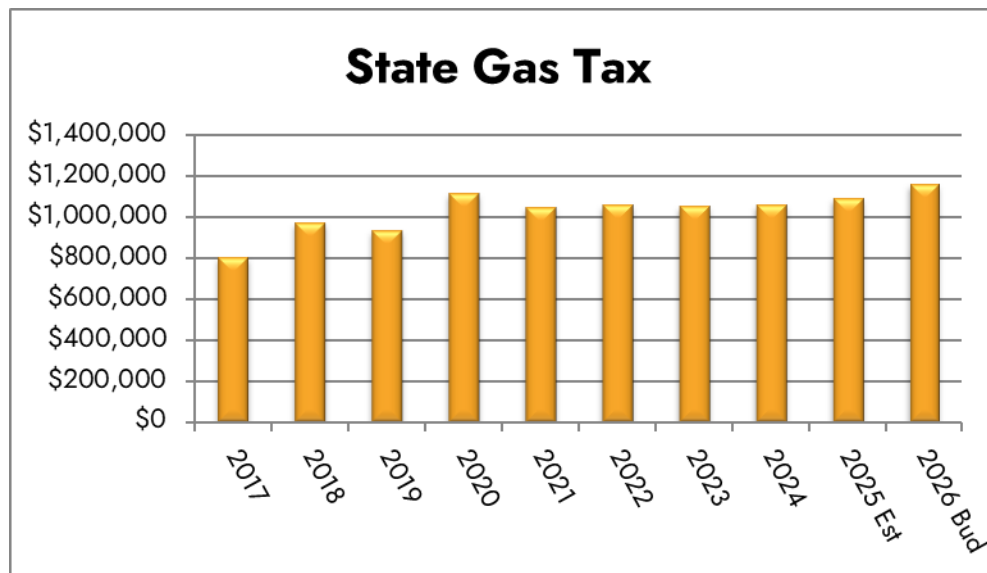
State Sales Tax:

The State shares a portion of statewide sales tax receipts with localities; this revenue is allocated among jurisdictions based on population. This revenue stream began trending upward in FY 2016 and it has continued to trend upward as the State of Tennessee continues to receive the benefits of a healthy economy. Legislation known as the Improve Act reduced the tax on groceries by one percent in FY 2018. FY 2019 experienced an increase around 4%. Even with the beginning of a pandemic, growth occurred in FY 2020 at 2.7% and continued to grow in FY 2021 at approximately 14.6% and again in FY 2022 around 12%. Although the rate of growth slowed, we still saw an increase of 4.6% in FY 2023. During FY 2024 although the state froze sales tax on groceries during August through October, Morristown still saw an increase of around 3.2% over the prior year. Although the City continues to see growth, the rate of that growth has slowed considerably since FY 2021. In FY 2025 the City is estimating a modest increase of around 2.2%. The projected FY 2026 budgeted amount is showing growth of around 5.0%.



State Gas Tax:

This State revenue is shared with localities based on population. Collections fluctuate with the amount of fuel sold. Changes such as increases to cost per gallon and more efficient vehicles impact these collections. Like State Shared Sales Tax, the State Gas Tax was impacted by the Improve Act, adding an additional four cents to the price per gallon effective July 1, 2017. An additional one cent per gallon was added to gasoline and an additional three cents per gallon to diesel effective for FY 2019 and thereafter. This brings the total tax per gallon on gasoline and diesel fuel to \$0.26 and \$0.27, respectively and remains so today. While revenue increased in FY 2020, it performed as expected and decreased slightly in FY 2021. Decline is attributed to the effects of COVID-19 and more people either out of work or working from home most of the year. FY 2022 saw minimal growth of around 1% and FY 2023 saw a minimal decline of 0.5%. Although there was a slight decrease in FY 2023, FY 2024 increased slightly, and we project FY 2025 to see an increase of around 3%. While the number of electric vehicles on the road is expected to impact this revenue stream, this should be offset with the electric and hybrid vehicle registration fees brought about by the Transportation and Modernization Act of 2023. This revenue stream continues to remain fairly constant with a slight increase in the FY2026 projected budget.



Revenue Detail

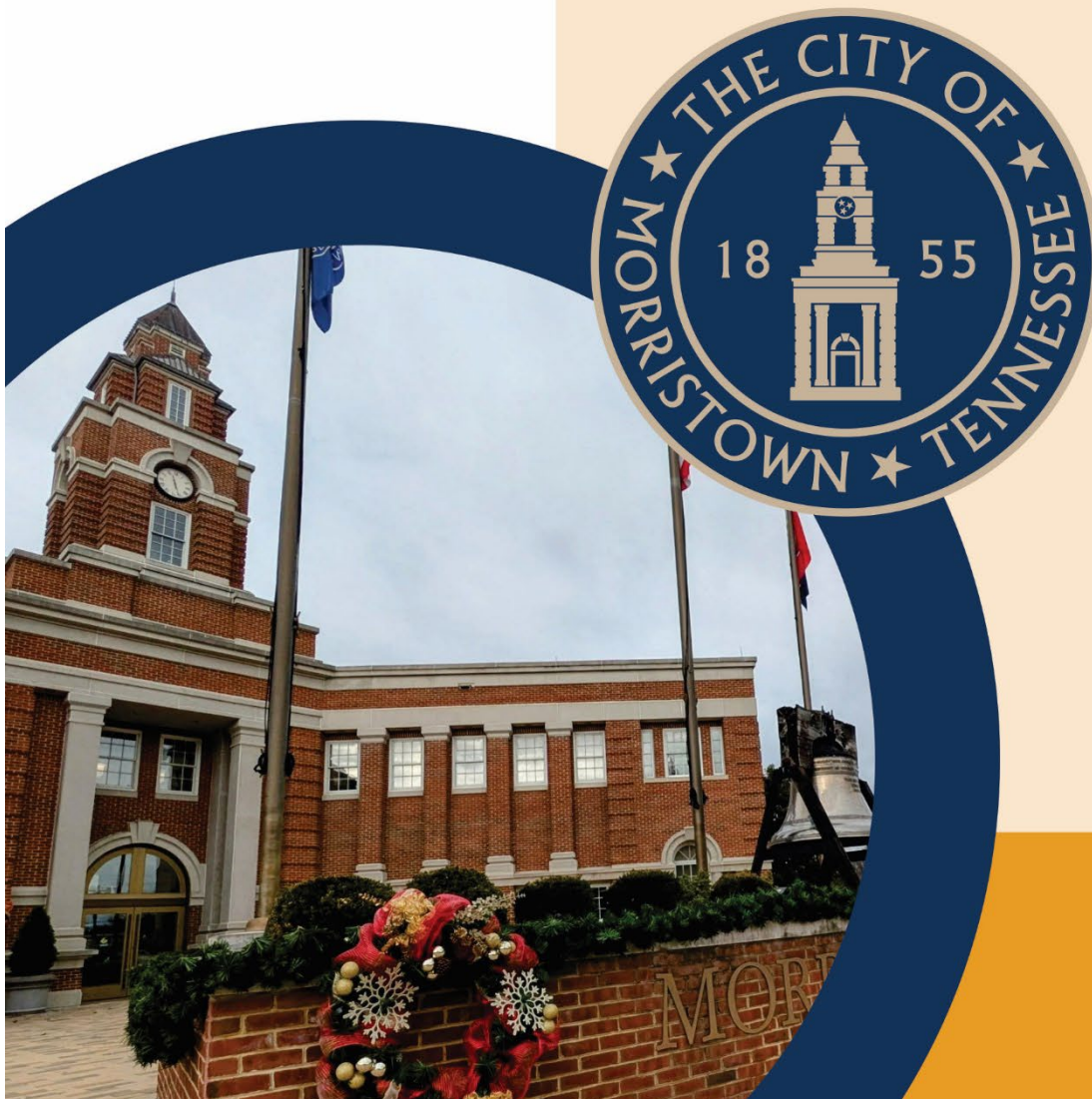
Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
Beginning Fund Balance	44,184,844	57,898,023	46,923,300	46,150,898
31100 PROPERTY TAX - CURRENT YEAR	14,334,719	14,235,100	14,246,773	14,665,000
31200 PROPERTY TAX - PRIOR YEAR	427,559	400,000	490,079	425,000
31300 PROPERTY TAX-INTEREST & PENALTY	119,807	185,000	124,475	185,000
31400 PROPERTY TAX-DELINQUENT	100,530	125,000	92,634	125,000
31500 IN LIEU TAX- MU	2,106,472	1,536,120	1,418,520	1,300,000
31510 IN LIEU TAX- ALL OTHERS	144,596	120,000	120,725	120,000
31550 TV CABLE FRANCHISE	153,007	225,000	114,297	175,000
31560 NATURAL GAS FRANCHISE	367,973	420,000	407,109	410,000
31600 LOCAL OPTION SALES TAX	19,314,036	19,180,000	20,408,234	21,000,000
31710 WHOLESALE BEER TAX	1,242,480	1,150,000	1,178,000	1,150,000
31720 WHOLESALE LIQUOR TAX	369,048	375,000	425,757	425,000
31800 BUSINESS & GROSS RECEIPTS TAX	1,699,172	1,550,000	1,672,711	1,600,000
31920 LOCAL OPTION HOTEL & MOTEL TAX	1,180,019	1,100,000	1,177,633	1,200,000
31930 CITY LITIGATION TAX	64,608	50,000	58,731	60,000
32215 BEER PERMITS	26,298	24,000	26,725	25,000
32610 BUILDING PERMITS	454,308	350,000	333,462	350,000
32620 ELECTRIC PERMITS	73,682	55,000	76,181	65,000
32630 PLUMBING PERMITS	41,922	35,000	37,935	35,000
32640 GAS PERMITS	4,469	3,500	3,195	3,500
32650 DEVELOPMENT FEES PERMITS	8,221	5,500	4,036	5,500
32670 SIGN PERMITS	3,805	5,000	3,787	5,000
33110 COMMUNITY DEVELOPMENT BLOCK GRANT	399,763	980,615	250,130	760,345
33160 COURT CLERK DATA FEES	59	100	61	100
33320 ST_TN- TVA REPLACEMENT TAX	372,934	377,100	369,700	407,657
33510 ST_TN- SALES TAX	3,737,344	3,771,000	3,821,848	4,012,375
33515 ST_TN- TELECOMMUNICATIONS TAX	22,290	20,000	21,121	20,000
33520 ST_TN- HALL INCOME TAX	1,533	0	1,765	0
33530 ST_TN- BEER TAX	13,376	14,456	13,187	14,124
33540 ST_TN- MIXED DRINK TAX	115,735	80,000	92,983	85,000
33550 ST_TN-SPORTS BETTING (GAMING)	56,494	31,425	63,133	59,383
33551 ST_TN- GASOLINE & MOTOR FUEL TAX	1,064,255	1,099,875	1,095,726	1,161,984
33552 ST_TN- STATE PTS TAX	55,699	57,508	55,572	58,420
33553 ST_TN-Transportation Modernization Act	5,635	0	11,479	15,087
33580 ST_TN-TDOT-STREETS	104,188	2,199,884	0	880,000
33585 ST_TN- TDOT-AIRPORT GRANT	335,289	762,000	1,028,782	332,500
33590 ST_TN- OTHER STATE REVENUE	16,871	10,000	204,374	4,612,000
33593 ST_TN- EXCISE TAX	131,037	110,000	154,331	150,000
33596 ST_TN- AIRPORT MAINT GRANT	20,000	15,000	15,000	15,000
33603 PUBLIC SAFETY INSERVICE	123,200	139,200	185,000	138,400
33604 FED-DEPT OF JUSTICE GRANT	7,190	16,000	20,783	20,000
33605 FED- FIRE DEPARTMENT GRANT	0	0	13,601	16,560
33607 ST_TN- POLICE DEPT GRANTS	389,970	15,000	20,910	20,000
HAMBLEN COUNTY SOLID WASTE	0	0	0	428,850
33616 FED-HOME GRANT	254,507	0	0	810,000

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
33660 TML GRANTS	4,149	4,500	4,200	4,500
33800 COUNTY REVENUE	829,539	317,900	319,035	350,000
34311 STREET, SIDEWALK AND CURB REPAIR	12,600	0	13,500	12,000
34700 RECREATIONAL FEES	64,012	50,000	62,484	65,000
34710 DONATIONS PARKS & REC	13,716	9,000	37,716	10,000
34711 PARKS & REC ATHLETICS	172,787	140,000	163,467	150,000
34712 PARKS & REC RETAIL	3,761	2,500	13,618	10,000
34715 PARKS & REC SPECIAL EVENTS	4,271	1,000	3,512	3,000
34716 PARKS & REC CONCESSIONS	0	0	0	88,000
34717 PARKS & REC PROGRAMS	0	0	0	100,000
34740 DONATIONS - POLICE	100	0	0	100
34760 LEGACY TREES	600	0	1,200	1,500
34770 DONATIONS FIRE DEPT	22,570	0	0	1,000
35110 CITY COURT FINES & COSTS	372,859	300,000	344,102	325,000
35111 CODES FINES	9,340	3,500	10,193	7,500
35115 REDFLEX CITATIONS	44,429	0	3,952	0
35120 SEX OFFENDER REG FEE	3,450	4,000	2,775	3,000
35130 POLICE REPORTS	4,619	4,000	3,112	4,000
35150 PD- MOVING TRAFFIC VIOLATIONS DUI FINES	39,249	21,000	33,200	25,000
35170 LIENS	46,088	0	21,266	84,000
35190 FEES AND COMMISSIONS	3,603	4,500	3,317	3,500
36110 FIRE DEPT CHARGES FOR SERVICE	2,435	1,000	1,315	1,000
36120 INTEREST- INVESTMENTS	2,083,204	500,000	1,274,038	775,000
36210 LEASE/RENTAL CITY PROPERTY	109,000	89,000	76,115	99,000
36230 PROGRAM INCOME-AIRPORT	196,428	162,000	260,488	199,750
36300 SALE OF CITY PROPERTY	239,018	441,500	29,281	1,140,000
36330 SALE OF EQUIPMENT	35,006	20,000	76,339	30,000
36360 GAIN ON SALE OF PROPERTY	139,983	0	0	0
36361 GAIN ON INVESTMENTS	244,038	0	51,609	0
36400 JUDGEMENTS AND RESTITUTION	95,065	17,000	49,071	20,000
36500 INVENTORY GAIN/LOSS	0	0	(4,000)	0
36700 OTHER MISCELLANEOUS REVENUE	148,378	100,000	125,421	110,000
36720 OTHER MISCELLANEOUS REVENUE	82,357	25,000	123,327	40,000
36850 BOND PROCEEDS	0	0	966	0
37820 STORM WATER TRANSFER ADMIN & IN-LIEU	87,679	87,679	87,679	87,679
49100 OTHER FINANCING SOURCE - BONDS ISSUES	0	0	1,059,830	0
49500 OTHER FINANCING SOURCE - ISSUANCE OF SBITAs	10,980	0	0	0
OTHER FINANCING SOURCE - TRANSFER FROM ARPA	0	2,000,000	3,000,000	1,000,000
Total Revenue & NON-REVENUE FUNDS	54,589,413	55,133,462	57,112,613	62,096,314

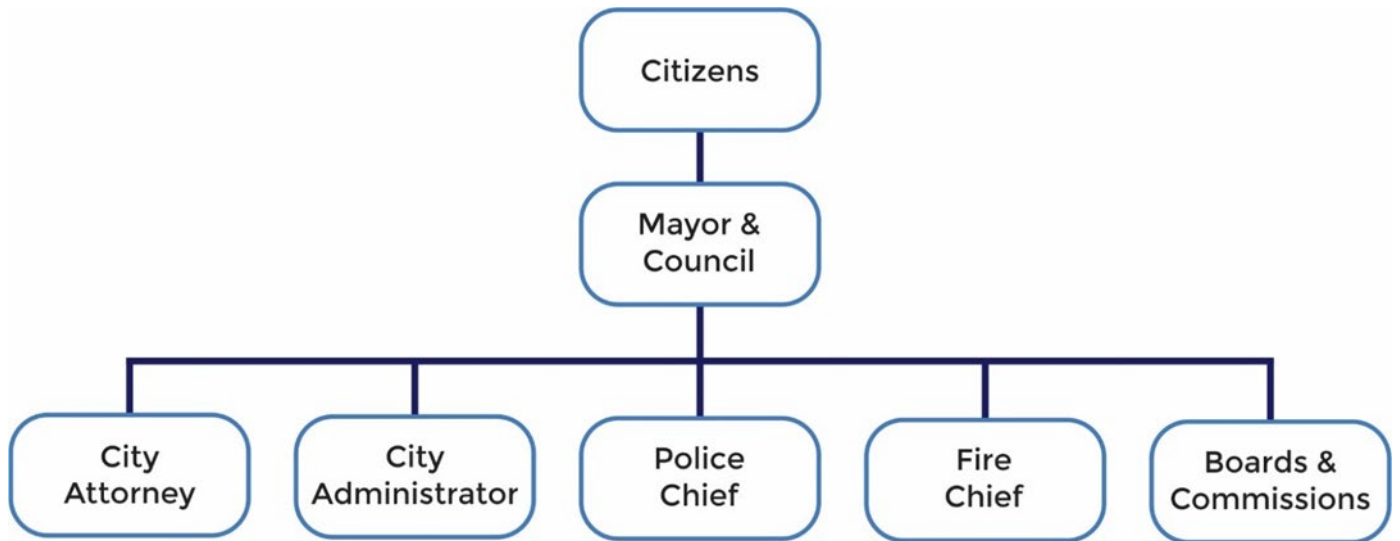
Expenses by Department

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>General Fund (110)</i>				
41100 - Mayor & City Council	238,375	390,840	226,389	385,297
41200 - City Administrator	903,986	963,660	942,879	998,861
41530 - Finance	1,131,243	1,336,733	1,349,113	1,239,781
41610 - Purchasing	73,748	88,259	86,470	92,888
41630 - General Fund Retiree Benefits	393,498	475,000	405,635	615,000
41640 - Information Technology	400,134	378,831	354,595	361,368
41650 - Human Resources	145,079	174,522	218,340	240,072
41655 - Risk Management	215,428	207,542	208,605	280,743
41660 - Legal Services	95,742	110,000	102,838	110,000
41665 - Court Administration	29,130	34,904	27,533	33,148
41700 - Planning	472,498	505,633	481,614	510,895
41710 - Code Enforcement	195,621	235,594	223,047	252,993
41800 - Engineering	242,857	269,821	240,348	337,888
41810 - Geographic Information System	272,106	293,053	272,635	297,882
42400 - Inspections	463,657	562,520	486,308	593,694
42110 - Police Administration	1,230,619	1,007,077	965,283	1,139,930
42115 - Police Support	1,031,822	1,115,149	1,094,548	1,056,322
42116 - Chaplains	2,585	4,650	3,451	9,650
42117 - Police Litter Crew	65,071	88,603	84,132	118,149
42120 - Patrol & Traffic	8,209,689	6,948,334	6,810,563	7,777,374
42130 - Police Investigation	1,353,763	1,497,953	1,550,496	1,678,725
42171 - Narcotics and Vice	640,897	729,140	621,505	672,792
42210 - Fire Administration	774,928	804,727	856,750	926,763
42220 - Fire Prevention & Inspection	272,946	308,128	299,534	318,686
42230 - Fire Stations	245,039	232,171	207,812	237,970
42240 - Firefighting	8,551,176	9,542,674	10,112,134	12,311,297
43110 - Public Works Administration	278,203	346,340	273,257	630,438
43120 - Facilities Maintenance	728,422	736,753	774,458	762,525
43130 - Fleet Maintenance	650,609	1,064,873	966,403	928,078
43140 - Public Works Street Repairs & Maintenance	1,968,491	2,649,550	2,485,609	2,421,937
43150 - Public Works Street Lights & Signs	891,256	984,005	934,631	1,075,784
43160 - Public Works Brush & Bulk	2,152,174	1,594,780	1,701,297	1,608,617
43175 - Public Works Communication Shop	265,912	486,650	441,145	320,365
43180 - Public Works Sidewalks	106,445	1,004,926	267,860	1,108,000
43190 - Public Works Traffic Devices	253,256	333,900	317,576	433,600
43300 - Public Works Pavement Management System	1,883,053	3,427,630	1,953,116	3,600,000
44410 - Parks & Recreation Administration	366,101	391,502	388,318	407,861
44420 - Parks & Recreation Programs	467,030	433,607	406,604	456,773
44425 - Parks & Recreation Athletics	236,176	562,230	421,588	740,970
44430 - Parks & Maintenance	1,602,120	1,959,470	1,733,064	1,913,050
44600 - Civic Support	250,000	239,275	239,275	250,000
45160 - Natural Resource Maintenance	319,807	390,821	356,512	498,468
46510 - Comm. Development Administration	505,173	981,444	250,130	1,571,019
48100 - Airport	590,247	1,013,200	234,161	762,600
49100 - General Fund - Debt Service	6,328,557	5,704,168	7,094,863	6,125,798
49300 - Bond Expenditures	0	0	10,069	0
81000 - Other Agencies	1,633,218	1,749,849	2,005,397	9,978,847
92000 - Transfers to Other Funds	2,723,070	2,600,000	7,118,011	1,450,000
Total General Fund (110)	51,850,957	56,960,491	58,605,901	69,642,898

GENERAL GOVERNMENT



Mayor & Council Organization Chart



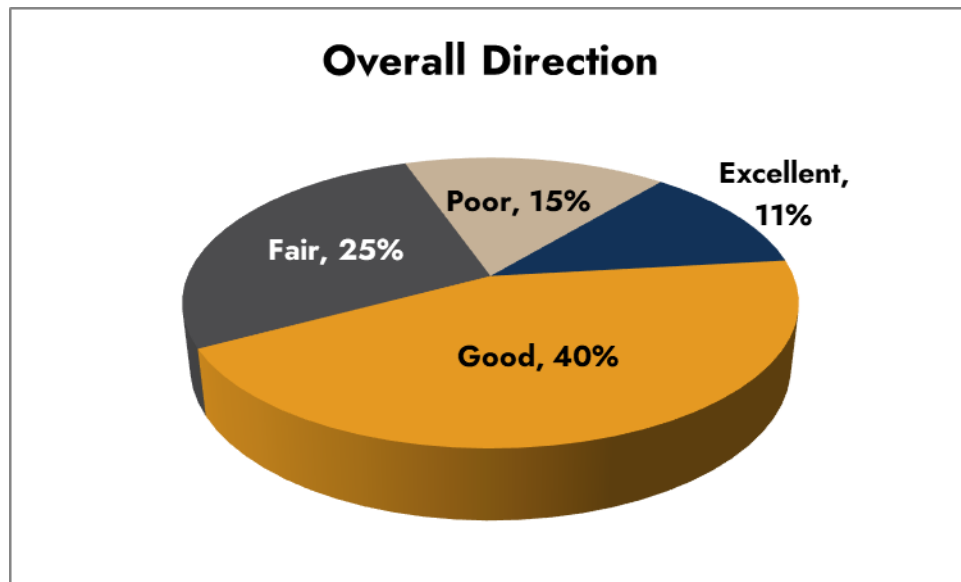
Mayor & City Council

The Mayor and City Council, the legislative and policy-making body of the City, is composed of seven citizens elected to serve for a term of four years, and until their successors are elected and qualified. City Council positions are staggered such that three seats are up for election every other year. The Mayor is the presiding officer at official meetings and represents the City at all functions. The Mayor can vote on all issues.

The responsibilities of the Mayor and City Council include the enactment of ordinances, resolutions and polices; adopting the annual budget through the setting of the property tax rate; appointing the City Administrator, City Attorney, Police Chief, Fire Chief and numerous citizens to the various boards and commissions; establishing policies and measures to promote the general health, welfare and safety of the citizens of Morristown; and attending official functions as representatives of the City.

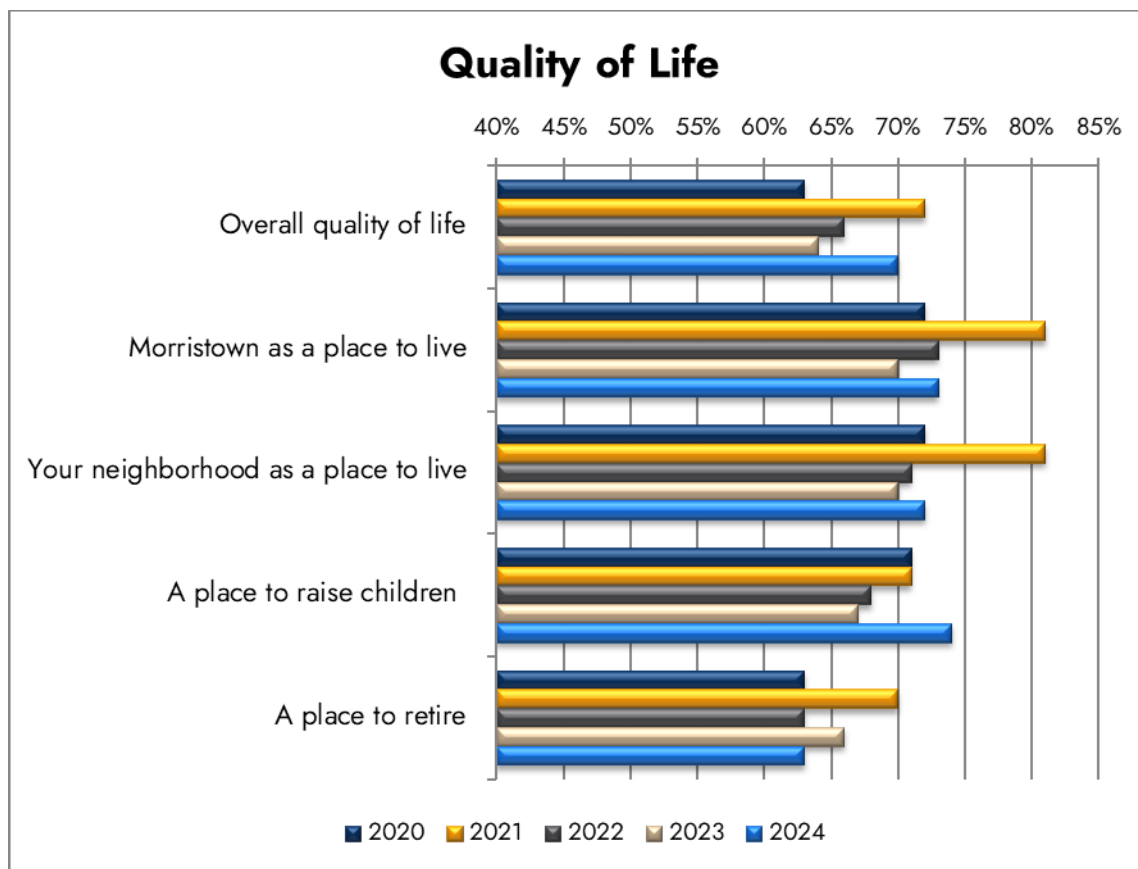
The Mayor and City Council conduct their business in public sessions held in the City Center on the first and third Tuesday of each month. Work sessions are held periodically on an as needed basis to review basic issues before public action is taken.

Performance and Workload Measures



Source: 2024 Citizen Survey

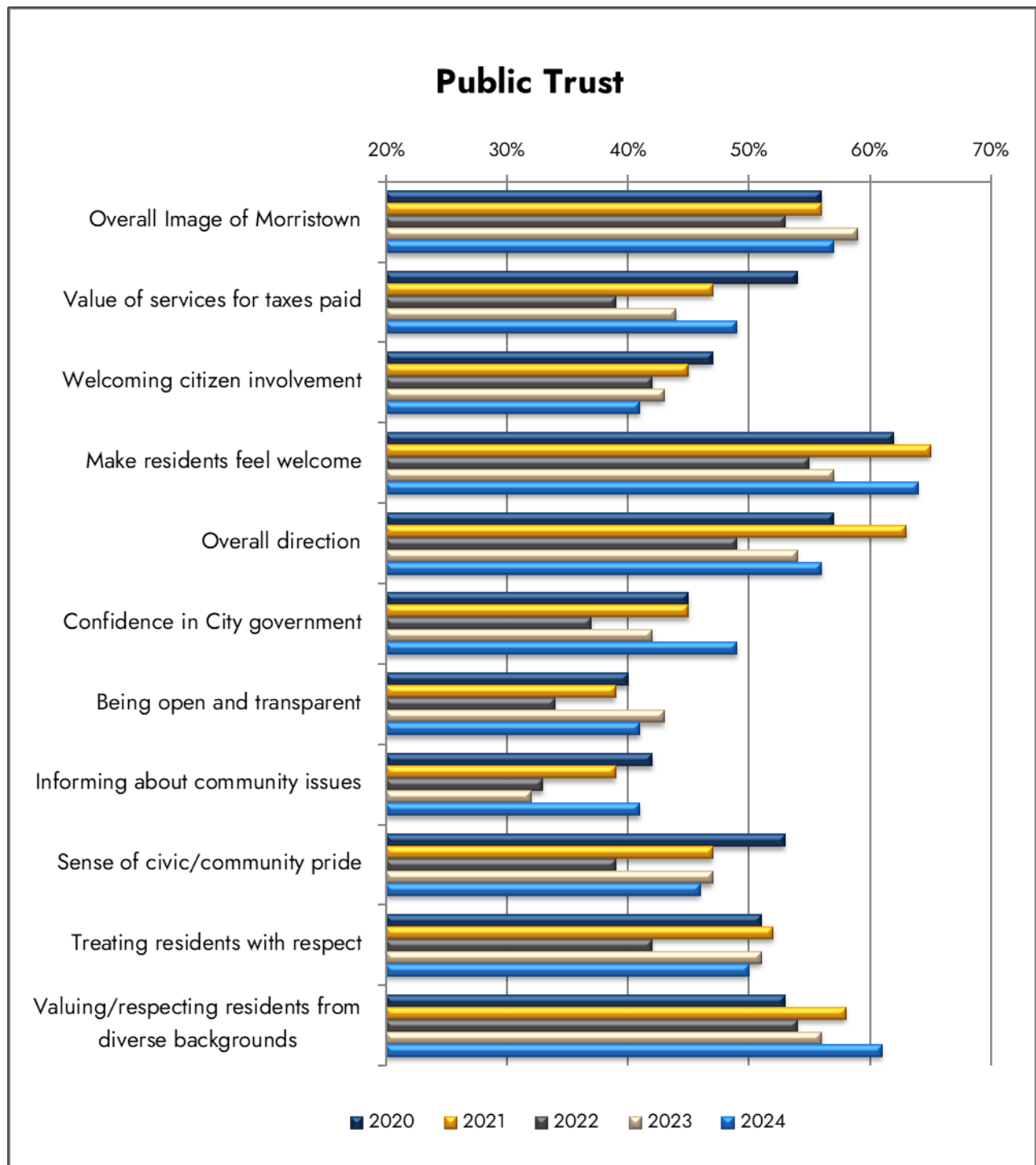
A majority of Morristown residents rated the overall direction of the community favorably with 56% giving a positive assessment. This continues an upward trend since a dip in the 2022 survey.



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Citizen assessment of the overall quality of life increased from 64% to 70%, reversing the decline since the record high in 2021. In all quality-of-life related questions, Morristown is similar to other communities based on the national benchmark. Those living in the southeast part of the city rated quality of life the highest and the northwest rated it the lowest. Residents over 55 were happier than their younger neighbors.

Ratings for Morristown as a place to live, your neighborhood as a place to live and a place to raise children all increased over last year’s numbers – a significant increase for Morristown as a place to raise children. While each of these areas had previously been below our peers across the nation, all are now similar to the national benchmark. Those living in the southeast of Morristown were considerably more satisfied with their neighborhood as a place to live, and those in the northwest were least satisfied.



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

When looking at public trust, we see a continued improvement in many areas. Confidence in City government and Making residents feel welcome saw statistically significant improvements (5% and 7%, respectively). The value of services for taxes paid and valuing/respecting residents of diverse backgrounds both saw improvements of 5%. All areas remain comparable with the national benchmark.

Those who own their homes responded more positively in all of the above Public Trust related questions with the exception of “overall direction” where renters responded more positively than owners. A departure from last year’s survey, those aged 18-34 were the most positive about Morristown’s performance in areas of Public Trust, except Overall image and making residents feel welcome, where those 55+ were most favorable, and a Sense of civic/community pride, where those 35-54 were most favorable.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- The City Council participated in a Strategic Planning retreat in August 2024, facilitated by UT Municipal Technical Advisory Service personnel. The retreat resulted in a renewed strategic plan that will prove beneficial for the new City Administrator as a directional tool for the years ahead.
- City Administration and the GIS department created a GIS layer for internal purposes that highlights all city-owned properties. This project is an initiative derived from the City Council’s 2024 Strategic Plan.
- Functionality of the audio/visual presentation of City Council meetings was enhanced in FY 2025 with live production oversight. Rather than static screen viewing, viewers will now see more active management of cameras, angles, zooming, etc.

THRIVING LIVABLE NEIGHBORHOODS



- The City Administrator has begun to facilitate neighborhood level meetings throughout the city with participation by City Council members as well as leadership from all departments. This is the result of a City Council 2024 Strategic Plan initiative, and several neighborhood meetings have been held to date.

A HEALTHY & VIBRANT CITY



- City Administration initiated a visioning/planning exercise with a variety of stakeholders regarding the future of Sherwood Park. This project is an initiative derived from the City Council’s 2024 Strategic Plan.

RESPONSIBLE MANAGEMENT OF CITY’S PHYSICAL ASSETS



- City Administration and the Parks & Recreation Department created a park maintenance standard operating procedure, which was an initiative derived from the City Council’s 2024 Strategic Plan.

Goals for FY 2026

THRIVING LIVABLE NEIGHBORHOODS



- Support the City Administration’s effort to continue hosting neighborhood meetings to engage local communities throughout the city.
- Participate in a joint meeting between the City Council and the Planning Commission on a variety of planning and development topics, including urban renewal policies, developing walkable communities, considering incentives for certain development types, and aesthetics improvement strategies as described in the 2024 Strategic Plan.

A HEALTHY & VIBRANT CITY



- Continue to support the efforts for visioning/planning the future of Sherwood Park in conjunction with the City Administrator, per the 2024 Strategic Plan.
- Participate in efforts by the City Administration for long-term planning and consideration of a Performing Arts Center in Morristown as described in the 2024 Strategic Plan.

SAFE & SECURE COMMUNITY



- Support efforts by the City Administration and Fire Department to maintain or improve the City's Class 2 ISO rating for fire service as described in the 2024 Strategic Plan.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- No significant changes are planned for FY 2026.

Personnel Summary

MAYOR AND COUNCIL	FY22	FY23	FY24	FY25	FY26
MAYOR	1	1	1	1	1
COUNCILMEMBERS	6	6	6	6	6
TOTAL MAYOR AND COUNCIL	7	7	7	7	7

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41100 - Mayor & City Council</i>				
111 SALARIES & WAGES	48,120	48,120	48,120	48,120
134 CHRISTMAS BONUS & LONGEVITY	991	1,070	1,029	0
210 FICA	2,493	3,050	2,495	3,052
212 MEDICARE	583	714	583	714
214 EMPLOYEE HEALTH INS	78,411	107,504	77,646	107,504
217 EMPLOYEE LIFE INS	122	277	113	277
310 POSTAL SERVICE	106	500	147	250
321 PRINTING SERVICES	2,489	4,000	3,350	3,000
330 LEGAL NOTICES	2,248	5,000	3,879	4,000
341 ELECTRICITY	5,408	5,500	6,525	6,500
342 WATER & SEWER	3,623	3,000	2,700	3,000
343 NATURAL GAS & PROPANE	258	325	387	400
345 TELEPHONE SERVICES	3,099	3,500	3,463	3,500
355 COMPUTER/DATA SERVICE	3,500	0	0	0
371 SUBSCRIPTIONS & BOOKS	627	500	0	700
375 MEMBERSHIPS & DUES	21,414	19,000	21,816	22,500
378 EDUCATION - SEMINARS & TRAINING	3,363	3,500	3,850	3,500
383 TRAVEL-BUSINESS EXPENSES	9,097	25,000	10,616	18,000
399 OTHER CONTRACTED SERVICES	(194)	45,100	14,933	44,600
411 OFFICE SUPPLIES & MATERIALS	656	1,000	694	1,000
413 OFFICE EQUIPMENT	499	0	0	0
499 OTHER SUPPLIES & MATERIALS	5,589	6,500	5,589	6,500
510 INSURANCE - GENERAL LIABILITY	4,694	5,170	5,564	5,845
523 PROPERTY (CONTENTS) INSURANCE	915	1,010	1,079	1,135
533 EQUIPMENT- RENTAL/LEASE	983	1,500	811	1,200
804 COUNCIL CONTINGENCY	39,281	100,000	11,000	100,000
<i>41100 - Mayor & City Council</i>	<i>238,375</i>	<i>390,840</i>	<i>226,389</i>	<i>385,297</i>

Elections

This account is used to pay the Hamblen County Election Commission all expenses incurred in holding a City General or Special Election.

Significant Accomplishments FY 2025

- Municipal elections would have normally been scheduled for May 2025, which would fall in FY 2025. However, the City adopted an amendment to the City Charter in 2024 that included changes to election timing and structure. As a part of that change, municipal elections going forward will coincide with the November state and federal election cycle in even numbered years. The next election will be in November 2026, which will be FY 2027.

Goals for FY 2026

- No municipal elections are scheduled to be held in FY2026.

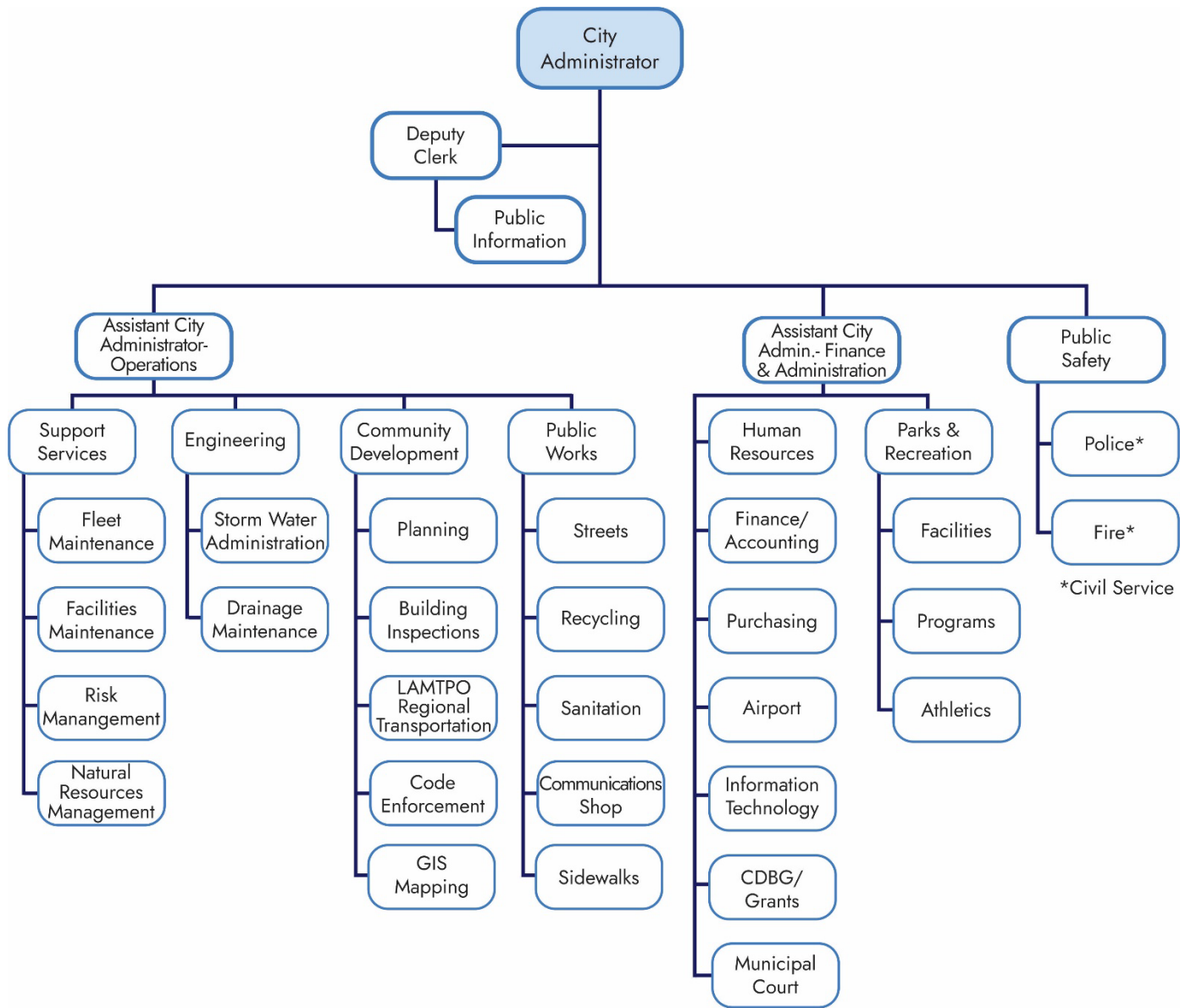
Personnel Summary

- There are no personnel assigned to this function.

Budget Expense Detail

- There are no expenses for FY 2026 due to no municipal elections being held.

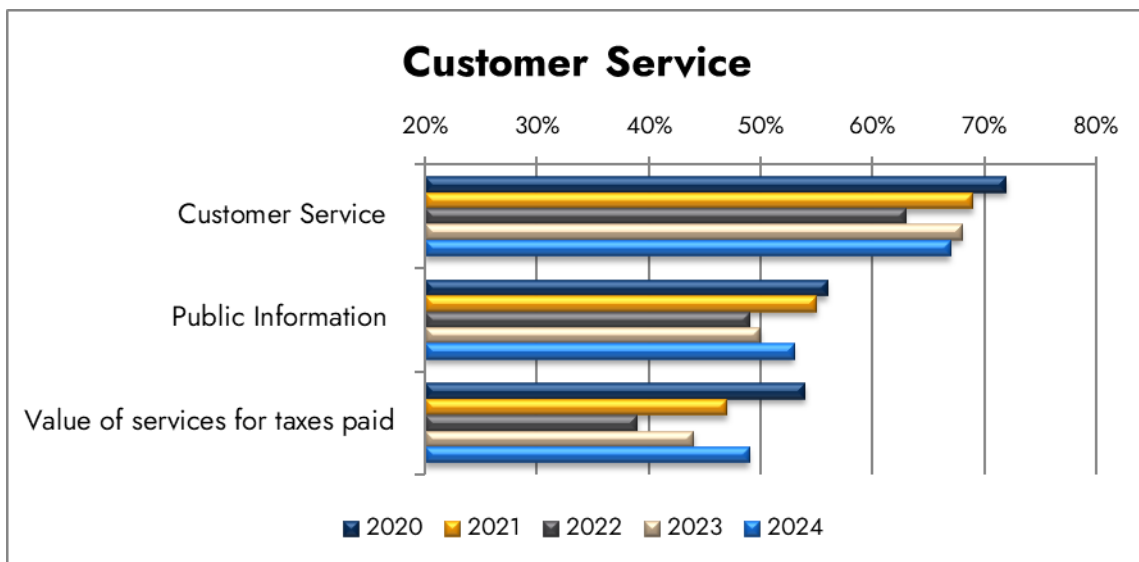
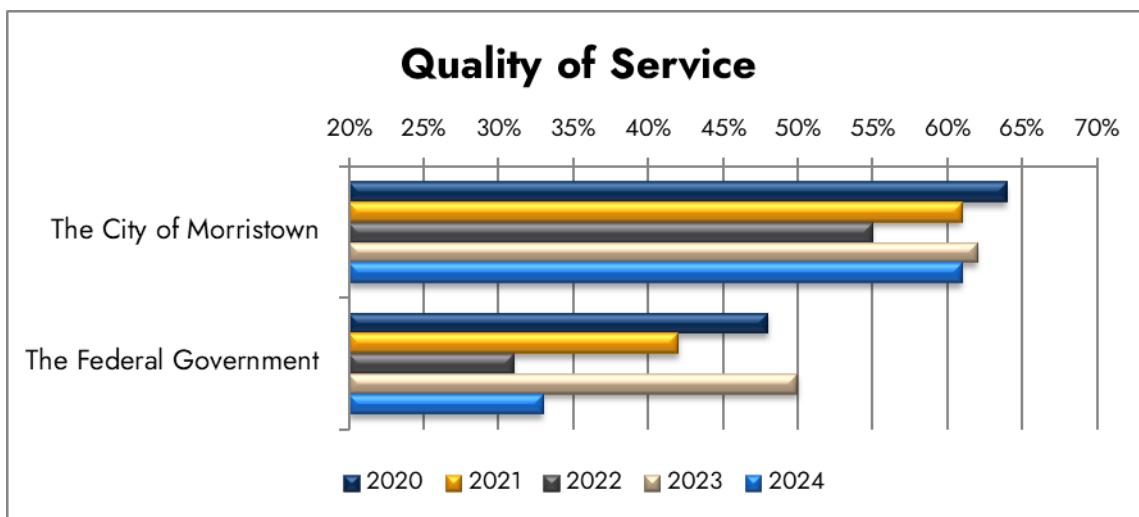
City Administrator Organization Chart

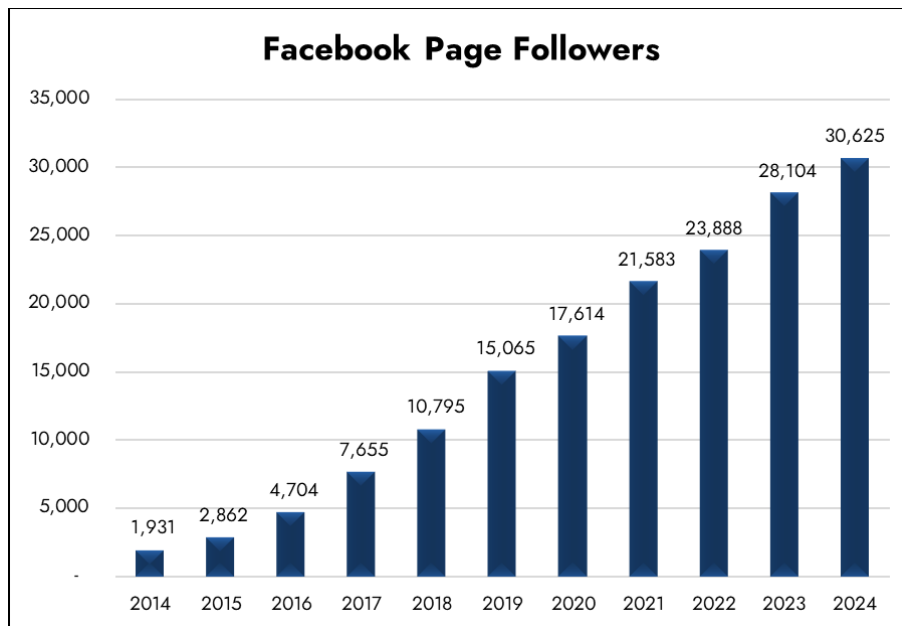


City Administrator

The City Administrator is hired by the City Council and serves as the Chief Executive Officer, planning, organizing and directing the resources of the City. In carrying out these responsibilities, the City Administrator interprets and implements City Council determined policies; coordinates department efforts; analyzes production; handles citizen complaints and service requests; enforces all laws and ordinances of the City; prepares special management reports; recommends legislation that appears necessary and desirable for the general health and welfare of the citizens of Morristown; represents the City in its relations with the public, the press and other government jurisdictions; and executes all policies set by City Council.

Performance and Workload Measures





Significant Accomplishments FY 2025

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Improved the City's infrastructure and developed long-term plans for its maintenance.
 - Invested in transportation improvements.
 - Implemented the annual street maintenance program.
 - Continued to dedicate local resources to improve local street paving projects, resurfacing 6.4 miles of neighborhood streets.
 - Rejuvenated 5 miles of City Streets as part of annual street maintenance program.
 - Utilized Surface Transportation Program (STP) funding to address arterial and collector streets.
 - Completed the right-of-way acquisition for East Morris Boulevard, preparing the project for construction. This project will include signalization and intersection improvements at Thompson Creek Road, Jaybird Road, and Dover Road.
 - Completed the design to improve Central Church Road, including improvement of the signalized intersection with West Andrew Johnson Highway.
 - Completed construction of intersection improvements at Snyder Road, relocating an existing entrance to Frank Lorino Park for improved safety. The project also included redesigning and resurfacing a primary parking lot for baseball and softball participants.
 - Completed design phase for multimodal improvements along the major east/west corridor, improving sidewalk connectivity and disability access using a grant from TDOT.
 - Completed the design and environmental review process for Phase 5 of the Turkey Creek Greenway, which will extend the pathway from the existing trailhead on Buffalo Trail to Davis Street.
 - In partnership with TDOT, and following a joint study of the SR-160 corridor with Hamblen County and the School system, saw the completion of an interim solution to improve safety at the intersection of Dr. ML King Jr Blvd and SR-160 to prohibit left-hand turns onto SR-160.

- Began designs for a signalized intersection and the closure of another intersection – both along Dr. ML King Jr Blvd.
- Assessment and planning surrounding key transportation corridors.
 - Continued to coordinate with TDOT following a study of the State Route 160 corridor, to see through to the completion of a more permanent improvement for safety at the intersection of SR-160 with MLK and Sulphur Springs.
 - Pursued opportunities with the Lakeway Area Metropolitan Planning Organization (LAMTPO) to ensure that future planning efforts and transportation improvements are included in appropriate planning documents in order to be considered for future federal and state funding.
 - Continued to coordinate the regional cooperation managing development on the new State Route 66 corridor which connects Merchants Greene developments to exit 4 on Interstate 81.
- Invested in the stormwater management system.
 - Secured financing for repair work necessary at the detention pond of the Morristown Airport Industrial District (MAID) and a series of improvements to the stormwater drainage way along Havley Springs Branch.
 - Completed designs for detention pond improvements at MAID.
 - Completed designs for drainage way improvement projects along Havley Springs Branch.
- Continued coordination with Morristown Utilities in relation to \$4,000,000 of the ARPA and TDEC funding allocated by the City for the construction of a new water tank near Exit 12 to enhance fire flow and support development of this industrial area. Construction on the project was completed in FY 2025.
- Addressed the long-term needs for municipal buildings.
 - Completed construction of Fire Station 3 and adjacent training facility on Thompson Creek Road. The relocation of this station was made necessary by planned highway improvements on Hwy 11E as well as the need to address the functionality of the aging station on East Andrew Johnson Highway.
 - A state-of-the-art Fire Training Facility was incorporated into the site of the new Fire Station 3 site. This structure includes a pre-engineered steel fire training facility that includes a training tower structure, burn room annexes, and optional accessories. The facility serves to provide practical and realistic training for firefighting and emergency services personnel in a controlled environment which replicates actual conditions encountered on an emergency incident scene. The facility will also be a resource for other departments in the region.

- Completed improvements at the Talley Ward Recreation facility.

- A new paint scheme throughout the building added a sense of vibrancy to the space.
- Improved wi-fi connectivity in the building benefits both staff and program participants.
- Older basketball goals were replaced with adjustable goals that can be raised/lowered for different age groups or pulled up out of the way entirely for other events in the building.
- A traditional wood basketball floor was installed – a stark improvement over the tile floor that has long adorned the facility. The wood floors provide a better play experience than the harder tile floors, and the aesthetic of the bright new floors and color scheme are immediately noticeable to anyone that has played in the facility previously.



- Continued pursuing improvements to the municipal airport, including:
 - Completed annual update of Capital Improvement Program as required by Tennessee Aeronautics Commission.
 - Continued in a multi-year process to update the Airport Layout Plan – a plan that will serve to guide and support future capital improvement efforts. Completion is slated for late in FY 2026.
 - Oversaw construction, brought about by a public-private partnership in 2024 for a developer-funded construction of taxiway extensions and hangars at the airport according to a recent master plan. Construction began in FY 2024 and by late FY 2025, five (5) hangars were complete or near completion with potential for several more. When built out, the additions could add more than 50% to the airport’s corporate hangar square footage.
 - Oversaw the start of construction for a new hangar on a ground lease for the local chapter of the Experimental Aircraft Association (EAA). Completion is expected in FY 2026.
 - Completed construction phase for the replacement of the Medium Intensity Runway Lighting system and added pilot-controlled lighting functions, which will save on lighting costs long-term.
 - Completed the design phase and entered contract for the construction phase for a project to rehabilitate a section of apron on the eastern end of the airfield.
 - Continued the design phase for updates and improvements at the airport terminal building.
 - Coordinated with TDOT for a state-funded project to perform crack sealing and the application of sealer and grip-flex materials on runway, taxiway, and apron areas.
- Continued utilization of data to facilitate infrastructure management
 - Continued inventory and assessment of the major infrastructure systems, focusing on stormwater system and sidewalks.
 - Implemented an Enterprise Asset Management software to better track inventory and assets. The system also enables a work order system capable of automatically applying job materials, inventory, and staff time to the work order system.

- Expanded and enhanced GIS map data for infrastructure. Improvements were made in the street, sidewalk, and stormwater inventories as well as tools for the entry of data points by other departments, such as fire department personnel.
- Completed designs for a slate of park improvements at Fulton-Hill Park and Frank-Lorino Park. Work on several projects is expected to begin in FY 2026.

A HEALTHY & VIBRANT CITY



- Continued to work with Sports Facilities Companies and coordinate as necessary on the operation of the Morristown Landing. Though still a very new venue in only its second full year of operation, the mix of event types has started to become more predictable.
 - Administration and the SFC team continue to fine-tune details about building maintenance and repairs and opportunities for shared service contracts.
 - The City continued to pursue plans for a renovation of the catering kitchen into a full-service kitchen to better support the larger scale events (and multiple, concurrent events) that the Landing hosts.
- Continued to support outdoor events – both those hosted by Parks & Recreation and the Chamber of Commerce. Use of the City’s mobile stage and mobile restroom units have provided a notable enhancement to outdoor events both downtown and at Fulton-Hill Park.
- Began to utilize the upgraded electric systems at the Farmers Market, the Downtown Green, and along West Main Street for various outdoor events. These improvements, funded with ARPA grant dollars improves the quality of the experience at festivals, markets, food truck gatherings, and a variety of outdoor events.
- Kicked off a master plan effort to guide the joint expansion of the Morristown Airport Industrial District (MAID) and Wayne Hansard Park. The plan seeks to balance the need for rail-accessible industrial property with the nearby recreational park and the myriad of sports & activities opportunities additional land could afford.
- Continued utilization of the Downtown Green as an activity center adjacent to the farmer’s market with successful “Live on the Lawn” concerts and other special events. Beginning in Spring 2024, Parks & Recreation partnered with the Chamber of Commerce and merged their concert series, with eight concerts through the 2024 season, including two at Fulton-Hill Park.
- Installed an irrigation system at baseball/softball fields at Frank Lorino Park.
- Designed and bid out projects at Frank Lorino and Fulton-Hill Parks, including pickleball courts, football field conversion, paving projects, parking improvements, ADA accessibility improvements, pavilions, electrical upgrades, and pedestrian plazas. Work on several projects is expected in FY 2026.
- Completed the design phase and began right-of-way acquisition for a multimodal grant for phase 5 of the greenway along Cumberland Ave and Buffalo Trail.



- Facilitated industrial development with \$194 million in building expansion and new and replacement equipment, creating 384 new jobs.
 - Significant expansions included:
 - Clayton Supply Company invested \$3 million and added 55 new jobs
 - Colgate Palmolive Company invested \$25 million and created 11 new jobs
 - Colortech, Inc. invested \$4.7 million and created 3 new jobs
 - Cummins Meritor invested \$4 million
 - Greenworks added 50 new jobs
 - HBF Foods invested \$15 million and created 30 new jobs
 - Howmet Aerospace invested \$9.3 million and created 22 new jobs
 - Iconex invested \$4.3 million and created 33 new jobs
 - Inteplast Bags & Film Corporation invested \$2 million
 - International Paper invested \$3 million
 - JTEKT Automotive invested \$9.7 million
 - Kawasaki Tennessee invested \$3.4 million and created 10 new jobs
 - Koch Foods invested \$12 million and created 11 new jobs
 - MacDermid Printing Solutions invested \$8 million
 - MAHLE Engine Components invested \$3.6 million and created 10 new jobs
 - OTICS USA, Inc. invested \$29 million
 - Petoskey Plastics invested \$2 million and created 4 new jobs
 - Performance Foodservice invested \$6 million and created 6 new jobs
 - Precision Boilers invested \$1.1 million and created 15 new jobs
 - Rich Products Corporation invested \$28.2 million and created 22 new jobs
 - Sonoco Flexible Packaging invested \$2.4 million and created 3 new jobs
 - Tuff Torq Corporation invested \$4.7 million and created 2 new jobs
- Unfortunately, the Van Hool company, which had committed in 2018 to locating in Morristown and acquired property in 2019, suffered financially due to COVID-19 and its effect on the tourism and travel industry. The Van Hool company no longer exists, as it declared bankruptcy and its assets were sold. The property in the East Tennessee Progress Center is still being held by the bankruptcy court and the company that acquired the bus division of Van Hool has indicated they are unlikely to move forward with the project that was proposed for the property. While losing this prospective industry is unfortunate, the City retains the right to re-acquire the property and we remain optimistic about other prospects for the site.
- Continued marketing lot #12 in the East Tennessee Progress Center (ETPC). This pad-ready industrial site is suitable for a one million square foot building. Site grading was accomplished with the assistance of combined grants from the Tennessee Valley Authority and State Department of Economic and Community Development.
- Received a Site Development Grant of \$4 million to apply toward site preparation and the construction of a speculative building in the ETPC on lot #10. The bulk of the work on this site is expected in FY 2026.
- Continued to facilitate and manage commercial development.

- New and expanded commercial development remained strong including the following:
 - Talbott Weigel's (4,800 sq. ft.)
 - 11E HVAC - Brock Snowden (4,000 sq. ft.)
 - Global Empire Storage and retail center (12,200 sq. ft.)
 - Summertown Metals, Phase I (37,500 sq. ft.)
 - Waffle House (1,800 sq. ft.)
 - Buffalo Self-Storage LLC, Phase I (144 units)
 - Sugar Hollow Asphalt Plant (10,000 sq. ft.)
 - Morristown Dialysis (8,362 sq. ft.)
 - Merchants Greene Shopping bldg. # 1 (12,200 sq. ft.)
 - Merchants Greene Shopping bldg. # 2 (9,000 sq. ft.)
 - Bellwood Farms Shopping Center (142,956 sq. ft.)
 - Data Storage Center (3.75 acres)
 - Porter Tire - W. A.J. (9,600 sq. ft.)
 - Casey's Convenience (5,317 sq. ft.)
 - Candlewood Suites (90 rooms)
- Bellwood Farms is our newest commercial development project. Three stand-alone restaurants opened in this 48-acre development in FY 2024. Site work on the larger section of the area is now underway with two big box retailers committed and other smaller retail space planned. This project utilizes our Tax Increment Financing program for public improvements supporting the project.
- Central Business District:
 - In January 2024, an arsonist set fire to the vacant Parks-Belk building. Despite its vacancy in recent years, its history and its landmark location at the intersection of Main Street and Cumberland in downtown made for a significant loss to the downtown streetscape. Despite the setback, the developer that had recently purchased the buildings remains engaged though their exact plans for reviving the corner will have to adjust.
 - The Morristown Chamber of Commerce operates a Main Street program and works with the Tennessee Main Street program to work through our three-year strategic plan for the Central Business District.
 - The City has continued to invest a part of its annual CDBG grant funding into the Façade Improvement Program, which focuses on improvement to commercial exteriors in the Central Business District and major corridors leading to downtown.
- Encouraged and facilitated residential development to meet the needs of our growing workforce. This includes a wide mixture of single and multi-family development.
- Over recent years our local sales tax has shown robust growth, averaging annual growth of nearly 8% over the last 5 years. We have remained conservative about sales tax estimates. In FY 2025, we were conservative and budgeted for sales tax to remain flat. However, we are anticipating a 5.6% increase over FY 2024. While we are still experiencing growth in sales tax, over the last year we have seen that growth slow slightly.

THRIVING LIVABLE NEIGHBORHOODS



- Facilitated residential development including both single and multi-family developments.
 - New single-family developments receiving preliminary approval are highlighted by:
 - Noes Chapel Subdivision (46 lots)
 - Bridgewater Pointe Phase III (38 lots)
 - Masengill Landing-Phase 1 (57 lots)
 - Reese Street Subdivision (10 lots)
 - Windswept Phase, IV Unit 2 (25 Lots)
 - Multifamily developments include:
 - Monta Vista Apartments (36 unit)
 - Park Vista Apartments (12 units)
 - The Reserve, Phase II (36 units)
 - Barkley Landing (8 units)
- Planning staff continued addressing concerns identified in the Community Appearance Action Plan developed in 2012.
 - Continued meeting with the Community Appearance Committee for recommendations
 - Continued the façade grant program available on the Main, South Cumberland and North Cumberland/Buffalo Trail corridors. Awarded grants for 4 structures.
 - City Council approved an amendment to the zoning ordinance to limit front yard fence height and distance from right of way to improve neighborhood aesthetics and safety.
- Continued efforts to remove substandard residential structures by encouraging owners to repair or demolish them.
- Code enforcement worked to investigate and resolve 151 cases of illegal dumping and waste violations, 23 cases of illegal camping or homeless sites, and oversaw remediation of 58 vacant, unsecured, or neglected properties.
- Enhanced community appearance efforts utilizing the Natural Resource Maintenance department.
 - Continued improving maintenance of existing landscaping, including projects at the Public Works facility, City Center, and downtown.
 - Maintained downtown raised hardscaping, alleyways, sidewalk flower beds and 36 annual hanging baskets. Designed concepts for the redevelopment of the downtown pocket park.
 - Assisted with the location of Legacy Trees at various City facilities.
 - Continued to support enhancement and planting projects in conjunction with the Tree Board.
- Worked with LAMTPO, the regional transportation group and ETHRA, the Lakeway Transit system operator to consider potential locations for a new operations and maintenance facility that would better serve Lakeway Transit and its passengers.

HIGH PERFORMING ORGANIZATION



- Assured operations are effective, efficient and responsive to the needs of our citizens.
 - Continued the annual survey of citizens to assure feedback from a broad cross section of the community and measure success in making improvements.

- Launched a redesigned version of the City's website, ensuring that it effectively conveys information to users and integrates systems enhancing opportunities for online customer service.
- Continued enhancing citizen communications through a coordinated message using social media and the City's website as well as more traditional channels. Facebook followers increased 9% over last year. With more than 30,000 followers and an estimated population only slightly higher than that, we are aware that while engagement on Facebook is better than no engagement, the interaction we have there may not necessarily come from City residents.
- Continued to fine-tune the use of the new audio/visual system for streaming and recording City Council meetings, which was implemented in FY 2024. The system integrates agenda management, minutes, and voting records. The on-demand streaming service received a total of 701 hits throughout the year while the live streaming service received a total of 190 hits over the year. The implementation of video streaming has been a positive step towards greater transparency and public engagement.
- Continued to convert various documents and forms into online fillable versions for better user convenience.
- Assisted in regional projects that benefit the City and the region.
 - Continued working with the Morristown Hamblen Solid Waste Authority to address long term waste disposal needs for the region. This year, construction is underway on an expansion effort funded by the City and County. The expansion extends the landfill's capacity and useful life.
 - Expanded and enhanced the Morristown Hamblen Geographic Information System and facilitated data sharing and coordination among the City, County, 911 and the Morristown Utility Commission.
 - Established a facility sharing agreement with the Hamblen County School District that will better guide the use of various facilities that benefit a variety of participants.
 - The City Council adopted a resolution to support the donation of land at the airport to the State of Tennessee for the construction of an updated TCAT aviation program, replacing the older facility on the airfield.
 - Following the completion of the State Route-160 Corridor Study, coordinated with the state for a near-term solution to improve safety at the intersection with Dr. ML King Jr Pkwy., which became a critical concern with the opening this year of the new elementary school in that vicinity. Other improvements named in that study will require continual lobbying and grant application with TDOT.
- Strengthened financial management and the financial condition of the City.
 - The city was a recipient of Government Finance Officers Association's Distinguished Budget Presentation Award and Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report.
 - Continued to review and update financial internal control, debt and financial management policies. One internal control policy amendment was adopted this year to address Parks & Recreation concessions – a function previously handled by private contractors.
- Implemented human resource programs to support and develop a highly effective team.
 - Processed Employee Handbook amendments to comply with certain federal requirements.
 - Continued to work with staff of the employee clinic to troubleshoot, to organize and promote clinic events, and to maintain effective processes to benefit city employees.

- Coordinated an in-person open enrollment with a pandemic-inspired backup plan to include virtual options.
- Continued to work through improvements identified in FY 2024 through an assessment and review of our major software systems. This effort intended to close the gap between the system capabilities and how the system is/was utilized.
 - MUNIS, the Enterprise Resource Planning (ERP) software is used to manage day-to-day business activities such as accounting, procurement, and human resources.
 - Received on-site technical assistance to address challenges with HR functions within the system and to untangle issues created by different methods/approaches used in the past.
 - Completed configuration and implementation of the Tyler Cashiering and Tyler Payments programs, which will allow for more seamless flow of data among interrelated software systems based on payments made.
 - Implemented Employee Access – an employee self-service function, which enables employees to retrieve payroll and benefit information electronically, saving the city on processing and printing costs.
 - Implemented Enterprise Asset Management – an inventory and asset management and work order system.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Public Works will streamline garbage collection into a 4-day work schedule. The recent implementation of new route management and response software for solid waste collection identified efficiencies in routing that will reduce overall cost. As we use the system, we will better quantify the resource savings generated (personnel cost, vehicle demand, fuel, etc.).
- Build upon recent enhancements within our major software systems, closing the gap between the system capabilities and how the system is currently being utilized.
 - Expand on the recently implemented Employee Access Self Service portal to incorporate other benefit information and functionality.
 - Continue to train and familiarize with the functions of the Asset Management & Work Order system to better track various details about assets and projects and to integrate work order processing.
- Enhance citizen communications to effectively keep residents informed about issues, projects, and other community news.
 - Continue to invest in neighborhood-level meetings to maintain personal outreach that social media and other electronic communications simply cannot replace.
 - Continue enhancing citizen communications with a coordinated message using social media, email distribution lists, video production, and the City's website as well as more traditional channels.
 - Continue to review City documents and forms and convert to online, fillable versions as many as feasible.
- Assure operations are effective, efficient, and responsive to the needs of citizens.
 - Continue the annual survey of citizens to assure feedback from a broad cross section of the community and measure success in making improvements.

- Utilize short online survey tools through Polco to supplement the data collected in the annual community survey.
- Assist in regional projects that benefit the City and the region.
 - Continue to work with Hamblen County and the regional Solid Waste Authority as needed and as they see through the ongoing expansion project.
 - Work with our Hamblen County partners to relocate the Hamblen County Emergency Communications operations to the former Health Department facility, providing needed space for current and future emergency dispatch operations.
 - Expand and enhance the Morristown Hamblen Geographic Information System (MHGIS) and facilitate data sharing and coordination among the City, County, 911 and Utility Board.
- Strengthen financial management and the financial condition of the City.
 - Continue to review and update financial internal control, debt and financial management reporting and policies.
 - Seek the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and Distinguished Budget Presentation Award.
- Implement human resource programs to support and develop a highly effective team.
 - Monitor annual MTAS salary survey for comparison to ensure that Morristown remains competitive.
- Work with our benefits consultant to identify cost savings and improvements to our benefit plan.

THRIVING LIVABLE NEIGHBORHOODS



- Improved the City's infrastructure and developed long-term plans for its maintenance.
 - Invested in transportation improvements.
 - Implemented the annual street maintenance program.
 - Continued to dedicate local resources to improve local street paving projects, resurfacing 6.4 miles of neighborhood streets.
 - Rejuvenated 5 miles of City Streets as part of annual street maintenance program.
 - Utilized Surface Transportation Program (STP) funding to address arterial and collector streets.
 - Completed the right-of-way acquisition for East Morris Boulevard, preparing the project for construction. This project will include signalization and intersection improvements at Thompson Creek Road, Jaybird Road, and Dover Road.
 - Completed the design to improve Central Church Road, including improvement of the signalized intersection with West Andrew Johnson Highway.
 - Completed construction of intersection improvements at Snyder Road, relocating an existing entrance to Frank Lorino Park for improved safety. The project also included redesigning and resurfacing a primary parking lot for baseball and softball participants.
 - Develop short-term objectives to continue implementation of the Community Appearance Action Plan.
 - Continue working with the Community Appearance Committee to identify areas of policy and other strategic means to improve aesthetics of the community in the short- and long-term.

- Continue efforts to remove substandard residential structures by encouraging owners to repair or demolish them. Demolish structures that fail to come into compliance and file appropriate liens to recover the cost of removal.
- Continue addressing larger commercial structures which remain vacant and are falling into disrepair. The plan includes elements to encourage private owners to redevelop and tools to enforce health and safety standards for maintenance.
- Enhance community appearance efforts through landscaping improvements designed and implemented by the Natural Resource Maintenance department.
 - Improve maintenance of existing landscaping, including an update to the pocket park downtown, landscaping at the Downtown Morristown signage at S Cumberland, and installation of an automated watering system for hanging baskets downtown.

Continue to support enhancement of the urban forest with planting projects in conjunction with the Tree Board coupled with appropriate tree maintenance on City facilities.

Continue to educate the public on proper pruning techniques for supporting tree health.
- Maintain the façade grant program currently available on the Main, South Cumberland, and North Cumberland/Buffalo Trail corridors. Effectively inform eligible property owners of the size and scope of eligible projects to generate renewed interest and participation in the project, and solicit property owners that are believed to have projects that may be preferred.
- Protect neighborhoods and facilitate quality development.
 - Provide administrative support for the operation of the Property Maintenance Board and Code Enforcement Board of Appeals.
 - Continue to review and update zoning and development regulation codes.
 - Facilitate developers in constructing both single and multifamily developments to meet the growing demand for new housing.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Work with Federal Highway and Tennessee Department of Transportation to implement improvements on the Cumberland corridor, a major entrance to the City from Interstate 81. TDOT is administering the \$23.4 million RAISE grant awarded to the City for this Safe Streets project improving traffic signal coordination, traffic flow and pedestrian safety as well as upgraded “curb appeal.” Activities in the coming year will focus on a continuation of environmental review, right-of-way planning, project planning, and specifications.
- Continue to improve the City’s infrastructure.
 - Continue to dedicate local resources to improve local streets. Areas of focus will be East Morris Boulevard, Central Church Road, Bellwood Road, Cherokee Drive, Dr. Martin Luther King Jr Pkwy, and neighborhood streets.
 - Pursue stormwater improvements in neighborhoods across the community.
 - Pave 10 miles of city streets and apply the rejuvenation method to 5 miles. Streets to be rejuvenated in FY 2025 are those that were newly repaved in FY 2022. The rejuvenation technique is intended to be applied 4-5 years after paving and adds an additional 5 years of life to the roadway.
 - Continue inventory and assessment of the major infrastructure systems including stormwater, streets, and sidewalks.

- Develop long-term plans for infrastructure maintenance.
 - Expand and enhance GIS infrastructure map data and enhance tools available to various users.
 - Continue to expand preventive maintenance programs for Streets and Stormwater systems.
 - Implement a long-term plan for infrastructure maintenance including the level of financial support required for rehabilitation and replacement.
 - Pursue funding through the LAMTPO for an updated assessment of pavement condition throughout the city and the creation of a pavement management plan.
- Undertake review and assessment of key transportation corridors.
 - Work with TDOT to encourage the timely planned improvements of the SR-160 intersections with MLK and Sulphur Springs Road as identified in the recently completed corridor study.
 - Pursue funding through LAMTPO to assess and determine actionable improvements to Spout Springs Rd.
 - Continue to coordinate the regional cooperative to manage land use and development on the new State Route 66 corridor connecting Merchants Greene developments to exit 4 off Interstate 81.
- Address long term needs for municipal buildings.
 - Manage the rental of old Fire Station 3 following vacation of the premises to occupy the new station.
 - Complete the construction (begun in FY 2025) on a dedicated vehicle storage building at the Public Works campus for the purpose of storing multiple special purpose vehicles and equipment and for sufficiently separating vehicles being processed for evidence.
 - Consider possible designs for improved public parking and greenway connections on all of the public lots in the vicinity of 2nd and 3rd streets.
 - Complete construction on an upgraded kitchen at the Morristown Landing to allow for support of larger events.
 - Pursue construction on a slate of Parks & Recreation facility improvements at Frank Lorino Park and Fulton-Hill Park.
 - Pursue the sale of the former Public Works facility at Roy Widener, including terms to guide the redevelopment of the site.
- Continue to secure State funding for the municipal airport, making improvements to its function in support of our industrial base.
 - Complete annual update of Capital Improvement Program as required by Tennessee Aeronautics Commission.
 - Continue the project to update the Airport Layout Plan utilizing a grant from the Tennessee Aeronautics Commission.
 - Oversee completion (by development partner) of the construction of hangars within the western taxiway area extension.
 - Coordinate with TCAT and the Tennessee Board of Regents on design concepts and plans for a new facility on the airfield that would be a showpiece for economic and workforce development.

STRONG & DIVERSE ECONOMY



- Continue to support and promote our vibrant downtown.
 - Facilitate private investment in upgrading downtown buildings focusing on expanded use of second stories. Continue to coordinate as needed with property owners who were recipients in recent years

of Tennessee Historic Development Grants from the Tennessee Department of Economic and Community Development (TNECD).

- Identify and remove regulatory obstacles and provide incentives for the development of new businesses and residential units in the central business district.
- Continue to promote and facilitate downtown building improvements through the façade grant program.
- Further downtown building improvement efforts with the recently awarded Downtown Improvement Grant.
- Facilitate the location of new industry as well as expansion of existing industry.
 - Continue to work with the Industrial Development Board to encourage industrial development in new and existing businesses, continuing to enhance our role as a regional hub of economic activity.
 - Facilitate the design and construction of manufacturing facilities in the East Tennessee Progress Center (ETPC) industrial park, including marketing of lot #12 which is a pad ready site suitable for construction of a one-million square foot facility.
 - Complete the development of a speculative industrial building at Lot #10 in the ETPC thanks to a Site Development Grant, and continue to market the site.
 - Complete a Master Plan on the expansion of the Morristown Airport Industrial District (MAID) industrial park and the Wayne Hansard (recreation) park, which is to include rail-accessible industrial development sites.
- Encourage continued commercial development in the community that increases our role as a regional hub.
 - Continue to manage development in the major retail center developments currently under construction with location of businesses on outparcels.
 - Assist in marketing sites for commercial development.
 - Facilitate the construction and development of Bellwood Farms, the newest TIF-supported commercial development located on West Andrew Johnson Hwy.
- Encourage and facilitate residential development that meets the increasing demand for a larger workforce. This will include a wide mixture of single and multi-family development.

A HEALTHY & VIBRANT CITY



- Morristown Landing
 - Partner with the Morristown Landing management as they continue to fine-tune business plans through their third full year of operations.
 - Continue to work with the Landing operations team on the best balance of activity types - striving to promote health & wellness in the community, adding to the region's quality of life, and attracting visitors to the city.
 - Complete construction of kitchen upgrades at Morristown Landing to enable a more efficient operation and servicing of large-scale events/dinner.
- Develop and maintain our "community infrastructure," including trails, greenways, parks, etc.
 - Complete ties between phase 4 of the greenway project and existing trail systems utilizing property acquired adjacent to the City Center. The greenway trail along Turkey Creek and the old Peavine Railroad will eventually connect residential areas, downtown, and Cherokee Lake.
 - Continue to pursue phase 5 of the greenway project extending the greenway to Davis Street.

- Provide better interconnections among segments of trail and greenway, creating a more continuous trail system.
- Undertake multimodal improvements along the major east-west corridor, improving sidewalk connectivity and disability access. Efforts this year will focus on completing right-of-way acquisition and getting construction underway.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures in FY 2024 and FY 2025 were within budget.

Significant Changes for FY 2026

- No significant changes are planned in FY 2026.

Personnel Summary

CITY ADMINISTRATOR	FY22	FY23	FY24	FY25	FY26
CITY ADMINISTRATOR	1	1	1	1	1
ASSISTANT CITY ADMINISTRATOR	2	2	2	2	2
CITY CLERK/EXECUTIVE ASSISTANT	1	1	1	1	1
CITIZEN INFORMATION SPECIALIST/ASST DEPUTY CLERK	1	1	1	1	1
RECEPTIONIST/OFFICE ASSISTANT	1	1	1	1	1
TOTAL CITY ADMINISTRATOR	6	6	6	6	6

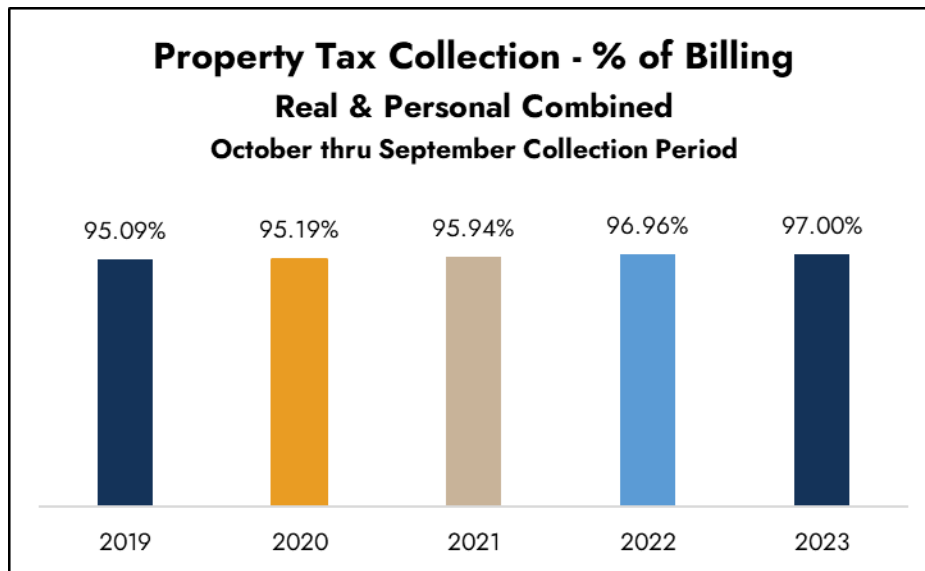
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41200 - City Administrator</i>				
111 SALARIES & WAGES	599,639	597,154	599,598	608,589
112 OVERTIME	0	2,000	0	2,000
134 CHRISTMAS BONUS & LONGEVITY	1,356	1,350	1,154	1,700
210 FICA	33,377	37,232	36,842	37,962
212 MEDICARE	8,513	8,708	8,616	8,879
213 TCRS CONTRIBUTION	86,315	91,097	91,134	93,619
214 EMPLOYEE HEALTH INS	89,735	94,548	91,258	94,496
217 EMPLOYEE LIFE INS	6,431	7,140	3,511	7,546
219 WORKERS COMPENSATIONS INSURANCE	7,405	8,146	7,293	12,000
310 POSTAL SERVICE	519	300	720	1,000
321 PRINTING SERVICES	0	200	0	800
330 LEGAL NOTICES	1,156	750	495	500
341 ELECTRICITY	8,221	8,600	9,919	8,800
342 WATER & SEWER	5,508	4,300	3,627	4,400
343 NATURAL GAS & PROPANE	393	400	589	600
345 TELEPHONE SERVICES	7,680	5,700	5,846	7,000
351 MEDICAL SERVICES	0	100	0	0
371 SUBSCRIPTIONS & BOOKS	199	750	199	400
375 MEMBERSHIPS & DUES	2,097	5,000	4,609	4,500
378 EDUCATION - SEMINARS & TRAINING	1,835	5,000	4,155	5,400
383 TRAVEL-BUSINESS EXPENSES	7,654	13,000	11,838	13,000
399 OTHER CONTRACTED SERVICES	12,455	14,620	22,660	26,950
411 OFFICE SUPPLIES & MATERIALS	860	2,500	1,286	2,500
413 OFFICE EQUIPMENT	0	0	0	500
429 GENERAL OPERATING SUPPLIES	514	700	563	700
431 GASOLINE & DIESEL FUEL	0	50	0	50
499 OTHER SUPPLIES & MATERIALS	1,722	2,500	2,148	3,000
510 INSURANCE - GENERAL LIABILITY	459	505	522	550
523 PROPERTY (CONTENTS) INSURANCE	96	110	113	120
533 EQUIPMENT- RENTAL/LEASE	978	1,200	790	1,300
801 GRANTS & OTHER SUBSIDIES	18,869	50,000	33,394	50,000
<i>41200 - City Administrator</i>	<i>903,986</i>	<i>963,660</i>	<i>942,879</i>	<i>998,861</i>

Finance

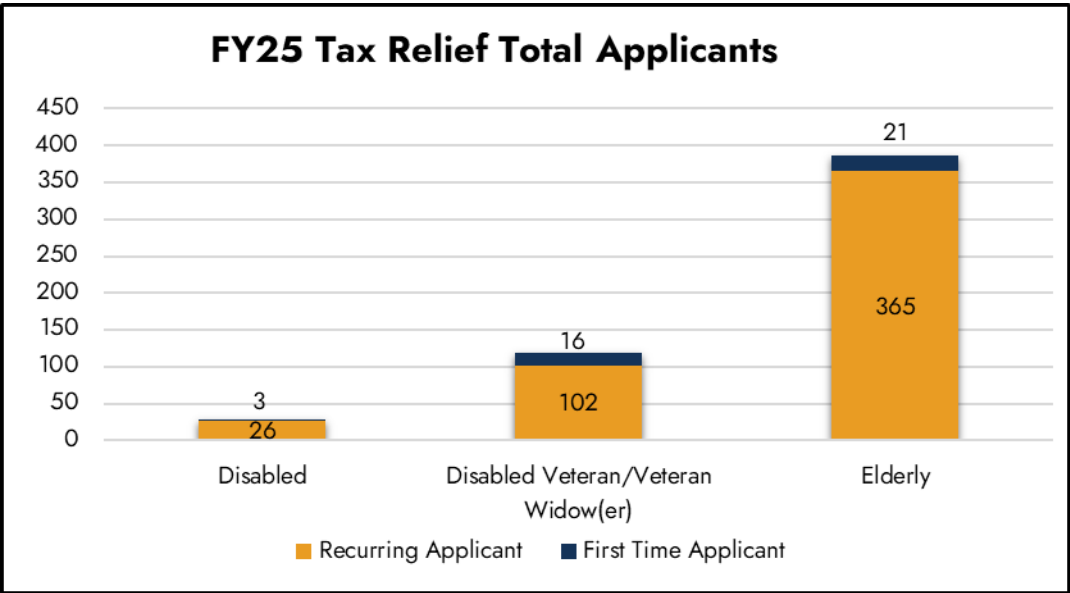
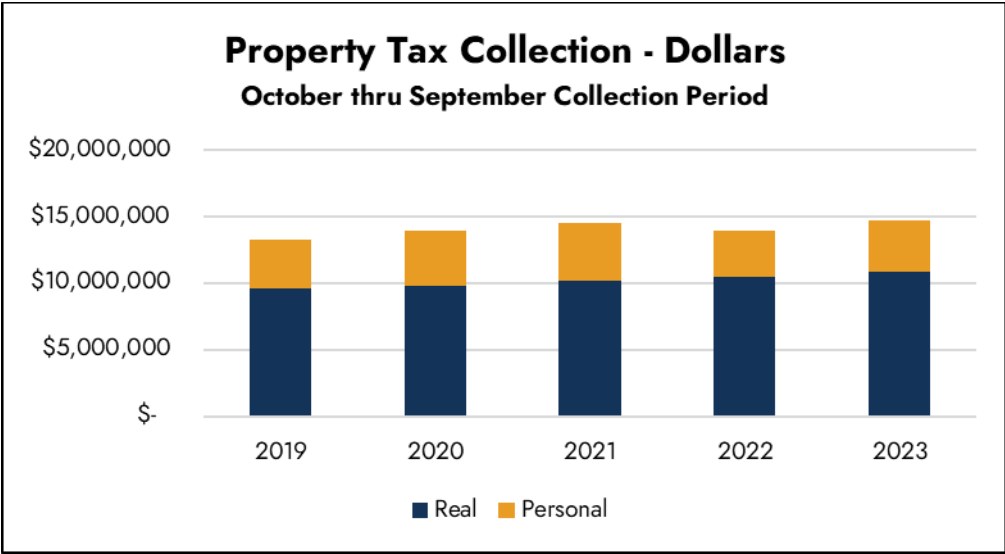
The Finance Department handles all the financial transactions and various transaction-based functions for the City including the collection of property taxes, and all other revenues, maintaining records of the City, documenting property transactions, processing payroll, handling all purchasing, accounts payable disbursements, creation of financial reports, managing fund accounting, providing records and assistance for the independent auditors, and any other financial activities of the City.

Performance and Workload Measures

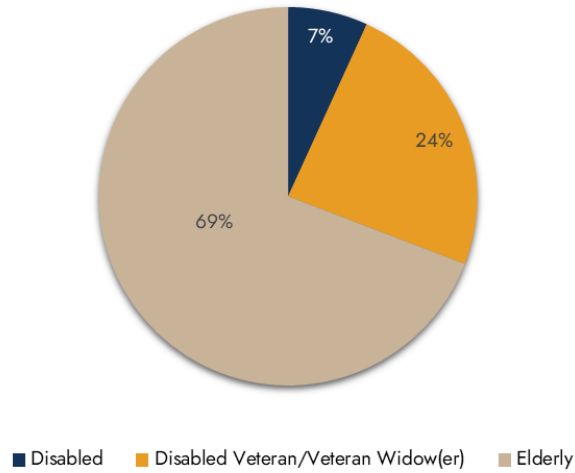


**Chart represents collections of taxes in tax year they were considered currently due*

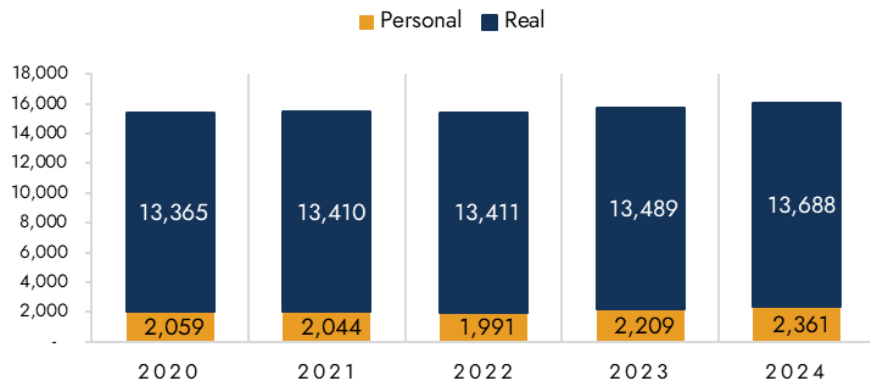
Taxes are categorized as “current” if they are received between October 1 of the tax year and June 30 of the following year – despite the fact that payments after February 28 are late and incur interest charges. The graphs above and below do not include 2024 because at the publication of this budget, current taxes for 2024 are still being collected. For comparison purposes, as of February 28, 2025, the collection rate for 2024 current taxes was 87.93%, and through the same period of time for 2023 taxes, the collection rate was 92.9%.



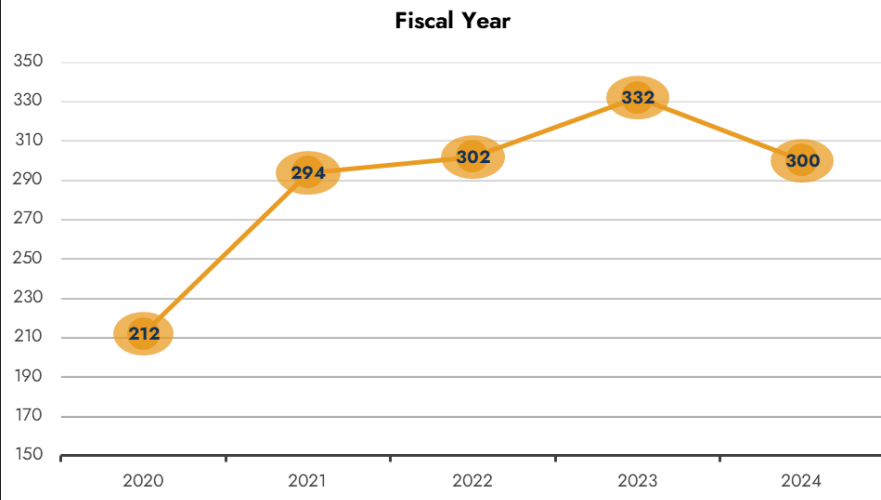
FY25 Tax Relief Participants

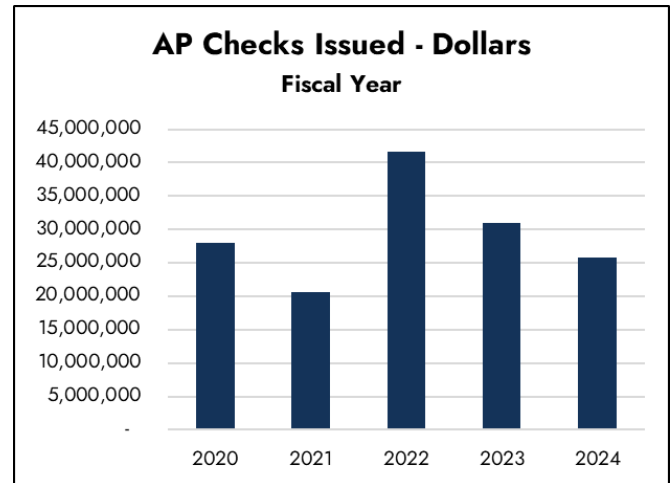
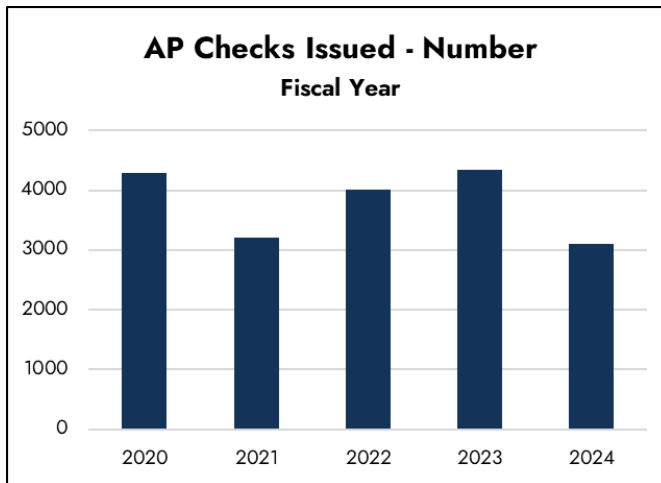


Tax Bills Generated (Based on Tax Year)



Business Licenses Issued





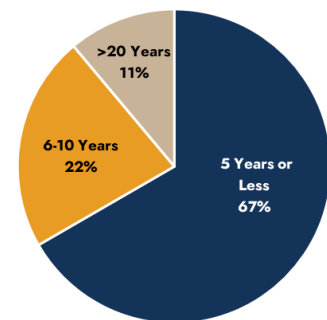
Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Obtained an unqualified opinion on the financial statements from the City's independent auditor for fiscal year ending June 30, 2024.
- Updated the annual debt report that demonstrates the strong financial management practices of the City to the citizens of Morristown, investors, and credit agencies.
- Began making changes to payroll & HR modules per Munis evaluation.
- Implemented Tyler Cashiering & Tyler Payments Software.
- Continued various evaluations of the City's enterprise resource planning software (ERP system).
- Received GFOA's Distinguished Budget Presentation Award for FY 2025 – the 15th consecutive year receiving the award.
- Received GFOA's Certificate of Achievement for Excellence in Financial Report for FY 2023 – the 11th consecutive year receiving the award. Awaiting notification for FY 2024 Award.
- Continued to cross-train staff on different office functions.
- Assisted Public Works with Enterprise Asset Management Implementation.
- Implemented a Capital Assets module within the City's ERP system.
- Continued to send eligible staff through the Certified Municipal Finance Officer program.

Staff Governmental Experience



RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Performed a physical inventory of all fleet vehicles.
- Continued to verify capital assets are properly recorded.
- Amended the Internal Control Policy manual in anticipation of Parks & Recreation handling concessions operations with in-house staff rather than by contractor.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Continue to provide financial statement users with accurate, useful and timely information.

- Prepare the City's Annual Comprehensive Financial Report (ACFR) in accordance with generally accepted accounting principles and obtain an unqualified opinion on the financial statements from the City's independent auditor and ensure that it is issued in a timely manner.
- Seek the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
- Seek the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award.
- Be the leader in municipal finance and reporting.
- Continue to evaluate the financial systems and processes that are currently being utilized by the City and implement a system that ensures effective and efficient internal controls over financial reporting.
- Continue review of processes that protect public trust and demonstrate accountability and transparency.
 - Review processes that ensure that all payments are processed in a timely manner.
 - Review processes and evaluate written policies to ensure that all revenues are received in a timely manner and are coded to the correct revenue account.
 - Ensure proper coding of all financial transactions.
- Continue to identify processes that can be improved.
- Continue to cross-train staff across multiple areas of the department.
- Implement EFT (Electronic Funds Transfer) payments within the Accounts Payable Department.

Certifications held by Finance Staff

- Certified Government Financial Manager (CGFM) - 1
- Certified Municipal Finance Officer (CMFO) - 3 in Finance, 3 in Administration
- Municipal Clerk & Recorder Certification - 1 in Finance, 3 in Administration

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue to ensure that all capital assets are properly recorded.
- Continue to make improvements on the efficiency and collection effectiveness for accounts receivables.
- Review and make recommendations for any necessary edits to the Debt Management Policy.
- Continue to compare the City's needs to the Fleet Plan.

Comments on FY 2024 Actual and FY 2025 Projections

- The Finance Department operations for the fiscal year ended June 30, 2024 were as expected. It is projected that actual expenditures will be within appropriated amounts for the year ending June 30, 2025.

Significant Changes for FY 2026

- Beginning in FY 2026, because the contribution to OPEB is not specifically attributable to Finance Department operations, it is now accounted for in "General Fund-Retiree Benefits."

Personnel Summary

FINANCE DEPARTMENT	FY22	FY23	FY24	FY25	FY26
FINANCE DIRECTOR	0	0	1	1	1
ACCOUNTING MANAGER	1	1	0	0	0
ACCOUNTING CLERK	2	2	2	2	2
REVENUE ACCOUNTANT / RECORDS CLERK	0	0	1	1	1
ACCOUNTING TECHNICIAN	2	2	2	2	2
CITY ACCOUNTANT	1	1	1	1	1
TOTAL FINANCE DEPARTMENT	6	6	7	7	7

Note: The Revenue Accountant position was not vacant prior to FY 2024. Rather, it existed as the Head Cashier/Court Clerk position and was budgeted in the Court budget. Beginning in FY 2024, because of changes in primary duties, the title has changed and is now moved to Finance as the Revenue Accountant. Additionally, the Finance Director position was newly established, replacing the Accounting Manager position, which is shown for the first time in FY 2024.

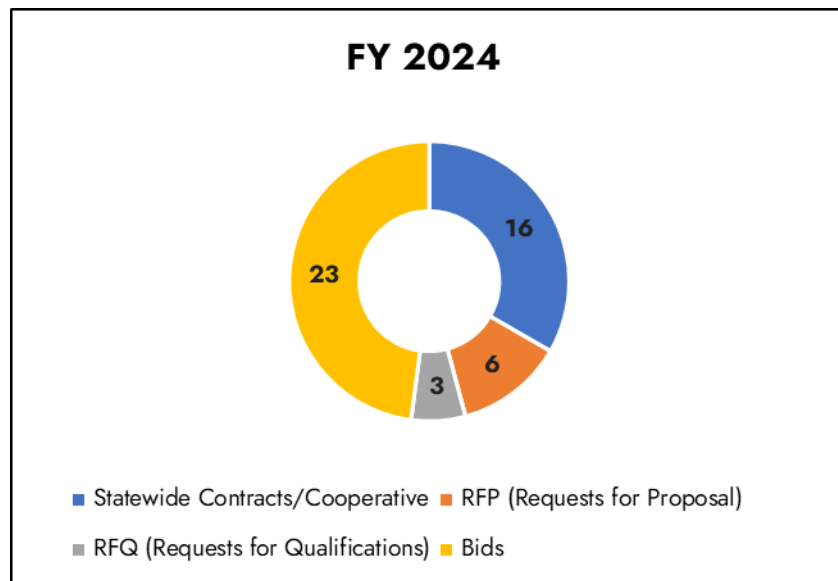
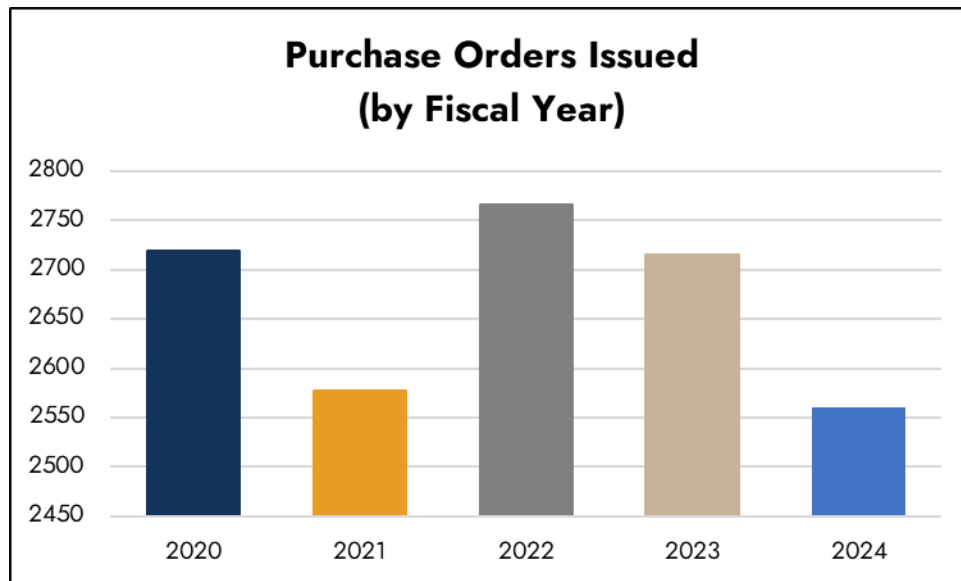
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41530 - Finance</i>				
111 SALARIES & WAGES	406,268	463,736	465,392	505,725
112 OVERTIME	4,966	10,500	3,731	10,500
134 CHRISTMAS BONUS & LONGEVITY	1,629	1,710	1,826	1,905
210 FICA	24,583	29,509	28,556	32,125
212 MEDICARE	5,749	6,902	6,678	7,513
213 TCRS CONTRIBUTION	61,746	72,202	71,443	79,223
214 EMPLOYEE HEALTH INS	112,158	136,123	122,402	120,891
217 EMPLOYEE LIFE INS	2,219	2,671	2,495	2,801
219 WORKERS COMPENSATIONS INSURANCE	9,832	9,505	8,467	15,500
310 POSTAL SERVICE	14,860	15,050	16,804	17,200
321 PRINTING SERVICES	2,002	2,500	2,270	2,500
330 LEGAL NOTICES	1,577	2,100	1,912	2,100
341 ELECTRICITY	10,696	12,000	12,906	13,200
342 WATER & SEWER	7,166	5,000	5,340	5,500
343 NATURAL GAS & PROPANE	511	750	766	800
345 TELEPHONE SERVICES	7,085	8,000	6,529	7,000
353 ACCOUNTING & AUDIT SERVICES	47,798	54,900	73,300	61,400
355 COMPUTER/DATA SERVICE	119,392	168,735	168,656	135,598
359 OTHER PROFESSIONAL SERVICES	61,604	127,500	112,418	93,080
371 SUBSCRIPTIONS & BOOKS	199	200	199	200
375 MEMBERSHIPS & DUES	1,639	3,000	2,588	3,000
378 EDUCATION - SEMINARS & TRAINING	2,586	5,000	4,043	5,000
383 TRAVEL-BUSINESS EXPENSES	1,767	4,000	2,640	4,000
399 OTHER CONTRACTED SERVICES	25,079	47,360	38,488	46,860
411 OFFICE SUPPLIES & MATERIALS	13,514	9,000	10,538	9,000
413 OFFICE EQUIPMENT	1,221	12,075	8,603	1,300
429 GENERAL OPERATING SUPPLIES	29	200	182	200
510 INSURANCE - GENERAL LIABILITY	1,346	1,485	1,530	1,610
514 OPEB FUNDING	100,000	100,000	100,000	0
515 PROPERTY TAXES	4,606	0	0	0
523 PROPERTY (CONTENTS) INSURANCE	281	310	332	350
533 EQUIPMENT- RENTAL/LEASE	8,506	9,410	10,375	10,700
553 BANK SERVICE CHARGES & WIRE FEES	67,814	15,000	53,494	20,000
689 OTHER MISCELLANEOUS EXPENSES	815	300	4,210	5,000
964 OFFICE EQUIPMENT	0	0	0	18,000
<i>41530 - Finance</i>	<i>1,131,243</i>	<i>1,336,733</i>	<i>1,349,113</i>	<i>1,239,781</i>

Purchasing

The City of Morristown utilizes a centralized Purchasing Department to facilitate and manage all City purchases. The Purchasing Department is a function within the Finance Department which is staffed by the Purchasing Agent. The Purchasing Agent works to ensure all City purchases are made in accordance with Federal, State, and Municipal procurement laws, policies, and procedures. The Purchasing Agent's primary responsibility is to procure equipment and services necessary to provide Morristown residents and visitors with exemplary and timely service.

Performance and Workload Measures



Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Continued to communicate to vendors the purchasing requirements of the City and ensured that all vendors require a properly approved purchase order prior to conducting business.
- Continued to pursue training for various finance department staff on purchasing and other municipal finance matters and best practices.
- Maintained sufficient cross-training through purchasing and other finance department areas to continue to effectively operate through staff vacancies and/or shortages.
- In conjunction with the Accounts Payable Department, reviewed and inventoried various service provider contracts to create a master list.
- Reviewed and streamlined internal processes.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Continue training and pursuit of related municipal finance certifications and staff participation in relevant professional organizations.
- Review and consider any necessary updates to the City's purchasing policies and procedures to ensure compliance with Federal, State, and municipal procurement laws.
- Continue efforts to educate departments on procurement laws and policies.
- Continue efforts to surplus and sell unused and/or nonfunctioning equipment no longer of operational use to the City.
- Begin the process of converting paper purchase orders to an electronic format.

Comments on FY 2024 Actual and FY 2025 Projections

- The Purchasing Department operations for the fiscal year ended June 30, 2024 were as expected. It is projected that actual expenditures will be within appropriated amounts for the year ending June 30, 2025.

Significant Changes for FY 2026

- There are no significant changes to this account.

Personnel Summary

PURCHASING	FY22	FY23	FY24	FY25	FY26
PURCHASING AGENT	1	1	1	1	1
TOTAL PURCHASING	1	1	1	1	1

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41610 - Purchasing</i>				
111 SALARIES & WAGES	45,229	52,248	53,585	55,474
112 OVERTIME	0	2,000	0	2,000
134 CHRISTMAS BONUS & LONGEVITY	81	95	87	100
210 FICA	2,649	3,370	3,224	3,570
212 MEDICARE	620	788	754	835
213 TCRS CONTRIBUTION	6,874	8,244	8,142	8,804
214 EMPLOYEE HEALTH INS	14,165	15,553	15,466	15,558
217 EMPLOYEE LIFE INS	248	301	289	307
219 WORKERS COMPENSATIONS INSURANCE	1,234	1,360	1,216	2,000
310 POSTAL SERVICE	89	150	25	150
330 LEGAL NOTICES	93	0	0	0
375 MEMBERSHIPS & DUES	0	400	0	0
378 EDUCATION - SEMINARS & TRAINING	0	800	660	800
383 TRAVEL-BUSINESS EXPENSES	56	400	437	600
411 OFFICE SUPPLIES & MATERIALS	1,005	1,000	978	1,000
413 OFFICE EQUIPMENT	0	0	0	0
510 INSURANCE - GENERAL LIABILITY	1,162	1,280	1,321	1,390
523 PROPERTY (CONTENTS) INSURANCE	243	270	286	300
<i>41610 - Purchasing</i>	<i>73,748</i>	<i>88,259</i>	<i>86,470</i>	<i>92,888</i>

General Fund - Retiree Benefits

This account is used to report the costs associated with funding the group health benefits of retirees of the City of Morristown. It is the policy of the City of Morristown to provide health insurance to all qualifying retirees until they reach age 65. Retirees and their dependents are eligible to remain enrolled in the City's insurance plans on the same terms and conditions as active, full-time employees. A retiree must have worked with the City of Morristown for at least five years to be eligible for this benefit.

Performance and Workload Measures

	FY20	FY21	FY22	FY23	FY24
Premium Cost	499,080	524,572	474,804	447,154	393,498
Retirees/Dependents on Plan	72	70	65	67	70

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be well within budget. The net effect of retirees/dependents aging off the plan and the number of new retirees under age 65 entering the plan was lower than anticipated.

Significant Changes for FY 2026

- Beginning in FY 2026, a new line item is created in an attempt to predict and account for payout of vacation and comp time for long-time employees that either retire or resign. This is an effort to avoid department-specific budget amendments later, minimizing the impact on department-specific budgets within the general fund.
- Beginning in FY 2026, contributions to OPEB – previously accounted for in the Finance Department budget – have been allocated here.

Personnel Summary

- There are no personnel assigned to this function.

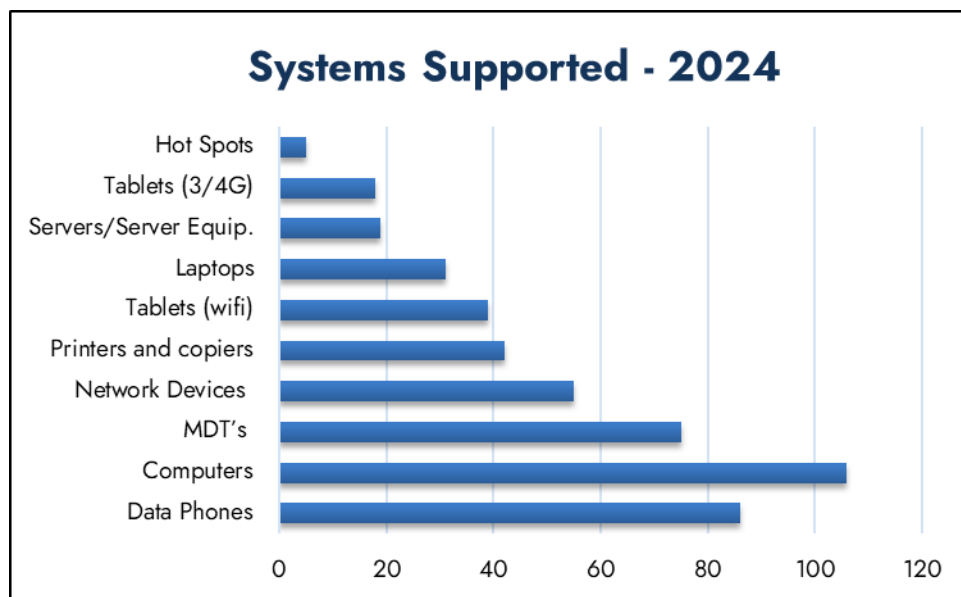
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41630 - General Fund-Retiree Benefits</i>				
262 HEALTH INS/RETIREE	393,498	475,000	405,635	475,000
263 RETIREE VACATION & COMP PAYOUT	0	0	0	40,000
514 OPEB FUNDING	0	0	0	100,000
<i>41630 - General Fund Retiree Benefits</i>	<i>393,498</i>	<i>475,000</i>	<i>405,635</i>	<i>615,000</i>

Information Technology

The Information Technology division provides high quality information and communications systems to the City. Included within this scope are communications support; user training; hardware and software installation and maintenance; the evaluation and acquisition of computer hardware, software, network design and maintenance and other related components; and cyber security efforts including the selection, installation, and maintenance of various forms of protection. The Department consists of one employee and one contractor who provide these services to the entire city.

Performance and Workload Measures



The Information Technology division supports the following hardware and software assets:

Hardware

- Network Infrastructure: WAN (wide area network) and LAN (local area network.) The WAN consists of cabling, switches, and fiber optic connections to the outlying areas of the City (Public Works, Fire Administration, etc.) We are currently running Dell and HP switches with Fiber to outlying areas, Hamblen County Government, 911, Public Works, Purchasing, Parks and Recreation, and Fire Administration. The LAN at the City Center has fiber between floors and switches and servers located in the Demarcation Room and the Server room.
- Servers: The IT Department maintains 19 servers with Operating Systems ranging from Server 2012 to Server 2016. Hardware used: Dell and HP Servers.
- PC's: The IT department maintains 137 computers and laptops.
- Mobile Data Terminals (MDT): The City currently has approximately 75 MDT'S.

- The IT Department supports 86 data phones (smartphones) and 58 tablets (iPads, Android & Surface tablets). Other supported devices include 40 printers/copiers, 55 network devices, spam filter and email archive devices.

Software

- Munis: This is the City's enterprise resource planning software used for finance and administration functions.
- Incode: This is the Police Department's record keeping software, used by Municipal Court and Officers to initiate and track citations.
- Bio-Key: Bio-Key is the software used in the mobile data terminals (MDTs) which allows officers to communicate with each other, Nashville, and the 911 center.
- Titan/Tracs: This software that also runs on the MDTs allows officers to fill out offense reports.
- Document Management/Eclipse: This document management system houses over one million pages of documents for Finance, Police and Administration.
- Energov: Planning department software used to track development projects, permitting, and codes enforcement.
- Antivirus / Spyware: Bit Defender (cloud based, real time) antivirus protection and end-point security is currently being used on all computer equipment.
- R.M.S: (Tyler Technologies) Police Records Management System, which was migrated to a cloud-based environment in FY 2023.
- Rec Desk: This system serves the Parks & Recreation Department with facility reservation, event and sports registrations, and related billing.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Participated in, and provided support for, technical assistance sessions with Tyler and the City's Finance, HR, and Payroll staff to further explore tools available within existing software environments.
- Provided support through the implementation of Tyler Cashiering, Tyler Payments, and Tyler Electronic Asset Management.
- Replaced all switches in the City Center with 1G connectivity.
- Repaired server damage caused by Hurricane Helene.
- Assisted Fire Department with IT installations at the new training room at fire station 3
- Upgraded all fire station phone lines to VOIP
- Implemented public Wi-Fi network throughout city facilities.
- Migrated to the latest version of all Tyler products.
- Successful implementation of Employee Access portal.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continued to maintain inventory system for all information technology systems and peripherals.
- Managed the card access system for the Public Works facility.
- Researched cybersecurity insurance policy needs with the City's insurance provider and colleagues in peer cities.

- Installed and configured a new patch management software onto all supported desktops, laptops, and servers (approximately 200 devices).

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Support the implementation of new programs requested by various departments.
- Fully implement Cyber Security training for 100% of city employees by June 30, 2026.
- Continue external and internal IT penetration testing and correct deficiencies found in test results.
- Consider the need for a redundancy plan for internet service in the event of an emergency.
- Ensure all unnecessary devices are off of the city network.
- Upgrade domain controllers to 2025.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue to actively manage technology related assets/inventory and participate in annual review of internal control policies related to IT functions.

Comments on FY 2024 Actual and FY 2025 Projections

- The I.T. Department operations for FY 2024 were as expected, and it is projected that actual expenditures will be within appropriated amounts for FY 2025.
- The City upgraded the network wiring in City Center in FY 2024, which represents a cost of approximately \$25,000 that is not a typical expenditure for the IT budget.

Significant Changes for FY 2026

- The City is budgeting an estimated figure for cybersecurity insurance coverage with the intent to pursue such a policy in FY 2026.

Personnel Summary

INFORMATION TECHNOLOGY	FY22	FY23	FY24	FY25	FY26
SYSTEMS ADMINISTRATOR	1	1	1	1	1
TOTAL INFORMATION TECHNOLOGY	1	1	1	1	1

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41640 - Information Technology</i>				
111 SALARIES & WAGES	79,009	80,871	85,151	84,084
134 CHRISTMAS BONUS & LONGEVITY	656	668	661	835
210 FICA	4,768	5,056	5,223	5,265
212 MEDICARE	1,115	1,183	1,222	1,232
213 TCRS CONTRIBUTION	12,085	12,370	13,018	12,985
214 EMPLOYEE HEALTH INS	15,661	15,677	15,672	15,676
217 EMPLOYEE LIFE INS	431	466	447	466
219 WORKERS COMPENSATIONS INSURANCE	1,234	1,360	1,216	2,000
330 LEGAL NOTICES	264	400	294	400
341 ELECTRICITY	1,430	1,500	1,725	1,900
342 WATER & SEWER	958	750	714	750
343 NATURAL GAS & PROPANE	68	200	103	200
345 TELEPHONE SERVICES	1,653	2,000	1,653	2,000
355 COMPUTER/DATA SERVICE	118,203	99,140	97,832	105,070
375 MEMBERSHIPS & DUES	0	250	0	250
378 SEMINARS & TRAINING	0	750	0	250
383 TRAVEL-BUSINESS EXPENSES	0	750	0	250
399 OTHER CONTRACTED SERVICES	34,277	61,200	39,822	65,780
411 OFFICE SUPPLIES & MATERIALS	8	250	40	250
413 OFFICE EQUIPMENT	674	0	0	600
417 ADP PARTS & COMPONENTS	7,644	8,500	7,487	8,500
429 GENERAL OPERATING SUPPLIES	0	300	0	300
510 INSURANCE - GENERAL LIABILITY	5,139	5,655	5,842	6,135
523 PROPERTY (CONTENTS) INSURANCE	1,074	1,185	1,267	1,330
533 EQUIPMENT - RENTAL/LEASE	0	0	0	0
964 OFFICE EQUIPMENT	73,711	76,700	75,206	44,860
999 OTHER CAPITAL OUTLAY	40,072	1,650	0	0
<i>41640 - Information Technology</i>	<i>400,134</i>	<i>378,831</i>	<i>354,595</i>	<i>361,368</i>

Human Resources

Human Resources is responsible for administering the classification and compensation program; developing policies, rules and regulations for City employees; administering the City's group insurance programs; assisting departments in the personnel management function; keeping apprised of new laws and regulations in personnel management; and assisting departments with training programs.

Performance and Workload Measures

	2020	2021	2022	2023	2024
Jobs Posted	16	23	25	27	31
Applications Reviewed	242	203	282	242	241
Interviews	88	81	126	135	115

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- In 2024, the City was certified as a “Tennessee Drug Free Workplace” and implemented an updated Drug Free Workplace Policy.
- Held annual required training for Harassment and Title VI.
- Continued to provide an employee health clinic in cooperation with Hamblen County to improve employee wellness and control costs of health needs.
- Continued implementation of personnel related policy changes in response to the Classification and Compensation Study. The second and final phase of pay adjustments related to this study were incorporated into the FY 2025 budget.
- Provided ongoing liaison support between city staff and employee clinic personnel to troubleshoot administrative issues as needed.
- Provided support to Civil Service.
 - Scheduled testing for 69 responding applicants
 - Scheduled, conducted, and graded 55 written tests
 - Scheduled 35 interviews with Civil Service and Chiefs of Fire & Police
 - Conducted three (3) testing cycles (physical & written) for Police and one (1) testing cycle for Fire
 - Hosted an orientation/training for three new Civil Service Board members.
- Coordinated an in-person open enrollment with a pandemic-inspired backup plan to include virtual options.
- Worked alongside Payroll, Finance, and IT to implement the Employee Access program with the city's software provider. The program allows employees to electronically access pay advices, and W-2s. Ultimately, the system saves considerable processing time and printing costs.
- Received technical assistance and in-house support from the city's software provider to improve configuration of human resources related data for improved functionality.
- Continued to seek support on Position Control related information.



- Mark III, the City's insurance broker, continued to provide employees with health and wellness information and recommendations through its newsletter series.
- Continued to promote membership at the Morristown Landing Recreation & Event Center to new hires and existing employees as an employee benefit. Discounted memberships are also available as a benefit to employee families.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Continue to ensure staff are trained in EEOC and employee law changes.
- Simplify the online application process for Police and Fire applicants.
- Remain a Certified Tennessee Drug Free Workplace.
- Promote diversity.
- Work with Mark III, City insurance broker, to understand trends impacting healthcare and insurance and to identify cost savings for our benefit plan.
- Continue to work through the recommendations from prior year Investment Assessments, identifying training and software solutions to improve efficiencies in HR and Payroll functions.
- Consider further software solutions related to HR and Payroll that may modernize timekeeping and payroll processing.
- Work with Premise employee clinic on opportunities for continued improvement.

Comments on FY 2024 Actual and FY 2025 Projections

- The Human Resource Department operations for FY 2024 were as expected. The FY 2025 budget was amended mid-year to account for a minor reorganization, bringing the administrative staff function for the Civil Service Board into the Human Resources division. This reduced one Administrative Assistant position in the Public Works Administration division.

Significant Changes for FY 2026

- Due to a minor reorganization in FY 2025, FY 2026 will be the first full fiscal year showing the second staff position included in the Human Resources division. Duties were realigned and the Public Works Administration division was reduced by one Administrative Assistant position.

Personnel Summary

HUMAN RESOURCES	FY22	FY23	FY24	FY25	FY26
HUMAN RESOURCES COORDINATOR	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	0	0	0	0	1
TOTAL HUMAN RESOURCES	1	1	1	1	2

Budget Expense Detail

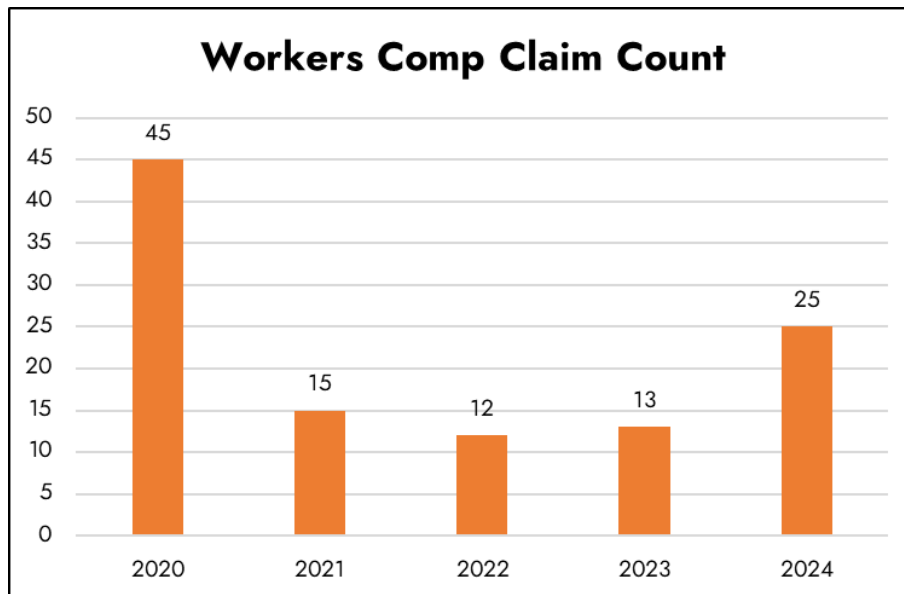
Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41650 - Human Resources</i>				
111 SALARIES & WAGES	70,763	73,591	115,545	122,029
112 OVERTIME	4,097	5,000	3,550	5,000
118 OTHER SALARIES CIVIL SERVICE	7,200	7,200	7,200	7,200
134 CHRISTMAS BONUS & LONGEVITY	267	281	354	380
210 FICA	4,936	5,337	7,466	8,346
212 MEDICARE	1,154	1,249	1,746	1,952
213 TCRS CONTRIBUTION	11,488	11,965	18,120	19,481
214 EMPLOYEE HEALTH INS	15,636	15,645	29,753	31,163
217 EMPLOYEE LIFE INS	391	424	624	676
219 WORKERS COMPENSATIONS INSURANCE	1,234	1,360	1,216	4,000
221 UNEMPLOYMENT INSURANCE	0	1,000	0	0
310 POSTAL SERVICE	110	300	102	300
321 PRINTING SERVICES	1,920	1,000	0	1,000
330 LEGAL NOTICES	6,840	7,500	6,514	7,500
341 ELECTRICITY	1,311	2,500	1,581	2,500
342 WATER & SEWER	878	1,500	654	900
343 NATURAL GAS & PROPANE	63	300	94	300
345 TELEPHONE SERVICES	723	750	721	750
371 SUBSCRIPTIONS & BOOKS	0	350	0	350
375 MEMBERSHIPS & DUES	175	500	175	300
378 EDUCATION - SEMINARS & TRAINING	0	3,000	750	1,500
383 TRAVEL-BUSINESS EXPENSES	0	1,500	0	750
399 OTHER CONTRACTED SERVICES	8,625	24,050	14,924	15,000
411 OFFICE SUPPLIES & MATERIALS	1,514	1,400	1,102	1,400
413 OFFICE EQUIPMENT	0	0	0	200
429 GENERAL OPERATING SUPPLIES	0	300	0	300
499 OTHER SUPPLIES & MATERIALS	0	500	0	500
510 INSURANCE - GENERAL LIABILITY	2,266	2,495	2,576	2,705
523 PROPERTY (CONTENTS) INSURANCE	474	525	558	590
533 EQUIPMENT - RENTAL/LEASE	3,014	3,000	3,015	3,000
<i>41650 - Human Resources</i>	<i>145,079</i>	<i>174,522</i>	<i>218,340</i>	<i>240,072</i>

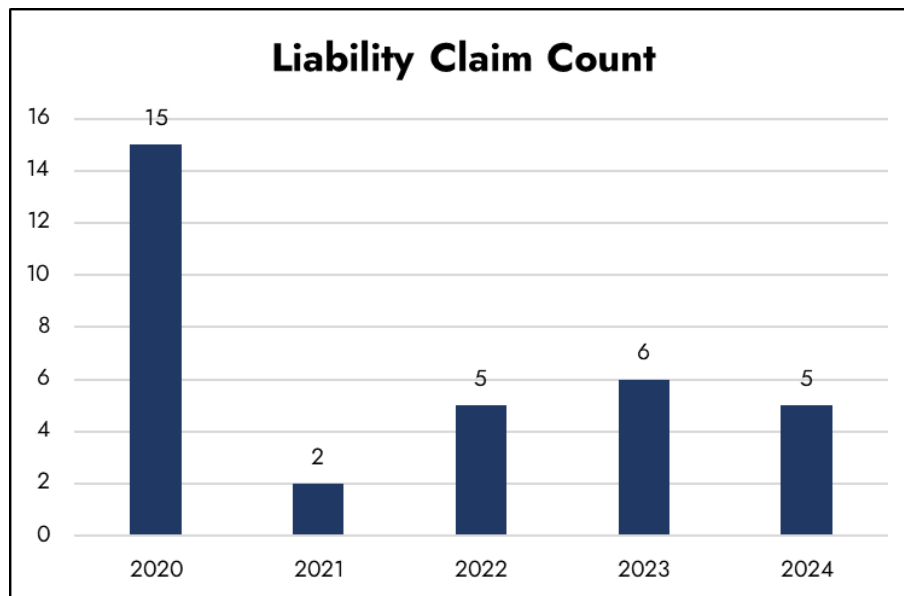
Risk Management

Risk Management is responsible for liability and safety-related concerns for the City. These include Workers Compensation, accidents, and workplace safety. This department also works closely with the City's liability carrier (Public Entity Partners) to be proactive in identifying possible problem areas and solutions.

The Safety Officer and Administrative Coordinator report out of this department. These individuals are responsible for ensuring safety policies are followed, reporting of workplace accidents and providing the necessary safety training for employees of Public Works, Parks and Recreation, Community Development, and Administration. Police and Fire safety matters are handled by those departments.

Performance and Workload Measures





Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Safety Officer provided training for staff for Work Zones, Confined Space, Blood Borne Pathogens, Trench Safety, Storm Water (addresses SWPPP) and other areas of need.
- Performed spot checks on Pre-Trip inspections for vehicles.
- Provided obstruction mediation for roadway signs.
- Updated and created an electronic file for all Safety Data Sheets at Public Works.
- Created an electronic chemical inventory sheet.
- Updated and maintained an Exposure Control Plan.
- Completed Workers Compensation training for administration of program.
- Trained and passed 17 employees with CDL Class A licenses.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



Training

- Continue to provide training of staff.
- Adopt new training for areas that have not been targeted before.
- Become more integrated with all City Departments.
- Pass Playground Certification test.
- Continue the perfect record of preparing employees to pass the CDL test.

Evaluations

- Continue to evaluate the process of playground equipment inspections and working with Parks and Recreation to verify operational efficiency and safety.
- Evaluate current processes and procedures for Departments.
- Continue to evaluate processes and equipment for the Public Works facility.
- Inspect City buildings for Loss Control items annually.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures remain within budget and as expected.

Significant Changes for FY 2026

- The City has been successful with its in-house CDL training which has required significant time of the Safety and Training Coordinator. The FY 2026 budget incorporates a dedicated CDL trainer to better support this internal program.

Personnel Summary

RISK MANAGEMENT	FY22	FY23	FY24	FY25	FY26
ADMINISTRATIVE COORDINATOR	1	1	1	1	1
SAFETY & TRAINING COORDINATOR	1	1	1	1	1
CDL PROGRAM TRAINER	0	0	0	0	1
TOTAL RISK MANAGEMENT	2	2	2	2	3

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41655 - Risk Management</i>				
111 SALARIES & WAGES	132,080	129,803	126,960	168,104
112 OVERTIME	0	500	757	500
134 CHRISTMAS BONUS & LONGEVITY	1,125	1,126	1,093	1,225
210 FICA	8,010	8,149	7,892	10,530
212 MEDICARE	1,873	1,906	1,846	2,463
213 TCRS CONTRIBUTION	19,894	19,938	17,987	25,967
214 EMPLOYEE HEALTH INS	31,097	31,216	32,190	46,682
217 EMPLOYEE LIFE INS	687	748	626	931
219 WORKERS COMPENSATIONS INSURANCE	2,468	2,715	2,431	6,000
226 CLOTHING/UNIFORM/SHOES	250	500	430	500
321 PRINTING SERVICES	0	100	60	100
345 TELEPHONE SERVICES	496	500	457	500
351 MEDICAL SERVICES	60	56	32	56
375 MEMBERSHIPS & DUES	40	250	140	250
378 EDUCATION - SEMINARS & TRAINING	1,255	1,750	8,700	9,000
383 TRAVEL-BUSINESS EXPENSES	1,494	2,000	610	1,500
399 OTHER CONTRACTED SERVICES	210	300	180	300
411 OFFICE SUPPLIES & MATERIALS	1,710	1,000	2,040	1,500
431 GASOLINE & DIESEL FUEL	619	1,275	916	850
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	0	700	130	500
510 INSURANCE - GENERAL LIABILITY	2,262	2,490	2,571	2,700
523 PROPERTY (CONTENTS) INSURANCE	473	520	557	585
999 OTHER CAPITAL OUTLAY	9,325	0	0	0
<i>41655 - Risk Management</i>	<i>215,428</i>	<i>207,542</i>	<i>208,605</i>	<i>280,743</i>

Legal Services

The Legal Services department is comprised of the City Attorney. The City Attorney is appointed by City Council and renders professional legal services to the City through legal counseling to the City Council, City Administrator and staff; prosecution of violations of the City ordinances and state laws; formulation and completion of special projects regarding legalities; representation before all levels of courts; reviews and approves all ordinances and resolutions submitted for City Council consideration and approves contracts and documents executed on behalf of the City. Other legal services for the City are provided through the City's risk management insurance. These services are conducted as a joint effort with the City Attorney.

Comments on FY 2024 Actual and FY 2025 Projections

- The Legal Services Department operations for the fiscal year ending June 30, 2024 were as expected. It is projected that actual expenditures will remain within the appropriated amounts for fiscal year ending June 30, 2025.

Significant Changes for FY 2026

- There are no significant changes planned in FY 2026.

Personnel Summary

- No personnel are assigned to this department.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
41660 - Legal Services				
352 LEGAL SERVICES	95,742	110,000	102,838	110,000
41660 - Legal Services	95,742	110,000	102,838	110,000

Court Administration

Court Administration accounts for the activities of City Court. City Court is presided over by the Municipal Judge who is appointed to a four (4) year term by City Council. City Court functions as a forum where citizens may receive a swift trial concerning violation of City ordinances. Money received for fines, court costs and appearance bonds is deposited in the General Fund of the City.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Successfully implemented the Tyler Technologies Court Bundle and worked to ensure product was used effectively by staff.
- Continued training and cross-training staff to expand the ability to serve taxpayers in an efficient manner.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Continue to consider opportunities to take advantage of the Tyler Technologies Court Bundle functions for communicating with customers of the court.
- Implement system to more efficiently track court cases by quantity and type.

Comments on FY 2024 Actual and FY 2025 Projections

- The Court Administration operations for the fiscal year ended June 30, 2024 were as expected. FY 2025 expenditures are estimated to remain under budget.

Significant Changes for FY 2026

- There are no significant changes to the budget for FY 2026.

Personnel Summary

COURT ADMINISTRATION	FY22	FY23	FY24	FY25	FY26
CITY JUDGE	1	1	1	1	1
RECORDS CLERK	1	1	0	0	0
TOTAL COURT ADMINISTRATION	2	2	1	1	1

Note: Beginning in FY 2024, due to changes in duties, the Records Clerk position will no longer be budgeted in Court. Instead, the position has been reclassified as a Revenue Accountant and is housed in the Finance budget, though the court administration tasks are still a part of the position's role.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41665 - Court Administration</i>				
111 SALARIES & WAGES	9,620	13,645	10,120	13,645
210 FICA	434	846	533	846
212 MEDICARE	102	198	125	198
214 EMPLOYEE HEALTH INS	15,461	15,386	15,460	15,383
217 EMPLOYEE LIFE INS	28	79	38	76
219 WORKERS COMPENSATIONS INSURANCE	1,234	1,360	1,257	2,000
378 EDUCATION - SEMINARS & TRAINING	0	500	0	500
383 TRAVEL-BUSINESS EXPENSES	0	250	0	250
411 OFFICE SUPPLIES & MATERIALS	81	250	0	250
510 INSURANCE - GENERAL LIABILITY	1,795	1,975	0	0
523 PROPERTY (CONTENTS) INSURANCE	375	415	0	0
<i>41665 - Court Administration</i>	<i>29,130</i>	<i>34,904</i>	<i>27,533</i>	<i>33,148</i>

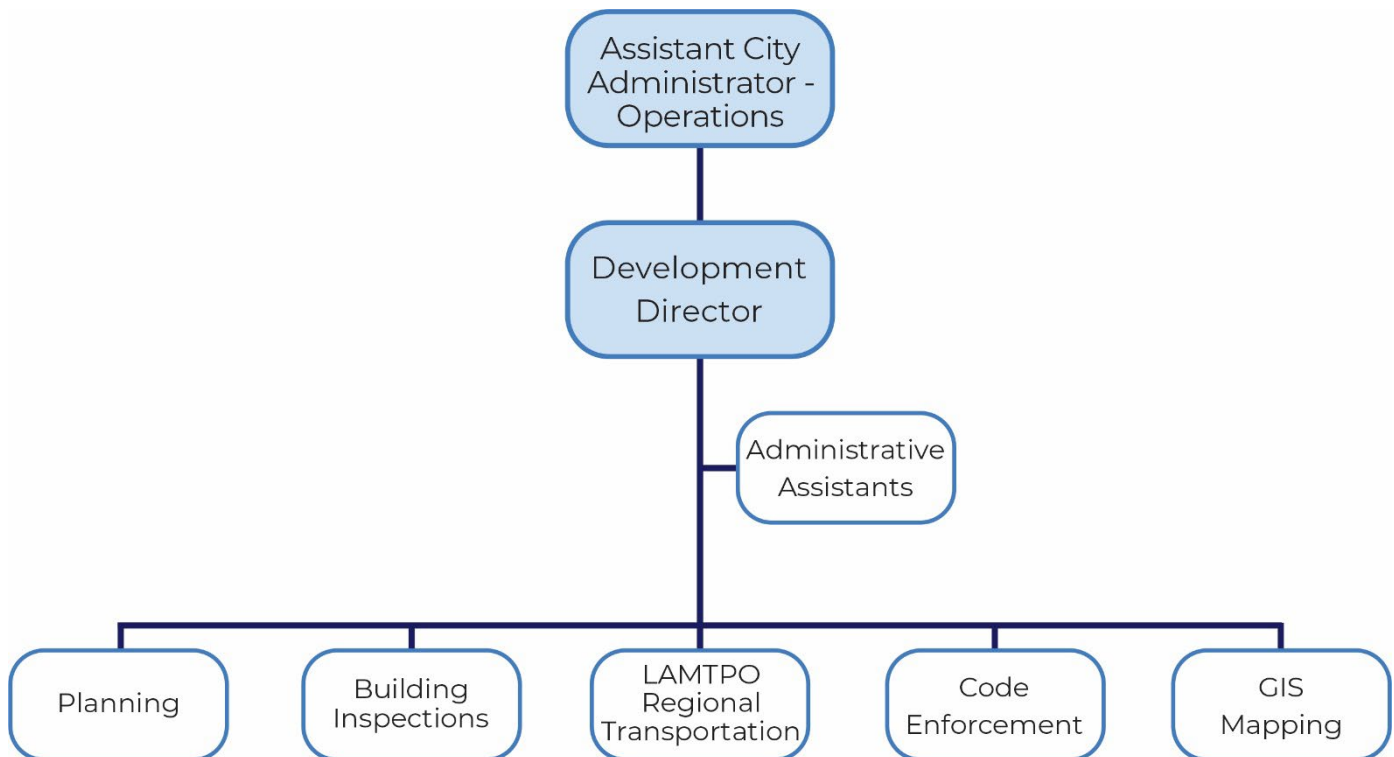
COMMUNITY DEVELOPMENT DEPARTMENT



MISSION STATEMENT

1. Provide the City Administrator, other City departments, public officials and the general public with prompt, courteous, educated, professional, and valuable service.
2. Develop, maintain and implement an operative Comprehensive Planning System for the City and surrounding region.
3. Encourage economic growth through establishing and maintaining the most current growth management and land development techniques and codes for the City of Morristown and surrounding region.
4. Continue to grow and expand the services and informational resources of our department through emerging technology, Geographic Information Systems, and advancement in communication techniques.

Community Development Organization Chart



Planning

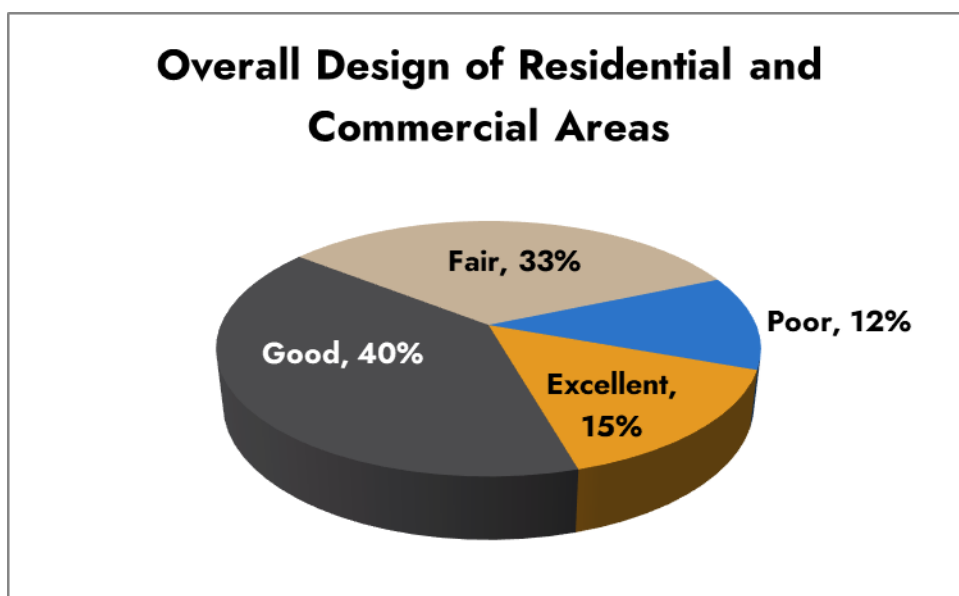
The Planning Department establishes and directs short-term and long-range programs to direct new development, preserve important features, and enhance the quality of life and physical environment within the Morristown community. The department serves as a front-line advocate to elected and appointed officials where growth and development are concerned.

Current planning involves working with the development community including realtors, engineers, surveyors, appraisers, builders, developers, architects, and business owners. The staff assists developers in preparing plans that meet regulations and guides them through the approval process. Once approved, staff reviews the site to maintain compliance through bonding procedures, site inspections, and updates to the Planning Commission and City Council.

Long-range planning involves preparing studies, guidelines and policies to be implemented by the Morristown Regional Planning Commission or the Morristown City Council over periods of time ten years or greater into the future.

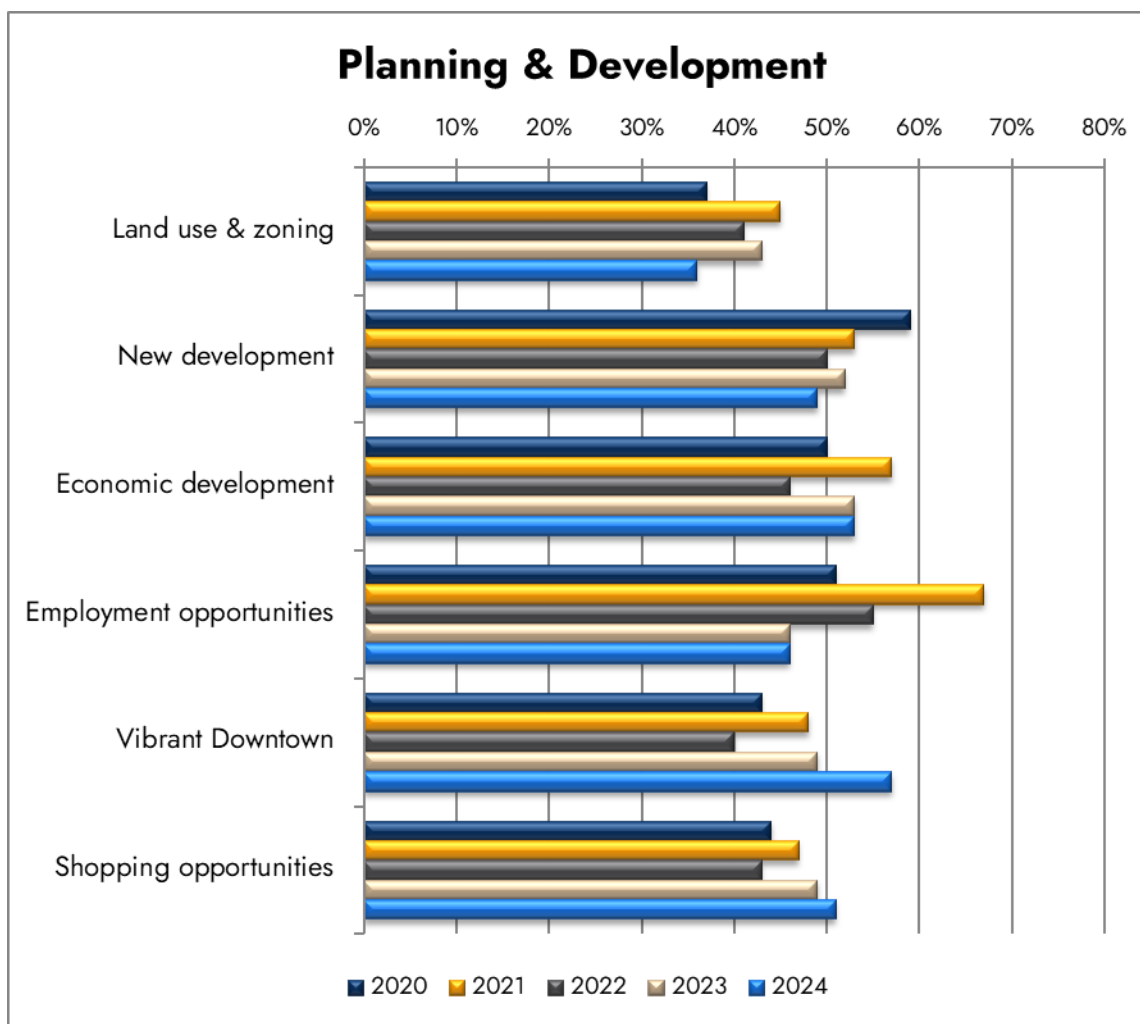
An administrative process of management and professional assistance coordinates the activities of this department in a cohesive fashion. This department works closely with the Morristown Regional Planning Commission with regards to annexation, subdivision development, zoning issues, and other related planning functions. In addition, the Department provides planning services to the Morristown Industrial Development Board and Hamblen County.

Performance and Workload Measures



Source: 2024 Citizen Survey

In 2024, 55% of citizens gave Morristown a positive rating for the overall design or layout of the community’s residential and commercial areas. This is a 4% increase over the prior year. Interestingly, respondents in the northeast of the city were the least favorable about the overall design of residential and commercial areas. Yet, these same respondents were the most positive (or among the most positive) with questions about well-planned residential growth, well-planned commercial growth, overall quality of new development, overall appearance, and land use, planning & zoning.



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Respondents’ ratings for land use and zoning fell from 2023 to 2024 with 36% responding favorably. Though lower than we would like, the rating remains similar to those seen across the country as they have been for every year we have been in the survey program. Those in the northeast part of the city were most favorable in this question compared to other areas.

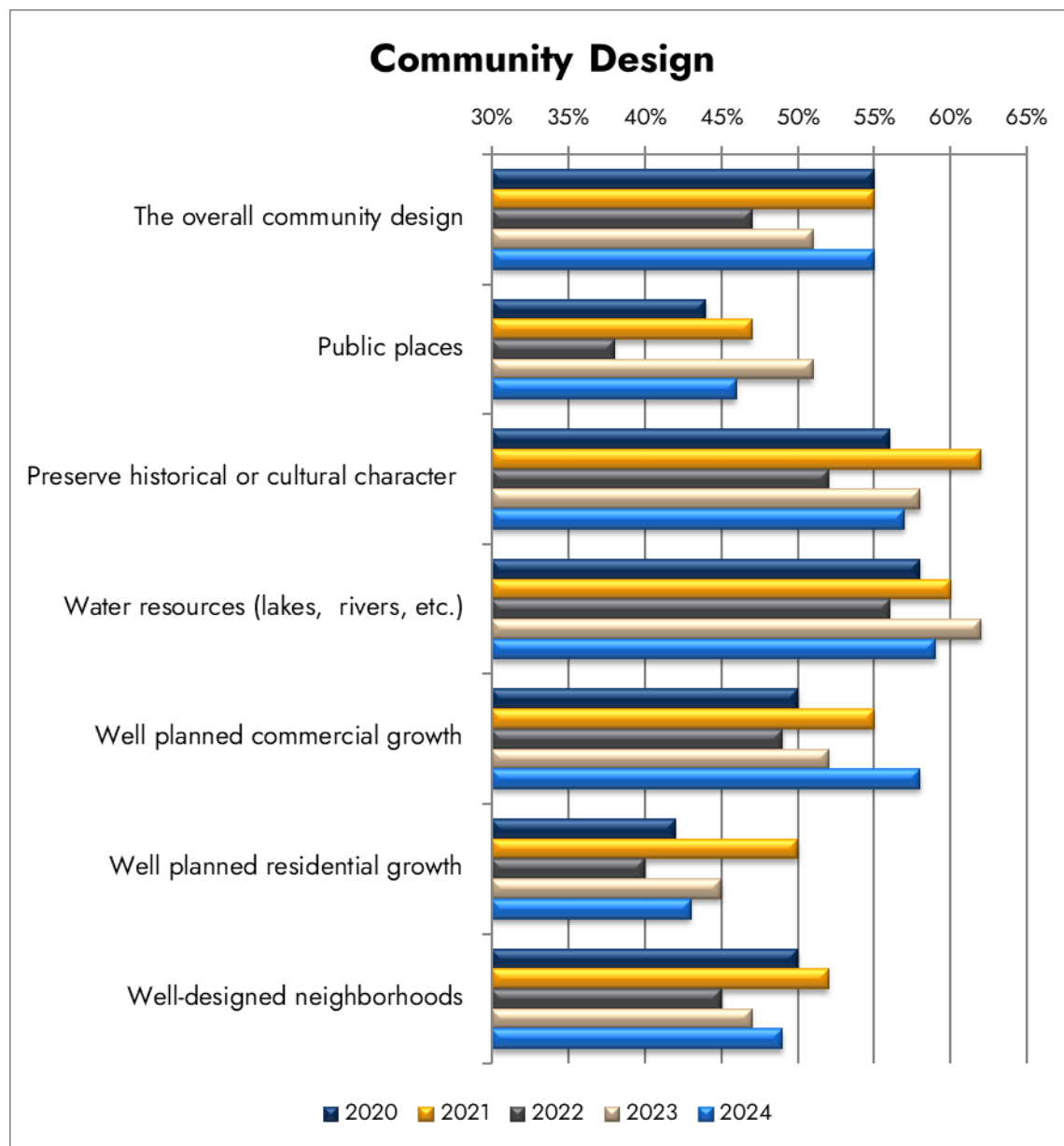
New development was seen as positive by 49% of our residents which is a slight decrease over last year. Morristown has been on par with other communities for the past 12 years. Those living in the northeast and southeast were more positive than those in the western half of the city. Residents aged 18-34 were significantly more favorable than older residents. We expect to continue to have mixed reactions to ongoing and continued commercial and residential development. Despite being an area with a lower than average

household median income, we continue to see growth in new development bringing more regional and national establishments to Morristown.

Assessments of both economic development and employment opportunities remain the same from 2023 to 2024 with 53% and 46%, respectively. Both of these are similar to the national benchmark. A continually diversifying industrial base and growth as a retail hub for our immediate area serve to strengthen our economic core and continue to provide quality job opportunities. Those aged 35-54 were less favorable than their younger and elder neighbors in their view of economic development and employment opportunities. Those with incomes over \$200,000 were most favorable in both of these areas. Likewise, those that own their homes were more favorable than renters and those living in detached housing were more favorable than those in attached housing.

Opinions about Morristown's downtown area continues to improve. A significant increase to 57% favorably responded about the vibrancy of the downtown area. Opinions about downtown have significantly improved over the early years of the survey program; in 2013 less than a quarter of respondents were positive about the central business district. Other communities across the nation have a comparable rating, and Morristown has remained similar to these peers for the last 10 years. Those with 6 or more years residency in Morristown were less favorable than those newer to the City. Those living in the 1st ward in the northwest of the city were previously the most critical of the central business district but this year show as the most favorable of downtown. The least favorable this year is the southwest portion of the city, but even that area was 53% favorable. Those households with incomes under \$100,000 tend to be more favorable than more affluent residents. More businesses and investment activity in downtown are likely driving the improving responses related to downtown. The fact that there has been such an improvement in favorable response even following the devastating loss of one of the cornerstone buildings to a fire in early 2024 creates increased optimism for what may be ahead for downtown.

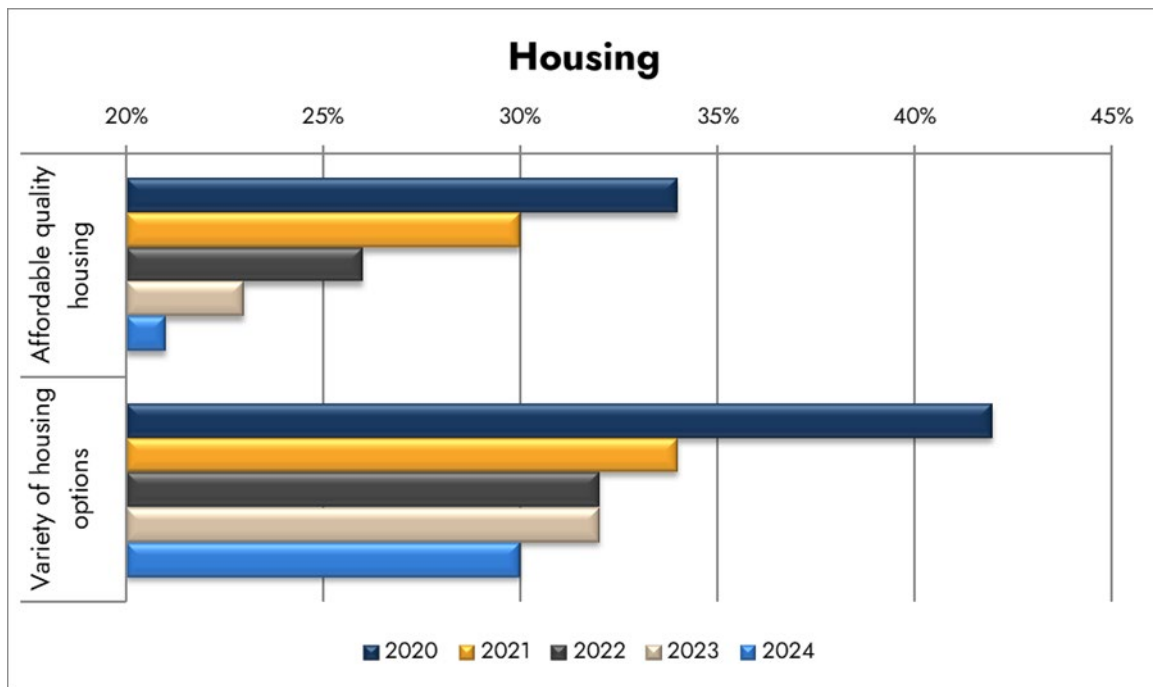
Opportunities for shopping in our community received a 51% positive rating, which is a slight improvement over last year and remains above the average for this rating. Morristown scores have been comparable to our national peers for the last 13 years. Those living in the northwest were the most critical, and those in the southwest were the most favorable about opportunities to shop in the city. Households with incomes between \$50,000 and \$100,000 were the most favorable about shopping opportunities, and those more affluent households were significantly less so.



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Residents’ evaluation of the overall community design with a 55% favorable rating matches the previous high score over the life of the survey. Over time residents have been very consistent with this rating; the favorable rating has fallen below 50% only once since 2013. We are comparable to other communities across the nation for the 11th straight year. Those living in the northeast were least favorable. Those with incomes between \$100,000 and \$200,000 were most favorable – significantly more so than those of other income brackets. While there is general satisfaction with design, this will be an area leaders will need to manage as we continue to see growth and new development.

When respondents were asked to assess Morristown’s public places as areas where people want to spend time, 46% gave a favorable rating, which is a drop from last year but aligns with the average seen over the last several years and remains consistent with the national benchmark. Results were relatively consistent across most demographic comparisons, but men responded significantly more favorably as well as those that own their homes, those with detached housing, and those with children living in the household.



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Resident responses about the availability of affordable quality housing continued the decline seen in recent years, setting a new low for the 14-year survey program. Even with the lower ratings, we are similar to other communities. Those aged 18-34 were the most favorable by age. Residents having lived in Morristown 6-10 years were significantly more favorable than shorter- or longer-term neighbors. Those who owned their home had a more favorable view of the availability of affordable quality housing than renters, which may stand to reason if some renters seek to move into home ownership.

With our population swelling spurred by job growth, the housing market is struggling to keep pace. Although there has been strong growth in housing construction, the supply is not keeping pace with demand. Competition has driven prices higher and longer-term residents are competing for housing with those who are moving to the region. Our housing costs are increasing but are below some of our neighboring cities. With Morristown’s historically low prices, newcomers still see housing here as a bargain. As Morristown grows, the appropriate balance between entry level housing and more costly alternatives will be a challenge. To attract retail development and improve our overall financial wellbeing as a community, we would like to see more middle and upscale housing. It is also important to provide affordable housing options for the workforce needed for local manufacturing.

Responses about the variety of housing options continued the declining trend with only a 30% positive rating – a new record low. Despite the low rating, we remain comparable to others across the nation. A departure from last year, those aged 35-54 were the most critical in this category, whereas last year, younger residents were by far the most critical. Those with less than 5 years of residency were the most favorable – another surprising result, but perhaps another indicator that providing housing alternatives is a concern across a variety of demographics and across the country. Much like the national housing market, we are failing to meet resident expectations for housing variety. With higher interest rates and the higher costs of building materials, new housing construction remains strong in Morristown, but cost remains a challenge.

Task	2020	2021	2022	2023	2024
Community Development & Planning					
City of Morristown					
Subdivision application	21	27	53	67	77
Site Plans Reviewed	30	22	38	42	45
Annexation (parcels)	4	4	7	9	2
Annexation (acres)	86	30	65	66	110
Bonds Administered	9	13	14	10	12
Rezoning Requests	8	14	23	18	15
Variance Requests	2	1	0	4	4
Use on Review Requests	4	4	8	7	8
Zoning Ordinance Text Amendments	5	1	4	7	3
Subdivision Regulations Text Amendments	3	0	2	1	1
Hamblen County					
Subdivision application	36	29	45	47	40
Site Plans Reviewed	7	2	2	4	4
Rezoning Requests	5	2	3	8	9
Variance Requests	3	4	3	6	5
Administrative Interpretations	0	6	11	11	17
Text Amendments (Zoning & Subdivision Regs)	1	1	1	5	1

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



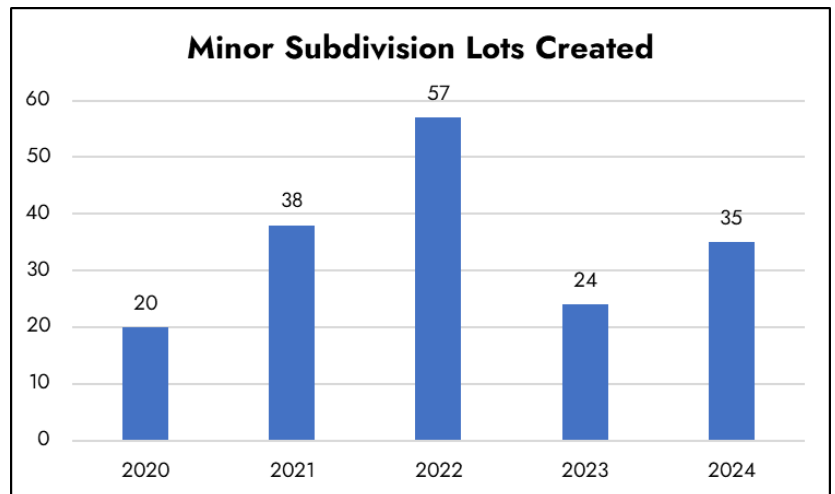
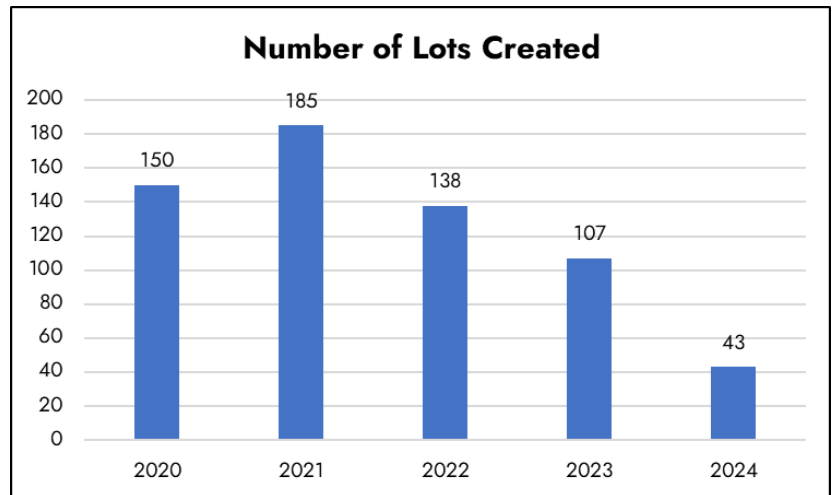
- Continued to serve the development community with prompt, professional, and courteous service in completing development-related tasks.
- Continued to update the Zoning Ordinance and Subdivision Regulations to maintain regulations that are current and relevant to modern development trends. These amendments include:
 - Text amendment to Zoning Ordinance regarding Self-Service Storage Facilities
 - Text amendment to Zoning Ordinance regarding the Mixed-Use District (MUD)
 - Text amendment to the Subdivision Regulations regarding the requirements for streetlights on private streets.
- Provided training opportunities for all Planning Commissioners and staff as mandated by the State of Tennessee.
- Maintained Continuing Professional Credit Hours as required by the American Institute of Certified Planners (AICP).
- Continued to provide administrative support to the City Council, Planning Commission, Board of Zoning Appeals, and City Administrator as needed.
- Continued to provide planning/technical support to Hamblen County, reviewing site plans, subdivisions, rezoning requests, and text amendments to the County's Zoning Ordinance.



Residential Subdivisions

The number of new residential lots was down from 2023 (107 to 43). Wedgewood, Phase I Subdivision was the only notable subdivision – a moderate size subdivision receiving final approval (30 lots). A few smaller subdivisions made up the additional 13 new lots created by the major subdivision process. The number of lots approved by Minor Subdivisions has increased slightly from 24 to 35 new lots. Minor Subdivisions are those actions that divide property, creating no more than one new lot. Five subdivisions, with a total of 176 lots received preliminary approval and are in various stages of construction. These include:

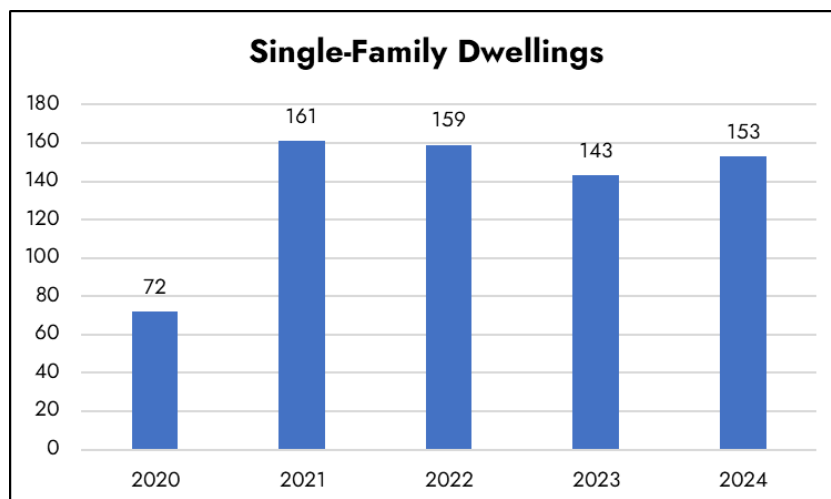
- Noes Chapel Subdivision (46 lots)
- Bridgewater Pointe Phase III (38 lots)
- Masengill Landing-Phase 1 (57 lots)
- Reese Street Subdivision (10 lots)
- Windswept Phase, IV Unit 2 (25 Lots)



Single-Family Residential Development

The number of permits for new single-family dwellings increased slightly over last year (143 to 153) and is an indication of a strong demand for single-family homes. The number of new homes over the past four years has averaged over 150 homes per year, which is significantly higher than previous years. Based on the number of available lots and the number of subdivisions which are in different stages of development,

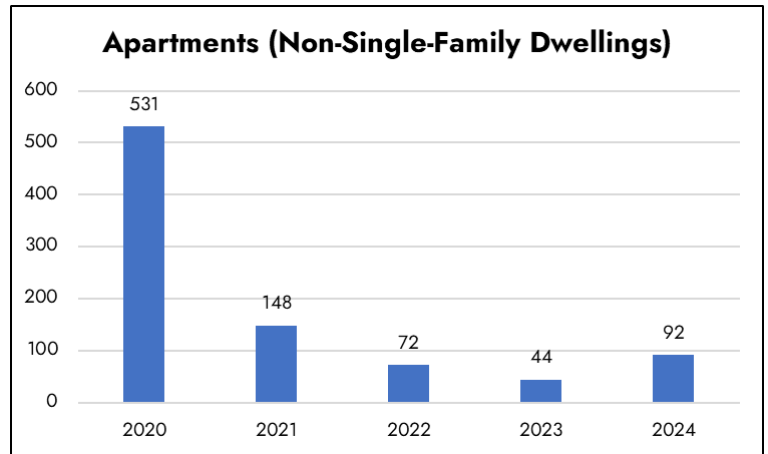
this trend is expected to continue.



Multi-Family Residential Development

The number of approved, new multi-family residential units has more than doubled from last year, increasing from 43 to 92 units. The largest developments were “Monta Vista Apartments” and “The Reserves” Phase II, each with 36 units. The following developments were approved in FY 2024.

- Monta Vista Apartments (36 unit)
- Park Vista Apartments (12 units)
- The Reserve, Phase II (36 units)
- Barkley Landing (8 units)



RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Oversight approval/development of the following institutional developments:
 - Completion of the new Lincoln Elementary School (87,900 sq. ft.)
 - Miller Boyd Elementary Renovation and Expansion (2,400 sq. ft.)
 - West High CTE Renovation and Expansion (23,000 sq. ft.)
 - New EAA Hanger (8,800 sq. ft.) (underway)
 - Taxi lane and western hangar expansion area (underway)

STRONG & DIVERSE ECONOMY



- Oversight approval/development of:

Commercial Developments:

- Talbott Weigel's (4,800 sq. ft.)
- 11E HVAC - Brock Snowden (4,000 sq. ft.)
- Global Empire Storage and retail center (12,200 sq. ft.)
- Summertown Metals, Phase I (37,500 sq. ft.)
- Waffle House (1,800 sq. ft.)
- Buffalo Self-Storage LLC, Phase I (144 units)
- Sugar Hollow Asphalt Plant (10,000 sq. ft.)
- Morristown Dialysis (8,362 sq. ft.)
- Merchants Greene Shopping bldg. # 1 (12,200 sq. ft.)
- Merchants Greene Shopping bldg. # 2 (9,000 sq. ft.)
- Bellwood Farms Shopping Center (142,956 sq. ft.)
- Data Storage Center (3.75 acres)
- Porter Tire - W. A.J. (9,600 sq. ft.)
- Casey's Convenience (5,317 sq. ft.)
- Candlewood Suites (90 rooms)

Industrial Developments:

- Meritor Cooling Tower
- Howmet Expansion (10.260 sq. ft.)
- Colortech Expansion Plant II (12,000 sq. ft.)
- IATRIC Pre-Treatment Basin (.9 acres)
- Carlton Solutions addition (5,000 sq. ft.)



- Provided Staff support to the Tree Board.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Continue update of the Zoning Ordinance.
- Continue to update the Subdivision Regulations.
- Continue to serve the development community with prompt, professional, and courteous service in completing development-related tasks.
- Continue to host joint meetings and training opportunities of the Morristown Regional Planning Commission and the Hamblen County Planning Commission.
- Obtain professional training for planning staff and complete the required training for the Morristown Regional Planning Commission members for the calendar year 2025.
- Continue to maintain American Institute of Certified Planners (AICP) Certification.
- Continue to provide administrative support to the Morristown Regional Planning Commission and Board of Zoning Appeals.
- Support the Downtown and the Chamber of Commerce Downtown Committee.
 - Continue to attend and provide technical support to the Chamber of Commerce Downtown Committee Executive Board, Economic Development Committee, and Music on the Green Committee.
 - Support the Chamber of Commerce Downtown Committee in recruiting businesses.
 - Support the Chamber of Commerce Downtown Committee in the development of a Downtown Strategic Plan.
 - Continue to conduct the annual Downtown Parking Study to better understand parking needs.
 - Continue to support the Community Appearance Committee to improve the aesthetic appeal of the City.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- There are no significant changes in FY 2026.

Personnel Summary

PLANNING	FY22	FY23	FY24	FY25	FY26
DEVELOPMENT DIRECTOR	1	1	1	1	1
PLANNER	2	2	2	2	2
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
TOTAL PLANNING	4	4	4	4	4

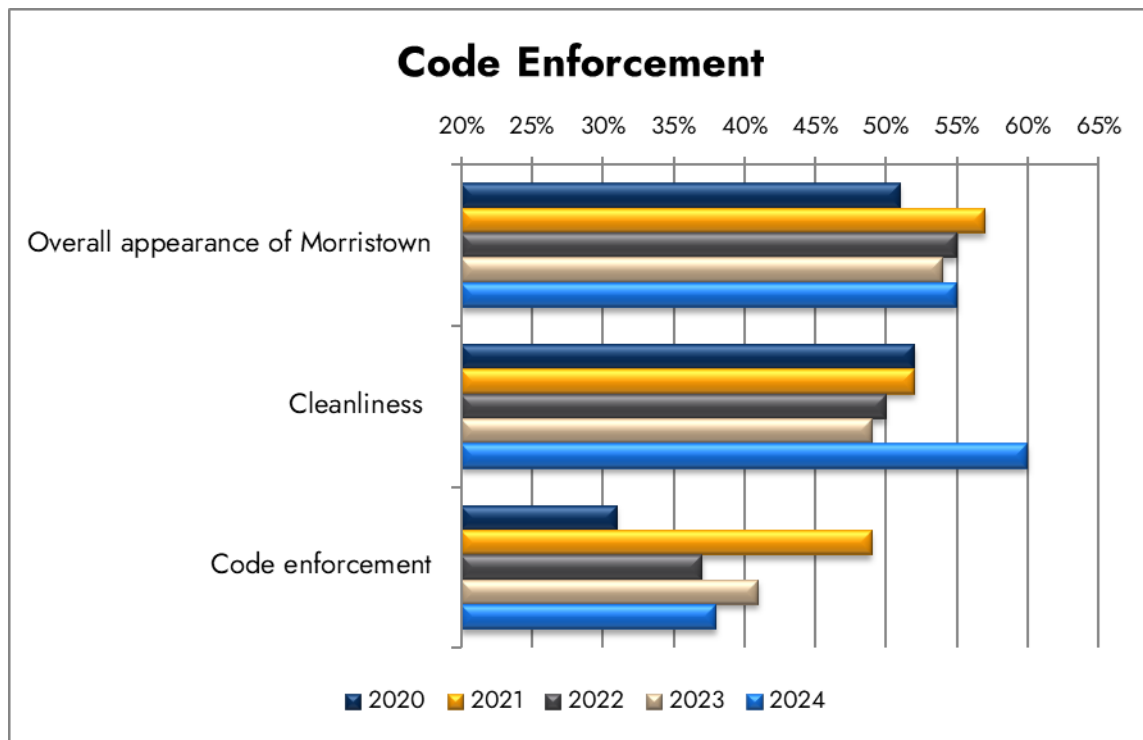
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41700 - Planning</i>				
111 SALARIES & WAGES	288,820	302,760	315,066	301,834
134 CHRISTMAS BONUS & LONGEVITY	926	971	1,107	775
210 FICA	17,798	18,832	19,526	18,762
212 MEDICARE	4,162	4,405	4,567	4,388
213 TCRS CONTRIBUTION	43,954	46,076	47,870	46,269
214 EMPLOYEE HEALTH INS	46,784	62,620	46,839	62,565
217 EMPLOYEE LIFE INS	1,602	1,744	1,675	1,672
219 WORKERS COMPENSATIONS INSURANCE	4,937	5,435	4,863	8,000
310 POSTAL SERVICE	57	600	136	600
321 PRINTING SERVICES	0	200	0	200
330 LEGAL NOTICES	2,597	1,000	948	1,000
341 ELECTRICITY	6,460	3,700	7,795	8,000
342 WATER & SEWER	4,328	2,000	2,890	3,000
343 NATURAL GAS & PROPANE	309	200	463	500
345 TELEPHONE SERVICES	3,566	3,600	3,550	3,600
351 MEDICAL SERVICES	28	100	28	100
355 COMPUTER/DATA PROCESSING	4,011	4,415	4,212	4,415
359 OTHER PROFESSIONAL SRVCS	0	200	0	200
371 SUBSCRIPTIONS & BOOKS	56	225	0	225
375 MEMBERSHIPS & DUES	888	1,200	1,007	1,300
378 EDUCATION - SEMINARS & TRAINING	656	2,500	787	2,500
383 TRAVEL-BUSINESS EXPENSES	1,775	2,800	505	2,800
399 OTHER CONTRACTED SERVICES	17,414	32,000	11,327	32,000
411 OFFICE SUPPLIES & MATERIALS	2,746	2,000	2,042	0
431 GASOLINE & DIESEL FUEL	590	650	285	650
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	0	500	186	500
499 OTHER SUPPLIES & MATERIALS	1,777	1,850	1,647	1,850
510 INSURANCE - GENERAL LIABILITY	1,162	1,280	1,321	1,390
523 PROPERTY (CONTENTS) INSURANCE	243	270	286	300
533 EQUIPMENT - RENTAL/LEASE	731	1,500	686	1,500
915 LOSS ON DISPOSAL OF PROPERTY	14,121	0	0	0
<i>41700 - Planning</i>	<i>472,498</i>	<i>505,633</i>	<i>481,614</i>	<i>510,895</i>

Code Enforcement

The Code Enforcement division is responsible for enforcing municipal codes and the adopted International Building and Property Maintenance Codes to maintain safety and sanitation and improve the overall appearance of properties within the City of Morristown. The Code Enforcement Department reports to the Chief Building Official and is staffed with two full-time personnel.

Performance and Workload



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

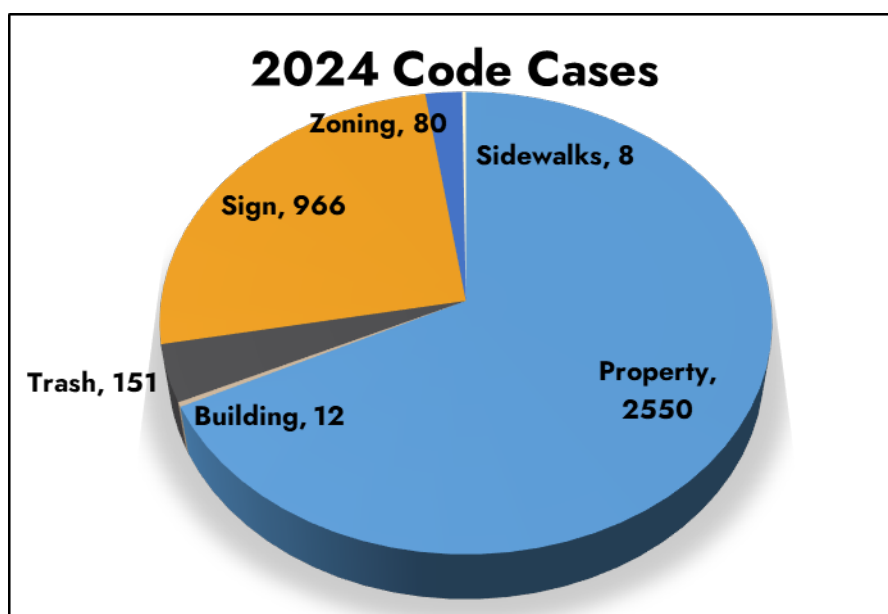
The overall appearance saw a positive rating of 55% - a slight improvement from 2023 that remains similar to our peers nationwide. We have only been comparable to other communities across the nation in 6 of the 14 surveys we have conducted and have been below peers for 6 years and much below in 2 surveys. Community appearance has become a special focus area that has affected improvements in cleanup efforts as well as development-related ordinance changes. While we are on the right path, we will need to maintain focus to continue these improvements and sustain efforts to improve Morristown’s appearance before we can consider this a success.

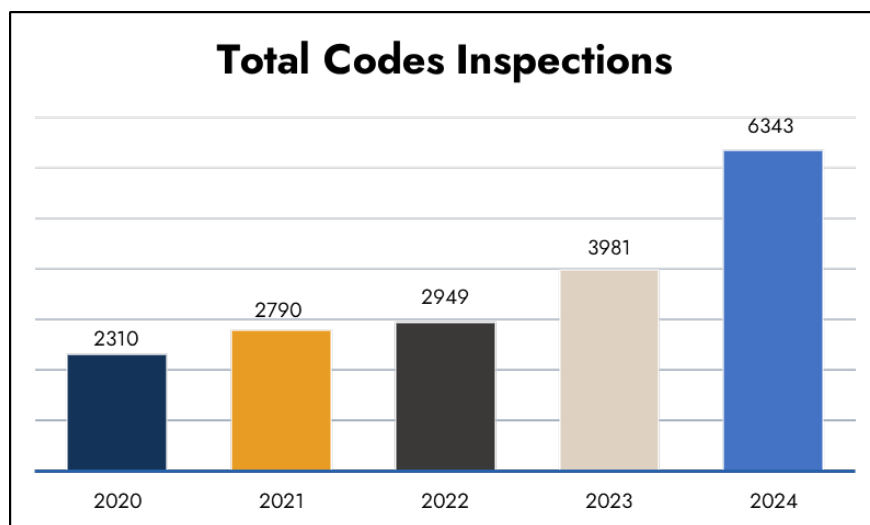
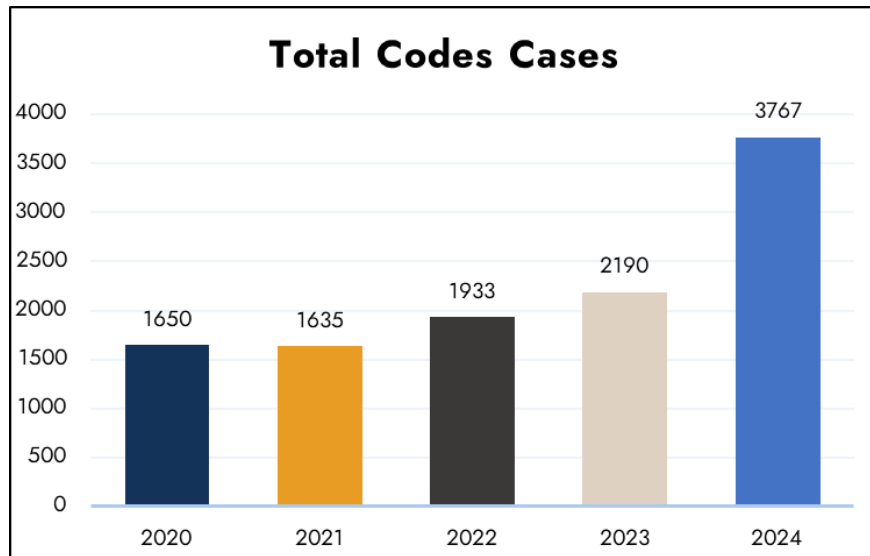
Cleanliness saw a sharp improvement in favorable response with 60% - a statistically significant improvement over 2023. This marks the first year in the 14-year history of this survey that Morristown has been comparable to peers in the national benchmark in this question. Continued effort will be necessary to continue to make strides in this area. The northern half of the city was significantly more favorable than southern neighbors. Those aged 18-34 were significantly more positive than those 35+. Homeowners and

those in detached housing were significantly more favorable than renters and those living in attached housing.

Code enforcement saw a slight decline with a 38% favorable response rate. The current rating is still much better than our lowest score of 25% set in 2011 with the first survey, and this is an area of continued focus. The rating is in keeping with scores we see across the nation for code enforcement. Those in the southwest of the city were the most critical of code enforcement with a statistical significance in the difference compared to all other areas of the city, which all rated code enforcement somewhat consistently. This may suggest reason for particular focused attention. Those aged 18-34 were significantly more favorable than those 35+.

Task	2020	2021	2022	2023	2024
Property Maintenance Codes Inspections	2,287	2,790	2,949	3,981	6,332
Property Maintenance - Total Codes Cases	1,650	1,639	1,930	2,190	3,767
Property Maintenance Cases Brought into Compliance	1,051	997	1,119	1,327	2,483
Inoperable/ Unregistered Vehicle Violations	146	224	283	332	853
Trash/ Debris Violations	518	437	709	119	151
Overgrown Lot Violations	473	441	580	501	931





Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION

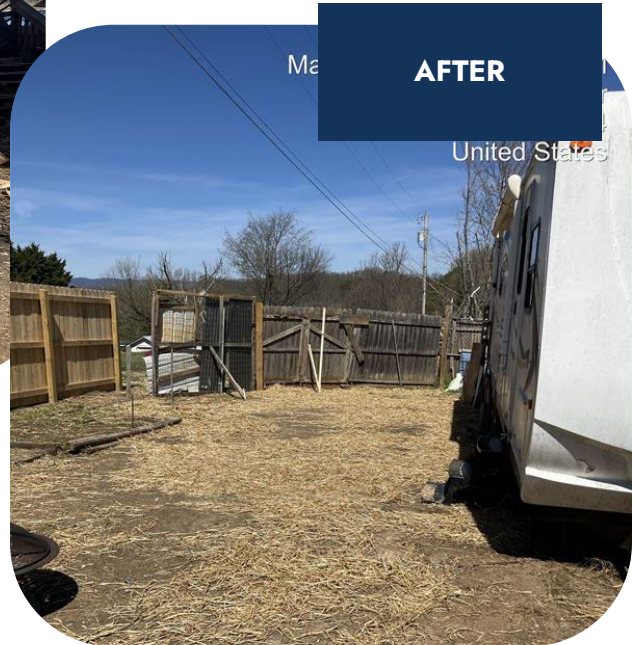
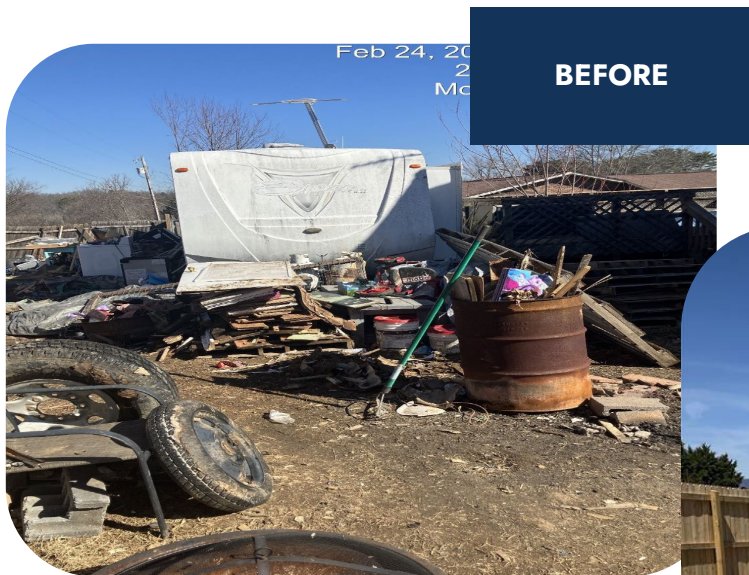


- Standardized residential fencing guidelines through an updated ordinance.
- Increased the overall Code Enforcement caseload by 72% over the previous year.
- Code site inspections were up 59% from 2023.
- Removed 966 illegal signs, a 42% annual increase.
- Enhanced the Code Enforcement web page with user-friendly design, clear guidance on FAQs, educational materials, and resource links.

THRIVING LIVABLE NEIGHBORHOODS



- Worked with local non-profits to identify and refer homeowners who may qualify for construction and repair assistance.
- Distributed informational brochures and flyers on local programs, processes, and services. Topics include housing resources, driveways, swimming pools, residential henhouses, fences, detached accessory structures, tire recycling, illegal camping and temporary signs.
- Managed the remediation of 58 vacant, unsecured or neglected properties.



SAFE & SECURE COMMUNITY



- Resolved 151 cases of illegal dumping and bulk waste violations.
- Public Works assisted Code Enforcement to remediate 12 sanitation and trash issues.
- Partnered with the Morristown Police Department and property owners to resolve 23 cases of illegal encampments, resulting in the restoration of affected properties.
- Presented 105 citations to Municipal Court comprising 207 separate violations.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Work toward obtaining International Code Council (ICC) certification and attend applicable training.
- Prioritize efforts related to new city-wide ordinances regulating vehicle-related businesses, with a concentrated focus on South Cumberland Street to align with the RAISE grant revitalization project.
- Proactively engage with the Community Appearance Committee to identify and address opportunities for enhancing the city's visual appeal.

THRIVING LIVABLE NEIGHBORHOODS



- Increase public awareness for rehabilitation programs such as Habitat for Humanity, HOME Grant and Tennessee Community Assistance Corporation to help with remodels and new construction for those in need.
- Proactively address property maintenance violations, including overgrown lawns, junked yards, abandoned vehicles, bulk waste, and litter, to maintain neighborhood standards.

- Perform neighborhood-specific reviews and evaluations to support neighborhood watch and community roundtable events.

SAFE & SECURE COMMUNITY



- Continue to deploy the city contractor to remediate vacant, unsecured and neglected properties.
- Reduce illegal camping and its detrimental effect on properties, neighborhoods, and waterways.
- Abate illegal, non-conforming structures, such as swimming pools and storage sheds.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- No significant changes.

Personnel Summary

CODE ENFORCEMENT	FY22	FY23	FY24	FY25	FY26
CODE ENFORCEMENT OFFICER	2	2	2	2	2
TOTAL CODE ENFORCEMENT	2	2	2	2	2

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41710 - Code Enforcement</i>				
111 SALARIES & WAGES	88,954	96,107	96,055	98,218
134 CHRISTMAS BONUS & LONGEVITY	742	186	174	195
210 FICA	5,377	5,971	5,883	6,102
212 MEDICARE	1,257	1,397	1,374	1,427
213 TCRS CONTRIBUTION	13,607	14,608	14,598	15,048
214 EMPLOYEE HEALTH INS	29,087	31,071	30,851	31,064
217 EMPLOYEE LIFE INS	502	554	522	544
219 WORKERS COMPENSATIONS INSURANCE	2,715	3,260	2,431	4,000
226 CLOTHING/UNIFORM/SHOES	792	600	720	600
310 POSTAL SERVICE	16,496	14,000	30,756	28,000
321 PRINTING SERVICES	676	500	360	500
330 LEGAL NOTICES	0	200	0	200
341 ELECTRICITY	635	1,595	767	1,595
342 WATER & SEWER	426	450	317	450
343 NATURAL GAS & PROPANE	30	100	49	100
345 TELEPHONE SERVICES	2,118	2,100	2,080	2,100
351 MEDICAL SERVICES	28	100	28	100
355 COMPUTER/DATA PROCESSING	4,011	4,500	4,212	4,500
361 REPAIR & MAINTENANCE-VEHICLES	0	500	0	500
371 SUBSCRIPTIONS & BOOKS	0	250	0	250
375 MEMBERSHIPS & DUES	75	200	110	200
378 EDUCATION - SEMINARS & TRAINING	440	1,100	1,098	1,100
383 TRAVEL-BUSINESS EXPENSES	388	1,260	200	1,260
399 OTHER CONTRACTED SERVICES	19,383	44,500	21,394	44,860
411 OFFICE SUPPLIES & MATERIALS	488	500	515	500
413 OFFICE EQUIPMENT	1,186	0	0	0
419 SMALL TOOLS & EQUIP	0	500	285	500
429 GENERAL OPERATING SUPPLIES	0	250	0	250
431 GASOLINE & DIESEL FUEL	3,421	6,250	4,018	5,800
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	1,248	1,240	2,538	1,240
510 INSURANCE - GENERAL LIABILITY	407	450	462	485
523 PROPERTY (CONTENTS) INSURANCE	85	95	100	105
533 EQUIPMENT - RENTAL/LEASE	1,047	1,200	1,150	1,200
<i>41710 - Code Enforcement</i>	<i>195,621</i>	<i>235,594</i>	<i>223,047</i>	<i>252,993</i>

Engineering

The Engineering Department, under the supervision of the Assistant City Administrator for Operations, is responsible for developing regulatory and capital programs for the storm water utility and transportation systems that belong to the City of Morristown. The Department also provides regulatory oversight of street maintenance, street design criteria, roadway access management, right-of-way management, traffic systems management, production of traffic analysis and traffic management planning, and is a technical advisor for other departments and City Council.

The department's activities include: documenting construction activities and administration of capital projects, providing technical guidance, developing capital programs that are approved by City Council, regularly reporting progress of active capital projects and maintenance programs, providing survey and mapping information, creating easement documents, development of technical specifications related to infrastructure, providing technical reviews for all site development plans, and performing design work on special projects when directed.

Performance and Workload Measures

Task	2020	2021	2022	2023	2024
Right-of-Way Management					
Roadway Access Permits	59	122	134	135	118
Roadway Access Permit Inspections	118	224	268	270	236
Work in Right-of-Way					
Atmos Energy	3	3	12	7	13
ATT	3	3	10	4	3
Private	3	3	4	14	13
MUS	2	5	2	0	0
Inspections	11	14	28	25	29
Street Inventory & Evaluation (miles)	206	216	216	218	221

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Assisted in the management of major projects in various stages of planning, design, and construction, including larger city-driven construction projects, various locally managed projects funded by TDOT, the city's annual street maintenance program, and the city's annual sidewalk maintenance program.
- Updated condition report for all Public Streets.
- Surveyed city properties and new buildings to update GIS mapping.

THRIVING LIVABLE NEIGHBORHOODS

- Assisted major City construction projects including:
 - Snyder Rd Connection to Frank Lorino Park
 - Helene Cleanup/FEMA Reimbursement
 - Walters Dr at Cherokee Dr Roundabout
 - Annual Street Maintenance Project
- Monitored and oversaw projects under design or in the Right-of-Way Phase:
 - Walters Dr at Cherokee Dr Roundabout
 - Collinson Ford Rd at Wooddale Rd Project
 - Road Rehab on E Morris Boulevard – Hwy 25 to E. AJ Hwy
 - Road Widening of Central Church Road
 - Turkey Creek Greenway Phase 5
 - Multimodal Grant Sidewalk Project
- Managed projects through the TDOT-funded railroad crossing improvement projects at Haun Dr, Jackson St, and Sugar Hollow Rd.
- Reviewed applications for “Work in Right-of-Way” and new driveway permits.
- Assisted GIS department in mapping construction activities in the road and Right-of-Way.
- Reviewed all plats and as-built drawings on new construction projects.

RESPONSIBLE MANAGEMENT OF CITY’S PHYSICAL ASSETS

- Evaluated information from Street assessment in GIS to prioritize Annual Street Maintenance.
- Continued to update inventory and condition assessment of infrastructure including the sidewalks, streets, storm water/drainage system. Information was inserted into the GIS system to aid in the management of the infrastructure.

STRONG & DIVERSE ECONOMY

- Continued to support economic development through development plan review, field inspection and other activities to assure quality development.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION

- Assist in the management of major City construction projects.
- Assist the GIS department in developing map layers and management tools for infrastructure.

THRIVING LIVABLE NEIGHBORHOODS

- Manage or assist in the following projects – through various phases of the planning, design, and construction process:
 - Walters Dr at Cherokee Dr Roundabout
 - Collinson Ford Rd at Wooddale Rd Project
 - Design a New Parking Area at former Home Lumber
 - Road Rehab along E Morris Boulevard – Hwy 25 to E. AJ Hwy
 - Intersection improvements at Dr Martin Luther King Jr Pkwy
 - Road Widening of Central Church Road
 - Turkey Creek Greenway Phase 5
 - Multimodal Grant Sidewalk Project

- Annual Street Maintenance Project

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue to maintain, assess, and survey the condition of the City's major infrastructure including:
 - Sidewalks
 - Streets
 - Storm water / drainage systems
- Survey City properties and related projects.

STRONG & DIVERSE ECONOMY



- Continue to support economic development through development plan review, field inspection and other activities to assure quality development.

Comments on FY 2024 Actual and FY 2025 Projections

- Estimated expenditures in FY 2025 are within budget.

Significant Changes for FY 2026

- There are no significant changes to this account.

Personnel Summary

ENGINEERING	FY22	FY23	FY24	FY25	FY26
ENGINEERING TECHNICIAN	2	2	2	2	2
TOTAL ENGINEERING	2	2	2	2	2

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41800 - Engineering</i>				
111 SALARIES & WAGES	118,629	124,841	123,640	129,606
112 OVERTIME	0	5,000	0	5,000
134 CHRISTMAS BONUS & LONGEVITY	759	776	929	1,105
210 FICA	7,201	8,099	7,886	8,415
212 MEDICARE	1,684	1,894	1,844	1,968
213 TCRS CONTRIBUTION	18,111	19,815	19,588	20,751
214 EMPLOYEE HEALTH INS	31,042	31,195	31,061	31,195
217 EMPLOYEE LIFE INS	659	719	689	718
219 WORKERS COMPENSATIONS INSURANCE	2,468	2,715	2,431	4,000
226 CLOTHING/UNIFORM/SHOES	626	1,000	620	1,000
310 POSTAL SERVICE	0	100	0	100
330 LEGAL NOTICES	0	500	0	500
345 TELEPHONE SERVICES	863	2,000	878	1,500
355 COMPUTER AND DATA PROCESSING	4,011	4,412	4,212	4,500
375 MEMBERSHIPS & DUES	0	1,000	428	1,000
378 EDUCATION - SEMINARS & TRAINING	955	1,000	400	1,000
383 TRAVEL-BUSINESS EXPENSES	523	1,000	780	1,000
399 OTHER CONTRACTED SERVICES	48,699	49,500	38,180	50,000
411 OFFICE SUPPLIES & MATERIALS	76	1,000	1,369	1,000
413 OFFICE EQUIPMENT	0	0	0	2,000
421 COMPUTER SOFTWARE	0	2,500	0	2,500
429 GENERAL OPERATING SUPPLIES	411	1,500	359	1,500
431 GASOLINE & DIESEL FUEL	1,583	2,500	1,240	2,500
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	1,429	1,500	692	1,500
499 OTHER SUPPLIES & MATERIALS	0	250	0	250
510 INSURANCE - GENERAL LIABILITY	2,257	2,485	2,566	2,695
523 PROPERTY (CONTENTS) INSURANCE	472	520	556	585
533 EQUIPMENT - RENTAL/LEASE	399	2,000	0	0
971 MOTOR EQUIPMENT	0	0	0	60,000
<i>41800 - Engineering</i>	<i>242,857</i>	<i>269,821</i>	<i>240,348</i>	<i>337,888</i>

Geographic Information System

The Morristown-Hamblen GIS Partnership is an alliance of the City of Morristown, Hamblen County, Morristown-Hamblen 911, and Morristown Utilities, sharing resources to better support and serve each individual member. The primary goal of the Partnership is to provide needed GIS data sharing and coordination for the four organizations.

A geographic information system (GIS) is a collection of computer hardware, software, and geographic data that is used in concert to capture, manage, analyze, and display all forms of geographically referenced information. GIS can be as simple as navigating to your favorite restaurant, or as complex as a multi-criteria analysis for commercial site selection. A GIS is essentially a digital map—one in which we can associate non-spatial information to locations—points (fire hydrants or manholes), lines (street centerlines or water mains), and polygons (parcel boundaries or soil types). This information, stored in a centralized data repository, may be combined in any number of ways to produce maps, or perform analyses that help inform decisions for all stakeholders involved.

The GIS management group provides oversight and guidance about developing GIS policies; develops, populates, and maintains a countywide GIS database; and provides analysis and support to all departments within the four organizations to better integrate GIS within their present workflows. The goal of the Partnership is to increase efficiency and communication—both inside a department and across organizations—and to help each stakeholder accomplish their goals in the most practical, cost-effective, and efficient manner possible.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Continued to serve each stakeholder of the Partnership:
 - Assisted County staff on project planning, implementation, and technical support. Update of applications. New snow route maps were created.
 - Provided software licensing, installation, data updates, and other technical support to Morristown Utilities GIS personnel.
 - Continued support to Morristown-Hamblen 911 with automated layer updates and resolving address and other mapping conflicts to assist Computer Aided Dispatch (CAD) software.
- Continued emphasis on digital automation to complete historically paper-based workflows to provide accurate reference data and the ability to update assets from the field.
- Partnership members completed a combined total of 40+ hours of training through online training courses, webinars by Environmental Systems Research Institute (ESRI) and Tennessee Geographic Information Council (TNGIC).
- Provided ongoing support for city asset assessments including city-maintained stormwater infrastructure and streets and mapping of new projects.

- Collaborated with other departments to incorporate GIS data into Tyler EAM (Enterprise Assets Management).
- Developed a centralized location in SharePoint for digital records of recorded ordinances for annexation, re-zoning, and ROW/Alley closures.

THRIVING LIVABLE NEIGHBORHOODS



- Made improvements to the Citizen's Concern Application.
- Continued to update Sidewalk Inventory as new projects were completed.
- Developed a Special Needs Registry with Morristown PD and E911 to notify first responders on emergency calls.

SAFE & SECURE COMMUNITY

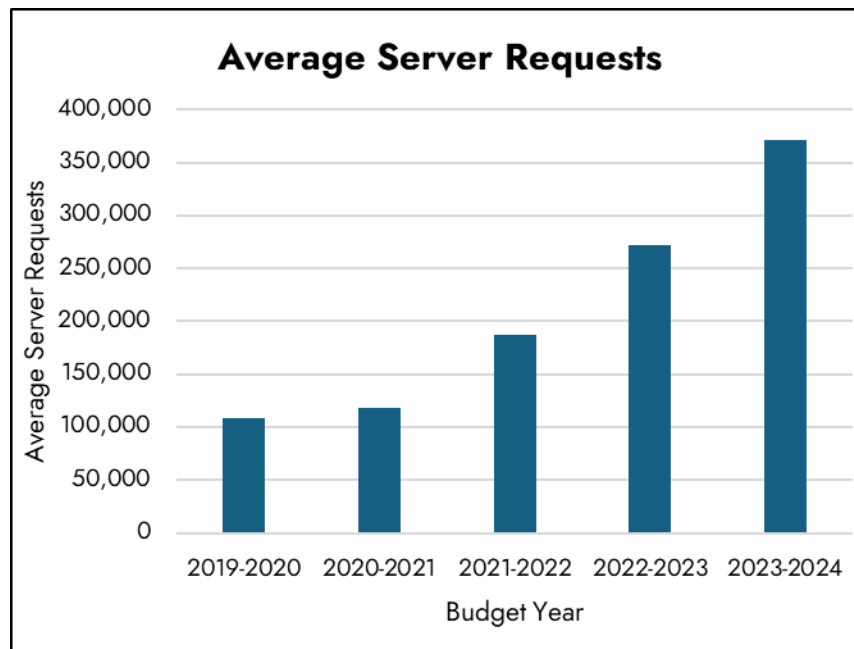


- Released publicly available Traffic Crashes dashboard for citizens to view and analyze traffic crash history throughout Morristown and Hamblen County.
- Provided ongoing support and improvements to Fire Inspections workflow for Morristown Fire Marshal's Office.
- Continued to provide regular road and address updates to Regional 911 to keep apprised of new road and building construction and address changes.
- Completed Pre-Incident plan training with Morristown Fire Department personnel that enabled each station to begin using Pre-Plan tools established using GIS software.
- Began development of an inspections application for Mobile Food Trucks.

STRONG & DIVERSE ECONOMY



- Continued to update New Development application to highlight new business and industry.
- Provided digital base mapping and GIS data to potential developers for properties throughout Hamblen County, including the East Tennessee Progress Center.
- Continued participation with ESRI Community Maps which update and improve ESRI basemaps.



Average server (layer, web map, web app) requests year over year continues to increase. This increase is likely attributed to both the simple increase in user requests as well as the additional layers and data points that are constantly added to the system. In addition to the City, Morristown Utility’s web based application for utility mapping has driven more server requests. Citizen Concern applications, promotion of utility outage maps, custom maps used by internal staff, and the promotion of new features via social media all drive additional traffic and impact the total number of server requests.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Migrate ArcMap to ArcGIS Pro, including all maps and services. ESRI will cease support of ArcMap in March 2026, and this transition will keep Morristown ahead of that change.
- Migration to ArcGIS Pro platform will require support and training for all users.
- Continue to assess and promote training needs for GIS and non-GIS users to maximize benefits of Partnership investments.
- Upgrade all active ArcGIS Online web applications to Web App Builder, Instant Apps. ESRI is retiring older platforms that are in current use.
- Outline long-term Geospatial Strategy with feedback from stakeholders.

THRIVING LIVABLE NEIGHBORHOODS



- Continue to support Public Works’ work order project to efficiently address citizen requests regarding trash pickup, can replacement, potholes, and other requests. Coordinate with Public Works as needed to assist with GIS components of new software solutions being implemented for asset management and/or solid waste management.
- Continue to explore integration with other software platforms in use by other departments.
- Continue support of Community Appearance Inspector app for Keep Morristown-Hamblen Beautiful.
- Increase public reporting utilizing new or existing data relating to grant funding.

SAFE & SECURE COMMUNITY



- Continue evaluation of current addressing standards and workflows, amending policies and procedures, as necessary.
- Continue to work with Morristown-Hamblen 911 to implement additional reporting functionality and provide better decision-making support to emergency services departments and public transparency.
- Provide ongoing support and improvements to Fire Inspections workflow for Morristown Fire Marshal's Office.
- Provide support to Fire Department Pre-Incident Plan workflow when annual inspections are performed for the first time on mobile devices.

STRONG & DIVERSE ECONOMY



- Work with Administration, Elected Officials, the Chamber of Commerce, prospective developers, and industry to enhance research tools for future development.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be within budget.

Significant Changes for FY 2026

- There are no significant changes expected in FY 2026.

Personnel Summary

GIS DEPARTMENT	FY22	FY23	FY24	FY25	FY26
GIS MANAGER	1	1	1	1	1
GIS TECHNICIAN	1	1	1	1	1
TOTAL GIS DEPARTMENT	2	2	2	2	2

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41810 - Geographic information System</i>				
111 SALARIES & WAGES	128,024	136,863	129,592	141,465
134 CHRISTMAS BONUS & LONGEVITY	168	191	87	185
210 FICA	7,649	8,498	7,896	8,783
212 MEDICARE	1,789	1,988	1,847	2,054
213 TCRS CONTRIBUTION	19,447	20,792	19,594	21,659
214 EMPLOYEE HEALTH INS	31,126	31,248	28,491	31,243
217 EMPLOYEE LIFE INS	717	788	686	783
219 WORKERS COMPENSATIONS INSURANCE	2,468	2,720	2,431	4,000
226 CLOTHING/UNIFORM/SHOES	33	0	0	0
310 POSTAL SERVICE	5	100	10	100
341 ELECTRICITY	1,542	2,400	1,861	2,400
342 WATER & SEWER	1,033	1,000	770	1,000
343 NATURAL GAS & PROPANE	74	100	110	100
345 TELEPHONE SERVICES	851	3,600	848	1,000
351 MEDICAL SERVICES	56	100	28	100
355 COMPUTER/DATA SERVICE	56,700	56,700	56,700	56,700
371 SUBSCRIPTIONS & BOOKS	0	875	607	875
375 MEMBERSHIPS & DUES	80	365	80	365
378 EDUCATION - SEMINARS & TRAINING	0	2,000	1,840	2,000
383 TRAVEL-BUSINESS EXPENSES	459	4,000	1,210	4,000
399 OTHER CONTRACTED SERVICES	16,096	12,960	13,600	12,960
411 OFFICE SUPPLIES & MATERIALS	744	1,000	642	1,000
421 COMPUTER/SOFTWARE	440	1,000	257	1,000
429 GENERAL OPERATING SUPPLIES	0	500	0	0
510 INSURANCE - GENERAL LIABILITY	1,703	1,875	2,566	2,695
523 PROPERTY (CONTENTS) INSURANCE	171	190	202	215
533 EQUIPMENT - RENTAL/LEASE	731	1,200	680	1,200
<i>41810 - Geographic Information System</i>	<i>272,106</i>	<i>293,053</i>	<i>272,635</i>	<i>297,882</i>

Inspections

The Inspections Department is responsible for all building plan review and permitting for all residential, commercial and industrial buildings within the city. This includes all building, electrical, gas, mechanical, plumbing and other inspections for all projects. The Inspections Department also manages the dilapidated structure program.

Inspectors have daily contact with contractors, architects, developers and the public to ensure all construction complies with applicable codes and ordinances. They must also work with the State of Tennessee Departments of Commerce and Insurance, State Board for Licensing of Contractors, State of Tennessee Environmental Consultants, State Fire Marshal, as well as local fire, planning, utility and engineering departments.

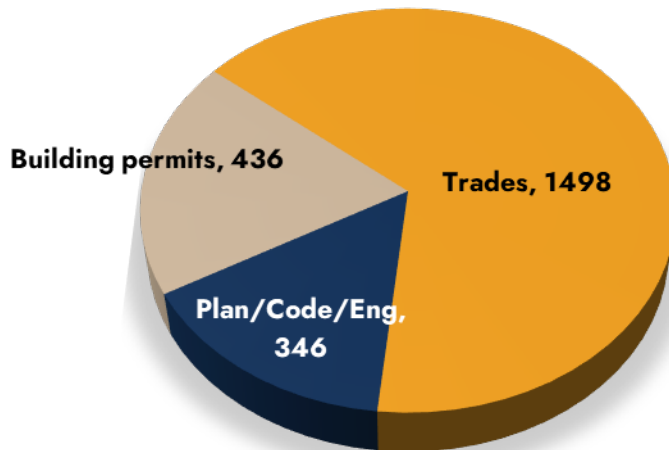
Inspectors attend conferences approved by the State and the International Code Council to ensure that all inspectors receive necessary accreditation training hours. Evolving laws, installation methods and building products require the inspectors to continuously increase their knowledge.

Performance and Workload Measures

Task	2020	2021	2022	2023	2024
Job Trailer Permits	1	6	7	5	3
Job Trailer Permit Fees	\$ 50	\$ 300	\$ 350	\$ 250	\$ 150
Sign Permits	46	53	53	59	51
Sign Permit Fees	\$ 3,115	\$ 4,181	\$ 4,786	\$ 4,310	\$ 3,490
Demolition Permits	27	16	17	18	7
Demolition Permit Fees	\$ 1,350	\$ 800	\$ 850	\$ 900	\$ 350
Electrical Permits	485	795	862	630	731
Electrical Permit Fees	\$ 67,467	\$ 80,124	\$ 100,795	\$ 69,794	\$ 78,270
Gas Permits	112	85	175	147	112
Gas Permit Fees	\$ 2,825	\$ 2,088	\$ 5,535	\$ 4,742	\$ 3,210
Mechanical Permits	162	288	368	222	307
Mechanical Permit Fees	\$ 61,160	\$ 64,562	\$ 189,402	\$ 90,474	\$ 93,092
Plumbing Permits	17	358	317	301	348
Plumbing Permit Fees	\$ 18,650	\$ 48,434	\$ 35,490	\$ 34,561	\$ 40,311

Permit Valuation	2020	2021	2022	2023	2024
Industrial	\$ 9,142,967	\$ 3,695,046	\$ 12,459,023	\$ 18,000,000	\$ 8,361,918
Commercial	\$ 25,908,968	\$ 53,173,192	\$ 110,309,946	\$ 67,538,802	\$ 46,610,613
Residential	\$ 34,335,830	\$ 48,174,730	\$ 39,723,867	\$ 40,970,663	\$ 46,190,240

Permits Issued 2024



Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Continued to provide prompt, courteous service to citizens and contractors seeking permits and inspections.
- Attended 2024 UETBOA Conferences to obtain recertification credit hours.
- One Building Inspector became certified and State Licensed in Residential Electric to better serve permit holders.
- Enhanced the Inspections web page with user-friendly design, clear guidance on building permit application submittal, adopted codes, and contact information.

THRIVING LIVABLE NEIGHBORHOODS



- Four structures identified as Neglected Structures. Structures were razed by homeowners.
- Worked with local non-profits to identify and refer homeowners who may qualify for construction and repair assistance.
- Enhanced coordination with Codes Enforcement on inspections of potentially non-compliant structures to ensure adherence to building codes.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Attend East Tennessee Building Officials' Association annual training for building inspectors for continuing education.
- Continue to encourage building inspectors to complete certification in the National Electrical Code (NEC) to have a more efficient inspections department.
- Continue to educate contractors regarding adopted codes.



- Continue to identify and remedy neglected residential structures.
- Continue to utilize the city website and social media to educate residents about state law and local permitting requirements for swimming pools and detached accessory structures.
- Increase public awareness for rehabilitation programs such as Habitat for Humanity, HOME Grant and Tennessee Community Assistance Corporation to help with remodels and new construction for those in need.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- There are no significant changes to this account.

Personnel Summary

INSPECTIONS	FY22	FY23	FY24	FY25	FY26
CHIEF BUILDING OFFICIAL	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
BUILDING CODES INSPECTOR	1	1	1	1	1
PLUMBING AND GAS INSPECTOR	1	1	1	1	1
ELECTRICAL CODES INSPECTOR	1	1	1	1	1
TOTAL INSPECTIONS	5	5	5	5	5

Budget Expense Detail

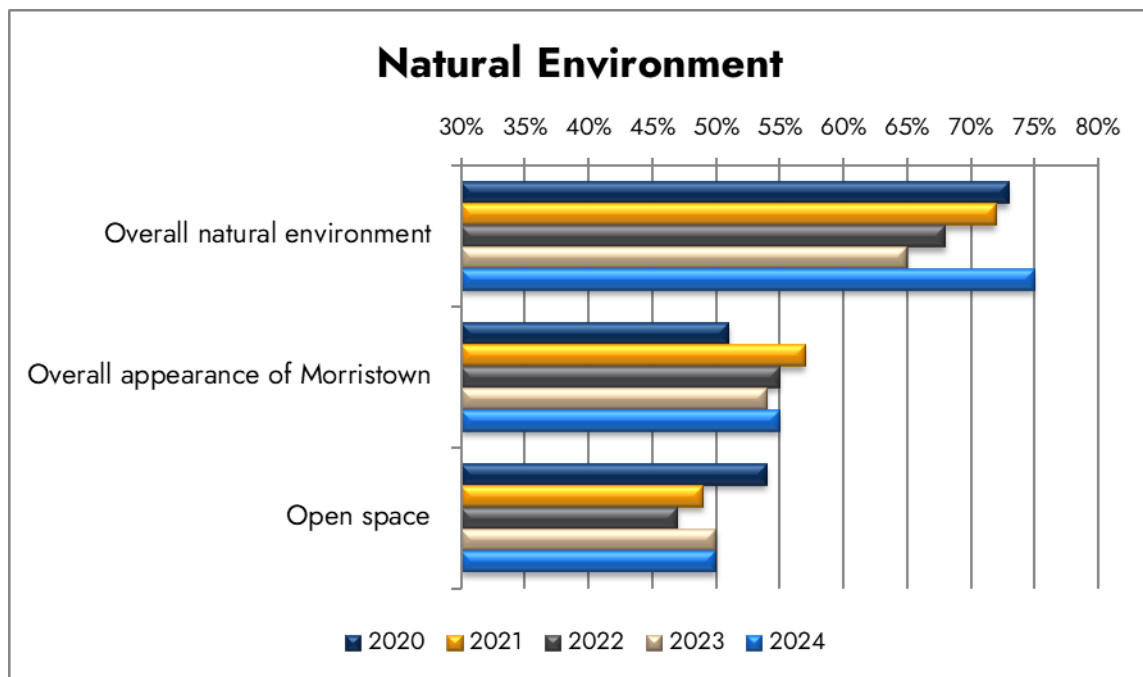
Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42400 - Inspections</i>				
111 SALARIES & WAGES	286,284	304,242	306,958	324,735
112 OVERTIME	0	500	410	500
134 CHRISTMAS BONUS & LONGEVITY	1,188	1,245	1,215	1,270
210 FICA	17,440	18,972	19,524	20,244
212 MEDICARE	4,079	4,437	4,566	4,735
213 TCRS CONTRIBUTION	43,609	46,419	48,280	49,923
214 EMPLOYEE HEALTH INS	63,325	77,953	63,373	77,988
217 EMPLOYEE LIFE INS	1,611	1,752	1,678	1,799
219 WORKERS COMPENSATIONS INSURANCE	6,170	6,800	6,077	10,000
226 CLOTHING/UNIFORM/SHOES	1,052	1,000	916	1,000
310 POSTAL SERVICE	20	300	33	300
321 PRINTING SERVICES	0	300	0	300
330 LEGAL NOTICES	397	800	0	800
341 ELECTRICITY	1,946	2,400	2,348	2,400
342 WATER & SEWER	4,572	1,400	972	1,400
343 NATURAL GAS & PROPANE	93	150	141	150
345 TELEPHONE SERVICES	3,885	4,500	3,134	4,500
351 MEDICAL SERVICES	0	100	28	100
355 COMPUTER/DATA PROCESSING	4,011	4,400	4,211	4,400
359 OTHER PROFESSIONAL SRVCS	0	600	0	600
371 SUBSCRIPTIONS & BOOKS	425	500	275	500
375 MEMBERSHIPS & DUES	750	1,000	795	1,000
378 EDUCATION - SEMINARS & TRAINING	1,542	2,070	808	2,070
383 TRAVEL-BUSINESS EXPENSES	2,108	1,530	785	1,530
399 OTHER CONTRACTED SERVICES	6,294	65,000	6,849	90,720
411 OFFICE SUPPLIES & MATERIALS	624	650	592	650
419 SMALL TOOLS & EQUIP	549	500	217	500
431 GASOLINE & DIESEL FUEL	6,037	7,000	5,593	6,800
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	1,595	1,500	2,328	3,000
499 OTHER SUPPLIES & MATERIALS	0	300	0	300
510 INSURANCE - GENERAL LIABILITY	2,325	2,560	2,643	2,775
523 PROPERTY (CONTENTS) INSURANCE	486	540	573	605
533 EQUIPMENT - RENTAL/LEASE	1,240	1,100	986	1,100
<i>42400 - Inspections</i>	<i>463,657</i>	<i>562,520</i>	<i>486,308</i>	<i>618,694</i>

Natural Resource Maintenance

The Natural Resource Maintenance Department is responsible for developing and maintaining greenery that belongs to the City of Morristown. The Department also provides regulatory oversight of the landscape ordinance and assists as a technical advisor for the Planning Department and Morristown Tree Board in their duties of oversight of various ordinances and zoning in the City.

The department's activities include maintenance and oversight of current landscaped areas of City Assets, which include City buildings, parks and rights-of-way. The department also assists the public with recommendations on proper planting techniques and types of plants and renders design assistance when needed.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Following three consecutive years of incremental decline in citizen ratings for Morristown's overall natural environment, 2024 saw a statistically significant increase to 75% favorable. This score returns Morristown to being comparable to our peers across the nation following a one year hiatus below the benchmark in 2023. Otherwise, we have been comparable to the national benchmark in 10 of the last 11 years. Responses were similar across the city geographically with the northwest slightly more favorable than the others at 79%. Households with incomes between \$50,000 and \$200,000 viewed the natural environment considerably more favorably (84%-87%) than households with either higher or lower income ranges (55% and 69%, respectively). Those that own their home and those residing in detached housing were more favorable than those that rent their home and/or live in apartments.

The overall appearance element kept pace with the improved ratings that have been seen in recent years with a slight increase to 55%. While we were lower than our peers nationwide last year, we are now comparable to the benchmark. This marks only the 5th time in the 14 years of participating in the survey that we have been comparable to other communities across the nation.

Open space ratings remained steady at a 50% positive rating, which maintains the significant improvement from the 40% low we saw in 2013. Morristown's ratings of open space are comparable to other communities. The northwest area of the city was the most favorable regarding open space, and significantly more favorable than the southeast area that rated open spaces the lowest.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Attended various conferences for new ideas to be incorporated into City assets.
- Identified and removed 17 dead or diseased trees within the City limits.

THRIVING LIVABLE NEIGHBORHOODS



- Maintained Downtown raised hardscaping, alleyways, sidewalk flower beds, and 36 annual hanging baskets.
- Planted 6 Legacy Trees at various City facilities.
- Assisted with Downtown Christmas décor, decorating the Christmas tree at the Farmers Market, and City Hall exterior for the Christmas season.



RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continued to facilitate the agreement with Greenworks to provide landscaping equipment as part of a testing program. Equipment includes zero turn mowers, push mowers, handheld tools and trimmers.
- Performed maintenance on medians at six (6) City locations.
- Upgraded areas in the City's Parks with landscaping and beautification.
- Provided assistance to donors for the purchase of Legacy Trees and the identification of appropriate installation locations.

A HEALTHY & VIBRANT CITY



- Assisted Tree Board in areas of certification, in formulating a tree plan for all municipal property and dissemination of information regarding the selection, planting, establishment, protection, and maintenance of trees within city limits.
- Received the Tree City Award from the Arbor Day Foundation for the 23rd year.
- Participated in Future Ready Expo at Walters State Expo Center.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Continue improvements at Farmers Market and Downtown areas.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue reviewing City assets and determine action plans to address any needed enhancements.
- Continue implementing Downtown enhancements such as flower beds and tree replacement on Henry Street and downtown public parking lots.
- Advise City Departments and Boards on beautification items for their projects.
- Review rights-of-way and roadside areas to determine any enhancements that may be appropriate.
- Participate in the planning stages for the RAISE grant to ensure planned landscaping elements meet the objective of the grant but also meet the City's objectives for beautification while remaining practical for ongoing maintenance.

A HEALTHY & VIBRANT CITY



- Assist Tree Board in areas of certification.
 - Provide internal training to the Tree Board, such as the Arbor Day Foundation's Tree Board University, to increase board involvement and understanding.
 - Seek annual Tree City USA designation while enhancing community outreach.
 - Continue to sponsor and organize training seminars for arborists, tree trimmers, and other interested parties on best practices in tree care and maintenance.
 - Coordinate the annual Arbor Day event in conjunction with the Arbor Day Poster Contest to increase community visibility of the Tree Board.
 - Continue to seek annual Growth Award by Arbor Day Foundation.
 - Continue to work with Greenworks, whose partnership provides battery powered mowing equipment to the City.

Comments on FY 2024 Actual and FY 2025 Projections

- It is projected that FY 2025 expenditures will be within budget.

Significant Changes for FY 2026

- In partnership with the Hamblen County School System a part-time internship position was created within this division. Because the position is not time-limited, funds have been added to account for this additional staff person.

Personnel Summary

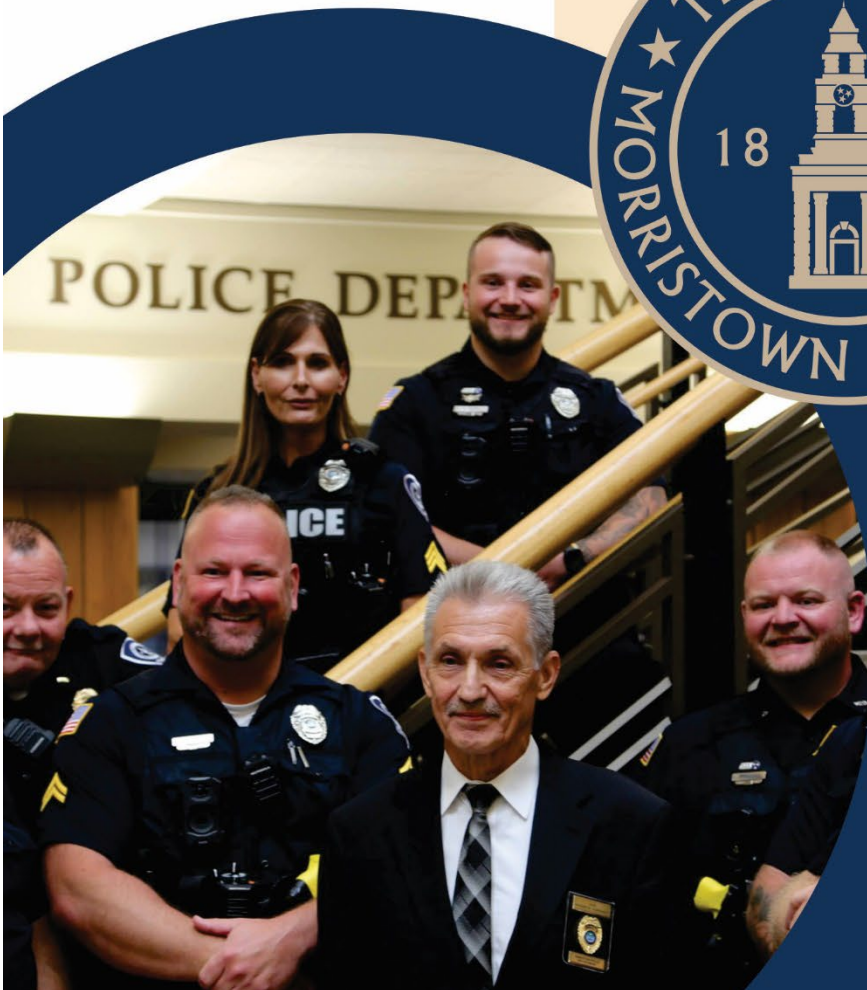
NATURAL RESOURCE MAINTENANCE	FY22	FY23	FY24	FY25	FY26
HORTICULTURALIST	1	1	1	1	1
MAINTENANCE WORKER	2	2	2	2	2
TOTAL NATURAL RESOURCE MAINTENANCE	3	3	3	3	3

Budget Expense Detail

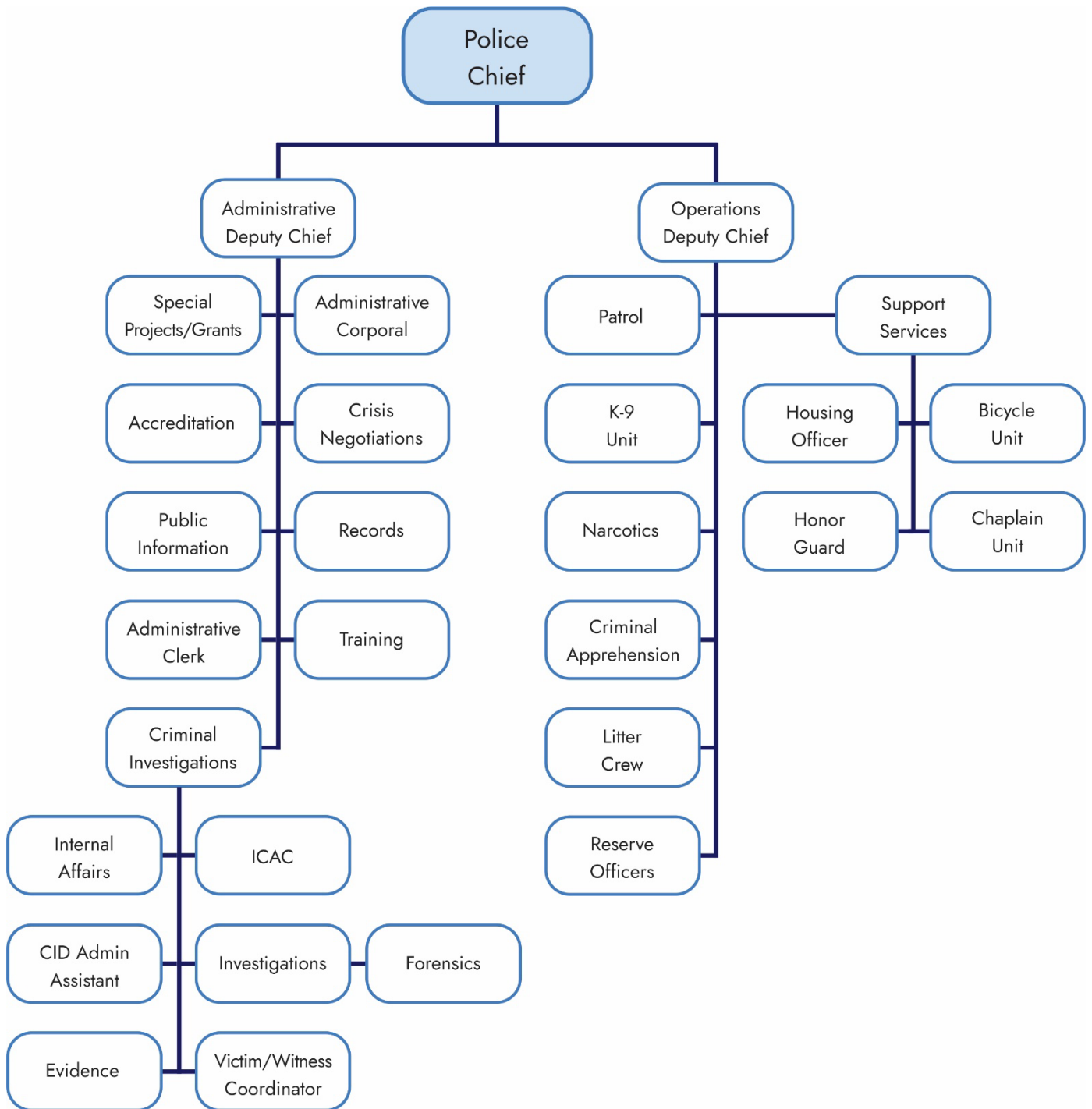
Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>45160 - Natural Resource Maintenance</i>				
111 SALARIES & WAGES	131,908	143,210	142,299	146,157
112 OVERTIME	34	3,000	300	3,000
114 WAGES & SALARIES TEMP EMP	0	0	0	23,400
134 CHRISTMAS BONUS & LONGEVITY	184	295	430	295
210 FICA	7,935	9,084	8,711	9,267
212 MEDICARE	1,856	2,125	2,037	2,168
213 TCRS CONTRIBUTION	20,014	22,225	21,743	22,852
214 EMPLOYEE HEALTH INS	43,878	46,602	45,049	46,590
217 EMPLOYEE LIFE INS	731	825	767	809
219 WORKERS COMPENSATIONS INSURANCE	3,702	4,075	3,839	6,000
226 CLOTHING/UNIFORM/SHOES	1,720	1,200	1,835	1,200
329 OTHER OPERATING SUPPLIES	1,842	2,000	1,962	2,000
337 LANDSCAPING	31,219	28,000	29,100	28,000
345 TELEPHONE SERVICES	508	500	457	500
351 MEDICAL SERVICES	0	80	172	200
375 MEMBERSHIPS & DUES	0	400	140	400
378 EDUCATION - SEMINARS & TRAINING	145	800	746	1,400
383 TRAVEL-BUSINESS EXPENSES	659	1,800	1,312	1,500
399 OTHER CONTRACTED SERVICES	35,716	90,000	69,553	120,540
411 OFFICE SUPPLIES & MATERIALS	229	600	371	600
419 SMALL TOOLS & EQUIP	10,477	15,000	5,983	5,000
429 GENERAL OPERATING SUPPLIES	16,166	8,000	9,621	10,000
431 GASOLINE & DIESEL FUEL	7,791	7,000	6,977	7,000
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	2,601	3,000	2,456	3,000
510 INSURANCE - GENERAL LIABILITY	407	0	462	485
523 PROPERTY (CONTENTS) INSURANCE	0	0	100	105
533 EQUIPMENT - RENTAL/LEASE	85	1,000	90	1,000
971 MOTOR EQUIPMENT	0	0	0	55,000
<i>45160 - Natural Resource Maintenance</i>	<i>319,807</i>	<i>390,821</i>	<i>356,512</i>	<i>498,468</i>

POLICE

DEPARTMENT



Police Organization Chart



Police Administration

The goals of the Morristown Police Department include the protection of the public by preventive effort; the detection, arrest, and prosecution of criminals; control and direction of traffic; accident investigation and analysis; and the general preservation of peace. The Chief administers the department and supervises activities, evaluating the results of activities, planning and initiating programs for the department.

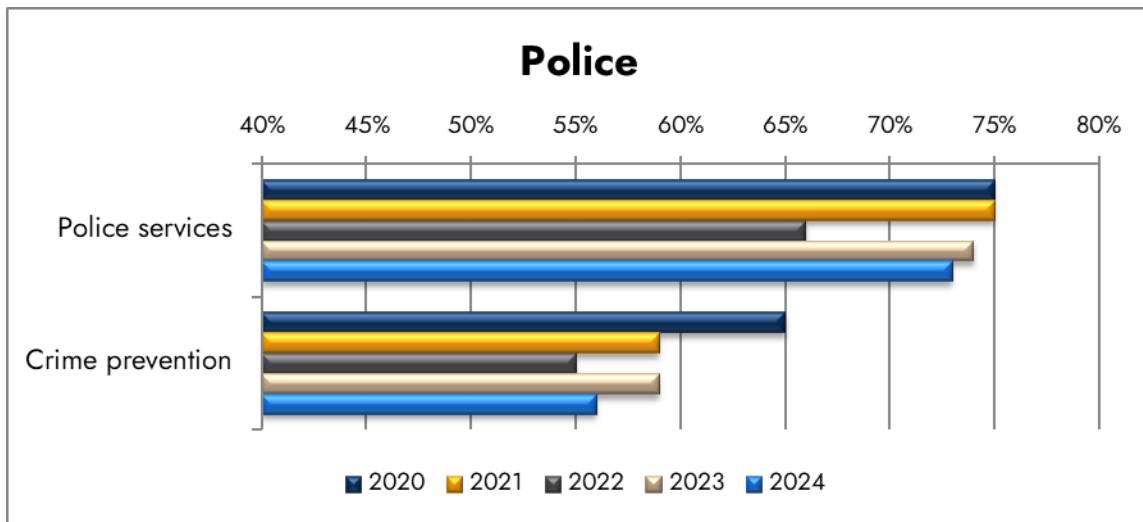
The Records function of the department provides administrative support for researching and maintaining records (offense/arrest reports, traffic citations, and customer service) and is included in the Police Administration budget.

These tasks are accomplished by utilizing the training and expertise of individuals assigned to specific functions within the department.

Performance and Workload Measures

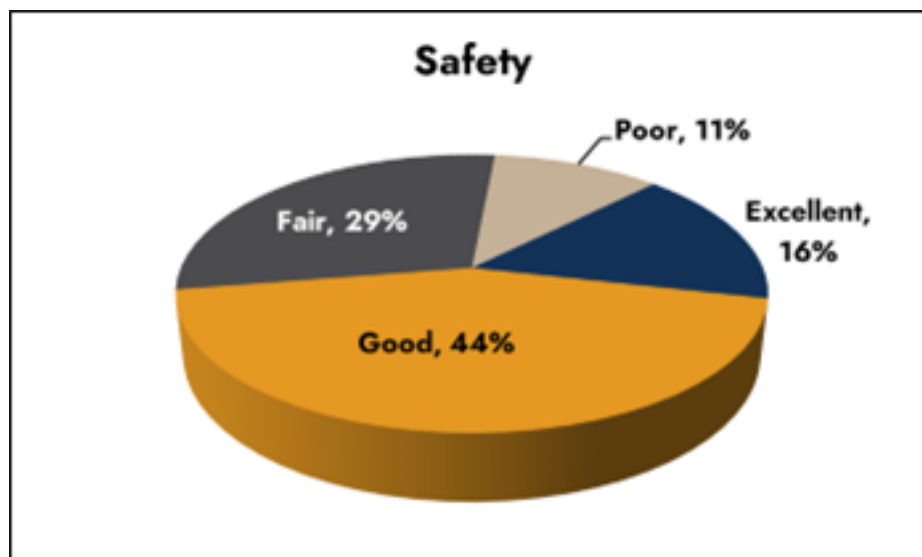
Residents continue to identify the overall feeling of safety in Morristown as an area of highest priority, with 93% deeming it essential or very important for the City to focus on in the next two years. Interestingly, survey responses land Morristown below the national benchmark on the overall Safety element and the question of overall feeling of safety; however, of the 12 survey questions specific to the Safety element, only one (Animal Control) was below the national benchmark. All other questions yielded responses similar to our peers nationwide. Those in the southwest area of the city were significantly more critical than other geographic areas.

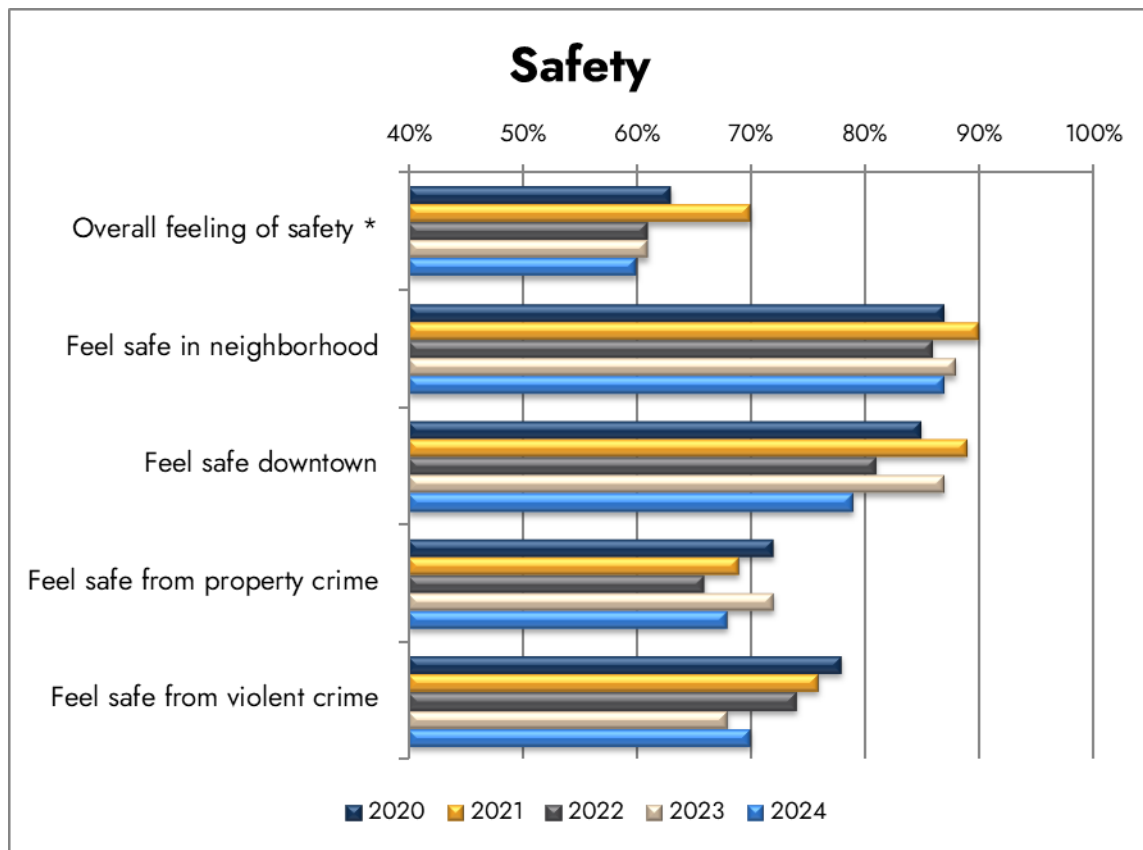
After a significant improvement last year to 87% of respondents reporting feeling very or somewhat safe in Morristown's downtown/commercial area during the day, this year's results indicate 79% of respondents reporting feeling very or somewhat safe downtown. There was also a significant decrease from 83% to 75% of those feeling safe from fire, flood, or other natural disaster. Given a significant fire event in the downtown area in January 2024 and the impacts to upper East Tennessee in September 2024 from Hurricane Helene, it is no surprise that we have a noticeable drop in this question.



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

The resident approval rating of police services remained consistent, matching the 73% average we have seen through the history of Morristown’s participation in the survey. It would appear that the drop seen in 2022 was an aberration influenced more by national concerns than the actual performance of the Morristown department. This approval rating is comparable to other communities across the nation, which makes the 11th consecutive year that we are comparable to our peers. Those in the southwest area of the city were significantly more critical than those in other geographic areas regarding crime prevention, but rated police services comparably with how the other areas rated that item. Those with household incomes below \$50,000 were significantly more critical in terms of overall safety, police services, and crime prevention than households with higher incomes. Residents living in Morristown less than 5 years were more favorable than their more tenured neighbors. Those with children in the household reported greater satisfaction with the overall feeling of safety, police services, and crime prevention than their neighbors without children in the household.





Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

** - reflects an area rated below the national benchmark*

In 2021, residents gave a record high rating to the overall feeling of safety. The rating dropped in 2022 and 2023 to new lows at 61%, and in 2024, the rate dropped to 60%. At this level, Morristown residents rate the feeling of safety below that of other communities nationwide. We have only been comparable to other communities in 4 of the last 10 years. Over the 12 years the survey has reported this measure, Morristown has fallen below other communities eight times.

When looking at the perception of safety, residents over 55 feel safer than their younger neighbors. There were no significant differences when looking at responses by gender, race, or homeownership. With such a dramatic swing in ratings, and no obvious cause in the local community, these variations may be significantly influenced by changes in the national mood about public safety. This continues to be an area of increased emphasis for improvement in the coming year since 93% of residents indicated the overall feeling of safety in Morristown was an essential or very important function of the City.

When asked if they feel safe in their neighborhood, 87% gave a favorable assessment. This rating has been consistent over time; the highest score was 92% in 2014 & 2015, and ratings have never fallen below 86%. When compared to the large swings in overall safety, low concerns about their own neighborhood remain remarkably consistent. Morristown’s rating is comparable to other communities for the last 12 years straight and 13 of the 14 years we’ve done the survey. Concerns were higher with residents in the southwest area of the City. Overall, there were very few significant differences across different groups in the community.

When in downtown Morristown, resident feeling of safety saw a significant decline from a 87% to 79% positive rating. This is a sharp decline and falls below the average of 84% over the last 14 years. We are

comparable to other communities as we have been in 12 of the 14 years Morristown has participated in the survey. Residents living in southeast neighborhoods had significantly more favorable opinions about safety downtown than others.

A question added beginning with the 2020 survey seeks input on perceptions of safety from property crime. Morristown saw a 68% positive rating, which is comparable to others across the country and relatively similar the responses over the last few years. Those living in southeast Morristown were the least concerned about property crime.

Another new question added in 2020 addresses fear of violent crime. Our residents' concern in this area was similar to other communities across the nation, with a 70% positive rating. Following a declining trend over the last several years, this shows a slight improvement over 2023 and is an area for continued attention in the coming year. Again, those living in southeast Morristown were significantly less concerned than residents of other areas. Those with incomes over \$100,000, residents age 55+, and those that own their homes were significantly more positive than other demographics.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- The administrative deputy chief was appointed to represent the state of Tennessee on the Federal Criminal Justice Information System (CJIS) advisory board.
- The Morristown Police Department Crisis Intervention Training (CIT) program was recognized by the state's CIT Coordinator.
- The administrative deputy chief was appointed to chair the state law enforcement accreditation program.
- Administrators were requested and taught at the new chief's school for the University of Tennessee Law Enforcement Innovation Center.



SAFE & SECURE COMMUNITY



- The department conducted an emergency preparedness drill for all specialized units.
- Data shows a 4% decline in traffic crashes and a 3% decline in related injury from 2023.
- Police administrators and several officers attended training related to gang trends.
- A flyer with information regarding common scams was developed and distributed to seniors.
- The department began a Narcan deployment program to assist in reducing overdose deaths.
- Administrators worked with the regional highway patrol supervisor and the city's street department to get additional markings and to add an additional signal head at the Cherokee Drive/Highway 25 E intersection which resulted in a decrease in crashes at that location.
- Administrators worked to develop an Automated License Plate Reader (ALPR) and live view camera program. The operations deputy chief began the process of obtaining an ALPR camera license for six intersections from the State of Tennessee.

A HEALTHY & VIBRANT CITY



- The department hosted Crisis Intervention Training for multiple first responding agencies within the region.
- Increased one-on-one interactions with community members by expanding walking patrols in business districts and selected communities.
- Administrative personnel served on community boards such as:
 - Morristown-Hamblen 911 Communications Board
 - Morristown-Hamblen Child Care and Early Intervention Board
 - Tennessee Law Enforcement Accreditation Professional Standards Board
 - Tennessee Association of Chiefs of Police Board of Directors
 - Tusculum University Advisory Board
 - TN Achieves Program Mentor
 - Morristown-Hamblen Crisis Intervention Training Steering Committee
 - University of Tennessee Institute for Public Service Advisory Board

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Department administrators and supervisors attended training by Public Entity Partners which covered risk management for law enforcement.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Fully implement a Special Needs Registry program to increase citizen and officer safety when responding to incidents which involve individuals with special needs.
- Coordinate with Human Resources to create a job description for a new position to assist with Tennessee Public Records Act (TPRA) requests and other administrative functions as needed.
- Fully implement the automated license plate reader (LPR) program within the city.
- Use citizen survey results to assist in focusing operational resources.
- Evaluate staffing levels based on current policing activities and workload.
- Work with local and state agencies to increase highway safety awareness.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Evaluate needed capital purchase and monitor projections to plan capital and operations needs over multiple years.
- Evaluation of specialized units and teams and their role in community safety and service.
- Participate in the state recruitment and retention incentive program to assist in maintaining staffing levels.

Comments on FY 2024 Actual and FY 2025 Projections

- The FY 2025 budget was amended mid-year in order to accommodate increases in Tyler software maintenance and upgraded equipment purchase for the LPR system.

Significant Changes for FY 2026

- Computer and Data expenditures increased due to software support and Flock Safety Maintenance agreement.

Personnel Summary

POLICE ADMINISTRATION	FY22	FY23	FY24	FY25	FY26
POLICE CHIEF	1	1	1	1	1
DEPUTY CHIEF	2	2	2	2	2
POLICE RECORDS CLERK	1	1	1	1	2
POLICE RECORDS TECHNICIAN SUPERVISOR	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
TOTAL POLICE ADMINISTRATION	6	6	6	6	7

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42110 - Police Administration</i>				
111 SALARIES & WAGES	482,274	511,116	509,590	574,030
112 OVERTIME	0	500	0	500
119 HOLIDAY PAY	144	0	1,047	1,000
134 CHRISTMAS BONUS & LONGEVITY	4,284	4,286	4,274	4,433
210 FICA	29,131	31,986	31,524	35,958
212 MEDICARE	6,813	7,481	7,372	8,410
213 TCRS CONTRIBUTION	73,269	78,263	78,430	88,677
214 EMPLOYEE HEALTH INS	92,449	94,176	89,842	109,680
217 EMPLOYEE LIFE INS	2,276	2,944	2,431	3,179
219 WORKERS COMPENSATIONS INSURANCE	7,405	8,150	7,293	14,000
226 CLOTHING/UNIFORM/SHOES	3,394	5,000	4,200	5,000
310 POSTAL SERVICE	636	600	268	600
321 PRINTING SERVICES	500	500	374	500
330 LEGAL NOTICES	279	0	0	0
341 LEGAL NOTICES	28,541	35,000	20,034	35,000
342 WATER & SEWER	15,853	16,000	16,239	16,000
343 NATURAL GAS & PROPANE	1,364	1,500	1,459	2,200
345 TELEPHONE SERVICES	17,984	21,000	18,003	21,000
351 MEDICAL SERVICES	32	150	84	150
355 COMPUTER/DATA PROCESSING	32,861	117,100	111,401	181,238
359 OTHER PROFESSIONAL SRVCS	0	1,000	137	500
361 REPAIR & MAINTENANCE-VEHICLES	0	3,000	0	3,000
375 MEMBERSHIPS & DUES	1,260	3,000	2,010	3,000
378 EDUCATION - SEMINARS & TRAINING	3,272	3,000	2,140	3,000
383 TRAVEL-BUSINESS EXPENSES	6,162	8,500	7,406	9,000
399 OTHER CONTRACTED SERVICES	12,219	0	480	0
411 OFFICE SUPPLIES & MATERIALS	1,721	2,000	1,352	2,000
413 OFFICE EQUIPMENT	995	1,000	484	500
419 SMALL TOOLS & EQUIP	3,340	1,000	982	1,000
429 GENERAL OPERATING SUPPLIES	861	1,000	736	1,000
431 GASOLINE & DIESEL FUEL	5,056	6,250	3,696	6,250
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	1,321	1,500	1,023	1,500
510 INSURANCE - GENERAL LIABILITY	2,247	2,475	2,555	2,815
523 PROPERTY (CONTENTS) INSURANCE	0	550	554	610
533 EQUIPMENT- RENTAL/LEASE	1,858	2,200	1,638	2,200
615 SEX OFFENDERS ADMINISTRATION	3,074	4,850	2,075	2,000
805 DOJ JAG GRANT	387,744	0	0	0
999 OTHER CAPITAL OUTLAY	0	30,000	34,150	0
<i>42110 - Police Administration</i>	<i>1,230,619</i>	<i>1,007,077</i>	<i>965,283</i>	<i>1,139,930</i>

Police Support

The Police Support division consists of a Support Services Supervisor, a Support Services Sergeant, Corporal, a Housing Officer, an Accreditation Manager, and the Training Officer. The Support Division also contains funding for the Criminal Apprehension Unit. As of 2023, the City of Morristown no longer participates in the Hamblen County School Resource Officer program as state funding for this program was provided to the Hamblen County Sheriff's Department.

The Accreditation Manager is responsible for assisting in developing policies and procedures to ensure compliance with the accreditation standards.

It is the responsibility of the Training Officer to oversee, plan and implement required training for all department personnel.

A contract between the City of Morristown and the Morristown Housing Authority (MHA) established the position of a police liaison in 1994 that works in all MHA developments.

The Bicycle Unit and Honor Guard are also part of the support team.

The Bicycle Unit was established in June 1995 and the officers are responsible for patrol duties, community awareness programs, and providing safety information to school systems and other community service groups.

The Honor Guard was established in 1992 and is comprised of twenty departmental personnel. The Honor Guard participates in police funerals, parades, and other functions as needed.

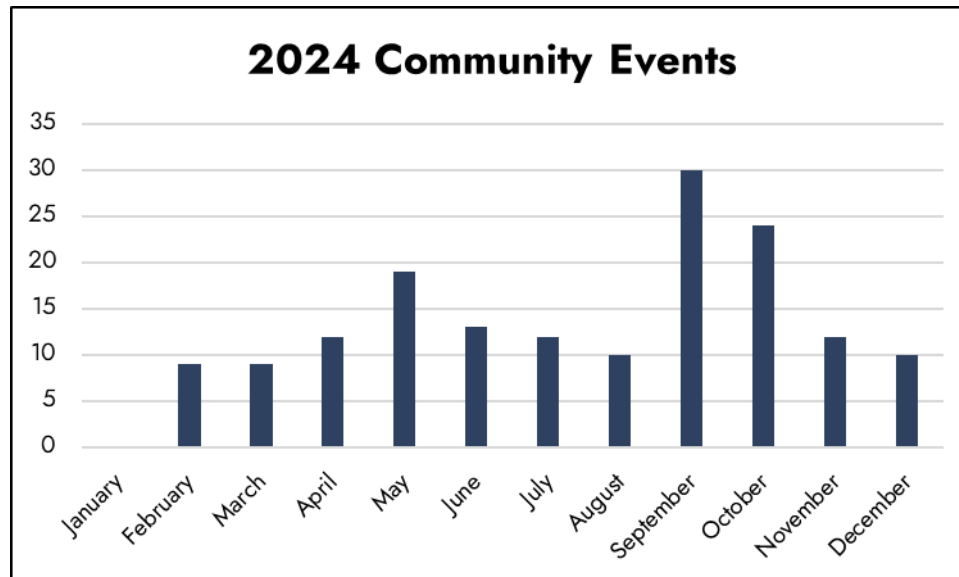
The Internet Crimes Against Children (ICAC) Unit is an integral function of this division. This unit is dedicated to investigating, prosecuting, and developing effective response to those seeking to victimize children and proliferate child sexual abuse images electronically.

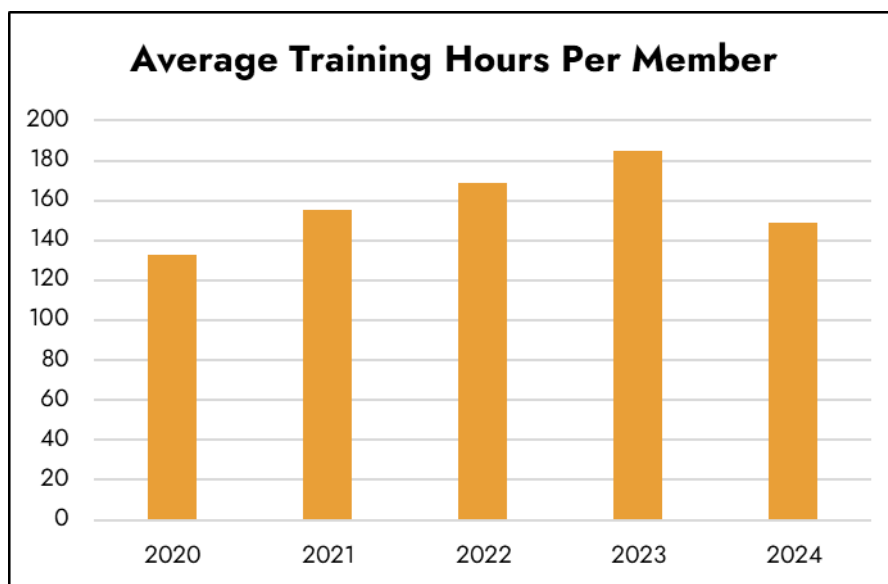
The Criminal Apprehension Unit is currently staffed with one full-time officer and assigned part-time officers as needed. This unit is responsible for locating and apprehending individuals charged with felonies and other dangerous crimes. The CAU works in cooperation with all divisions of the department.

Performance and Workload Measures

Task	2022	2023	2024
Meetings and Presentations	186	50	18
Calls for Assistance Housing/School	2,788	733	892
Miscellaneous (Juvenile/ Adult Counsel, Eviction Notices, Trespass Charges, Trips Out of Town for MHA)	1,544	44	65
ICAC Cybertips Cases Created	43	43	21
ICAC Cybertips Cases Closed	27	50	26
Computer Media Forensic Exams (hard drives, CD/DVD and Flash Drive)	1	14	11
Cell Phone Forensic Exams	44	23	41
ICAC Subpoena (State)	27	31	22
ICAC Search Warrant (State)	8	2	10
CAU Total Arrests	206	245	151
CAU Warrants Served	299	301	180
CAU Misdemeanor Arrests	102	134	121
CAU Felony Arrests	104	111	52
Assisted Domestic Violence Victims	477	473	478
Prepared Prosecution Case Files for Officers	163	192	170
Mental Health Contacts with Individuals	248	257	197
Teleserve Reports	823	364	299

**MPD no longer participates in the School Resource Officer Program which impacted some performance numbers above.*





Law enforcement continues to see increases in state and federally mandated law enforcement training. Personnel received training related to special operations, leadership, and management in 2024. Training objectives are met by using a combination of in-house instructors and external training classes.

Community relationships remain strong. Community event requests are facilitated through this division and involve practically every division and unit within the department. Examples of requests for community involvement include downtown events, benefit walks/runs, community aid distribution, school activities and cultural celebrations.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- The department's Criminal Apprehension Unit created a "Wanted" card which contains the suspect's picture and description along with other relevant information. The card can be distributed to the public during searches for suspects of major crimes.



DOWNTOWN OFFICE

An office was established within the Morristown-Hamblen Library and is staffed with one officer to provide a point of contact and a feeling of safety for community members. This officer can speak with community members about their questions and concerns while providing a level of protection for citizens in the downtown area.

- The honor guard participated in 20 events, which included seven casket guard details, one law enforcement funeral, one law enforcement memorial, four police academy graduations, four community events, and three trainings sessions.
- The Morristown Police Department training unit conducted six 40-hour general in-service classes. State mandatory training was included in the classes for all sworn employees and 25 members of the Hamblen County Sheriff's Department.
- The training unit assisted in organizing and facilitating a 16-hour Command Staff Training which included several state yearly requirements and administrative mandates.
- The training unit conducted training for several organizations throughout the year which included the Regional Law Enforcement Academy.
- Conducted ongoing specialized training for eight specialized units within the agency.
- The Training Unit conducted multiple in-house Driving Under the Influence and Standard Field Sobriety Test refresher trainings.
- Assisted with facilitating a 40-hour Crisis Intervention training course for multiple first responding agencies and obtained Peace Officer Standard Training commission's approval for the course.
- Facilitated 2024 Law updates for all sworn personnel.
- Conducted the 2024 Citizens Police Academy.
- Conducted training for six new hire officers including tracking and coordinated the PPO/FTO program for these officers.
- Six officers were designated as Master Officers at their rank.
- Managed web-based training through Police One Academy which allows officers to receive state approved training on a variety of topics.
- Three 308 rifles were distributed to the patrol division to be utilized in special circumstances.
- The Recruiting Unit participated in seven events, some of which were minority focused.
- The Community Liaison Officer conducted over 500 walks in the downtown central business district. In 2024, his office was relocated to the downtown service area.
- The Housing Liaison/Crime Prevention Officer participated in 18 meetings and presentations. The officer responded to 892 calls for assistance. He also assisted the Tennessee Valley Housing Services with criminal investigations and prosecutions and assisted the Department of Children's Services multiple times throughout the year.
- The unit processed 16 Beer Permit Applications/Letters of Compliance which were presented to the city Beer Board.



SAFE & SECURE COMMUNITY



- Operations received a portable surveillance camera which is being utilized during community events and critical incidents to provide live view to officers and supervisors and record data for possible future need.
- The Criminal Apprehension Unit (CAU) worked a total of 1,688 hours. The unit made a total of 155 arrests, including 99 misdemeanor and 52 felony arrests. The unit served a total of 180 warrants.
- The Support Service Unit provided training to local school staff and students. The unit also provided information on the identification of possible gang members or activity.
- The training unit facilitated door breaching training for the patrol division. Sixteen breaching tools were assigned to patrol officers.
- Support Service Unit personnel conducted six school security assessments for both public and private schools.
- Support services personnel provided multiple presentations to both schools and community groups on topics such as gang identification, usage of drones, law enforcement special response teams, and other information.



THRIVING LIVABLE NEIGHBORHOODS



- In 2024, the Support Service Unit participated in 161 documented community events. Events included festivals, holiday celebrations, civic presentations, and support of nonprofits and downtown business events.

A HEALTHY & VIBRANT CITY



- Staff served on several boards and committees including:
 - Morristown-Hamblen EMS
 - Hamblen County Drug Court
 - Health Department Board
 - Pursuit/Accident Reviews
 - Hamblen County Elder Watch Committee

Goals for FY 2026

SAFE & SECURE COMMUNITY



- Participate in local recruiting events, to include minority-focused events, to provide a diverse applicant pool.
- Gain a better awareness of possible gang-related crimes within the city. Start a database by having both the Community Immersion Officer and Litter Crew coordinator photo and generate a log of identified Gang Tags along with any possible crimes related to gang activity.
- Better track personnel resources utilized in community events and proactive contacts.
- Identify and train an officer to replace the Criminal Apprehension Unit Coordinator position due to a retirement.



- Develop and add a post academy training process to the current PPO program.

Comments on FY 2024 Actual and FY 2025 Projections

- A budget amendment will be necessary late in FY 2025 to account for higher than anticipated computer and data expenditures due to increased maintenance charges and higher than anticipated vehicle parts expenditures.

Significant Changes for FY 2026

- Increases are incorporated for the Uniform line item to accommodate all personnel in this division.
- The Computer & Data line item increases due to increased software maintenance costs.
- Additional funds are incorporated for the Vehicle Parts line item based on recent experience.

Personnel Summary

POLICE SUPPORT	FY22	FY23	FY24	FY25	FY26
POLICE SERGEANT	1	1	1	1	1
POLICE LIEUTENANT	1	1	1	1	1
POLICE CORPORAL	2	2	2	2	2
SCHOOL RESOURCE OFFICER	3	3	3	0	0
MORRISTOWN HOUSING AUTHORITY OFFICER	1	1	1	1	1
CRIMINAL APREHENSION UNIT	2	2	2	2	2
TRAINING OFFICER	1	1	1	1	1
INTERNET CRIMES AGAINST CHILDREN UNIT	1	1	1	1	1
POLICE ACCREDITATION MANAGER	1	1	1	1	1
TOTAL POLICE SUPPORT	13	13	13	10	10

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42115 - Police Support</i>				
111 SALARIES & WAGES	567,495	580,784	574,429	571,866
112 OVERTIME	68,499	80,000	68,275	80,000
119 HOLIDAY PAY	24,289	25,000	25,135	25,500
134 CHRISTMAS BONUS & LONGEVITY	6,224	7,600	6,143	3,981
210 FICA	40,024	42,990	41,294	42,244
212 MEDICARE	9,414	9,692	9,604	9,880
213 TCRS CONTRIBUTION	99,383	101,394	102,828	104,178
214 EMPLOYEE HEALTH INS	129,778	125,134	124,726	125,001
217 EMPLOYEE LIFE INS	3,178	3,345	3,114	3,167
219 WORKERS COMPENSATIONS INSURANCE	16,044	17,650	15,802	16,000
226 CLOTHING/UNIFORM/SHOES	6,897	6,600	7,255	9,000
321 PRINTING SERVICES	0	300	108	300
345 TELEPHONE SERVICES	3,899	4,400	4,421	4,900
351 MEDICAL SERVICES	32	100	363	200
355 COMPUTER/DATA PROCESSING	13,431	11,500	12,836	13,000
361 REPAIR & MAINTENANCE-VEHICLES	0	3,000	2,733	4,000
375 MEMBERSHIPS & DUES	300	500	300	500
378 EDUCATION - SEMINARS & TRAINING	3,090	3,500	3,440	3,500
383 TRAVEL-BUSINESS EXPENSES	6,377	4,500	5,958	4,500
411 OFFICE SUPPLIES & MATERIALS	1,629	1,000	1,037	1,000
413 OFFICE EQUIPMENT	414	1,000	775	1,000
419 SMALL TOOLS & EQUIP	15,698	4,250	3,294	3,200
429 GENERAL OPERATING SUPPLIES	102	500	105	500
431 GASOLINE & DIESEL FUEL	9,249	18,000	16,400	18,000
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	2,046	4,000	6,637	7,000
510 INSURANCE - GENERAL LIABILITY	2,564	2,820	2,915	3,210
523 PROPERTY (CONTENTS) INSURANCE	536	590	632	695
971 MOTOR EQUIPMENT	1,230	0	0	0
999 OTHER CAPITAL OUTLAY	0	55,000	53,989	0
<i>42115 - Police Support</i>	<i>1,031,822</i>	<i>1,115,149</i>	<i>1,094,548</i>	<i>1,056,322</i>

Chaplains

The Police Department Chaplain Unit consists of ten volunteer Chaplains who serve under the supervision of the department's Chaplain Liaison. All Chaplains have completed Law Enforcement Chaplain Training through the International Conference of Police Chaplains.

The Chaplain unit serves in a variety of ways. They serve as a liaison with religious organizations within the community. They may be called to assist in death notifications, as well as assist officers at suicide/attempted suicide scenes, fatality and serious injury traffic accidents, major crime scenes, or other catastrophes as needed. They also visit sick or injured personnel at their home or other place of confinement. They are a resource for counseling for members of the department and their families.

Performance and Workload Measures

Task	2022	2023	2024
Calls for Service	40	45	55
Hours Spent on Calls	93	118.25	145.25
Other Agency Assists	5	7	6
Death/Injury Notifications	29	35	33
Homeless Person Assists	5	5	3
Devotions	93	44	48
Professional Contacts	203	280	216
Invocations for Council	11	20	20
Total Hours	528	530.75	526.25

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- The chaplain unit had 55 callouts and over 526 contact hours with citizens and/or officers in 2024.
- Maintained police chaplain credentials through the International Conference of Police Chaplains. Two chaplains attended the annual conference in Pennsylvania.
- Aided three people in need of emergency housing.
- Provided the invocation for City Council Meetings throughout the year.
- Chaplain Unit provided services to other state and local agencies six times.
- Provided overview of available services to newly hired personnel.
- Conducted training for the Walters State Basic Police Academy and internal training for the police chaplain unit.
- Using private funds and resources, the Chaplain Unit works with officers to assist homeless individuals.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Maintain certification for Chaplain Unit members
- Seek additional training opportunities for newly appointed chaplains.
- Provide clear markings for vehicles used when responding to calls for chaplain services.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be within budget.

Significant Changes for FY 2026

- Funding added to purchase jackets for chaplains.

Personnel Summary

- There are no employees budgeted in this division.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42116 - Police - Chaplains</i>				
226 CLOTHING/UNIFORM/SHOES	0	0	0	5,000
375 MEMBERSHIPS & DUES	1,000	1,500	1,100	1,500
383 TRAVEL-BUSINESS EXPENSES	1,585	3,000	2,351	3,000
429 GENERAL OPERATING SUPPLIES	0	150	0	150
<i>42116 - Chaplains</i>	<i>2,585</i>	<i>4,650</i>	<i>3,451</i>	<i>9,650</i>

Litter Crew

The Litter Crew was created in September 2012 in an effort to help beautify the City of Morristown. This is accomplished by either walking or driving to areas within the City limits that are in need of litter/debris cleanup. This crew also performs other tasks such as painting, landscaping, cleaning, and washing/waxing police vehicles.

This budget division accounts for the staff person(s) overseeing the Litter Crew while the crew itself is made up of individuals assigned to community corrections.

Performance and Workload Measures

Task	2022	2023	2024
Hours Worked	337.50	1,167	963.50
Estimated Pounds of Trash Bagged	29,220	77,360	76,760
Pounds of Miscellaneous Trash (not bagged)	16,585	19,638	12,044
Hours Cleaning & Landscaping Downtown	0	201	292
Tires Collected	122	160	113

Significant Accomplishments FY 2025

THRIVING LIVABLE NEIGHBORHOODS



- The litter crew worked a total of 963.5 hours picking up litter on the roadways. The crew picked up 3,838 bags of garbage from the roads (76,760 pounds each utilizing Keep America Beautiful approximate pounds per bag), picked up approximately 12,044 pounds of miscellaneous trash (items that do not fit into a bag), picked up 113 tires and 20 needles off the roadways. The crew also spent 292 hours conducting cleaning and on city buildings/property.

BEFORE



AFTER



Goals for FY 2026

THRIVING LIVABLE NEIGHBORHOODS



- Develop a regular litter pick-up schedule for the downtown business area.
- Assist Parks and Recreation staff with park clean-up prior to, and following, scheduled events.
- Identify other appropriate tasks for the Litter Crew during inclement weather.
- Consider work order system software through which other city departments can request Litter Crew assistance.

Comments on FY 2024 Actual and FY 2025 Projections

- An amendment will be necessary late in FY 2025 to account for projected Overtime and Fuel expenditures.

Significant Changes for FY 2026

- In FY 2025, a POST certified Police Officer was tasked to fill the role of Litter Crew supervisor. The most significant change in budget for FY 2026 relates to the incremental cost of a certified officer. Other change relate to anticipated overtime and fuel costs and the purchase of equipment for the Litter Crew truck that can assist in larger cleanup sites.

Personnel Summary

POLICE LITTER CREW	FY22	FY23	FY24	FY25	FY26
POLICE OFFICER	1	1	1	1	1
TOTAL POLICE LITTER CREW	1	1	1	1	1

Budget Expense Detail

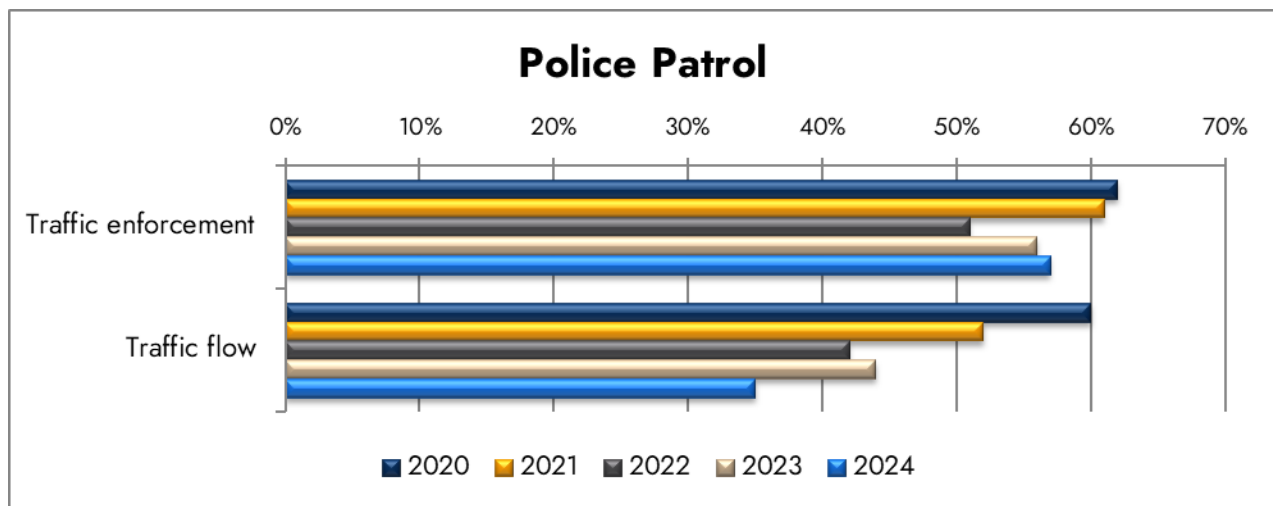
Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42117 - Police - Litter Crew</i>				
111 SALARIES & WAGES	32,889	44,377	44,783	59,418
112 OVERTIME	2,437	3,500	4,112	4,000
119 HOLIDAY PAY	0	1,650	1,564	1,800
134 CHRISTMAS BONUS & LONGEVITY	81	120	0	835
210 FICA	2,027	3,079	3,045	4,096
212 MEDICARE	474	696	712	958
213 TCRS CONTRIBUTION	5,371	7,282	7,636	10,100
214 EMPLOYEE HEALTH INS	13,110	15,518	14,262	15,573
217 EMPLOYEE LIFE INS	196	256	236	329
219 WORKERS COMPENSATIONS INSURANCE	1,234	1,360	1,216	2,000
226 CLOTHING/UNIFORM/SHOES	615	800	518	800
345 TELEPHONE SERVICES	455	700	457	700
361 REPAIR & MAINTENANCE-VEHICLES	687	700	207	700
378 EDUCATION-SEMINARS & TRAINING	56	500	56	1,000
383 TRAVEL-BUSINESS EXPENSES	0	1,000	0	1,500
411 OFFICE SUPPLIES & MATERIALS	0	250	0	0
419 SMALL TOOLS & EQUIP	568	1,000	340	1,000
429 GENERAL OPERATING SUPPLIES	816	2,500	857	1,000
431 GASOLINE & DIESEL FUEL	3,571	2,500	3,607	3,500
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	236	500	240	1,500
510 INSURANCE - GENERAL LIABILITY	205	280	233	280
523 PROPERTY (CONTENTS) INSURANCE	43	35	51	60
960 MACHINERY & EQUIPMENT	0	0	0	7,000
<i>42117 - Police Litter Crew</i>	<i>65,071</i>	<i>88,603</i>	<i>84,132</i>	<i>118,149</i>

Patrol & Traffic

The primary function of the Patrol and Traffic Division is the protection of life and property of the citizens of Morristown and prevention and control of crime through directed patrol and proactive police measures.

Performance and Workload Measures

Task	2022	2023	2024
Traffic Crashes	1,800	1,851	1,778
Total Physical Arrests	2,720	2,941	2,492
Total Arrest Charges	4,665	5,536	4,821
Citation Charges	7,398	9,136	8,708
Avg. Call for Service Response Time (minutes)	4.15	6.19	6.14
Avg. Emergency Call Response Time (minutes)	3.57	4.12	4.05



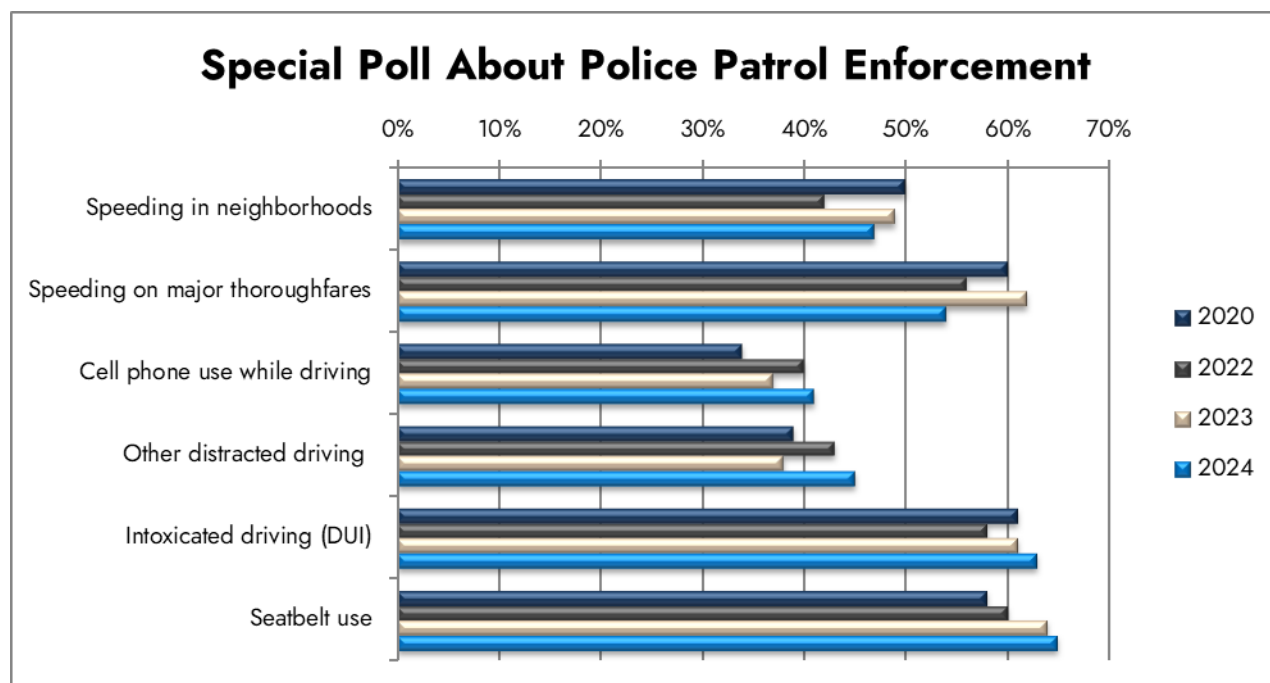
Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Residents gave Morristown a 57% positive rating for traffic enforcement and is comparable to the national benchmark for the 13th straight year. Residents living in neighborhoods in the northern half of Morristown were significantly more favorable than their neighbors living in the south. Responders age 18-34 were more favorable than residents 35+. Men rated traffic enforcement significantly more favorably than women. Otherwise, opinions were generally consistent across demographic breakdowns.

When assessing traffic flow our residents gave a favorable rating of only 35% - a significant drop from the year prior - which continues a generally declining trend and is well below the average rating of 48% for the last 14 years. However, despite this continued drop, Morristown continues to rank as comparable to other communities across the nation, as we have been for 13 of the 14 years we have conducted the survey. Residents in the southwest of the city were the most critical in this area, which is likely reflective of the additional traffic brought by new development to the west side of the city as well as growing use of

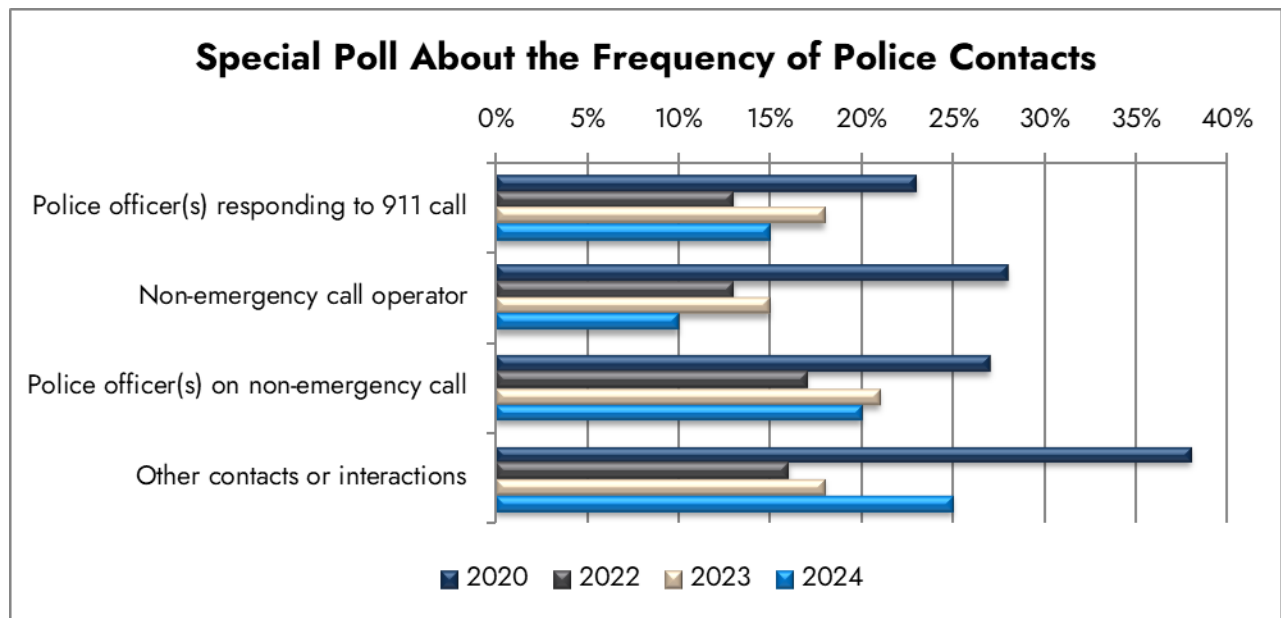
Merchants Greene as a connector to Interstate 81. Those age 55+ were significantly more favorable than younger residents. Responders who have lived in Morristown for less than 5 years were significantly more favorable than longer-term neighbors. The Police Department provides important representation on the City's traffic committee where traffic trends and solutions to specific problem areas are discussed.

The annual citizen's survey includes a few questions that are unique to Morristown's survey as compared to the surveys done across the country. These added questions help Police Department leadership to evaluate the public's assessment of the department in more detail. For instance, the department seeks to better understand what specific issues or conditions make respondents feel unsafe – especially in their own neighborhoods. The added questions also seek to differentiate between respondents who actually had contact with our officers and those that may be responding based more on generalized public sentiment or media coverage of law enforcement across the country.



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

We asked residents to assess traffic law enforcement activities. In general, the ratings show stability or improvement. Concern about speeding in neighborhoods was consistent across areas of the city. Those living in the northwest were most critical about speed enforcement on major corridors. A majority of residents are happy with traffic enforcement, but we continue to see concerns about distracted driving.



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

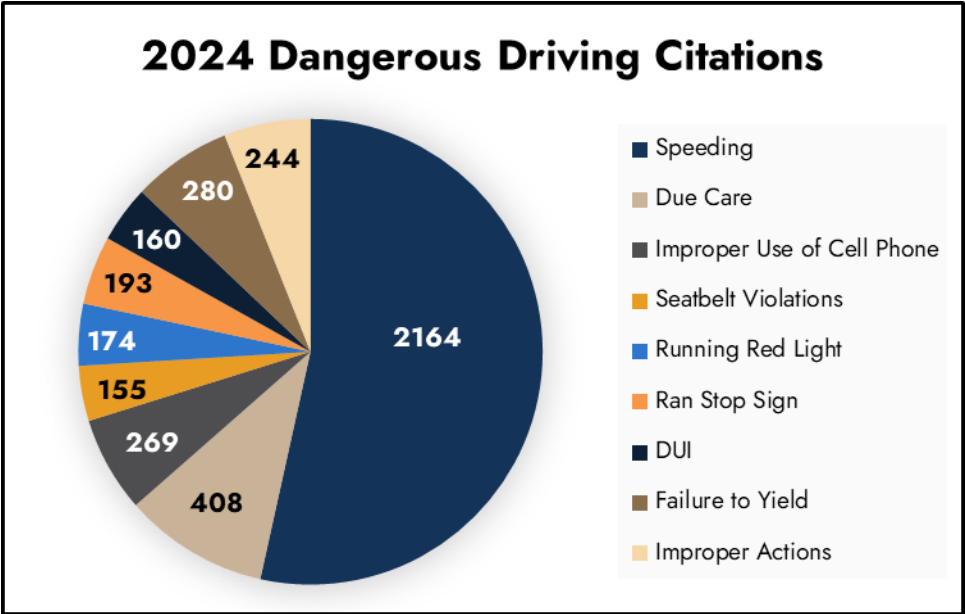
We asked questions to determine where residents were interacting with the police department. Where only about 20% of responders to last year’s survey indicated having any contact with the police department, 39% of this year’s responders reported having some level of contact. Of that reported interaction with police personnel, only 15% had interacted with officers in response to a 911 call. The biggest increase in interaction with officers came through interactions at community events, public meetings, or in casual interaction with officers on patrol.

The MPD averaged 3,166 calls for service per month, which is a 9% decrease from 2023. Officers spent an average of 47 minutes on each call. Average time on a call saw an increase of 52% over 2023 which may be partially attributed to complexity of processes as intervention strategies have changed in attempt to provide mental health and other alternative services. Dispatch logged a total of 37,924 calls for service in 2024 which is an 8% decrease from 2023 and approximately the same level seen in 2022.

In 2024, the average officer response time to the location of a call was 6.14 minutes for routine response and 4.05 minutes for emergency call response time. This is similar to response times seen in 2023.

Response to traffic crashes on our city streets remains a priority for patrol. Response to traffic crashes decreased slightly this year from 2023, as did related injuries.

Traffic law enforcement is an important way to impact traffic crashes. Total traffic violations charged by MPD officers was 7,672 this year, which continues a trend of increased traffic law enforcement over the past three years. Officers issued 4,047 citations in 2024 for the most dangerous driving behaviors in our community including speeding, running red lights, and cell phone use.



Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION

- On July 4th, department canine and drone units assisted Jefferson County personnel in a large area land and water search for a missing child.
- In September, due to high wind damage and flooding associated with Hurricane Helene, the department did an emergency recall of several personnel to address storm related issues.
- In 2024, officers received training on the newly established Narcan program. Officers were assigned Narcan to deploy as needed.
- The Unmanned Aircraft System (UAS), aka Drone program, was deployed 19 times during the year. The drone was used to assist at scenes of search and rescue missions/missing persons, locating suspects/fugitives, fire scenes, surveillance, community events, and to assist city/county officials with pictures/videos of specific areas.
- The traffic crash reconstruction team investigated 11 fatal traffic crashes and 18 serious injury crashes.
- A Lieutenant assigned to the traffic crash reconstruction team successfully prosecuted and convicted a driver who was involved in a fatal traffic crash for vehicular homicide.
- The department’s canine units had 267 deployments. The canine teams trained for 1,468 hours. The officers assigned drug detection dogs made 293 arrests (158 drug-related) and issued 643 citations.
- Two officers were assigned to the canine unit and successfully completed a five-week handlers’ school with Integrity Canine, LLC.



- The special response team conducted 12 operations with no officer injuries. The team responded to seven arrest warrant services/barricaded suspects, three search warrants and two overwatch details for community events.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- The drone unit received a new aerial device which increased the unit's capabilities. The pilots were all trained on the use of the new equipment.

SAFE & SECURE COMMUNITY



- Agency personnel operated under a severe weather snow plan for a period of 8 days. Utilizing four-wheel drive vehicles and tele serve report taking, officers were able to maintain efficient operations.
- Patrol officers and Special Response Team personnel assisted the Tennessee Bureau of Investigation in several searches for a suspect in the fatal shooting of a Blount County Deputy.
- Patrol officers, detectives and special teams assisted Grainger County deputies and Tennessee Bureau of Investigation serving multiple search warrants and conducting surveillance to search for a double murder suspect who lived in Morristown.
- May 2024, a tornado occurred in the eastern part of the city and county. Personnel were deployed to check for possible injured persons, blocked roadways, and to conduct traffic control.
- After receiving a call for a domestic related assault, several special response teams were utilized to arrest a suspect who had barricaded himself, was uncooperative, and making threats against officers.
- Several department divisions and special teams were able to identify and locate the suspect wanted for a homicide on N. High Street. The suspect was charged with the murder.
- Twelve patrol officers/supervisors received training and certification in seated battery field sobriety testing. This battery is utilized to assist with testing suspected DUI violators that are not able to perform the standing roadside tests.
- Patrol/support services officers, including supervisors, received training provided by Norfolk Southern Railroad on responding safely to train and/or railroad crossing incidents.
- Patrol shifts were issued additional mini ballistic shields which may be deployed as needed.
- In support of the county's School Resource Program, officers conducted 268 random foot patrols through schools located within the city.
- Patrol officers conducted more than 400 random foot patrols through large scale retail businesses.
- During multiple deployments, canine teams were used in locating a weapon which was used in a drive-by shooting incident, locating and apprehending a suspect involved in a stabbing incident, and assisting in taking a resisting suspect into custody.

A HEALTHY & VIBRANT CITY



- During 2024, patrol personnel conducted more than 3,000 foot patrols in the downtown business district.
- In 2024, patrol conducted more than 1,500 patrols through the local parks and also did walk throughs of Parks and Recreation special events.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Implement monthly supervisor spot checks of patrol arrest case files.

- Utilize RMS/CAD data to evaluate officers monthly and yearly activity.
- Create a database in SharePoint to track the status of patrol officer's criminal cases.
- Have selected personnel attend advanced management and leadership training.
- Ensure all officers tour the new Hamblen County Jail and become familiar with its operation and layout.

THRIVING LIVABLE NEIGHBORHOODS



- Focus additional efforts on neighborhood patrols in areas of concern noted in the Citizen's Survey and community meetings.

SAFE & SECURE COMMUNITY



- Two patrol officers on each shift will attend a 40-hour Basic Spanish Course
- Research and evaluate the possibility of creating a traffic unit.

Comments on FY 2024 Actual and FY 2025 Projections

- No operational expense overages anticipated.

Significant Changes for FY 2026

- Education and training expenditures have increased due to significant increases in course fees and lodging.
- Budget includes office reconfiguration for additional workspace in the patrol supervisor office.
- One replacement EOD K9 included in this budget pending the retirement of Juno who will soon turn 10 years old.
- The most notable difference from one fiscal year to the next involves the replacement of Police vehicles. In FY 2024, we were able to purchase vehicles earlier than anticipated, so we were able to forgo purchases in FY 2025. The FY 2026 budget for this division anticipates seven (7) fully equipped units.
- Other capital requested includes the replacement of an EOD response suit, a portable radio replacement schedule, and an electronic citation unit replacement schedule.

Personnel Summary

POLICE PATROL	FY22	FY23	FY24	FY25	FY26
POLICE CAPTAIN	4	4	4	4	4
POLICE SERGEANT	4	4	4	4	4
POLICE LIEUTENANT	4	4	4	4	4
POLICE CORPORAL	4	4	4	4	4
POLICE OFFICER	35	35	35	38	38
TOTAL POLICE PATROL	51	51	51	54	54

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42120 - Police Patrol & Traffic</i>				
111 SALARIES & WAGES	2,960,489	3,317,350	3,163,109	3,391,694
112 OVERTIME	422,339	350,000	405,548	410,000
114 WAGES & SALARIES TEMP	10,317	30,000	13,012	30,000
119 HOLIDAY PAY	142,944	131,000	161,844	162,000
134 CHRISTMAS BONUS & LONGEVITY	16,328	18,200	17,383	20,195
210 FICA	205,726	237,495	226,606	248,862
212 MEDICARE	48,113	55,543	52,997	58,202
213 TCRS CONTRIBUTION	511,889	559,098	563,173	609,137
214 EMPLOYEE HEALTH INS	813,830	903,353	837,814	918,438
217 EMPLOYEE LIFE INS	16,000	19,108	16,859	18,785
219 WORKERS COMPENSATIONS INSURANCE	89,696	83,125	66,425	118,000
226 CLOTHING/UNIFORM/SHOES	84,282	145,000	72,876	120,000
310 POSTAL SERVICE	369	500	197	500
321 PRINTING SERVICES	1,375	1,500	1,554	3,500
330 LEGAL NOTICES	3,584	400	325	400
345 TELEPHONE SERVICES	43,006	60,000	65,195	64,800
351 MEDICAL SERVICES	4,543	5,000	5,993	5,000
359 OTHER PROFESSIONAL SRVCS	5,164	5,000	3,414	4,500
360 REP & MAINT-COMMUNICATIONS	5,982	9,100	4,997	6,000
361 REPAIR & MAINTENANCE-VEHICLES	69,769	50,000	81,536	60,000
362 REPAIR & MAINT-OPERATIONS EQUIPMENT	0	2,000	1,245	2,000
364 REPAIR & MAINT-BLDG/GROUNDS	205	4,000	1,680	2,500
375 MEMBERSHIPS & DUES	1,000	1,500	1,000	1,500
378 EDUCATION - SEMINARS & TRAINING	46,496	42,000	45,553	45,000
379 ACADEMY TRAINING	0	25,000	14,870	22,175
383 TRAVEL-BUSINESS EXPENSES	18,404	28,700	27,942	35,000
399 OTHER CONTRACTED SERVICES	180,024	103,542	249,569	135,286
411 OFFICE SUPPLIES & MATERIALS	8,829	10,000	8,349	10,000
413 OFFICE EQUIPMENT	12,396	1,200	890	17,100
416 MUNITIONS	41,958	46,000	44,343	46,000
419 SMALL TOOLS & EQUIP	191,146	83,300	75,269	81,050
429 GENERAL OPERATING SUPPLIES	8,282	7,000	6,230	7,000
431 GASOLINE & DIESEL FUEL	185,235	212,500	164,133	175,000
432 UNMANNED AIRCRAFT SYSTEM (DRONE) PROGRAM	5,729	2,000	1,200	2,000
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	118,481	100,000	106,250	100,000
510 INSURANCE - GENERAL LIABILITY	241,854	265,520	207,179	265,520
523 PROPERTY (CONTENTS) INSURANCE	23,526	25,600	27,743	29,130
533 EQUIPMENT - RENTAL/LEASE	3,339	4,000	3,092	4,000
695 K-9 DOGS AND SUPPLIES	5,427	3,700	3,133	17,100
960 MACHINERY & EQUIPMENT	7,153	0	0	0
971 MOTOR EQUIPMENT	1,654,460	0	60,036	475,000
999 OTHER CAPITAL OUTLAY	0	0	0	55,000
<i>42120 - Patrol & Traffic</i>	<i>8,209,689</i>	<i>6,948,334</i>	<i>6,810,563</i>	<i>7,777,374</i>

Investigations

This division is equipped to conduct major case investigations and conduct plain clothes assignments. This division also assists the organization to prevent crime through the proactive detection and deterrence of criminal activities and participation in community relations programs.

The functions of this division are accomplished through the investigation of crimes, arrest, prosecution, and conviction of offenders.

Performance and Workload Measures

Case	2022		2023		2024	
Classification	Assigned	Closed	Assigned	Closed	Assigned	Closed
Arson	7	3	2	0	5	3
Assault	187	95	207	146	179	87
Auto Theft	196	90	123	84	91	43
Bomb Threat	3	2	3	0	1	1
Burglary	103	28	120	46	92	22
Child Abuse	37	19	28	33	39	21
Domestic Violence	477	342	473	421	478	303
Forgery	21	11	14	6	14	4
Fraud	409	172	250	86	168	36
Kidnap	1	1	2	1	0	0
Larceny	999	285	776	355	591	163
Miscellaneous	1,295	728	1,299	917	1,218	690
Missing Person	94	74	88	82	62	49
Murder	0	0	1	0	2	2
Rape	19	2	27	14	27	4
Robbery	9	5	6	2	8	3
Sexual Battery	23	6	24	13	18	5
TOTAL	3,880	1,863	3,443	2,206	2,993	1,436

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- For the year 2024, the Detective Division was assigned 2,993 cases and of those 2,027 were closed, for an overall closure rate of 68%. Additionally, 274 open cases from previous years were closed. Detectives closed 372 cases by investigator arrest.
- An investigation stemming from the death of an infant led to charges of First-Degree Murder, Felony Murder, and Aggravated Child Abuse against an adult male. Charges of Aggravated Child Abuse or Neglect were also placed against the infant's mother.
- The investigations division captain attended the Chamber of Commerce Leadership program.

- The Victim/Witness Coordinator received certification training to conduct the Crisis Intervention Training Program.
- Two detectives attended a week-long homicide investigation course.
- A newly-assigned detective attended a two-week criminal investigation course.

SAFE & SECURE COMMUNITY



- A female suspect was identified, taken into custody, and charged with Second-Degree Murder after a shooting investigation which began in June of 2024.
- Investigators, working with the Traffic Crash Investigation Team, were able to identify and charge an individual responsible for a hit-and-run pedestrian fatality which occurred on West AJ Highway.

Goals for FY 2026

SAFE & SECURE COMMUNITY



- Update case file review procedures for death cases considered suspicious or where the cause of death is unknown.
- The Victim/Witness Coordinator will seek out and attend a Crisis Intervention Team (CIT) “Train the Trainer” class to enable her to serve as a CIT instructor for the Morristown Police Department.
- Provide officers and detectives with training on Orders of Protection.
- Assign the Victim/Witness Coordinator to seek out and attend a “Train the Trainer” class relative to domestic assault and strangulation to enable her to provide a class on domestic violence laws and dealing with strangulation cases for Morristown Police Department officers and detectives.

Comments on FY 2024 Actual and FY 2025 Projections

- No operational expense overages anticipated.

Significant Changes for FY 2026

- The line for training and travel are reduced as FY 2025 budget included expense for 10-week forensics academy.
- The most notable increase to this budget involves the planned replacement of two (2) vehicles.
- Funds have also been added to building maintenance to increase storage capacity in the gun evidence vault.
- Recent experience has indicated that additional funds will be necessary in the vehicle parts line item.

Personnel Summary

POLICE INVESTIGATIONS	FY22	FY23	FY24	FY25	FY26
DETECTIVE CAPTAIN	1	1	1	1	1
POLICE DETECTIVE SERGEANT	1	1	1	1	1
POLICE DETECTIVE LIEUTENANT	1	1	1	1	1
POLICE DETECTIVE CORPORAL	1	1	1	1	1
POLICE DETECTIVE	8	8	8	8	8
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
TOTAL POLICE INVESTIGATIONS	13	13	13	13	13

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42130 - Police Investigation</i>				
111 SALARIES & WAGES	748,728	840,972	854,991	882,511
112 OVERTIME	44,575	35,000	51,660	50,000
119 HOLIDAY PAY	22,666	30,000	30,221	31,000
134 CHRISTMAS BONUS & LONGEVITY	7,413	8,790	7,894	9,325
210 FICA	49,339	56,716	57,739	60,316
212 MEDICARE	11,539	13,265	13,504	14,107
213 TCRS CONTRIBUTION	124,740	134,219	144,489	148,747
214 EMPLOYEE HEALTH INS	178,848	187,568	194,652	187,601
217 EMPLOYEE LIFE INS	4,131	4,844	4,611	4,888
219 WORKERS COMPENSATIONS INSURANCE	16,044	17,650	15,804	24,000
226 CLOTHING/UNIFORM/SHOES	8,815	16,050	14,736	18,500
310 POSTAL SERVICE	1,234	1,500	1,246	1,500
321 PRINTING SERVICES	215	200	165	200
345 TELEPHONE SERVICES	5,649	6,500	5,952	7,500
351 MEDICAL SERVICES	84	750	180	0
355 COMPUTER/DATA PROCESSING	599	5,100	5,100	3,600
359 OTHER PROFESSIONAL SRVCS	644	1,000	935	1,500
361 REPAIR & MAINTENANCE-VEHICLES	1,550	3,500	17,123	3,500
364 REPAIR & MAINTENANCE-BLDG./GROUNDS		0	0	1,200
375 MEMBERSHIPS & DUES	575	700	605	800
378 EDUCATION - SEMINARS & TRAINING	5,668	19,500	18,164	11,000
383 TRAVEL-BUSINESS EXPENSES	2,265	13,200	7,978	6,500
399 OTHER CONTRACTED SERVICES	6,525	4,100	4,167	6,095
411 OFFICE SUPPLIES & MATERIALS	11,909	12,500	12,240	12,500
413 OFFICE EQUIPMENT	1,715	2,000	1,248	1,000
419 SMALL TOOLS & EQUIP	18,634	9,650	10,277	10,200
429 GENERAL OPERATING SUPPLIES	425	2,000	680	2,000
431 GASOLINE & DIESEL FUEL	19,295	20,000	18,969	20,000
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	13,704	7,000	14,229	14,000
510 INSURANCE - GENERAL LIABILITY	25,695	28,265	29,211	30,675
523 PROPERTY (CONTENTS) INSURANCE	5,370	5,910	6,333	6,650
533 EQUIPMENT - RENTAL/LEASE	5,863	9,504	5,393	7,310
971 MOTOR EQUIPMENT	9,307	0	0	100,000
<i>42130 - Police Investigation</i>	<i>1,353,763</i>	<i>1,497,953</i>	<i>1,550,496</i>	<i>1,678,725</i>

Narcotics & Vice

The Narcotics & Vice Department is responsible for the suppression of illegal drug transactions through investigation, arrest and prosecution of persons involved in illegal drug trade. This is accomplished by active investigation, undercover operations, and the use of persons providing information concerning narcotics violations.

The Narcotics & Vice Department also coordinates joint efforts with local, state, and federal agencies inside and outside the Morristown city jurisdictional boundaries. This department also investigates gambling violations, prostitution, and illegal alcohol sales.

Performance and Workload Measures

Activity	2022	2023	2024
Persons Arrested - Felony	131	147	111
Persons Arrested - Misdemeanor	79	88	82
Narcotics Related Charges	243	260	178
Non-Narcotics Related Charges	243	278	244
Other Agency Assists	45	45	57

Significant Accomplishments FY 2025

SAFE & SECURE COMMUNITY



- In 2024, the Narcotics/vice division made a total of 218 arrests, 422 narcotic and non-narcotic related charges. The division seized over \$24,000 in cash.
- The Narcotics/vice division took the lead in organizing the investigation into six connected overdose deaths during a 36-hour period in January of 2024. This investigation resulted in the federal indictment of a local woman responsible for selling lethal drugs that resulted in all six deaths.
- The Narcotics/vice division assisted other agencies in several investigations throughout the year.

HIGH PERFORMING ORGANIZATION



- The Narcotics/vice division prosecuted three suspects in federal court for distribution of meth and possession of firearms.
- In July, the Narcotics/vice division seized nearly 14 pounds of meth from a local drug dealer.
- The Narcotics/vice division located and assisted in the capture of two murder suspects from North Carolina that were hiding out on Old Witt Road.
- Three detectives in the Narcotics/vice division completed 1-week advanced training in the investigation of overdose deaths.



- The City disposed of several vehicles through auction, collecting \$35,458.32. Of this amount, \$9,400.00 came from the sale of seized vehicles as a result of driving under the Influence or driving on revoked licenses cases. The remaining \$26,058.32 is from the sale of seized vehicles as a result of drug-related offenses.

Goals for FY 2026

SAFE & SECURE COMMUNITY



- Increase the number of MPD officers certified by the Tennessee Dangerous Drugs Task Force.

HIGH PERFORMING ORGANIZATION



- Continue to participate with other local, state, and federal organizations to help address drug trafficking within the city.
- Establish an online workstation using audio and video within the Narcotics Division for Officers to attend Tennessee Department of Safety seizure hearings.

Comments on FY 2024 Actual and FY 2025 Projections

- The FY 2025 budget was amended mid-year in order to accommodate increases in training expenses for this division.

Significant Changes for FY 2026

- There are no significant changes.

Personnel Summary

POLICE NARCOTICS & VICE	FY22	FY23	FY24	FY25	FY26
DETECTIVE CAPTAIN	1	1	1	1	1
DETECTIVE SERGEANT	1	1	1	1	1
DETECTIVE CORPORAL	0	0	0	0	0
DETECTIVE	4	4	4	4	4
POLICE RECORDS CLERK	1	1	1	1	1
TOTAL POLICE NARCOTICS & VICE	7	7	7	7	7

Budget Expense Detail

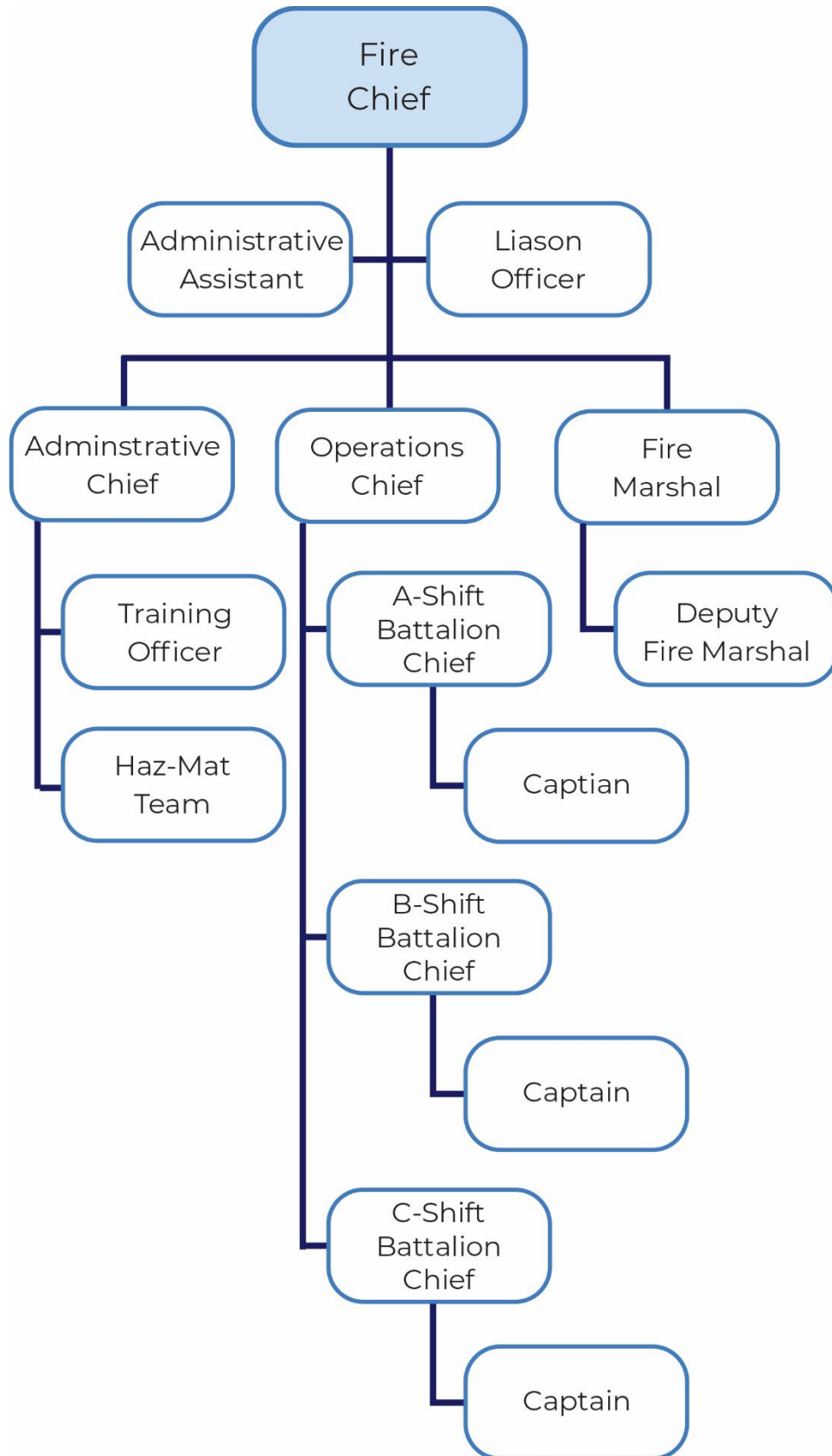
Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42171 - Narcotics and Vice</i>				
111 SALARIES & WAGES	347,786	419,942	359,074	378,513
112 OVERTIME	27,800	40,000	18,369	40,000
119 HOLIDAY PAY	11,872	15,000	13,850	15,000
134 CHRISTMAS BONUS & LONGEVITY	3,607	3,940	3,793	4,007
210 FICA	32,762	29,691	27,857	27,127
212 MEDICARE	7,662	6,944	6,515	6,345
213 TCRS CONTRIBUTION	83,556	70,371	70,336	66,897
214 EMPLOYEE HEALTH INS	77,963	93,783	78,019	78,212
217 EMPLOYEE LIFE INS	1,857	2,419	1,942	2,096
219 WORKERS COMPENSATIONS INSURANCE	18,412	13,060	9,838	10,000
226 CLOTHING/UNIFORM/SHOES	4,358	5,300	4,818	6,400
310 POSTAL SERVICE	235	500	214	500
321 PRINTING SERVICES	50	80	50	80
330 LEGAL NOTICES	0	250	0	250
345 TELEPHONE SERVICES	84	0	0	0
351 MEDICAL SERVICES	214	140	96	140
375 MEMBERSHIPS & DUES	0	265	175	265
378 EDUCATION - SEMINARS & TRAINING	3,000	3,000	2,999	6,500
383 TRAVEL-BUSINESS EXPENSES	1,710	3,000	2,755	7,300
510 INSURANCE - GENERAL LIABILITY	13,949	15,345	15,857	16,650
523 PROPERTY (CONTENTS) INSURANCE	2,915	3,210	3,438	3,610
533 EQUIPMENT- RENTAL/LEASE	1,105	2,900	1,510	2,900
<i>42171 - Narcotics and Vice</i>	<i>640,897</i>	<i>729,140</i>	<i>621,505</i>	<i>672,792</i>

FIRE

DEPARTMENT



Fire Organization Chart



MISSION STATEMENT

The Morristown Fire Department
trains, prepares, and responds to:
preserve life, protect property, and promote safety.

The Morristown Fire Department strives to be
innovative, adaptive, and resilient in the face of internal and external challenges.

The Morristown Fire Department Core Values are
Trust-Integrity-Respect-Excellence.

The Morristown Fire Department is comprised of 86 total personnel with 78 being assigned to fire suppression duties and 8 assigned administrative jobs or other tasks.

The department protects a population of approximately 32,099 citizens (increases about 70,000 coming into the city for work, shopping, and medical care) in an area of 28.024 square miles with an average response time (turn-out and travel) of 5 minutes or less.

Fire suppression personnel work a schedule of 24 hours on and 48 hours off. They are assigned to one of three shifts (A, B, or C) with 26 personnel assigned to each shift. Those personnel operate out of six stations and respond with seven front line firefighting apparatus and one command vehicle. Additionally, the department provides emergency medical services to the community.

The day-to-day oversight responsibilities for the department are assigned to the Fire Chief. His assistants include an Administrative Deputy Chief, an Operations Deputy Chief, the Fire Marshal, Deputy Fire Marshal, Training Officer, Logistics Officer, and an Administrative Assistant.

Other services provided to the community include an Advanced Emergency Medical Technician level medical responder program, Hazardous Materials Team, Technical Response Team (ropes, confined space, etc.), CPR instructors, Child Restraint Seat Technicians, Fire Safety Educators, Fire Safety Inspectors, Arson Investigators, and an Honor Guard.

The department has an ISO rating of class two.



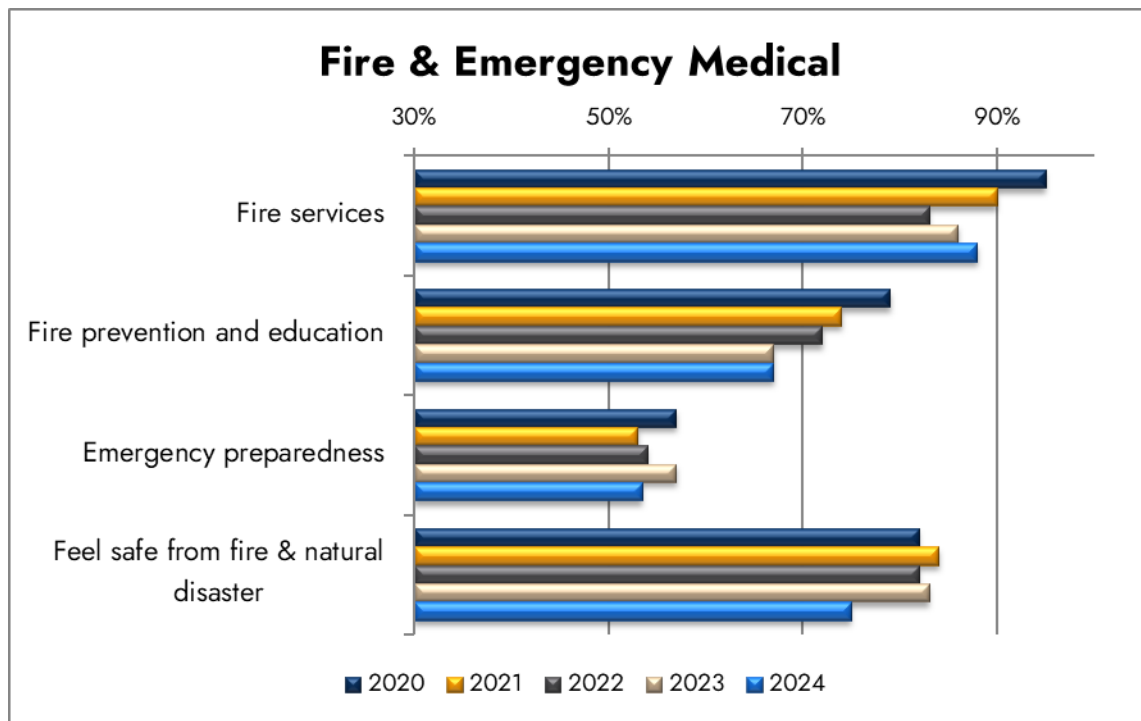
Fire Administration

Fire Administration is charged with ensuring the accomplishment of the department's mission in a cost efficient and operationally effective manner.

Fire Department staff members plan, supervise and direct Fire Department operations and activities, administer expenditures, develop policies and procedures, maintain adherence of fire personnel to policies, procedures, protocols, and practices, create long- and short-range plans, and prepare the annual department budget. They are responsible for coordinating, directly supervising or exercising oversight of fire personnel, firefighting equipment, EMS equipment, specialized units and teams, fire department facilities, and other resources. Additionally, they assist other city departments in planning and coordinating special events.

The Fire Chief is responsible for administering the budgetary funds granted to this activity and has supervisory oversight of all fire department functions.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Morristown resident approval rating of the fire department increased a second year in a row to 88% – still below the record high 95% approval rating set in 2020. This rating is comparable to our peers across the nation, something we have seen in every survey over the last 14 years. Ratings were relatively consistent among the demographics captured, except that homeowners and those that live in detached dwellings were more favorable to a statistically significant degree.

Fire prevention and education held steady this year with an approval rating of 67%. Prevention ratings are comparable to communities across the nation. Younger residents' ratings were much more favorable about the department's education efforts – a reversal over the prior year. Ratings from those living in neighborhoods in the north of the community are more favorable. Households with children responded significantly more favorably than households without children, which may be an indication of good outreach and education in schools.

Favorable responses regarding emergency preparedness decreased slightly from 57% to 53% this year, though this score continues to be comparable to those seen across the nation as we have seen for the past 11 years.

The survey asked people how safe they feel from fire and natural disasters. The favorable rating fell at a statistically significant rate to 75%, though it remains similar to peers across the nation. With a major downtown fire in January of 2024, and the impacts of Hurricane Helene on east Tennessee in September 2024 likely fresh on the minds of survey participants, it is no surprise that responses to this question were less positive than prior years.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Fire companies continued to visit several schools and civic functions to deliver fire education programs.
- Averaged approximately one Narcan/Naloxone application or delivery per month.
- Continued to utilize the Premise employee clinic to administer NFPA physicals at a substantial savings to the city. Physicals met the standards of the Barry Brady Act as well.
- Continued examining additional uses and possibilities for Mobile Data Terminals (MDT's) onboard front-line response vehicles.
- Continued to complete all Pre-Fire Planning on MDT's inside facilities. The data entered as fire companies complete walk-throughs creates vital information that will be available to response personnel during alarms.
- Entered all hydrant test data in on-board MDT's. This puts hydrant information at the fingertips of responding fire units. This data gathering also allow dispatchers to broadcast the nearest hydrant information to responding engines.
- Provided staff officers to other regional departments to participate in promotional testing through MTAS.
- Continued to utilize the 911 Computer Aided Dispatch (CAD) data to tabulate monthly audits to help ensure compliance with the National Fire Protection Association (NFPA) Standard 1710 and set standards for response times.
- Developed a plan to expand the use of existing software in the next year to help streamline both hydrant entry and pre-planning and inspection data.

Staff Board, Committee & Association Participation

- 911 Board of Directors
(and two committees)
- EMS Board of Directors
(Chairman)
- Northeast Regional Fire Chiefs
Association (Treasurer)
- Northeast Regional Training
Association
- Local Emergency Planning
Committee (Vice Chairman)
- Northeast Tennessee Regional
Fire Marshal's Association
- Northeast Tennessee Regional
Fire Training Association
- TN Public Fire and Life Safety
Educators Assn. (President)

- Developed and implemented Fire Department functions of the new Emergency Fire Dispatch (EFD) protocols with the Communications District (E911) in conjunction with the current Computer Aided Dispatch (CAD) software. Expanded procedures of dispatching text for the administrative personnel and Battalion Chiefs.
- Underwent an ISO Audit. Results are still pending, but we anticipate a continued Class 2 rating.
- Continued using several cloud-based software packages for incident reporting (which interfaces with CAD), personnel management, document training, and governing equipment management and inventory.
- Applied for – and was granted – a third Hazardous Materials Emergency Preparedness Grant (HMEP) through the State of Tennessee Emergency Management Agency.
- For the third year in a row, successfully administered new physical fitness program and tests with continued positive “buy-in” from firefighters. With weight loss, as well as cardio and strength training, the department as a whole is in better shape, demonstrated through the department’s physicals.
- Continued to procure quality, Basic Life Support (BLS) medical supplies to increase the effectiveness of our Advanced Emergency Medical Technician (AEMT) level care.
- Monitored construction progress of a new fire station including a state-of-the-art classroom and training tower with two burn rooms.
- Participated in State responses to communities hit hardest by Hurricane Helene. Teams included Swift Water Rescue, Hazardous Materials, Search and Rescue, and Chaplain.
- Successfully completed the process to recertify our Hazardous Materials Team to a Type II level team. Morristown is one of only two Type II teams in the state.
- Attended the State of Tennessee Fire Chief’s Conference.



HISTORIC FIRE BELL

Morristown’s original cast fire bell from 1893 was placed in the new bell tower at Fire Station 3. We are proud to preserve this piece of history for our community.

FIRE FIGHTER FITNESS STANDARDS

Fire Fighters must all complete a standardized fitness test and will have 10:20 minutes to complete all eight stations.

This is a pass or fail test. The following challenges must be completed:

- Climb on stair climber at a rate of 60 steps per minute for 3 minutes.
- Drag a 200 foot 1 ¾ hose line 100 feet, then while on knee, pull the other 100 feet of hose hand over hand to a designated point
- Pick up two 25-pound weights and carry in a straight line 75 feet around a cone and back to the original starting point.
- Take 10 controlled strikes with a sledgehammer at a waist high rubber plate simulating a door breach.
- Drag 165-pound dummy 40 feet around a cone and back to the original starting point.
- Raise a 24 foot extension ladder while contacting each rung while raising. Then fully extend the ladder while using a hand over hand-controlled motion and lowering the ladder in the same manner.
- Crawl on hands and knees 65 feet through a confined space to simulate conducting a search in a structure.
- Using a 6-foot pike pole, fully pushing a 60-pound weighted plate until it stops and lower until it stops 3 times. Then pull an 80-pound weighted handle down fully and release it fully 5 times. Four(4) sets to be completed.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Ordered a new pumper/engine for delivery in early 2025 (encumbered in FY 2024).
- Maintained testing on ladder/tower systems on all platforms and truck-mounted ladders to ensure NFPA compliance.
- Maintained testing of each apparatus fire pump.
- Maintained and tested each hydrant within the city limits.
- Maintained and tested each section of hose within the department.
- Physically visited and pre-planned all commercial buildings

SAFE & SECURE COMMUNITY



- Continued to review and revise Fire Department protocols to ensure they reflect current NFPA, Federal, and State mandates for fire department “Best Practices” in the delivery of services.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Work with Human Resources to develop a system to award credit or otherwise require Advanced Emergency Medical Technicians (AEMTs) certification.
- Continue to improve and implement new Advanced Emergency Medical Technician level procedures for better patient outcomes.
- Continue to utilize and expand Mobile Data Terminal (MDT) usage on all front-line response vehicles.
- Continue to demand that the average response time remains under 5 minutes, including both turn-out and travel time.
- Implement the plan to expand use of existing software onboard each apparatus to streamline the preplan and inspections processes with better information sharing between stations as well as for tracking hydrant testing data.
- Continue to make MFD personnel aware of the City's participation in the National Citizen's Survey and that personnel recognize and demonstrate knowledge of the importance of quality public relations in all contacts with our citizens.
- Continue to review all pertinent policies, procedures and protocols with all MFD staff in an effort to maintain our community's Public Protection Classification (PPC) Class II through ISO.
- Encourage, support, and maintain a positive and professional climate within the fire department.
- Research programs for asset and inventory management within the department to better geo-locate tools and assets shared among or stored in various stations.
- Plan for future capital purchases involving equipment, facilities, personnel, and engines/vehicles.
- Equip the department with a cloud-based library of policies and protocols that personnel can access remotely as needed.
- MFD Staff will continue to assist the Training Division in ensuring adequate personnel, updated tools, and equipment for all Special Operations Teams, including:
 - Car Seat Technicians
 - CPR Instructors
 - Hazardous Materials Team
 - Honor Guard
 - Technical Rescue Teams
 - Certified Fire Instructors
 - Certified Live Burn Instructors



SAFE HAVEN BABY BOX

The Fire Department worked in conjunction with Safe Haven and local donors to install a new Baby Box at Fire Station 2. This box provides a safe and anonymous option for mothers to surrender their child to someone's care.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue to participate on the city/county communications committee to help maintain the new Tennessee Advanced Communications Network (TACN) digital radio system.

Comments on FY 2024 Actual and FY 2025 Projections

- Fire Administration budget for FY 2025 required an amendment late in the fiscal year to account for unforeseen overtime.

Significant Changes for FY 2026

- There are no significant variations in the Fire Administration budget for FY 2025

Personnel Summary

FIRE ADMINISTRATION	FY22	FY23	FY24	FY25	FY26
FIRE CHIEF	1	1	1	1	1
DEPUTY FIRE CHIEF	2	2	2	2	2
TRAINING OFFICER	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
LIAISON OFFICER	1	1	1	1	1
TOTAL FIRE ADMINISTRATION	6	6	6	6	6

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42210 - Fire Administration</i>				
111 SALARIES & WAGES	514,491	516,066	556,313	570,891
112 OVERTIME	9,749	10,000	28,819	10,000
119 HOLIDAY PAY	0	0	0	0
134 CHRISTMAS BONUS & LONGEVITY	6,096	6,200	6,129	6,350
210 FICA	31,554	34,984	35,854	36,409
212 MEDICARE	7,380	8,182	8,385	8,515
213 TCRS CONTRIBUTION	79,754	85,597	89,695	89,790
214 EMPLOYEE HEALTH INS	93,828	94,336	93,944	94,339
217 EMPLOYEE LIFE INS	2,758	3,157	2,938	3,162
219 WORKERS COMPENSATIONS INSURANCE	7,405	8,150	7,293	12,000
226 CLOTHING/UNIFORM/SHOES	0	3,000	1,500	3,000
310 POSTAL SERVICE	4	50	46	50
321 PRINTING SERVICES	116	0	0	50
341 ELECTRICITY	0	500	0	500
343 NATURAL GAS & PROPANE	278	1,500	1,357	1,500
345 TELEPHONE SERVICES	4,400	6,000	3,777	6,000
351 MEDICAL SERVICES	28	0	0	0
371 SUBSCRIPTIONS & BOOKS	0	250	0	250
375 MEMBERSHIPS & DUES	525	600	525	1,000
378 EDUCATION - SEMINARS & TRAINING	242	1,000	475	1,000
383 TRAVEL-BUSINESS EXPENSES	1,117	1,500	1,378	2,000
411 OFFICE SUPPLIES & MATERIALS	1,021	1,750	1,304	2,000
431 GASOLINE & DIESEL FUEL	6,729	12,500	9,145	12,500
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	62	2,000	1,069	2,000
510 INSURANCE - GENERAL LIABILITY	3,436	3,780	2,921	3,780
523 PROPERTY (CONTENTS) INSURANCE	1,476	1,625	1,187	1,625
533 EQUIPMENT- RENTAL/LEASE	2,479	2,000	2,696	3,500
971 MOTOR EQUIPMENT	0	0	0	54,552
<i>42210 - Fire Administration</i>	<i>774,928</i>	<i>804,727</i>	<i>856,750</i>	<i>926,763</i>

Fire Prevention and Inspection

Lead by the Fire Marshal, the Fire Inspections Division of the Morristown Fire Department strives to protect the lives, homes, businesses, schools, churches, and other properties of the citizens of Morristown through a modern application of public education programs, proven fire prevention methods and a reasoned enforcement of applicable codes and standards. Additionally, these activities are intended to reduce the number, lessen the impact, and help eliminate risks of fire to which our Fire Suppression Division must respond.

Other Fire Prevention and Inspections activities include the investigation of suspicious fires, large financial loss fires and fires which result in injury or death to civilian or uniformed personnel. The office fills a staff advisory position on the Morristown Planning Commission where input is provided on proposed development under consideration, including proposed annexations. Further, the office reviews new construction and remodeling plans for compliance with applicable codes, while making prudent attempts to inspect all existing structures within our jurisdiction. An additional function of this office is to regulate open burning within the City's jurisdiction; the office uses a permitting system to assist in tracking these requests.

Performance and Workload Measures

Public Education and Fire Safety Programs	2020	2021	2022	2023	2024
Pub Ed / Fire Safety Programs	14	36	85	88	66
Extinguisher Classes	0	0	20	21	11
Children	1,766	5,062	9,808	10,302	6,037
Adults	1,258	3,184	7,520	9,869	4,359
Literature	545	1,295	6,490	8,750	7,732
Program Hours	29.5	144	167	183	140

Smoke Alarm Program	2020	2021	2022	2023	2024
Households Affected	21	24	37	26	45
Alarms Installed by FD Personnel	33	28	53	37	75
Alarms Given Out to Citizens	35	44	72	28	49
Batteries Distributed	22	30	9	69	124

Fire Inspections	2020	2021	2022	2023	2024
Code Violations	189	1,100	763	750	476
Occupancy Inspections	920	1,432	1,243	1,359	1,184

Burn Permits	2020	2021	2022	2023	2024
Issued	101	193	147	213	149
Denied	17	37	35	38	26
Requests	118	230	182	251	175

- Occupancy inspections fell this year to 1,184 due to a temporary staffing shortage in the division.
- Of the 1,184 inspections, Code violations totaled 750.
- Burn permit requests trended downward to 175 with 26 denied.
- The MFD focused once again on Public Education/Fire Safety Programs in 2024. In total, 10,396 adults and children were in contact with fire personnel delivering public education information in some format (up from last year and back to pre-COVID levels). However, this is down from the previous year's totals due to a temporary staffing shortage in the Fire Marshal's office. NOTE: this number does not reflect the number of citizens who were contacted via the local newspaper or listened to PSAs on local radio stations. This also does not reflect the number of children who received fire prevention literature through our partnership with the National Fire Safety Council.
- Public Education/Life Safety events totaled 66, with a total of 140 program hours.
- Continued to utilize Public Service Announcements (PSAs) on local radio stations and MUSFiber Channel 7 to push fire safety information.
- Continued to offer Fire Extinguisher Training to commercial and industrial occupancies.

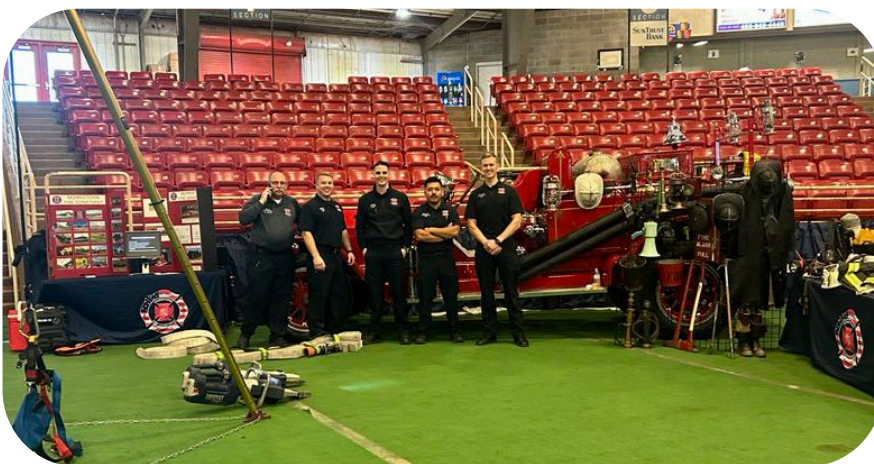
Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Maintained performance measurements by utilizing qualified shift personnel to perform fire-cause investigations.
- Certified new Fire/Arson Investigator to International Association of Arson Investigators (IAAI) Fire Investigation Technician.
- Certified new Fire/Arson Investigator to International Association of Arson Investigators (IAAI) Evidence Collection Technician.
- Delivered, installed, or changed batteries in 293 alarms in the smoke detector program, affecting 45 households, up from last year.
- Received via grant a radio-controlled mini-pumper prop with onboard speaker system with remote microphone for use in education and community functions – particularly for children in grades 1 – 6.

- Maintained standards for the number of inspections performed, while resolving documented fire code violations in a timely manner.
- Represented the Tennessee Public Educator's Board of Directors with the Deputy Fire Marshal serving a two-year term as president.
- Participated in community events such as Future Ready Expo and various job fairs to recruit future firefighters.
- Utilized three existing staff members as new fire inspectors.
- Three fire inspectors attended the State Fire Inspectors Conference.
- Two fire/arson investigators attended the International Association of Arson Investigators conference.



SAFE & SECURE COMMUNITY



- Conducted inspections of licensed Day Care facilities in our jurisdiction per requests of State Licensing Department.
- Continued focused inspections in the downtown business district.
- Assisted TN State Fire Marshal's Office in their inspection of the schools within the Hamblen County School System, in addition to all other State jurisdiction projects.
- Worked closely with Planning and Building Departments to ensure consistent oversight of construction projects within our jurisdiction.
- Maintained three certified Fire and Life Safety Educators.

A HEALTHY & VIBRANT CITY



- To improve survey findings for Fire Prevention's portion of the National Citizens Survey, the department:
 - Partnered with the State Fire Marshal's Office in the "Smoke Alarms, Make Them Work for You" campaign.
 - Promoted a focused fire safety message via local newspaper, social media.
 - Provided fire safety literature to children in our jurisdiction including K-5 children in the Hamblen County School System in conjunction with the National Fire Safety Council.
 - Participated in several community, church and downtown events, distributing fire safety information.
 - Continued to provide smoke alarms, at no cost, to those in our community who are most vulnerable.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Provide on-the-job mentoring to ensure competency in required tasks, while maintaining oversight and ensuring competency of seven assistant fire inspectors on shift.
- Complete the process to certify a second fire/arson investigator through the International Association of Arson Investigators (IAAI).
- Continue using Facebook, Twitter, and City's website as outlets for sharing Public Fire Safety Education or Prevention messages.
- Continue to re-evaluate our Community Risk Reduction and customize public education programs to reach those areas of high risk, such as our downtown area, which by virtue of the simple proximity of structures may present higher risk.
- Certify one more member of personnel as a Certified Fire Investigator (CFI).
- Utilize a billboard to spread fire prevention message during October (Fire Safety Month).

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue conducting annual life safety inspections at all City-owned facilities.

SAFE & SECURE COMMUNITY



- Maintain proactive approach to Public Educational activities.
- Continue to work with local businesses, church groups and civic clubs to help replenish our stock of smoke alarms which are provided at no cost to those in need.
- Accompany the State Fire Marshal's Office on their site inspections in Morristown.
- Continue to conduct life safety inspections of major industries, businesses, institutions, special structures, as well as the downtown business historical district.
- Provide OSHA mandated fire extinguisher training when requested by local industries and businesses.
- Evaluate the "open burn" permitting system, including changes via city ordinance.
- Continue to work with local and state entities to maintain oversight on the substantial amount of new construction within the city.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be at or under budget.

Significant Changes for FY 2026

- No significant budget requests for this account.

Personnel Summary

FIRE PREVENTION & INSPECTION	FY22	FY23	FY24	FY25	FY26
FIRE MARSHAL	1	1	1	1	1
DEPUTY FIRE MARSHAL	1	1	1	1	1
TOTAL FIRE PREVENTION & INSPECTION	2	2	2	2	2

Budget Expense Detail

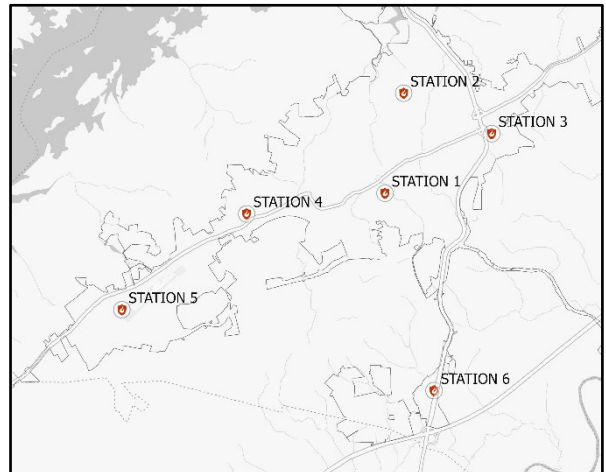
Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42220 - Fire Prevention & Inspection</i>				
111 SALARIES & WAGES	170,757	189,056	191,562	196,537
112 OVERTIME	0	0	245	500
134 CHRISTMAS BONUS & LONGEVITY	2,034	2,060	2,045	2,070
210 FICA	10,339	11,850	11,850	12,345
212 MEDICARE	2,418	2,772	2,781	2,888
213 TCRS CONTRIBUTION	25,969	28,993	29,407	30,444
214 EMPLOYEE HEALTH INS	31,209	31,473	31,172	31,473
217 EMPLOYEE LIFE INS	919	1,089	1,005	1,089
219 WORKERS COMPENSATIONS INSURANCE	2,468	2,720	2,431	4,000
226 CLOTHING/UNIFORM/SHOES	40	2,000	500	2,000
310 POSTAL SERVICE	4	100	12	100
345 TELEPHONE SERVICES	1,776	1,800	2,132	1,800
355 COMPUTER/DATA PROCESSING	0	1,000	0	0
371 SUBSCRIPTIONS & BOOKS	1,351	1,500	1,070	2,000
375 MEMBERSHIPS & DUES	128	1,500	372	2,000
378 EDUCATION - SEMINARS & TRAINING	2,411	4,000	1,283	4,000
383 TRAVEL-BUSINESS EXPENSES	4,710	5,000	3,772	5,000
386 PUBLIC EDUCATION & TRAINING	5,237	3,500	3,765	3,000
399 OTHER CONTRACTED SERVICES	0	0	0	600
411 OFFICE SUPPLIES & MATERIALS	0	500	145	0
413 OFFICE EQUIPMENT	0	1,000	1,000	0
429 GENERAL OPERATING SUPPLIES	234	500	189	500
431 GASOLINE & DIESEL FUEL	4,041	6,875	4,450	6,875
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	688	2,000	1,237	2,000
510 INSURANCE - GENERAL LIABILITY	5,139	5,655	5,842	6,135
523 PROPERTY (CONTENTS) INSURANCE	1,074	1,185	1,267	1,330
<i>42220 - Fire Prevention & Inspection</i>	<i>272,946</i>	<i>308,128</i>	<i>299,534</i>	<i>318,686</i>

Fire Stations

The Fire Stations budget provides funding for expenditures associated with building maintenance needs, grounds upkeep, janitorial supplies, furniture and appliances repair/replacement and office supplies for six (6) fire stations and an administrative building. These properties are required to be well kept and maintained; the task for ensuring this mandate is assigned to the logistics officer, who has oversight responsibility for all maintenance or repair projects. This office maintains records of all maintenance issues (including fire department's vehicle fleet of apparatus and staff vehicles), maintains databases, schedules repairs, and coordinates with other city departments (public works, maintenance, etc.) to ensure all facilities and equipment are kept in a ready state. The department places a focused priority on building and grounds appearance, safety concerns, and the proper performance of all comfort or safety systems within our facilities.

Fire Department Facility Locations

- Station 1: 625 South Jackson Street
- Station 2: 1801 Buffalo Trail
- Station 3: 347 Thompson Creek Rd
- Station 4: 337 Central Church Road
- Station 5: 5700 Air Park Boulevard
- Station 6: 5020 South Davy Crockett Parkway
- Administrative Building: 415 West Louise Avenue



Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Completed construction of the new Station 3 and training tower on Thompson Creek Road.
- Installed new carpet in Dispatch area of Station 2.
- Installed new LED lighting in the administration building.
- Installed new LED lighting in Fire Station 2.
- Stripped and waxed floors and cleaned carpets at all stations except Fire Stations 3 and 4.
- Landscape upgraded at Fire Station 2.



- Received use of the sub-station at Station 6 from the Morristown Police Department, and now utilize that space as storage for station supplies.
- Installed new HVAC system at Station 1.
- Installed new 80-gallon water heater at Station 6.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continued proper maintenance/repair of all facilities and their systems or equipment.
- Ensured a well-kept appearance reflecting the character of the City of Morristown.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Continue to monitor circumstances which may affect the need to build a new fire station 7 in the Lowland area of our jurisdiction.
- Continue to replace old light fixtures with new LED fixtures.
- Purchase a new SCBA Fill Station for Fire Station 3 and training campus. This would also provide a back-up to the only compressor in the department at Fire Station 1.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue to operate with the awareness of the Barry Brady Act, and limit personnel and equipment to exposure to UVA/B light, vehicle exhausts and other contaminants.
- Ensure fire station furnishings are well maintained and functional.

Comments on FY 2024 Actual and FY 2025 Projections

- FY 2025 budget required an amendment late in the fiscal year to account for additional maintenance costs.

Significant Changes for FY 2026

- No significant changes are planned for 2026.

Personnel Summary

- Activities within this budget division are largely overseen by the Department's Logistics Lieutenant, but no personnel costs are assigned to this account.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42230 - Fire Stations</i>				
341 ELECTRICITY	40,911	42,000	43,138	45,000
342 WATER & SEWER	21,740	22,000	23,762	22,000
343 NATURAL GAS & PROPANE	11,494	14,600	13,506	14,600
345 TELEPHONE SERVICES	26,932	30,000	24,679	30,000
362 REPAIR & MAINT-OPERATIONS EQUIPMENT	7,099	4,500	3,296	4,500
364 REPAIR & MAINTENANCE-BLDG./GROUNDS	39,449	50,000	47,660	50,000
369 REPAIR & MAINTENANCE-OTHER	3,698	4,000	3,215	4,000
386 PUBLIC EDUCATION & TRAINING	0	0	0	0
399 OTHER CONTRACTED SERVICES	23,613	14,366	5,865	14,840
411 OFFICE SUPPLIES & MATERIALS	959	1,000	890	1,000
424 JANITORIAL SUPPLIES	16,007	20,000	14,850	20,000
428 EDUCATIONAL & TRAINING SUPPLIES	0	0	0	0
429 GENERAL OPERATING SUPPLIES	14,078	17,500	13,851	17,500
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	0	0	405	0
510 INSURANCE - GENERAL LIABILITY	9,177	10,095	10,433	10,955
523 PROPERTY (CONTENTS) INSURANCE	1,918	2,110	2,262	2,375
533 EQUIPMENT- RENTAL/LEASE	0	0	0	1,200
921 BUILDING & IMPROVEMENTS	15,589	0	0	0
999 OTHER CAPITAL OUTLAY	12,375	0	0	0
<i>42230 - Fire Stations</i>	<i>245,039</i>	<i>232,171</i>	<i>207,812</i>	<i>237,970</i>

Firefighting

This activity serves to fulfill the department's mission statement with special emphasis placed on protecting our citizens from harm due to fire, entrapment, medical emergencies, and natural and manmade disasters. When summoned, our firefighters respond from six strategically located fire stations, operating six frontline fire pumper/engines, an aerial platform, a medical/rescue response vehicle, and one Command vehicle.

The fire suppression ranks incorporate 78 uniformed personnel who are divided into three shifts. Each shift has six Lieutenants, seven Driver/Pumper Operators, eleven firefighters, a Captain, and a Battalion Chief who acts as shift supervisor. Additionally, the Battalion Chief directs the department's initial response to fire alarms, medical emergencies, hazardous material incidents, or other hazardous events.

Oversight of the day-to-day operations for Firefighting and Emergency Medical functions are assigned to the Operations Deputy Chief, while oversight of the Training Division and the Hazardous Materials Response Team is assigned to the Administrative Deputy Chief.

The Firefighting Budget supports these activities by ensuring funding is available for personnel, equipment, tools, and supplies necessary to meet or exceed all National, State, or other mandates and requirements.

Performance and Workload Measures

Engine Company Fire Response	2020	2021	2022	2023	2024
Truck 1	40	52	216	245	200
Engine 1	397	371	582	488	518
Engine 2	249	237	321	319	340
Engine 3	184	181	232	240	276
Engine 4	191	213	320	263	299
Engine 5	116	115	181	173	199
Engine 6	123	126	144	170	171
Total	1,300	1,295	1,996	1,898	2,003

Fire Incidents	2020	2021	2022	2023	2024
Structure	30	41	52	65	73
Outside of Structure	3	6	5	6	2
Vehicle	27	29	44	25	35
Brush, Trash, etc.	66	73	82	82	89
Total	126	149	183	178	199

Fire Calls / False Alarms	2020	2021	2022	2023	2024
False Alarms	352	369	448	391	439
All Other Calls	405	298	586	472	435
Total Calls	757	667	1,034	1,041	874
% of total that were false alarms	46%	55%	43%	38%	50%

Training	2020	2021	2022	2023	2024
NTRFTA Instructors	11	11	17	17	15
Specialized Classes	39	6	50	40	42
Total	50	17	67	57	57

Engine Company Medical Response	2020	2021	2022	2023	2024
Truck 1	1,037	1,122	1,255	1,191	911
Engine 1	222	366	301	351	347
Engine 2	351	525	556	524	441
Engine 3	316	434	432	417	405
Engine 4	250	435	464	460	343
Engine 5	122	169	159	191	172
Engine 6	80	123	127	105	125
Total	2,378	3,174	3,294	3,239	2,744

Medical Calls Most Often Dispatched	2020	2021	2022	2023	2024
Unconscious / Person-down	167	168	101	149	104
Cardiac Incident	420	383	326	399	267
Motor Vehicle Collision	270	310	234	290	272
Difficulty Breathing	105	549	596	576	538

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Purchased 39 complete sets of Turn-Out gear toward our goal of 78 sets, giving each firefighter 2 complete sets.
- Purchased new Pierce engine/pumper, delivered in early 2025.
- Continued to benchmark all aspects of response times (turn-out to arrival) to emergency calls for service.
- Placed 4, next-generation SCBA Air Packs and 8 SCBA Bottles in Service at Station 3.
- Continued to utilize on-line uniform ordering/tracking system.
- Maintained a documented training program, compliant to the standards of the Insurance Services Organization (ISO), supporting the MFD's Class 2 ISO rating.
- All MFD personnel completed the required training and certification listed:
 - Tennessee Commission of Firefighting - personnel completed required 40 hours in-service.
 - MFD suppression personnel maintained their Medical First Responder or AEMT, EVOC, HazMat Technician, and Extrication certifications. All MFD Special Teams maintained the required certifications. Also in the Training Division:
 - 6 Drivers/Engineers completed the Advanced Pump Operations TFACA class (TN Fire Commission Certified).
 - 6 personnel completed the NFPA 1403 class (Live Burn Instructor as sanctioned by the TN Fire Commission Certified). This certification is necessary to operate burn rooms in the new training tower.
 - 3 engineers completed the Aerial Operator course (TN Fire Commission Certified).
 - 2 personnel completed the Fire Instructor 1 class (TN Fire Commission Certified).
 - 1 engineer completed Fire Officer 1 and 2 combined class (TN Fire Commission Certified).
 - 68 personnel completed the TFACA Decision Making class.
 - 1 engineer completed Pumper Driver Operator class (TN Fire Commission Certified).
 - 2 personnel received state licenses as Basic Emergency Medical Technicians.
 - 2 personnel received state licenses as an Advanced Emergency Medical Technicians.
 - 1 personnel received an associate's degree in Fire Science.
 - 2 personnel received a bachelor's degree in Fire Administration.
 - Personnel logged 38,220 man-hours of individual and company training hours for the year, an increase over last year. This averages 490 hours per person (78 suppression personnel), or 40.83 hours per person/per month.
- Sent 11 personnel to Pueblo, Colorado for extensive railcar and Hazardous Materials training.
- Received miscellaneous equipment for new engine.



RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Fire personnel performed daily/weekly/monthly/annual maintenance on fire apparatus and other vital firefighting equipment.
- Completed all required annual testing and certifications on fire apparatus and equipment.
- Performed daily, weekly, and monthly cleaning and inventory of fire facilities, while maintaining facility support systems such as back-flow preventers, generators, fire alarms, communication components and heating/air units.
- Continued Bunker Gear/PPE tracking system for item replacement.
- Continued SCBA pack and air bottle tracking system for scheduled maintenance and item replacement.

SAFE & SECURE COMMUNITY



- Adhered to all applicable standards for emergency scene safety, including fire scenes and extrication scenes.
- Adhered to all applicable standards for emergency vehicle response safety.
- Maintained a focused emphasis on personal safety awareness under all conditions and circumstances.
- Maintained an emphasis on personal health awareness – especially fitness and cancer awareness – for all personnel.



A HEALTHY & VIBRANT CITY



- CPR Instructors taught several classes.
- Taught CPR to all Freshman classes at Morristown-Hamblen East and West High Schools.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Replace the second half of the department's firefighting turn-out gear that are going out of date, completing the goal of providing an additional set for all suppression personnel. This will put the MFD on schedule for NFPA 10-year cycle.
- Continue Health Initiatives that focus on a healthy lifestyle, mental, and physical fitness.
- Maintain efforts for measuring and compliance with NFPA 1710's standard that 90% of all emergency calls-for-service receive a response time arrival of the first fire unit within 6 minutes, 35 seconds.
- Maintain efforts intended to reduce false calls-for-service.
- Strive to improve MFD's rating in the National Citizen Survey Report.
- Maintain ISO mandates relating to Fire Department functions such as departmental training, departmental compliance to standards for firefighting, tools/equipment, and ensuring proper documentation of public fire education programs.
- Instruct the Northeast Regional Fire Training Association Recruit classes for Hazardous Materials Technician certification.
- Maintain certifications and testing mandates on fire apparatus and equipment.

- Continue to participate in the TN Fire Incident Reporting System (TFIRS).
- Adhere to recognized codes, standards, policies, and procedures which ensure operational effectiveness and fire ground safety.
- Continue our role in the Northeast Tennessee Regional Fire Training Association.
- Continue line-of-succession training for shift personnel.
- Continue to educate fire personnel regarding cancer prevention through compliance with Tennessee's Barry Brady Act and highlight the need for everyone to strictly follow protection and prevention protocols. This includes annual medical evaluations for all fire personnel.
- Maintain all required certifications and licenses for Fire Department personnel.
- Continue to manage physical fitness initiatives and continue Morristown Physical Ability Testing (MPAT).
- Plan for future Emergency Vehicle Operations Course (EVOC). Become more of an "All Hazards" department delivering more specialized services.
- Expand on a next-generation Station Alerting System (Bryx) and E911 Dispatch Fire Dispatch Protocols for an efficient and time-effective turn out to alarms. Implementation of a new feature will post-dispatch messages even onto recreational monitors throughout the station.
- Purchase and utilize a response drone for various rescue scenarios.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Implement technological advances in digital communications and IP based data equipment to better integrate with local jurisdictions and state and federal entities.
- Streamline in-house accounting practices for efficient oversight of a wide variety of goods, tools, and equipment in the day-to-day operation of the department.
- Plan for additional Training Division resources, equipment, and facilities – improvements should include planning for a drafting pit, an EVOC area, and other resources.
- Continue work to create a fleet management plan for a timely replacement of MFD frontline response apparatus nearing the end of their service life due to maintenance issues.

SAFE & SECURE COMMUNITY



- Continue to strengthen commitment to firefighter fitness.
- Continue to stress "safety first" in all aspects of daily activities involving fire personnel and fire department functions whether the activities are planned or emergency related.

Comments on FY 2024 Actual and FY 2025 Projections

- FY 2025 budget had to be amended late in the fiscal year to account for higher than anticipated vehicle maintenance costs.

Significant Changes for FY 2026

- There are no significant changes.

Personnel Summary

FIREFIGHTING	FY22	FY23	FY24	FY25	FY26
CAPTAIN	3	3	3	3	3
LIEUTENANT	18	18	18	18	18
BATTALION CHIEF	3	3	3	3	3
FIREFIGHTER	34	34	34	34	34
DRIVER/ENGINEER	20	20	20	20	20
TOTAL FIREFIGHTING	78	78	78	78	78

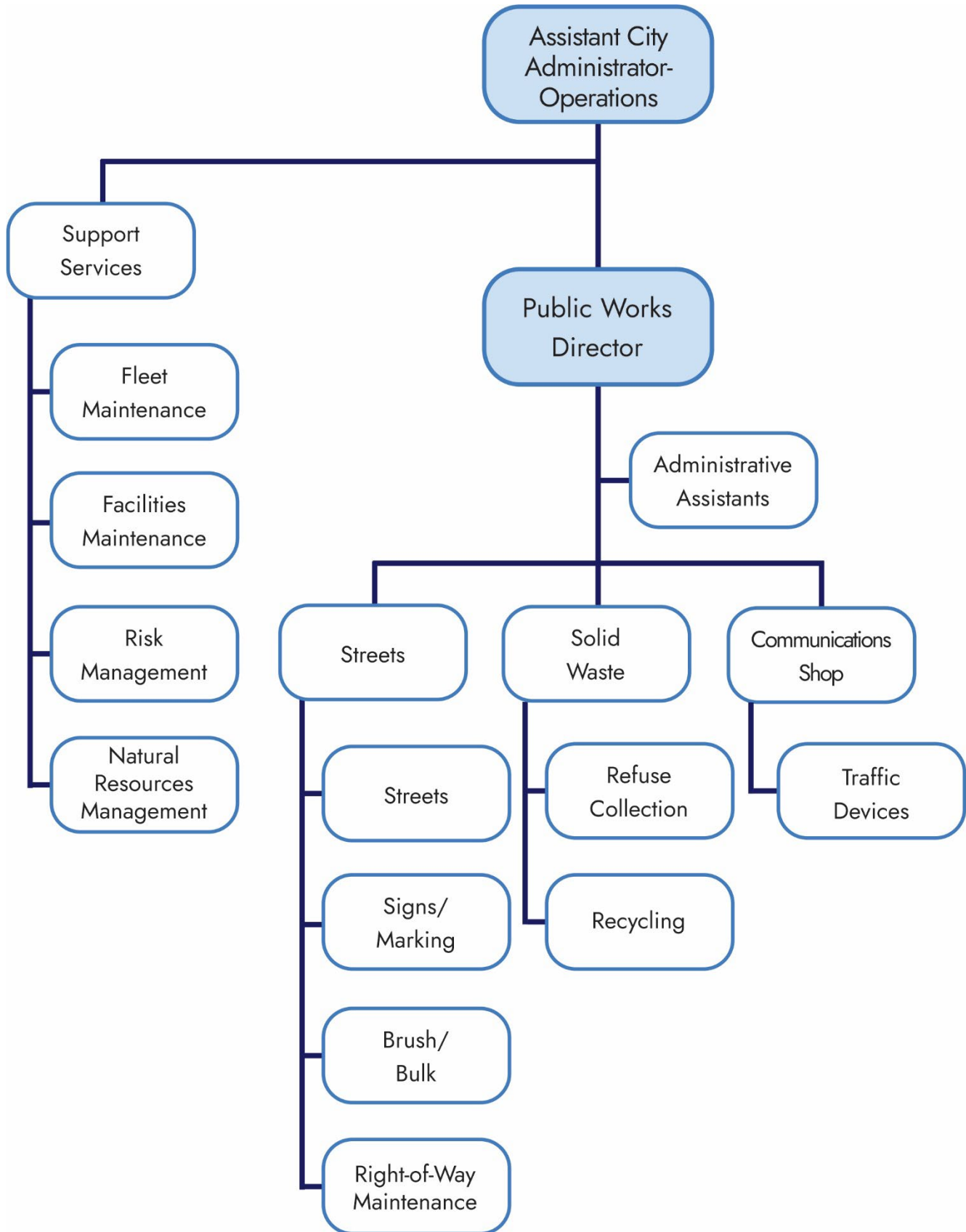
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42240 - Firefighting</i>				
111 SALARIES & WAGES	4,533,451	4,147,505	4,874,874	4,852,297
112 OVERTIME	270,476	721,000	439,334	470,000
117 OVERTIME SPECIAL DUTY	191,824	0	133,522	251,000
119 HOLIDAY PAY	203,553	186,000	235,641	240,000
134 CHRISTMAS BONUS & LONGEVITY	45,359	45,300	45,862	48,060
210 FICA	311,020	316,188	347,184	363,405
212 MEDICARE	72,738	73,948	81,196	84,990
213 TCRS CONTRIBUTION	784,640	773,641	866,244	896,202
214 EMPLOYEE HEALTH INS	1,206,470	1,213,497	1,202,010	1,215,736
217 EMPLOYEE LIFE INS	23,090	23,890	24,205	26,874
219 WORKERS COMPENSATIONS INSURANCE	116,971	117,130	105,451	156,000
226 CLOTHING/UNIFORM/SHOES	62,536	170,000	165,957	258,160
289 TUITION REIMBURSEMENT	20,014	0	4,582	20,000
310 POSTAL SERVICE	210	300	282	300
330 LEGAL NOTICES	712	0	0	0
340 MEDICAL SERVICES - BRADY ACT	0	15,000	0	0
342 WATER & SEWER	37,641	40,000	37,641	40,000
343 NATURAL GAS & PROPANE	0	2,000	0	2,000
345 TELEPHONE SERVICES	3,001	5,000	3,989	5,000
351 MEDICAL SERVICES	2,383	5,000	2,212	5,000
355 COMPUTER/DATA PROCESSING	0	0	0	66,217
359 OTHER PROFESSIONAL SRVCS	8,816	10,000	13,474	10,000
360 REPAIR & MAINTENANCE-COMMUNICATIONS EQUIP	498	5,000	2,813	5,000
361 REPAIR & MAINTENANCE-VEHICLES	18,612	30,000	21,372	30,000
362 REPAIR & MAINT-OPERATIONS EQUIPMENT	40,482	50,000	59,974	50,000
364 REPAIR & MAINTENANCE-OTHER	280	0	0	0
371 SUBSCRIPTIONS & BOOKS	2,518	2,500	2,198	2,500
375 MEMBERSHIPS & DUES	5,889	2,500	6,138	3,500
378 EDUCATION - SEMINARS & TRAINING	24,425	30,000	22,909	30,000
383 TRAVEL-BUSINESS EXPENSES	6,934	25,000	13,645	25,000
399 OTHER CONTRACTED SERVICES	30,713	41,500	43,338	0
411 OFFICE SUPPLIES & MATERIALS	217	600	2,342	600
413 OFFICE EQUIPMENT	5,494	0	0	1,900
419 SMALL TOOLS & EQUIP	113,006	95,000	0	35,000
429 GENERAL OPERATING SUPPLIES	20,116	20,000	20,705	20,000
431 GASOLINE & DIESEL FUEL	48,461	48,750	38,727	48,750
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	139,761	135,000	138,246	145,000
489 FIRE AND MEDICAL RESPONSE	21,681	27,500	22,600	27,500
510 INSURANCE - GENERAL LIABILITY	122,356	134,595	139,100	146,055
523 PROPERTY (CONTENTS) INS	25,571	28,130	30,155	31,665
533 EQUIPMENT- RENTAL/LEASE	800	1,200	1,155	150
960 MACHINERY & EQUIPMENT	0	0	0	197,436
818 FEDERAL GRANT	14,497	0	0	0
971 MOTOR EQUIPMENT	13,960	1,000,000	963,057	2,500,000
<i>42240 - Firefighting</i>	<i>8,551,176</i>	<i>9,542,674</i>	<i>10,112,134</i>	<i>12,311,297</i>

PUBLIC WORKS DEPARTMENT



Public Works Organization Chart



Public Works Administration

The Public Works Department strives to maintain and improve a variety of services and infrastructures for the City of Morristown. The Department is responsible for street maintenance, street improvements, street sweeping, storm response, sign maintenance, solid waste, and recycling. Currently the City has over 200 miles of streets to maintain. Public Works has 64 employees who provide services to over 13,000 residents and 2,000 commercial customers.

The division is responsible for providing administrative services for the various divisions by responding to street maintenance and various other related inquiries, including creating and monitoring work orders and performing other administrative duties.

Performance and Workload Measures

Morristown Public Works Call Log					
Division	2020	2021	2022	2023	2024
Equipment Shop	1,441	1,130	1,192	1,115	1,090
Street Repairs and Maintenance	487	581	702	645	598
Street Light & Signs	104	133	145	164	219
Brush/Bulk/Leaves/Grass/ Swaycar	1,899	2,116	2,319	2,125	2,430
Communications shop	2,412	2,863	2,301	1,798	1,452
Sanitation	3,865	4,216	5,469	4,500	4,355
Street Ways/Mowing	182	194	190	225	268
Street Cleaning	117	161	168	150	178
Recycling	2,729	2,946	3,252	3,154	2,956
Animal Calls	49	56	72	112	110
Referrals (Utilities, Codes Issues)	885	713	846	933	1,040
Misc.	3,159	3,371	3,470	3,442	3,460
	17,329	18,480	20,126	18,363	18,156

Morristown Public Works Call Log - Percent of Total					
Division	2020	2021	2022	2023	2024
Equipment Shop	8.3%	6.1%	5.9%	6.1%	6.0%
St. Repairs and Maint.	2.8%	3.1%	3.5%	3.5%	3.3%
Street lights and signs	0.6%	0.7%	0.7%	0.9%	1.2%
Brush pick up and snow	11.0%	11.5%	11.5%	11.6%	13.4%
Communications shop	13.9%	15.5%	11.4%	9.8%	8.0%
Sanitation	22.3%	22.8%	27.2%	24.5%	24.0%
Street Ways/Mowing	1.1%	1%	1%	1.2%	1.5%
Street Cleaning	0.6%	0.9%	0.8%	0.8%	1.0%
Recycling	15.7%	15.9%	16.2%	17.2%	16.3%
Animal Calls	0.3%	0.3%	0.4%	0.6%	0.6%
Referrals	5.1%	3.9%	4.2%	5.1%	5.7%
Misc.	18.2%	18.2%	17.2%	18.7%	19.1%
	100%	100%	100%	100.0%	100.0%

Calls for Service Resolved					
	2020	2021	2022	2023	2024
Calls for Service	5,787	5,500	5,912	5,726	5,813
Calls for Service Resolved	5,775	5,480	5,878	5,723	5,812
% Resolved	99.8%	99.6%	99.4%	99.95%	99.98%

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION

- The Public Works Department responded to 18,156 phone calls last year.
- Nine employees received CDL training and are now licensed as Class “A” drivers.
- Responded to the Unicoi County area in the recovery search for individuals missing in the Hurricane Helene floods.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS

- Maintained the storm water and solid waste billing database as well as the solid waste and recycle cart database.
- Implemented Routeware software to improve waste and recycling operations.

THRIVING LIVABLE NEIGHBORHOODS

- Served as staff support for the City Tree Board and Traffic Team.
- Hosted the following events:
- Youth Leadership Day - Connect East and West High School upcoming Juniors with local government leadership.
- Chamber Leadership Group - Infrastructure Day and tour.

- Participated in Parks and Recreation Touch-a-Truck event, to educate the community about the roles and responsibilities of the Public Works Department.
- Participated in Public Works Day at West Elementary School, Russellville Elementary School, and Manley Elementary School.

SAFE & SECURE COMMUNITY



- Employees participated in Work Zone Safety Training. This training is critical to educate city employees about the best practices for working around live traffic. Employees are trained to recognize common traffic hazards and learn effective ways to avoid them and maintain a safe work environment. This training is intended for any worker who operates in a construction zone.
- Public Works employees are trained annually to meet OSHA standards and regulations.
- Participated in the Tennessee Highway Patrol Driver Safety Education Program. This program is designed for our employees to become safety-conscious, competent drivers. Safe and defensive driving techniques are stressed throughout the classroom training.
- Public Works employees completed the following training requirements:



PUBLIC WORKS ANNUAL TRAINING

- | | | |
|------------------------|---------------------------------------|-------------------------|
| • Blood borne Pathogen | • Severe Weather/Lightning Safety | • Fire Extinguisher Use |
| • Allergic Reactions | • First Aid, CPR, AED & Heart Saver | • Sun Exposure |
| • TOSHA PPE | • Insect, Snake Bites & Stings | • Forklift Safety |
| • Work Zone Safety | • Trenching Safety - Competent Person | • HAZ Com GHS |
| • Lock-Out Tag-Out | • CDL Pre-Trip & General Knowledge | • Work Zone Safety |
| • Trenching Safety | • Working Environment Safety | |

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Preserve our assets and continue to provide core services to ensure that our public infrastructure is maintained and repaired to support a high quality of life in Morristown for residents and businesses.
- Continue offering in-house CDL instruction to employees in an ongoing effort to develop skills for team members.
- Attend Tractor/Mower Operator Safety Training provided by the ALAMO group. This class is designed to equip operators of all levels with essential safety skills and knowledge when operating a tractor or mowing equipment. The class provides hands-on field exercises on equipment and classroom instruction instilling responsibility and awareness in every operator.



- Continue working with new Routeware software to improve waste and recycling operations, allowing higher citizen satisfaction and lower call and complaint volumes. Routeware has allowed Public Works to optimize both garbage and recycle cart pickup.

THRIVING LIVABLE NEIGHBORHOODS



- Serve as staff support for the City Tree Board and Traffic Team.
- Host and participate in events that seek to educate the community about various functions of Public Works, such as community leadership groups, schools and youth organizations, Parks & Recreation events, career fairs, business & industry events, etc.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- A minor reorganization mid-year in FY 2025 reduced the number of Administrative Assistants in Public Works Administration from two (2) to one (1), and this position was moved to Human Resources. FY 2026 will be the first full fiscal year incorporating this adjustment.

Personnel Summary

PUBLIC WORKS ADMINISTRATION	FY22	FY23	FY24	FY25	FY26
PUBLIC WORKS DIRECTOR	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	2	2	2	2	1
TOTAL PUBLIC WORKS ADMINISTRATION	3	3	3	3	2

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>43110 - Public Works Administration</i>				
111 SALARIES & WAGES	175,501	212,188	170,987	170,981
112 OVERTIME	168	0	140	300
134 CHRISTMAS BONUS & LONGEVITY	278	1,040	284	952
210 FICA	10,744	13,221	10,549	10,679
212 MEDICARE	2,513	3,092	2,467	2,498
213 TCRS CONTRIBUTION	25,904	32,347	26,014	26,335
214 EMPLOYEE HEALTH INS	31,125	46,900	30,860	31,366
217 EMPLOYEE LIFE INS	945	1,222	897	947
219 WORKERS COMPENSATIONS INSURANCE	3,702	4,075	3,647	4,000
226 CLOTHING/UNIFORM/SHOES	1,709	1,800	1,736	1,800
310 POSTAL SERVICE	37	25	15	25
321 PRINTING SERVICES	158	700	580	700
345 TELEPHONE SERVICES	614	600	517	600
351 MEDICAL SERVICES	113	300	89	300
371 SUBSCRIPTIONS & BOOKS	25	100	25	100
375 MEMBERSHIPS & DUES	280	1,000	613	1,000
378 EDUCATION - SEMINARS & TRAINING	1,118	2,000	1,325	2,000
383 TRAVEL-BUSINESS EXPENSES	1,464	3,000	2,875	3,000
399 OTHER CONTRACTED SERVICES	1,335	600	180	250
411 OFFICE SUPPLIES & MATERIALS	2,135	2,500	1,541	2,500
413 OFFICE EQUIPMENT	1,147	1,500	1,200	1,500
419 SMALL TOOLS & EQUIP	100	200	206	200
424 JANITORIAL SUPPLIES	115	500	571	500
429 GENERAL OPERATING SUPPLIES	7,692	5,500	3,817	5,500
431 GASOLINE & DIESEL FUEL	986	2,500	1,422	2,500
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	297	1,000	2,332	1,000
510 INSURANCE - GENERAL LIABILITY	3,854	4,240	4,382	4,605
523 PROPERTY (CONTENTS) INSURANCE	805	890	950	1,000
533 EQUIPMENT- RENTAL/LEASE	3,339	3,300	3,036	3,300
999 OTHER CAPITAL OUTLAY	0	0	0	350,000
<i>43110 - Public Works Administration</i>	<i>278,203</i>	<i>346,340</i>	<i>273,257</i>	<i>630,438</i>

Facilities Maintenance

The division employs four full time employees (2 Maintenance, 2 Custodial). Expenditures for supplemental contract building maintenance for the following City facilities are expensed through this account.

Buildings

City Center

Public Works Facilities

Fire Administration Main Office

Fire Stations/Police Substations

Parks and Recreation Main Office

Talley Ward Recreation Center

Morristown Regional Airport

Morristown Landing

Rose Center

Significant Accomplishments FY 2025

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



City Center

- Resurfaced the marble flooring.
- Installed new cubicles in the Human Resources Wing.

Downtown

- Completed installation (by contractor) of upgraded electrical outlets for vendor trailers to support downtown events (ARPA-funded).
- Installed new American and State flags.
- Oversaw repair of deteriorating concrete on overhead sidewalk ramp.

Public Works

- Installed new fire alarm system.

Morristown Landing

- Repaired leak on canopy.
- Added electrical outlets to power additional items for operations.
- Installed visitor "traffic" counter at entry.
- Modified concessions' serving counter.
- Repaired pool lighting.

Talley Ward

- Installed LED lights throughout the building.

Morristown Regional Airport

- Provided ongoing maintenance throughout the year, including the repair and replacement of various lights and lighting systems, support for security gate control repairs, fence repairs, hangar and terminal roof leaks, plumbing repairs, and hangar door repairs.

Goals for FY 2026

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue pursuing recommended updates at Talley Ward.
- Pressure wash overhead sidewalk.
- Replace the decorative lighting in Peavine Alley.
- Assist Natural Resources division in redevelopment of the downtown pocket park.
- Update light fixtures in the airport terminal to LED.
- Continue to prioritize replacement of navigational lighting at the airfield.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- There are no significant changes.

Personnel Summary

PUBLIC WORKS FACILITIES MAINTENANCE	FY22	FY23	FY24	FY25	FY26
BUILDING & GROUNDS SUPERVISOR	1	1	1	1	1
CUSTODIAN	2	2	2	2	2
CREW LEADER	1	1	1	1	1
TOTAL PUBLIC WORKS FACILITIES MAINTENANCE	4	4	4	4	4

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>43120 - Facilities Maintenance</i>				
111 SALARIES & WAGES	160,482	205,263	207,734	211,549
112 OVERTIME	7,348	6,000	10,613	7,000
134 CHRISTMAS BONUS & LONGEVITY	1,748	1,870	1,846	1,900
210 FICA	10,139	13,215	13,418	13,668
212 MEDICARE	2,371	3,091	3,138	3,197
213 TCRS CONTRIBUTION	25,741	32,333	33,403	33,707
214 EMPLOYEE HEALTH INS	46,588	62,199	60,671	62,191
217 EMPLOYEE LIFE INS	883	1,182	1,104	1,172
219 WORKERS COMPENSATIONS INSURANCE	3,702	4,075	3,647	8,000
226 CLOTHING/UNIFORM/SHOES	2,514	2,000	2,068	2,000
310 POSTAL SERVICE	0	50	30	50
330 LEGAL NOTICES	180	500	150	500
341 ELECTRICITY	79,448	60,000	63,451	65,000
342 WATER & SEWER	27,361	40,000	37,784	40,000
343 NATURAL GAS & PROPANE	29,667	25,000	32,722	25,000
345 TELEPHONE SERVICES	23,969	25,000	22,723	25,000
351 MEDICAL SERVICES	113	300	128	150
361 REPAIR & MAINTENANCE-VEHICLES	5,986	1,200	680	1,200
362 REPAIR & MAINT-OPERATIONS EQUIP	0	3,000	800	3,000
364 REPAIR & MAINTENANCE-BLDG./GROUNDS	132,151	100,000	140,674	125,000
375 MEMBERSHIPS & DUES	0	500	0	0
378 EDUCATION - SEMINARS & TRAINING	0	2,500	0	1,000
383 TRAVEL-BUSINESS EXPENSES	0	2,500	0	1,000
399 OTHER CONTRACTED SERVICES	119,891	84,850	83,017	70,661
411 OFFICE SUPPLIES & MATERIALS	0	200	60	200
419 SMALL TOOLS & EQUIP	5,291	5,000	4,860	5,000
424 JANITORIAL SUPPLIES	14,379	15,000	13,045	15,000
429 GENERAL OPERATING SUPPLIES	3,557	10,000	8,529	10,000
431 GASOLINE & DIESEL FUEL	4,183	6,250	3,879	5,000
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	2,672	3,000	3,650	3,000
510 INSURANCE - GENERAL LIABILITY	12,236	13,460	13,910	14,610
523 PROPERTY (CONTENTS) INSURANCE	2,557	2,815	3,016	3,170
531 LAND-RENTAL/LEASES	3,265	3,400	3,428	3,600
533 EQUIPMENT- RENTAL/LEASE	0	1,000	280	1,000
<i>43120 - Facilities Maintenance</i>	<i>728,422</i>	<i>736,753</i>	<i>774,458</i>	<i>762,525</i>

Fleet Maintenance

This division maintains all City vehicles: cars, trucks, fire suppression equipment, police equipment, heavy construction equipment, small equipment, and power tools. This division is also responsible for the fabrication of specialty items needed by other divisions/departments upon request. Currently, seven employees are funded in this division, supplying the labor and facilities for maintenance and repair. Materials and parts are charged to the division to which the vehicle or equipment is assigned.

Performance and Workload Measures

Equipment Maintained					
	2020	2021	2022	2023	2024
Police Vehicles and Equipment	112	112	109	110	112
Undercover Vehicles	11	10	8	6	7
Fire Vehicles and Equipment	30	31	31	28	40
Public Works, Sewer, Storm Sewer Veh & Equip.	159	159	165	160	156
Parks and Rec.	52	52	58	57	60
Planning, Codes and Inspections	6	7	7	7	7
Airport	4	4	4	4	4
Total	370	371	378	371	386

Equipment Shop Work Orders					
	2020	2021	2022	2023	2024
Police	1,000	1,150	1,125	1,350	1,250
Fire	470	575	480	480	495
Public Works	750	675	700	1,250	1,250
Parks and Rec.	165	180	200	190	180
All Others	250	300	300	300	300
Airport	0	0	0	0	4
Total	2,635	2,880	2,805	3,570	3,479

Surplus Equipment Still in City's Possession					
	2020	2021	2022	2023	2024
Police	0	0	0	10	14
Undercover	0	0	0	3	0
Fire	0	0	0	0	0
Public Works	0	0	0	2	1
Park and Rec.	0	0	0	0	12
Planning, Codes and Inspections	0	0	0	0	0
Airport	0	0	0	0	0
Total	0	0	0	15	27

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Staff received air brake foundation certification.
- Continued Entry Level Driver Training with 9 staff members completing classes and all receiving CDL Class A Licenses. This in-house program has proven successful with no one failing to pass to date.
- Began implementation of a Work Order and Inventory system.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Created inventory reports to be used in the new Inventory System.
- Set up templates to assist in completing work orders.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Continue to be innovative in the management of personnel and funding.
- Prepare staff to obtain training deemed necessary by department head.
- Pursue Air Conditioner certification with the new refrigerant.
- Continue with training on new vehicles/equipment received during the year.
- Continue to encourage personnel to work as a team and with other departments.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Manage and configure any type of inspections necessary to stay compliant.
- Continue reviewing inventory and considering ways to reduce inventory and cut costs without sacrificing service levels.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are within budget.

Significant Changes for FY 2026

- There are no significant changes anticipated in FY 2026.

Personnel Summary

PUBLIC WORKS FLEET MAINTENANCE	FY22	FY23	FY24	FY25	FY26
FLEET SUPERINTENDENT	1	1	1	1	1
FLEET MECHANIC SUPERVISOR	2	1	1	1	1
EQUIPMENT MECHANIC	3	5	5	5	5
MECHANIC HELPER	1	0	0	0	0
TOTAL PUBLIC WORKS FLEET MAINTENANCE	7	7	7	7	7

Budget Expense Detail

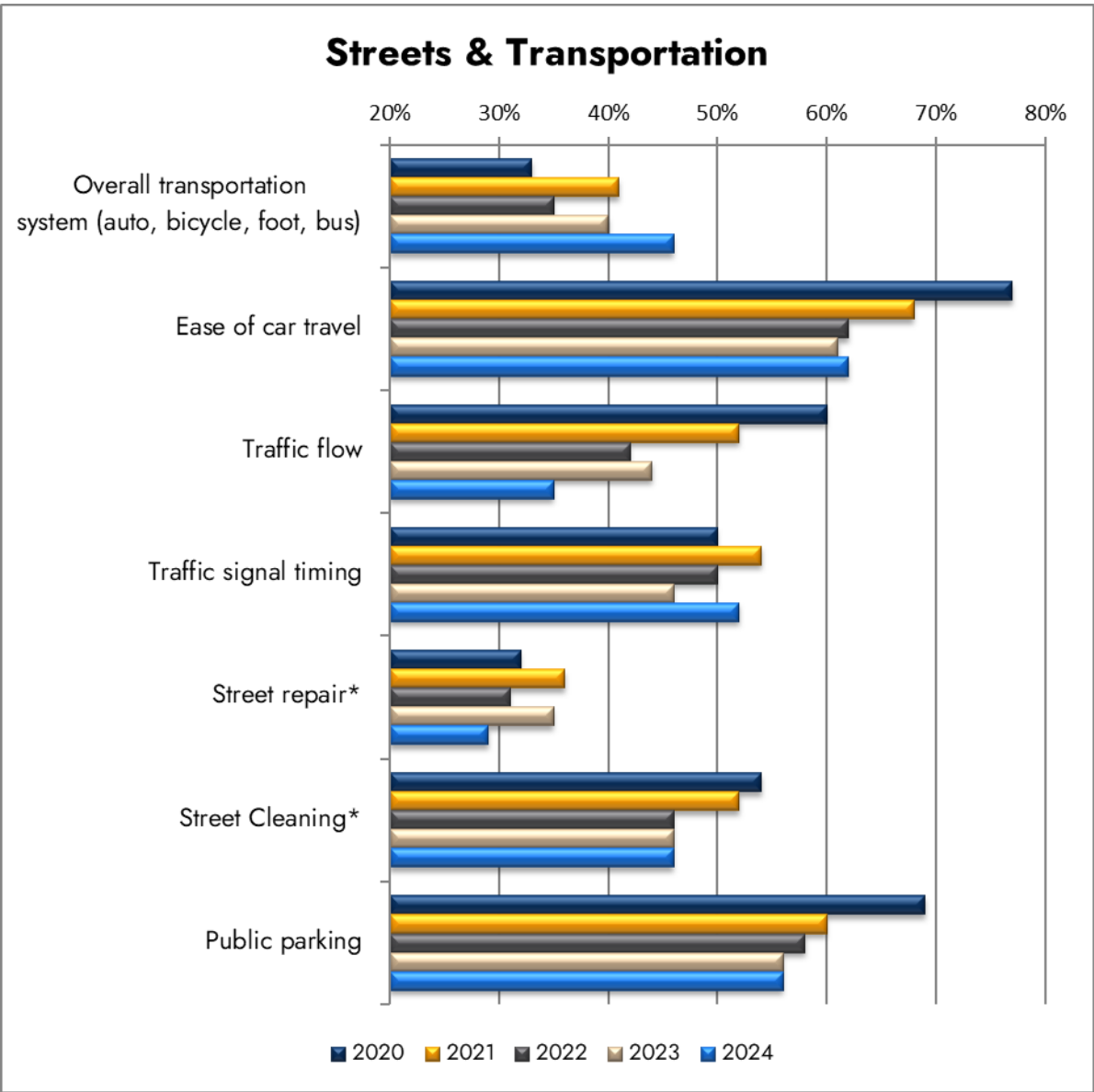
Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>43130 - Fleet Maintenance</i>				
111 SALARIES & WAGES	343,897	359,956	366,731	370,417
112 OVERTIME	23,573	25,000	26,941	25,000
134 CHRISTMAS BONUS & LONGEVITY	1,669	1,252	1,383	1,460
210 FICA	21,903	23,945	23,963	24,607
212 MEDICARE	5,122	5,601	5,604	5,755
213 TCRS CONTRIBUTION	54,654	58,588	59,930	60,683
214 EMPLOYEE HEALTH INS	105,293	108,851	108,378	108,835
217 EMPLOYEE LIFE INS	1,860	2,073	1,950	2,052
219 WORKERS COMPENSATIONS INSURANCE	8,861	9,750	18,756	14,000
226 CLOTHING/UNIFORM/SHOES	6,922	8,000	6,939	8,000
227 TOOL ALLOWANCE	6,763	7,000	7,012	7,000
310 POSTAL SERVICE	338	0	0	0
345 TELEPHONE SERVICES	905	910	770	910
351 MEDICAL SERVICES	197	600	160	200
355 COMPUTER/DATA PROCESSING	0	20,000	15,850	25,000
361 REPAIR & MAINTENANCE-VEHICLES	80	1,500	858	1,500
362 REPAIR & MAINT-OPERATIONS EQUIPMENT	18,973	7,500	12,207	10,500
375 MEMBERSHIPS & DUES	0	200	214	200
378 EDUCATION - SEMINARS & TRAINING	207	3,000	180	1,500
383 TRAVEL-BUSINESS EXPENSES	0	1,000	0	500
399 OTHER CONTRACTED SERVICES	13,107	900	555	900
411 OFFICE SUPPLIES & MATERIALS	1,069	1,500	1,330	1,500
413 OFFICE EQUIPMENT	0	0	10,532	0
419 SMALL TOOLS & EQUIP	12,200	5,000	4,577	18,598
424 JANITORIAL SUPPLIES	4,040	3,000	3,823	3,000
429 GENERAL OPERATING SUPPLIES	7,952	9,000	8,772	9,000
431 GASOLINE & DIESEL FUEL	1,924	3,750	3,076	3,750
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	4,426	6,000	5,285	6,000
510 INSURANCE - GENERAL LIABILITY	2,569	2,830	2,921	3,070
523 PROPERTY (CONTENTS) INSURANCE	537	595	634	670
533 EQUIPMENT- RENTAL/LEASE	1,568	2,825	1,192	1,200
971 MOTOR EQUIPMENT	0	384,747	265,880	205,000
999 OTHER CAPITAL OUTLAY	0	0	0	7,271
<i>43130 - Fleet Maintenance</i>	<i>650,609</i>	<i>1,064,873</i>	<i>966,403</i>	<i>928,078</i>

Street Repairs & Maintenance

The Street Repair and Maintenance Division is utilized for the expenses in constructing and repairing streets, sidewalks, curbs and gutters; making curb cuts; assisting in building and repairing storm lines as needed; and working on the capital improvement program.

This division is also responsible for the stabilization of sinkholes along with mosquito and herbicide control. This division is responsible for the clearing of snow and ice during winter storm events and removal of fallen trees in the roadways due to storm events or wind damage.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Adjustments to the structure of the survey are likely to have influenced some responses beginning in 2020 and the rating for overall transportation is an example where a change in format impacted results. The question was adjusted in 2020 when the survey began explicitly mentioning cycle, bus and walking where the previous question asked about “overall mobility”. It appears that in previous years, responses were more focused on auto travel, which has been much stronger than our ratings for paths, buses, etc. This change has lowered our favorable rating. Additionally, 2020 can be seen as an anomaly particularly with regard to mobility as the response to the COVID-19 pandemic kept more people home more often, which likely freed up the roadway such that traffic flow, ease of travel by car, and parking were much less challenging than in normal years.

Favorable ratings for the overall transportation system saw a statistically significant improvement in 2024 to 46%, which remains similar to peers across the country. Residents from the west side of Morristown were significantly more favorable than their neighbors on the east side. Residents who have lived in Morristown less than 5 years are more positive about transportation than those that have lived in Morristown longer – significantly more so than 11+ year residents. The survey indicated again in 2024 that mobility is of least importance among the 10 facets of life in the community. As it is also among the lower scoring facets in terms of quality and is tied to the overall quality of life, it should remain an area of emphasis for improvement in the coming years.

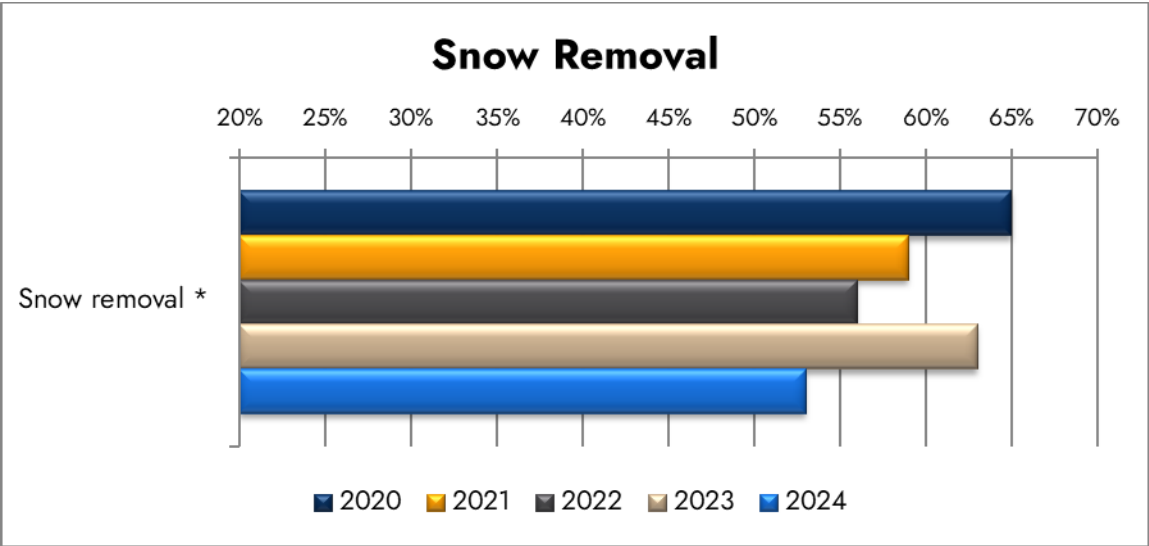
Resident ratings for the ease of travel by car has seen little change since 2022 after setting a record high rating in 2020. Reduced travel with COVID restrictions likely contributed to the more favorable ratings in 2020. Returning to normal economic activity combined with substantial growth and development likely contribute to the decline in citizen opinions about the ease of travel. The 62% approval rating is below our average of 64% but is still comparable to our peers across the nation. Ratings about the ease of auto travel were most favorable among residents in the northeast – significantly more favorable than those in the western half of the city. Those living in Morristown less than 5 years were far more positive than their more tenured neighbors (79% compared to 56%-57%). Several projects are underway that may help offset the congestion, inconvenience, or discomfort caused by rapid development. A TDOT project to improve Highway 11E is moving into the construction phase in 2025, a city project to resurface and improve signals along East Morris Blvd will begin, and improvements on Central Church Road and Walters Drive are moving through preliminary phases ahead of construction. The corridor study for State Route 160 included improvements for intersections at both MLK Parkway and Sulphur Springs Road. TDOT has committed to a project that will improve both safety and the flow of traffic at these locations, which is expected to begin in FY 2026.

When assessing traffic flow our residents gave a favorable rating of only 35%, which continues a declining trend and is a statistically significant decrease from the rating of 44% in 2023. Despite the declining trend, Morristown remains similar to other communities across the nation, as we have been for 13 of the 14 years we have conducted the survey. Responses were less favorable from residents living in the southwest of the city. Residents age 55+ were significantly more favorable than their younger neighbors. Those living in Morristown less than 5 years were significantly more favorable than those with longer tenure.

We see a 6% improvement on responses regarding signal timing, which continues a relatively consistent trend. Respondents showed a statistically significant drop in favorable response regarding street repair, and the street repair item now falls below the national benchmark – an indication that street repair should

remain an investment priority. Ratings for street repair have fallen below our peers in nine of the 14 years the survey has been taken. With consistent scores showing about one third of residents being satisfied with street repair, this is an area that our community must address and improve.

Both public parking and street cleaning were flat compared to last year’s responses – still down from the highs set in 2020. And while both were similar to other communities across the country in 2023, the national benchmark for street cleaning must have improved because we now find that our score is below the benchmark. This is another indication of an area that may warrant targeted investment.



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

The rating for snow removal dropped significantly in 2023 from 63% to 53%. A considerable ice event in early 2024 following a 2023 with no notable events could likely have contributed to the drop in satisfaction. At 53% Morristown is below the national benchmark. All geographic areas of the city responded consistently. Longer tenured respondents were more positive than those that have lived in Morristown less than 11 years. Homeowners and those living in detached dwellings were significantly less critical than those who rented their home and/or live in apartments.

Material Placed					
	2020	2021	2022	2023	2024
Hot Mix Asphalt (tons)	522	409	613	326	252
Cold Mix Asphalt (tons)	11	3	6	3	1
Crack Sealer (tons)	2.6	3	1	2	0
Work Orders Generated	134	140	163	143	135
Work Orders Completed	131	135	163	140	135

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Maintained annual Commercial Applicator Certification Training (CAT) at the University of Tennessee.
- Maintained the functionality of City streets and rights of way.
- The department responded to 84 citizen concerns reported on the Citizens Concern app. All concerns are addressed to the person who originated the concern within 24 hours, and most were repaired and/or handled within 24 hours of the original report.
- Constructed and repaired over 1,077 ft. of curbing to assist stormwater department with water drainage and flooding issues.
- Cut vegetation along 7.0 miles of curbs with the Ventrac machine.

THRIVING LIVABLE NEIGHBORHOODS



- Responded to citizen and commercial business requests for mosquito treatment to enhance the public's health and welfare by safely reducing the mosquito population.
- Continued Interlocal Agreement with Hamblen County to service the County by treating troubled mosquito areas as requested by the County Mayor. This agreement was approved by City Council. The city is reimbursed for all expenses.
- Repaired 92 right-of-way asphalt maintenance issues that were reported by citizen phone calls to public works, 911 reports, and routine maintenance checks completed by Crew leaders.
- In conjunction with the Storm Water Crew, sinkholes were repaired at the following locations:
 - Morningside Drive
 - S. Bellwood Road
 - Commerce Blvd.
 - S. Liberty Hill Road
 - Durham Landing
 - W. Andrew Johnson
 - Wilson Avenue
 - N. Jackson
- Guardrails were installed and/or replaced at the following locations:
 - Brights Pike: 20 ft.
 - Housley Circle: 12 ft.
 - Joe Hall Road: 875 ft.
 - E. Economy Road: 10 ft.

SAFE & SECURE COMMUNITY



- Public Works responded to over 578 tree calls. Public Works pruned over 248 trees due to sight & sign issues, school bus safety, and Fire Department requests. Another 34 trees were trimmed or cut down from citizen request. Over 138 were removed due to storms and heavy winds.
- Staff attended Work Zone Safety Training to learn how to keep themselves and their crew safe.
- Continued work on the Snow Removal Efficiency Schedule ensuring primary routes are cleared and treated.
 - Phase One: Emergency Routes, Industrial Parks, and Arterial Streets
 - Phase Two: Secondary and Residential streets
- Street sweepers provided regular removal of dirt and litter from street curbs to prevent debris from clogging drains. Streets are swept year-round to protect water quality by reducing pollutants like trash, leaves, and sediment surface debris. For safety purposes, during certain

times of the year streets are cleaned at night. Street sweepers also assist in clean-up efforts after special events or roadway accidents.

- Purchased and deployed heavy duty interlocking steel barricades to provide for safer City events. The mobile barriers secure areas where pedestrians and vehicles don't need to mix, accelerating overall security preparedness.

Goals for FY 2026

THRIVING LIVABLE NEIGHBORHOODS



- Reduce the cost of replacing and repairing costly infrastructure through timely and efficient right-of-way maintenance by working with utilities as needed when repairs need to be made.
- Complete emergency street repair requests within 24 hours, where possible. Schedule and perform repairs based on citizen's complaints as time and weather permits.
- Assess pavement conditions for pavement preservation.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Assist other City departments by using Public Works manpower and equipment, thereby reducing overall operating costs.

SAFE & SECURE COMMUNITY



- Identify trouble areas to extend the serviceability of streets.
- Coordinate paving jobs with engineering and Morristown Utilities to ensure an ongoing process of assessment, prioritization, and project management.
- Trim and remove hazardous and dead trees from roadside and City owned property to create a safe environment for pedestrians and motorists.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- No significant changes are planned.

Personnel Summary

PUBLIC WORKS STREET REPAIRS & MAINTENANCE	FY22	FY23	FY24	FY25	FY26
GENERAL SUPERVISOR	1	1	1	1	1
CREW LEADER	2	2	2	2	2
HEAVY EQUIPMENT OPERATOR	4	4	4	4	4
MEDIUM EQUIPMENT OPERATOR	8	8	8	8	8
UTILITY WORKER	2	2	2	2	2
TOTAL PUBLIC WORKS STREET REPAIRS & MAINTENANCE	17	17	17	17	17

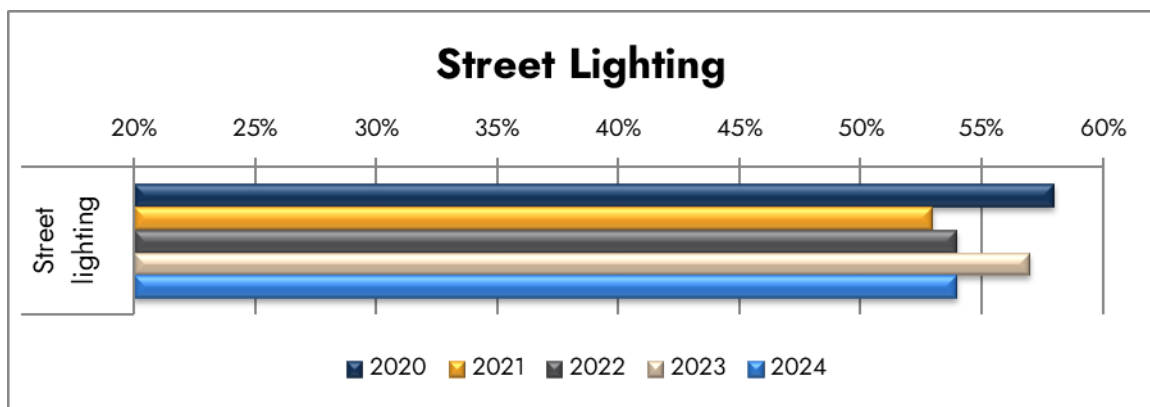
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>43140 - Public Works Street Repairs & Maintenance</i>				
111 SALARIES & WAGES	787,619	861,516	816,109	843,611
112 OVERTIME	17,913	16,600	16,256	20,000
134 CHRISTMAS BONUS & LONGEVITY	8,511	9,020	8,184	7,310
210 FICA	48,318	55,003	51,164	53,998
212 MEDICARE	11,300	12,864	11,966	12,629
213 TCRS CONTRIBUTION	123,920	134,579	127,867	133,164
214 EMPLOYEE HEALTH INS	252,708	264,296	241,738	264,078
217 EMPLOYEE LIFE INS	4,331	4,962	4,394	4,672
219 WORKERS COMPENSATIONS INSURANCE	21,631	22,035	23,747	34,000
226 CLOTHING/UNIFORM/SHOES	11,360	13,500	12,160	13,500
310 POSTAL SERVICE	0	25	0	25
330 LEGAL NOTICES	283	500	145	500
345 TELEPHONE SERVICES	1,528	2,000	1,385	2,000
351 MEDICAL SERVICES	804	2,200	1,282	2,200
361 REPAIR & MAINTENANCE-VEHICLES	4,704	8,000	5,748	8,000
362 REPAIR & MAINT-OPERATIONS EQUIPMENT	29,764	35,000	26,722	35,000
375 MEMBERSHIPS & DUES	0	250	214	250
378 EDUCATION - SEMINARS & TRAINING	962	2,800	580	2,800
383 TRAVEL-BUSINESS EXPENSES	906	650	1,006	650
399 OTHER CONTRACTED SERVICES	174,605	112,600	143,480	119,500
411 OFFICE SUPPLIES & MATERIALS	301	300	356	300
419 SMALL TOOLS & EQUIP	1,462	6,500	2,912	6,500
424 JANITORIAL SUPPLIES	275	500	348	500
429 GENERAL OPERATING SUPPLIES	23,198	35,000	30,193	35,000
431 GASOLINE & DIESEL FUEL	52,890	66,250	62,593	66,250
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	127,781	145,000	120,557	145,000
451 CONCRETE PRODUCTS	7,827	7,500	6,129	7,500
455 CRUSHED STONE & SAND	3,700	8,000	1,041	8,000
458 SALT/SODIUM CHLORIDE	38,464	50,000	47,880	50,000
465 ASPHALT	30,204	75,000	35,504	45,000
510 INSURANCE - GENERAL LIABILITY	12,847	14,140	14,606	0
523 PROPERTY (CONTENTS) INSURANCE	2,685	2,960	3,166	0
533 EQUIPMENT- RENTAL/LEASE	590	30,000	3,554	30,000
960 MACHINERY & EQUIPMENT	71,194	175,000	174,458	0
971 MOTOR EQUIPMENT	234	410,000	424,383	450,000
999 OTHER CAPITAL OUTLAY	93,672	65,000	63,782	20,000
<i>43140 - Public Works Street Repairs & Maintenance</i>	<i>1,968,491</i>	<i>2,649,550</i>	<i>2,485,609</i>	<i>2,421,937</i>

Streetlights & Signs

The Street Lights & Signs Division is the funding mechanism for the installation of new streetlights, maintenance of existing streetlights, and funds the energy charge and investment charge received from Morristown Utilities. A small number of lights are within the Appalachian Electric System. All pavement markings and traffic related signage is expensed through this division. Traffic signs are fabricated and installed by this division. The division is responsible for the fabrication and installation of the vehicle decal markings for all City departments.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Fifty-four percent (54%) of respondents gave a favorable rating for street lighting with those in the northeast being the most positive. Morristown is comparable to other communities in this service area.

Traffic Signage					
	2020	2021	2022	2023	2024
Regulatory Signs Replaced	59	44	59	72	227
Street Signs Replaced	57	42	57	73	226
Misc. Signs Replaced	5	4	5	25	59
Warning Signs Replaced	40	21	40	60	114
Parking Signs Replaced	4	4	15	34	40
Guide Signs Replaced	15	13	4	17	44
School Signs Replaced	13	5	13	6	9
Signs Repaired or Straightened	419	526	419	503	719
Work Orders Generated	612	659	612	790	1,438
Work Orders Completed	612	659	590	788	1,438

Pavement Markings					
	2020	2021	2022	2023	2024
Yellow striping paint (Gallons)	715	0	1,650	825	715
White striping paint (Gallons)	165	0	410	440	430
Reflective Glass Beads (lbs)	10,250	0	10,250	6,850	7,160
Work Orders Generated	7	0	10	11	10
Work Orders Completed	7	0	10	11	10

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Replaced and repaired signs such as stop and yield, speed limit, warnings, parking regulation, and street name signs. Essential signs are handled as emergencies and are replaced within 24 hours. These include stop, yield, one way, and school crossings.
- Replaced or reposted the following:
 - 40 Parking Signs
 - 226 Street Signs
 - 9 School Signs
 - 227 Regulatory Signs
 - 44 Guide Signs
 - 114 Warning Signs
- Repaired/Straightened/Removed 719 signs.

THRIVING LIVABLE NEIGHBORHOODS



- Fabricated and installed street signs and directional signs for public roadways within new residential and commercial development.
- Attended course and received TTAP Certification in the following classes:
 - Road Safety Champion
 - MUTCD Revision
 - Traffic Signs/Pavement Markings
 - Ready the Roadway
 - MUTCD Rules & Regulations

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- This department completed over 1,400 work orders for signs issues.
- Replaced 226 existing street signs due to vandalism, fading and accident damage.
- Replaced 82 missing signs.



- Provided traffic control devices for 21 special events and 10 emergency traffic events to safely protect the community with minimum disruption to traffic.
- Striped 102.7 miles of city streets.

Goals for FY 2026

THRIVING LIVABLE NEIGHBORHOODS



- Continue to install and maintain all existing traffic control signs and city markings.

SAFE & SECURE COMMUNITY



- For safe and direct passage for vehicles and pedestrians on all city streets and sidewalks within the city limits, continue to maintain:
 - Advisory, Directional, Regulatory, and Street Signs
 - Crosswalks
 - Pavement Markings
 - Reflectors
 - Streetlights
- Continue to have the Public Works Emergency Response Trailer on standby to assist during severe weather, flooding, accidents, or other emergency events.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- No significant changes are planned.

Personnel Summary

PUBLIC WORKS STREET LIGHTS & SIGNS	FY22	FY23	FY24	FY25	FY26
TRAFFIC TECHNICIAN	1	1	1	1	1
TOTAL PUBLIC WORKS STREET LIGHTS & SIGNS	1	1	1	1	1

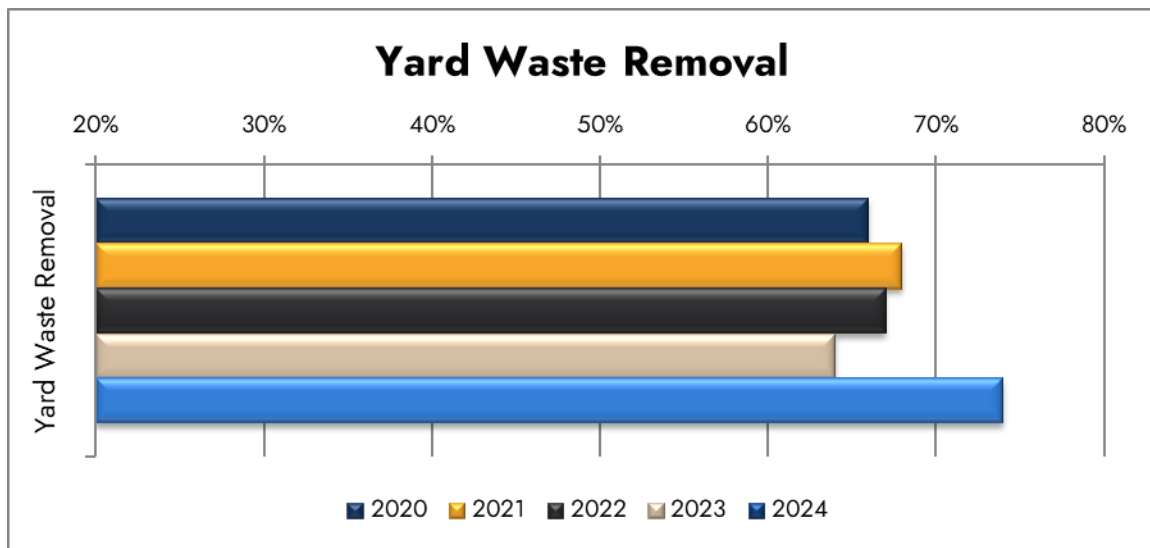
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>43150 - Public Works Street Lights & Signs</i>				
111 SALARIES & WAGES	52,812	55,583	56,648	58,089
112 OVERTIME	6,734	2,000	5,320	6,000
134 CHRISTMAS BONUS & LONGEVITY	1,012	1,025	1,017	1,030
210 FICA	3,604	3,634	3,822	4,038
212 MEDICARE	843	850	894	945
213 TCRS CONTRIBUTION	9,187	8,891	9,555	9,957
214 EMPLOYEE HEALTH INS	15,573	15,567	15,581	15,568
217 EMPLOYEE LIFE INS	296	320	307	322
219 WORKERS COMPENSATIONS INSURANCE	1,234	1,360	1,216	2,000
226 CLOTHING/UNIFORM/SHOES	579	770	622	770
341 ELECTRICITY	749,466	820,000	780,432	820,000
343 NATURAL GAS & PROPANE	0	150	0	150
345 TELEPHONE SERVICES	455	500	457	500
351 MEDICAL SERVICES	109	500	64	100
361 REPAIR & MAINTENANCE-VEHICLES	0	2,500	0	2,500
362 REPAIR & MAINT-OPERATIONS EQUIPMENT	0	1,000	0	1,000
365 REPAIR & MAINTENANCE-TRAFFIC SIGNALS	326	6,000	4,099	6,000
371 SUBSCRIPTIONS & BOOKS	0	350	0	350
378 EDUCATION - SEMINARS & TRAINING	20	400	40	400
383 TRAVEL-BUSINESS EXPENSES	0	400	0	400
399 OTHER CONTRACTED SERVICES	1,789	2,200	360	2,100
419 SMALL TOOLS & EQUIP	3,551	3,000	2,680	19,000
424 JANITORIAL SUPPLIES	0	100	0	100
429 GENERAL OPERATING SUPPLIES	34,793	45,000	42,919	45,000
431 GASOLINE & DIESEL FUEL	3,626	6,250	3,816	6,250
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	4,656	5,000	4,104	5,000
510 INSURANCE - GENERAL LIABILITY	489	540	557	585
523 PROPERTY (CONTENTS) INSURANCE	102	115	121	130
971 MOTOR EQUIPMENT	0	0	0	67,500
<i>43150 - Public Works Street Lights & Signs</i>	<i>891,256</i>	<i>984,005</i>	<i>934,631</i>	<i>1,075,784</i>

Brush & Bulk

The Brush & Bulk Division provides roadside pickup of brush, bulk trash, grass clippings, and leaf collection services on a regular schedule. Crews also are responsible for trimming of overhanging limbs/vines that block visibility of traffic signs, intersection sight lines, and sidewalks.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Though consistently in the mid-60% range for the first 13 years of the survey, responses regarding yard waste removal services saw a statistically significant increase of 10% in 2024. Morristown’s biweekly curbside collection of bulk and yard waste remains a popular service among citizens. We are similar to other communities across the country in this area. Those having lived in Morristown less than five years were the most positive about the service – a possible indication that their previous residence did not offer such a service. Residents age 18-34 were the most favorable. Those with income below \$50,000 were more critical than other income groups.

Brush and Bulk Waste Collection (TONS)					
	2020	2021	2022	2023	2024
Brush	3,871	2,696	2,651	2,474	1,883
Bulk Waste	3,046	3,257	3,187	2,493	3,236
Leaf/Grass Collection	888	695	702	750	722
Total	7,805	6,648	6,540	5,717	5,841

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Completed yearly safety training requirements.
- Continued to use social media channels to inform citizens of the services we provide, such as scheduled route pick-up dates, holiday schedules, and special events.
- Cross trained employees on a variety of equipment.
- Implemented Recollect software to enable a transition to a request-based pick-up of bulk items, which is anticipated to reduce unnecessary route-based mileage for certain vehicles.
- Educated citizens on the new Apple and Android Apps to engage with citizens more effectively.
- Secured a new leaf trailer that is a one-man operated, self-contained, chassis mounted leaf collection system with a hydraulic hopper. This new truck collects twice the volume of older leaf tag-a-longs, and the department will monitor the efficiencies and cost savings it should generate.

SAFE & SECURE COMMUNITY



- Public Works worked diligently clearing streets and picking up brush after Hurricane Helene. Over 100 trees fell in a 3-day period blocking or partially blocking City streets. Over 470 tons of brush was collected by Public Works trucks in 4 weeks following the storm.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Complete yearly safety training requirements.
- Continue to use social media channels to inform citizens of the services we provide, such as scheduled route pick-up dates, holiday schedules, and special events.
- Cross train employees on a variety of equipment.
- Continue to promote the use of the new Recollect software to enable a transition to a request-based pick-up of bulk items, which is anticipated to reduce unnecessary route-based mileage for certain vehicles.
- Continue to educate citizens on the new Apple and Android App's to engage with citizens more effectively.

SAFE & SECURE COMMUNITY



- Work with the Codes Division on various trash and litter issues inside the City limits.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to remain within budget.

Significant Changes for FY 2026

- There are no significant changes to the budget in FY 2026.

Personnel Summary

PUBLIC WORKS BRUSH & BULK	FY22	FY23	FY24	FY25	FY26
SUPERINTENDENT	1	1	1	1	1
MEDIUM EQUIPMENT OPERATORS	7	7	7	7	7
UTILITY WORKER	3	3	3	3	3
TOTAL PUBLIC WORKS BRUSH & BULK	11	11	11	11	11

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>43160 - Public Works Brush & Bulk</i>				
111 SALARIES & WAGES	508,113	524,623	515,136	522,573
112 OVERTIME	3,686	15,000	9,721	15,000
134 CHRISTMAS BONUS & LONGEVITY	3,674	4,020	2,978	2,770
210 FICA	30,532	33,706	33,048	33,502
212 MEDICARE	7,140	7,883	18,073	7,835
213 TCRS CONTRIBUTION	76,943	82,471	82,911	82,619
214 EMPLOYEE HEALTH INS	167,695	170,875	167,784	170,779
217 EMPLOYEE LIFE INS	2,696	3,022	2,829	2,894
219 WORKERS COMPENSATIONS INSURANCE	13,829	16,315	13,372	22,000
226 CLOTHING/UNIFORM/SHOES	5,277	8,500	6,510	8,500
310 POSTAL SERVICE	0	50	0	50
330 LEGAL NOTICES	0	100	0	100
345 TELEPHONE SERVICES	1,734	1,700	1,345	1,700
351 MEDICAL SERVICES	651	1,000	663	1,000
359 OTHER PROFESSIONAL SRVCS	0	2,000	0	2,000
361 REPAIR & MAINTENANCE-VEHICLES	7,537	13,000	7,914	13,000
362 REPAIR & MAINT-OPERATIONS EQUIPMENT	5,469	25,000	6,670	25,000
375 MEMBERSHIPS & DUES	0	250	214	250
378 EDUCATION - SEMINARS & TRAINING	443	500	438	500
383 TRAVEL-BUSINESS EXPENSES	0	500	0	500
399 OTHER CONTRACTED SERVICES	3,273	56,000	178,845	64,000
411 OFFICE SUPPLIES & MATERIALS	328	300	363	300
419 SMALL TOOLS & EQUIP	1,935	5,000	2,650	6,000
424 JANITORIAL SUPPLIES	42	150	68	150
429 GENERAL OPERATING SUPPLIES	2,798	4,000	4,917	4,000
431 GASOLINE & DIESEL FUEL	80,854	96,250	64,062	96,250
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	112,626	105,000	107,510	105,000
510 INSURANCE - GENERAL LIABILITY	13,852	14,825	16,438	17,260
523 PROPERTY (CONTENTS) INSURANCE	2,490	2,740	2,936	3,085
562 LANDFILL FEE/DISPOSITION CHARGES	368,495	400,000	453,902	400,000
960 MACHINERY & EQUIPMENT	134,369	0	0	0
971 MOTOR EQUIPMENT	511,254	0	0	0
999 OTHER CAPITAL OUTLAY	84,439	0	0	0
<i>43160 - Public Works Brush & Bulk</i>	<i>2,152,174</i>	<i>1,594,780</i>	<i>1,701,297</i>	<i>1,608,617</i>

Communication Shop

The Communication Shop provides all maintenance and technical support for radio voice and data communications for City departments. With the exception of the Police Department's Mobile Data Terminals (MDT), this division maintains and installs all electronic equipment in vehicles for the Public Safety and Public Works Departments. The division assists in the maintenance of the City's traffic signal system.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- To ensure efficient continuation of the TACN infrastructure, the Communication Division monitored the following for potential maintenance needs:
 - Base Stations
 - Building Power
 - Towers & Tower Foundations
 - Uninterruptible Power Supplies
 - Ethernet Switches
 - Batteries
 - Video Surveillance
 - Antennas
 - Building Structures
 - Microwave Links
 - Radio Frequency Cables
 - Backup Generators & Fuel System
- The Division provided necessary support and maintenance for several critical electronic systems at the Morristown Regional Airport, including:
 - Precision Approach Path Indicators (PAPI). PAPI assists by providing visual glide slope guidance in non-precision approach environment.
 - Runway End Identifier Lights (REIL). The REIL system provides identification of the end of the runway.
 - Medium Approach Light System with Runway Alignment (MALSR). MALSR is medium approach lighting installed in airport runway approach zones along the extended centerline of the runway.
- The Communication shop at Public Works continues to maintain the Land Mobile Radio (LMR) infrastructure as a backup for TACN (Tennessee Advanced Communication Network). TACN and LMR services the Police, Fire and Public Works Departments.

SAFE & SECURE COMMUNITY



- Maintained City owned radio system at Morristown Hamblen County Emergency 911 Center.
- Completed annual safety training requirements.
- Maintained radio towers to support public safety.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Verified all communication and lighting components for any newly outfitted city vehicles were in proper working order prior to going into service.
- Maintained the following systems in all Police, Fire and Public Works Vehicles:

- Radios (Portable & Vehicle Mounted)
- Lighting Systems & Sirens
- Video Monitoring Equipment
- Antennas
- Switch Boxes
- GPS Equipment
- Radar

Goals for FY 2026

HIGH PERFORMING ORGANIZATION

- Maintain Fire, Police and the Public Works Department radios.
- Continue to provide oversight, maintenance, and support for the TACN system.
- Continue to provide support as needed for airport communications systems.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- No significant budget changes are anticipated in FY 2025.

Personnel Summary

PUBLIC WORKS COMMUNICATION SHOP	FY22	FY23	FY24	FY25	FY26
COMMUNICATIONS TECHNICIAN	1	1	1	1	1
ASSISTANT COMMUNICATIONS TECHNICIAN	1	1	1	1	1
TOTAL PUBLIC WORKS COMMUNICATION SHOP	2	2	2	2	2

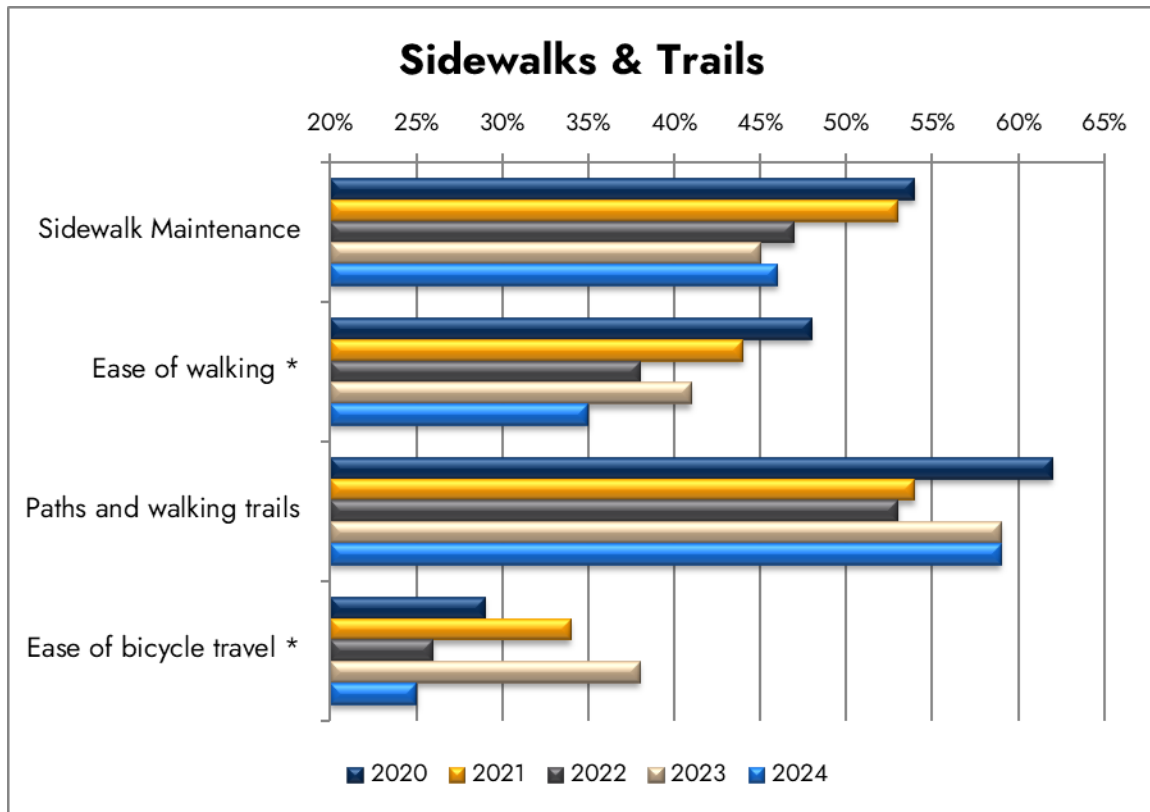
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
43175 - Public Works Communication Shop				
111 SALARIES & WAGES	150,074	154,378	127,378	139,736
112 OVERTIME	13,820	17,500	15,349	17,500
134 CHRISTMAS BONUS & LONGEVITY	1,487	1,515	1,492	1,515
210 FICA	9,961	10,751	8,779	9,843
212 MEDICARE	2,330	2,515	2,053	2,302
213 TCRS CONTRIBUTION	25,088	26,304	20,359	24,274
214 EMPLOYEE HEALTH INS	31,130	31,323	28,636	31,236
217 EMPLOYEE LIFE INS	541	889	680	774
219 WORKERS COMPENSATIONS INSURANCE	2,468	2,715	2,431	4,000
226 CLOTHING/UNIFORM/SHOES	142	1,600	4,220	4,000
341 ELECTRICITY	4,291	4,500	4,272	4,500
345 TELEPHONE SERVICES	969	1,300	1,018	1,300
351 MEDICAL SERVICES	88	100	78	100
359 OTHER PROFESSIONAL SRVCS	0	200	0	200
360 REP & MAINT-COMMUNICATIONS	0	350	0	350
361 REPAIR & MAINTENANCE-VEHICLES	0	1,000	0	2,500
362 REPAIR & MAINT-OPERATIONS EQUIPMENT	0	1,000	1,435	1,000
363 REPAIR & MAINTENANCE- OFFICE EQUIPMENT	0	400	480	500
364 REPAIR & MAINTENANCE-BLDG./GROUNDS	0	1,000	125	1,000
371 SUBSCRIPTIONS & BOOKS	0	300	0	300
375 MEMBERSHIPS & DUES	0	220	180	220
378 EDUCATION - SEMINARS & TRAINING	180	1,000	0	1,000
383 TRAVEL-BUSINESS EXPENSES	0	1,000	0	1,000
399 OTHER CONTRACTED SERVICES	2,727	480	360	10,480
411 OFFICE SUPPLIES & MATERIALS	330	300	446	400
419 SMALL TOOLS & EQUIP	252	1,000	3,512	7,000
424 JANITORIAL SUPPLIES	0	50	0	50
429 GENERAL OPERATING SUPPLIES	1,558	1,500	3,936	1,570
431 GASOLINE & DIESEL FUEL	5,381	4,375	3,223	5,000
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	2,194	2,500	2,573	2,500
510 INSURANCE - GENERAL LIABILITY	2,692	2,965	3,060	3,215
523 PROPERTY (CONTENTS) INSURANCE	563	620	663	0
533 EQUIPMENT- RENTAL/LEASE	0	1,000	0	1,000
960 MACHINERY & EQUIPMENT	0	0	0	40,000
971 MOTOR EQUIPMENT	0	210,000	204,407	0
999 OTHER CAPITAL OUTLAY	7,646	0	0	0
43175 - Public Works Communication Shop	265,912	486,650	441,145	320,365

Sidewalks

The City of Morristown maintains 379,272 ft. (over 71 miles) of sidewalks. This division is responsible for the construction and repair of sidewalks and ADA compliant ramps within the City.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

*- reflects an area rated below the national benchmark

Responses regarding sidewalk maintenance and the availability of paths and walking trails were generally consistent with 2023 responses, but we see a statistically significant drop in ease of walking and ease of bicycle travel. For ease of walking and ease of bicycle travel, we find ourselves much lower than the national benchmark – two of only three questions for which we are much lower than our peers. The marked improvement in ease of bicycle travel in 2023 was apparently an anomaly. Morristown’s terrain in many areas of the city is not the most conducive to leisurely walks or bicycle rides, and unfortunately, we have compared unfavorably in these areas every year we have conducted the survey.

The availability of paths and walking trails had a very significant jump in 2020, and although satisfaction in the next two surveys fell, responses in 2023 increased to a 59% favorable rating where the rating remains in 2024. This is well above historic levels and second only to the highest rating we’ve seen (2020). Continued

efforts to add walking trails in parks, to extend the greenway, and fill gaps in our sidewalk system are intended to improve opportunities for, and the ease of, walking and cycling.

Sidewalks					
	2020	2021	2022	2023	2024
Sidewalk Repaired (Linear ft)	502	1,077	297	415	280
Sidewalk New Installation (Linear ft)	1,669	1,256	9,224	7,233	2,280
Work Orders Generated	15	30	18	13	10
Work Orders Completed	15	30	18	13	10

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Inspected sidewalks for overhanging trees, trip hazards, and structural defects.
- Contractors laid 4,028 feet of new residential and commercial sidewalk.
- Responded to and repaired 10 sidewalk complaints from citizen reports.
- Complied with all standards set by the Americans with Disabilities Act (ADA).

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Repaired 280' of existing sidewalk.
- Installed 41 new ADA compliant sidewalk ramps.
- In conjunction with new development, 4,028' of new sidewalk was installed in the following areas:
 - Southwood Circle
 - Faith Lane
 - Progress Parkway
 - Nicole Circle
 - Highway 25 at Progress Parkway
 - Thoroughbred Run Road



Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Support the Department of Planning and Community Development in seeking grant opportunities for the improvement of sidewalks.
- Update older sidewalks to bring them into compliance.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Repair sidewalks in conjunction with the annual paving program.
- Install or repair sidewalks for transportation and recreational use in compliance with the Americans with Disabilities Act.

- Grant-funded multimodal projects for sidewalk and greenway improvements will continue in the environmental review and right-of-way acquisition phases in anticipation of construction.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- There are no significant changes in FY 2026.

Personnel Summary

- No personnel are assigned to this area. Staff is deployed from the public works street repairs and maintenance for these projects as needed.

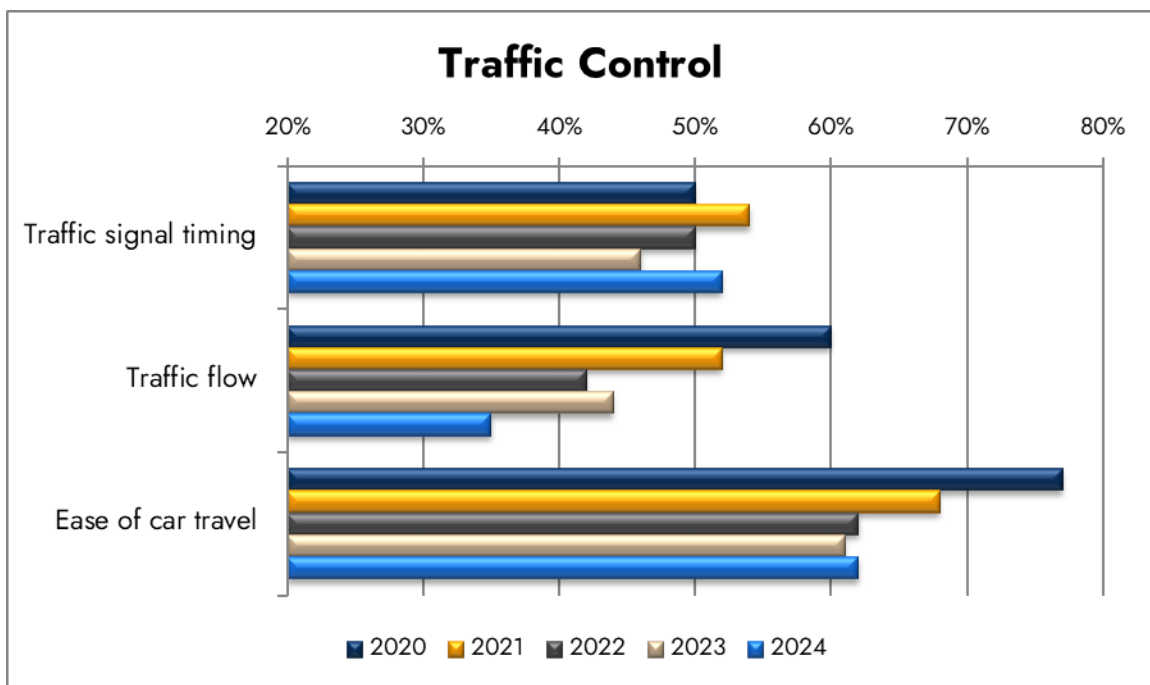
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>43180 - Public Works Sidewalks</i>				
330 LEGAL NOTICES	93	0	0	0
399 OTHER CONTRACTED SERVICES	1,927	0	0	0
451 CONCRETE PRODUCTS	0	20,000	5,000	20,000
455 CRUSHED STONE & SAND	0	3,000	1,500	3,000
931 ROADS, STREET, AND PARKING LOTS	104,425	981,926	261,360	1,085,000
<i>43180 - Public Works Sidewalks</i>	<i>106,445</i>	<i>1,004,926</i>	<i>267,860</i>	<i>1,108,000</i>

Traffic Devices

This program is responsible for installing traffic control devices in coordination with the Traffic Coordinating Committee or “Traffic Team.” The Public Works Department is responsible for the operations and maintenance of Morristown’s traffic system and coordinating certain street traffic activities. The Traffic Team assists the City Administrator and Public Works Department by making recommendations relative to traffic conditions within the City. Items also may be referred by the City Council to the Public Works Department or the Traffic Team for action or a recommended solution. The Public Works Department and the Traffic Team meet with transportation system stakeholders that are concerned with traffic problems including safety and general planning efforts.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Favorable ratings for traffic signal timing showed improvement beginning in 2017. The installation of the ITS (Intelligent Transportation System) coordinating traffic signals on the major east/west corridor through town was largely responsible for this improvement. It appears that increased traffic from growth is now taxing the system and ratings are declining. A similar system will be installed on the north/south corridor with the RAISE grant project that should improve public satisfaction, and we are undertaking a study to review the ITS system to ensure it is operating at optimal levels.

Resident ratings for the ease of travel by car has seen little change since 2022 after setting a record high rating in 2020. Reduced travel with COVID restrictions likely contributed to the more favorable ratings in 2020. Returning to normal economic activity combined with substantial growth and development likely

contribute to the decline in citizen opinions about the ease of travel. The 62% approval rating is below our average of 64% but is still comparable to our peers across the nation. Ratings about the ease of auto travel were most favorable among residents in the northeast – significantly more favorable than those in the western half of the city. Those living in Morristown less than 5 years were far more positive than their more tenured neighbors (79% compared to 56%-57%). Several projects are underway that may help offset the congestion, inconvenience, or discomfort caused by rapid development. A TDOT project to improve Highway 11E is moving into the construction phase in 2025, a city project to resurface and improve signals along East Morris Blvd will begin, and improvements on Central Church Road and Walters Drive are moving through preliminary phases ahead of construction. The corridor study for State Route 160 included improvements for intersections at both MLK Parkway and Sulphur Springs Road. TDOT has committed to a project that will improve both safety and the flow of traffic at these locations, which is expected to begin in FY 2026.

When assessing traffic flow our residents gave a favorable rating of only 35%, which continues a declining trend and is a statistically significant decrease from the rating of 44% in 2023. Despite the declining trend, Morristown remains similar to other communities across the nation, as we have been for 13 of the 14 years we have conducted the survey. Responses were less favorable from residents living in the southwest of the city. Residents age 55+ were significantly more favorable than their younger neighbors. Those living in Morristown less than 5 years were significantly more favorable than those with longer tenure.

Traffic Signal Call Log					
	2020	2021	2022	2023	2024
Non Emergency Calls for Service	1,006	1,239	1,257	273	1,208
Emergency Calls for Service	17	21	40	83	132
Emergency Calls for Service (After Hours)	45	51	48	123	121
Total Calls for Service	1,068	1,311	1,345	479	1,461

**2023 numbers were categorized differently, resulting in fewer reported calls for service recorded*

Workorders					
	2020	2021	2022	2023	2024
Call Generated Workorders	1,344	1,369	1,345	188	325
Technician Generated Workorders	368	321	415	497	471
Total Workorders	1,712	1,690	1,760	685	796

Repairs Due to Damage					
	2020	2021	2022	2023	2024
Signal Heads	12	11	29	27	39
Pedestrian Signals	8	5	4	32	21
Tether Wires	4	1	1	3	4
Signal Poles	2	1	0	0	6
Traffic Signal Cabinets	0	1	0	2	5
Total Repairs	26	19	34	64	75

Signal Head Maintenance					
	2020	2021	2022	2023	2024
Signal Head Replaced	19	17	29	8	12
Red LED's Replaced	6	10	7	4	13
Yellow LED's Replaced	8	7	9	2	4
Green LED's Replaced	7	11	4	22	12
Red Arrow LED's Replaced	4	2	8	0	0
Yellow Arrow LED's Replaced	3	3	7	1	1
Green Arrow LED's Replaced	3	6	5	0	0
Loop Detection Repairs	0	0	0	2	1
Radar Detection Upgrades By Approach	26	25	19	19	10
Fiber Communications Upgrades	1	2	3	0	0
Intersection Upgrades	5	1	3	4	4
New Signalized Intersections	2	1	0	2	0
Ground Mounted Equipment Semi-annual Maintenance	132	134	134	132	138
Intersection - Overhead Hardware Inspections	10	7	15	0	0

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Changed two (2) intersections located at Cold Creek Drive and Pearce Drive from Loop Wire Detection to Radar Detection. Radar detection allows the city to gain valuable insight into traffic patterns, improving traffic flow during peak hours.
- Added radar detection at W. 3rd North, Davis Street, King Avenue, Barker Drive, and Cherokee Drive.
- Replaced three (3) traffic signal cabinets. Two of these were obsolete, and one was due to a traffic accident at S. Bellwood Road.
- Updated intersection timings and coordination on 4.8 miles of roadway along W Morris Boulevard.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Maintained 67 signalized intersections with 581 traffic signal heads, 132 pedestrian heads and 11 warning signal heads.
- Maintained and monitored all aspects of the Traffic Signal System.
- Inspected, cleaned and tested all ground-based hardware including cabinets and pedestrian poles every 6 months.
- Completed yearly certification of all traffic signal monitors in the operation system.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Upgrade traffic signal cabinets and signals at four (4) intersections:
 - White Avenue

- King Avenue
- Lincoln Avenue at N. Jackson Avenue
- Lincoln Avenue at Walnut Drive
- Add battery backups to the following intersections:
 - Cherokee Park intersection at N. Davy Crockett Parkway
 - W. Andrew Johnson at W. Morris Blvd.
- Upgrade 20 traffic box controllers with Mobotrex controllers. Mobotrex controllers improve the reliability of the traffic control equipment and reduce the need for emergency repairs and callouts.
- Attend IMSA (International Municipal Signal Association) Traffic Control Technician certification to keep up with Continuing Education Credits for Level II Traffic Signal Field Technician.
- Attend Temple's National Electronic Manufacturers Association Traffic Control & Cabinet workshop in Alabama.
- New employee to receive IMSA Level I Traffic Signal Certification.
- Test and certify all traffic signal monitors in our operating system with Athens Technical Specialist, Inc. (ATSI) in an effort to reduce the City's liability.

THRIVING LIVABLE NEIGHBORHOODS



- Complete inspection of all traffic signals, hardware, equipment, and fixtures.
- Continue to monitor and maintain all signalized intersections.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- There is no significant change in the FY 2026 budget.

Personnel Summary

- No personnel are assigned to this account.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>43190 - Public Works Traffic Devices</i>				
310 POSTAL SERVICE	1,158	3,000	2,752	3,000
341 ELECTRICITY	32,670	35,000	37,434	35,000
345 TELEPHONE SERVICES	12,680	15,000	13,832	15,000
359 OTHER PROFESSIONAL SRVCS	0	1,500	0	1,500
360 REP & MAINT-COMMUNICATIONS	0	4,000	0	4,000
361 REP & MAINT-VEHICLES	0	1,500	0	0
365 REP & MAINT-TRAFFIC SIGNALS	191,854	250,000	245,494	250,000
371 SUBSCRIPTIONS & BOOKS	0	250	0	250
375 MEMBERSHIPS & DUES	0	650	0	650
378 EDUCATION - SEMINARS & TRAINING	0	1,000	1,250	6,000
383 TRAVEL-BUSINESS EXPENSES	0	1,000	956	2,000
399 OTHER CONTRACTED SERVICES	8,800	15,000	10,688	116,200
419 SMALL TOOLS & EQUIP	5,955	6,000	5,085	0
429 GENERAL OPERATING SUPPLIES	139	0	85	0
<i>43190 - Public Works Traffic Devices</i>	<i>253,256</i>	<i>333,900</i>	<i>317,576</i>	<i>433,600</i>

Pavement Management Program

The Pavement Management Program provides for the resurfacing, maintenance, and improvements to existing streets and for construction of new streets within the City limits. Adequate pavement is essential to the safety and comfort of the traveling public as well as the economic well-being of the City of Morristown. Funding for these items is provided in part by gas tax money collected by the State of Tennessee and allocated to the City. It is supplemented by general fund dollars to ensure the City adequately funds maintenance efforts.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Completed Snyder Rd Connection to Frank Lorino Park, which included a repaved and redesigned parking arrangement for the upper parking lot for baseball/softball.
- Developers constructed new streets in the following subdivisions, which are expected to be dedicated to the City:
 - Harrell Farms 1,489 ft
 - Valley Vista 6,125 ft
 - Village Greene 985 ft
 - Steeplechase Ln 826 ft

THRIVING LIVABLE NEIGHBORHOODS



- Through the Transportation Improvement Program (TIP):
 - Morris Blvd, from Highway 25 to US 11E completed the Right-of-Way phase and entered the Construction Phase.
 - Central Church Road is in the ROW Phase for widening from W Andrew Johnson Hwy to Fire Station No. 4, including the addition of a turn lane.

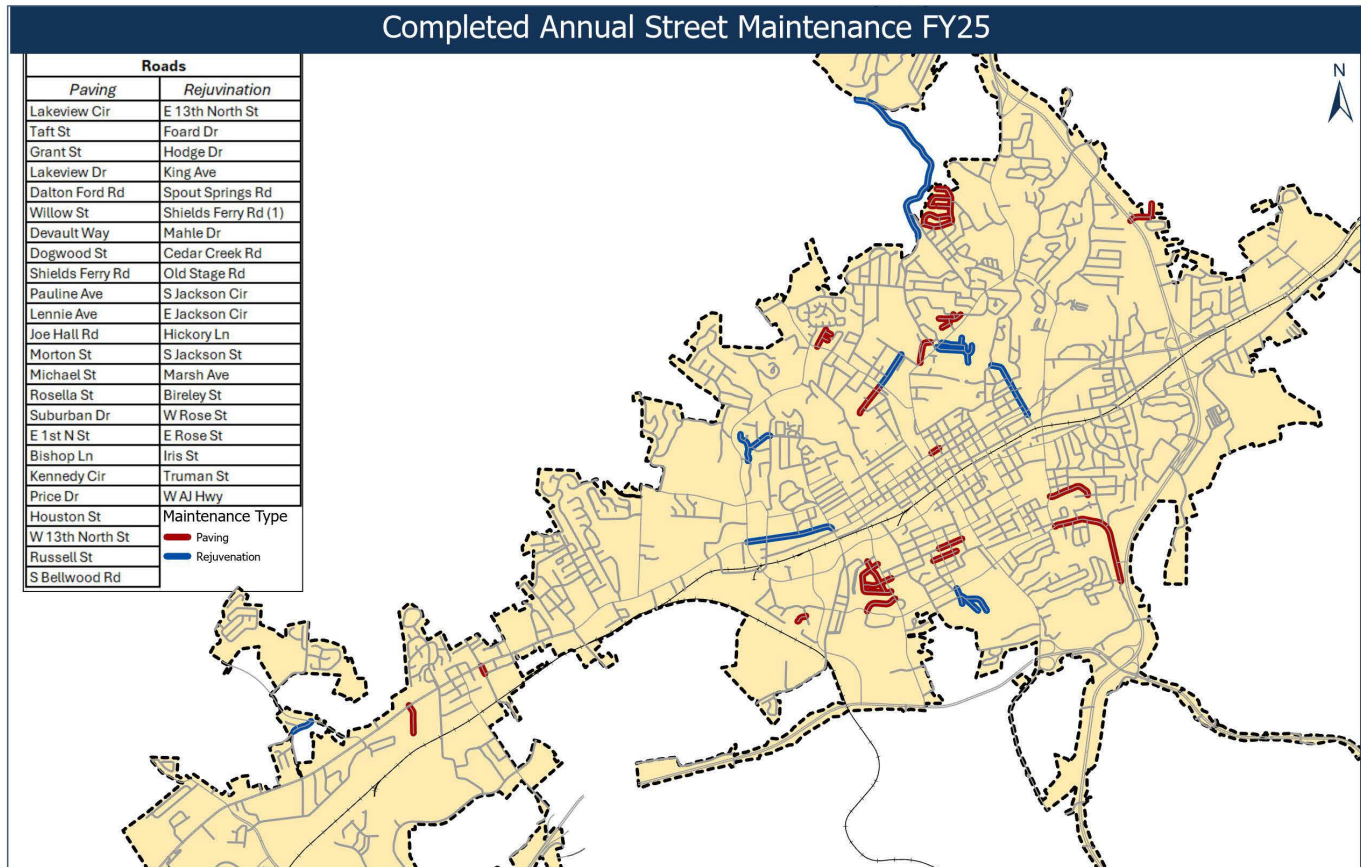


What is Street Rejuvenation?

Street rejuvenation is a process involving a special sealant and strengthener called “Reclamite” that is applied to certain roadways. This process extends the life of the roadway up to 5 additional years before repaving is required, thus reducing costs and making the most of City tax dollars.



- Paved 6.4 miles as part of the Annual Street Maintenance Project.
- Rejuvenated 5 miles of City Streets as part of Annual Street Maintenance.



- Began Construction on the E. Morris Boulevard paving project east of Highway US-25E.
- Completed railroad crossing improvements through a TDOT-funded but locally managed program, including Haun Dr, Jackson St, and Sugar Hollow Rd.

Goals for FY 2026



- Implement the next phase of the pavement program and Annual Street Maintenance.
- Pave 10 miles and rejuvenate 5 miles of City Streets as part of Annual Street Maintenance. The 5 miles to be rejuvenated are those street sections that were paved in FY 2022. The rejuvenation technique is ideally applied 4 to 5 years following initial paving to reintroduce chemicals to the pavement, thereby extending the life of the roadway.
- Complete Walters Dr and Cherokee Dr Roundabout.
- Complete Central Church Road widening project.



Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- No significant changes.

Personnel Summary

- No personnel are assigned to this area.

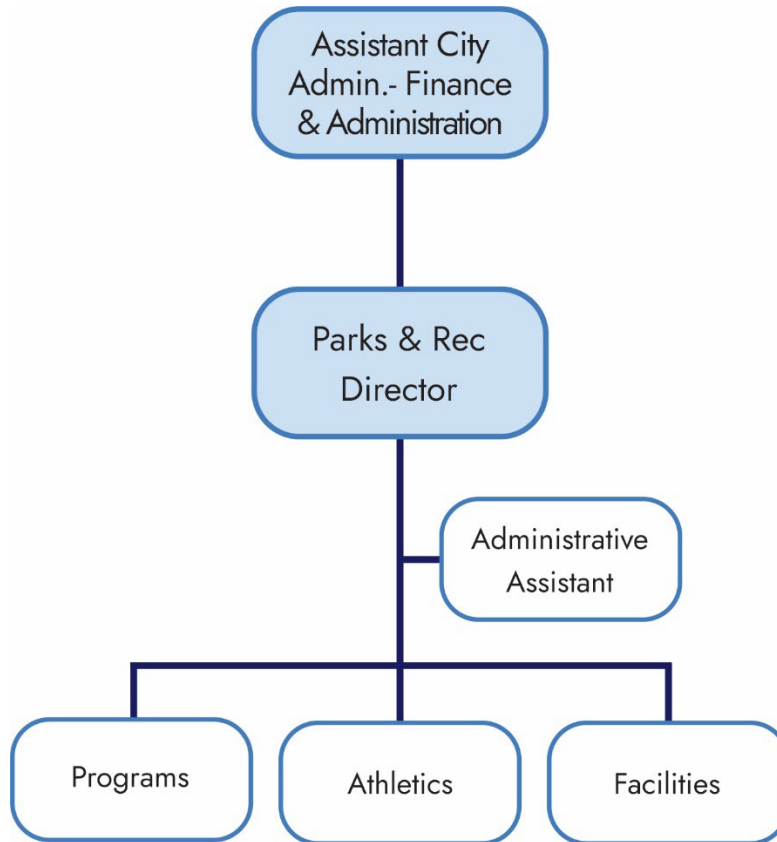
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>43300 - Public Works Pavement Management System</i>				
399 OTHER CONTRACTED SERVICES	34,113	0	3,641	0
913 EASEMENTS/RIGHT OF WAYS	17,700	0	0	0
958 STREET INFRASTRUCTURE IMP - LOCAL	1,544,938	1,536,000	1,505,423	2,500,000
958 STREET INFRASTRUCTURE IMP - TDOT	115,489	1,791,630	355,760	1,000,000
959 STREET INFRASTRUCTURE IMP - REJUVENATION	170,813	100,000	88,292	100,000
<i>43300 - Public Works Pavement Management System</i>	<i>1,883,053</i>	<i>3,427,630</i>	<i>1,953,116</i>	<i>3,600,000</i>

PARKS & RECREATION DEPARTMENT



Parks & Recreation Organization Chart



MISSION STATEMENT

To promote positive recreation and leisure opportunities through facilities and programs by utilizing all existing resources.

VISION STATEMENT

Morristown Parks and Recreation Department is to be the advocate in promoting citizens to live healthy and active lifestyles.



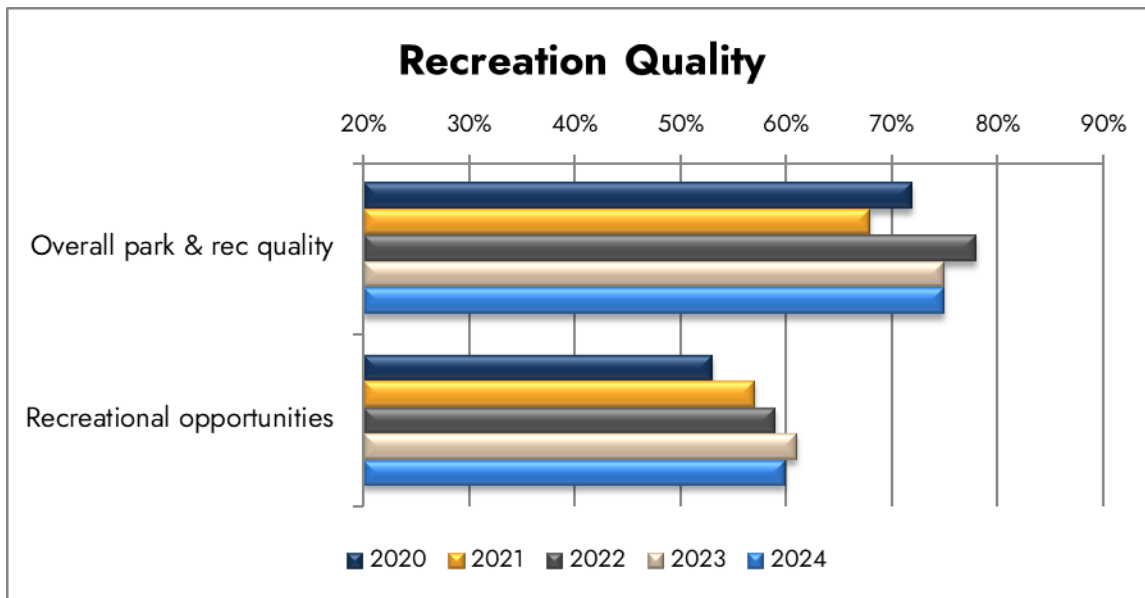
Parks & Recreation Administration

Parks and Recreation Administration has the responsibility of planning, coordinating, and general administration of the entire Parks and Recreation Department and park system. Staff oversees the day-to-day operations and continuously reviews the needs of the department. An eleven-member Parks and Recreation Advisory Board, appointed by City Council, advises the department as to how best to serve the citizens of Morristown with the resources available.

Performance and Workload Measures



Source: 2024 Citizen Survey



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

When asked to evaluate the overall quality of parks and recreation opportunities, Morristown residents gave a 75% favorable rating which is similar to other communities across the nation and is consistent with last year’s rating. Those living in neighborhoods in the southern neighborhoods of the community had a lower opinion about the quality of our programs. Those in the northeast were the most favorable. Households with children and households with incomes from \$100,000 to \$199,999 were significantly more favorable than others.

Ratings for recreational opportunities have generally trended up over the years but not varied significantly over time. This year, we see consistency with the rating just below the overall high of 61% from last year. With this score, we remain comparable to other communities across the nation. Those living in the southeast were the most favorable about recreational opportunities. Residents age 18-34 were more favorable than other age groups, and households with children were more favorable than those without.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Secured an agreement with Hamblen County School leaders to re-new school/park shared facility use agreements to clarify responsibilities of each party and to ensure effective and positive coordination to benefit all users.
- The Parks and Recreation Advisory Board met regularly to guide recreational opportunities for Morristown. The board provided valuable advice and feedback to assist the administration in prioritizing bond-funded improvements coming soon and to help envision future possibilities at Sherwood Park in a planning exercise.
- Continued and updated partnerships with the following:
 - Lakeway Tennis Association
 - Morristown USA-BMX
 - Blue Grass Disc Golf Association
 - Morristown Disc Golf Association
 - NFL Flag Football
 - American Youth Soccer Association

- Lakeway Soccer League
- Adult Hispanic Soccer League
- Youth Fall Baseball League
- Hamblen County School District Athletics such as Middle and High School Soccer, High School Baseball and Softball, Boys and Girls Soccer, and Track.
- 600 players from 30 states participated in the 2024 Tennessee State Disc Golf Championship Tournament.
- Hosted a community tailgate to watch the Tennessee Volunteers vs Georgia football game on an outdoor theater screen at Fulton-Hill Park.
- Cost recovery should reach between 8 and 12% this year – up from 1% just three years ago.

THRIVING LIVABLE NEIGHBORHOODS



- Upgraded Talley Ward Recreation Center with repairs to the outside structure, waterproofing of the foundation, replacement of broken windows, painting, new gym floor installation, and replacement of wall padding with department logo, upgraded lighting, and the replacement of basketball goals with fully adjustable goals.
- Enhanced baseball and softball fields with better irrigation, field dressings, and lighting for our programs as well as to attract tournament organizers to more income-generating opportunities.



bring

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Started a winter ryegrass program on soccer fields to help keep them playable year-round instead of closing the fields in the winter months.
- Started tracking utilization rates this year of the city's park properties and amenities in an effort to better know what is valued by the public.

A HEALTHY & VIBRANT CITY



- Hosted the Hall of Fame Banquet with University of Tennessee Baseball and former Houston Astro, Chris Burke as featured speaker.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Manage concessions internally as opposed to contracting out in response to feedback from tournament organizers. Enhance overall offerings for concessions.
- Continue working with the Morristown Landing staff to coordinate efforts to enhance Parks & Recreation programs and events and to optimize usage of the Landing.
- Create more tournament activities that are financially optimal for the City and taxpayers.

THRIVING LIVABLE NEIGHBORHOODS



- Continue to apply for grant funding opportunities and pursue area partnerships.



- Plan early to host a re-imagined Hall of Fame banquet to show appreciation to Parks & Recreation volunteers, coaches, and officials.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be within the adopted budget.
- In FY 2024, the Parks & Recreation Administration division was divided to add a newly created Parks & Recreation Athletics division. Certain expenditures were realigned to begin accounting for Athletics-related costs separately.

Significant Changes for FY 2026

- No significant changes are planned for FY 2026.

Personnel Summary

PARKS & RECREATION ADMINISTRATION	FY22	FY23	FY24	FY25	FY26
PARKS & REC DIRECTOR	1	1	1	1	1
RECREATION SUPERINTENDENT	1	1	1	1	1
ATHLETIC COORDINATOR	1	1	0	0	0
ATHLETIC SUPERVISOR	1	1	0	0	0
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
TOTAL PARKS & RECREATION ADMINISTRATION	5	5	3	3	3

Note: With the creation of a Parks & Recreation Athletics Division in FY 2024, the Athletics Coordinator and Athletics Supervisor positions shifted to the Athletics Division.

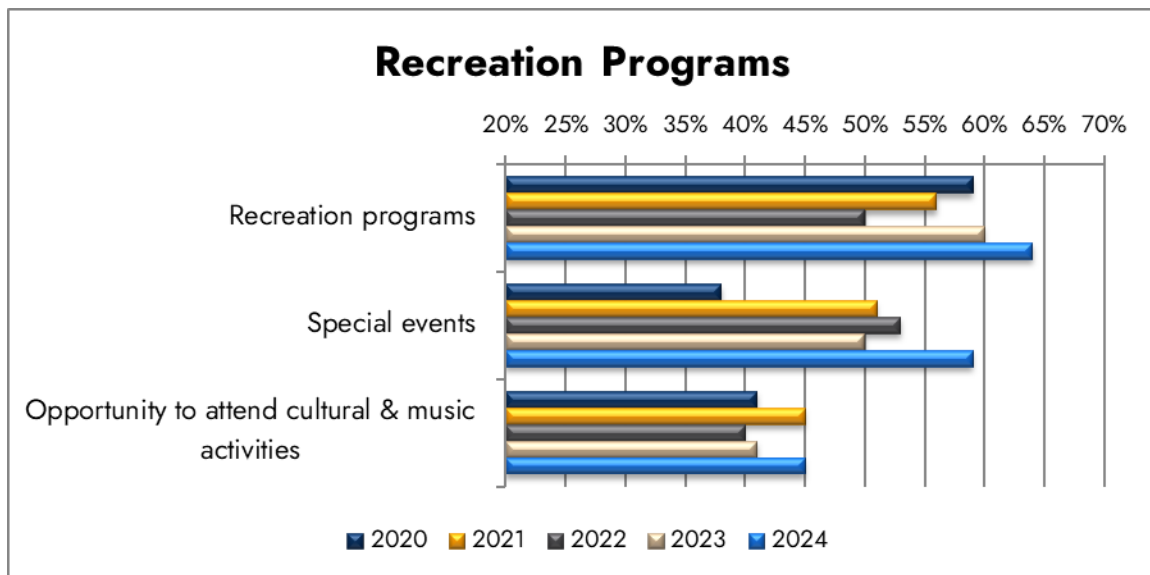
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>44410 - Parks & Recreation Administration</i>				
111 SALARIES & WAGES	218,756	236,654	238,334	245,915
112 OVERTIME	124	500	0	500
134 CHRISTMAS BONUS & LONGEVITY	829	875	1,004	1,050
210 FICA	13,302	14,758	14,822	15,343
212 MEDICARE	3,111	3,452	3,467	3,589
213 TCRS CONTRIBUTION	33,330	36,109	37,242	37,838
214 EMPLOYEE HEALTH INS	46,668	47,006	46,817	47,004
217 EMPLOYEE LIFE INS	1,194	1,363	1,266	1,362
219 WORKERS COMPENSATIONS INSURANCE	6,170	6,790	6,077	6,000
226 CLOTHING/UNIFORM/SHOES	0	500	0	500
310 POSTAL SERVICE	12	300	74	300
321 PRINTING SERVICES	0	200	0	200
330 LEGAL NOTICES	0	200	0	200
341 ELECTRICITY	7,568	8,500	8,142	11,300
342 WATER & SEWER	4,102	4,000	2,340	4,800
343 NATURAL GAS & PROPANE	4,293	3,600	4,069	5,200
345 TELEPHONE SERVICES	6,197	6,800	5,701	5,800
351 MEDICAL SERVICES	28	200	0	200
364 REPAIR & MAINTENANCE-BLDG./GROUNDS	199	0	0	0
371 SUBSCRIPTIONS & BOOKS	0	200	204	200
375 MEMBERSHIPS & DUES	1,800	1,200	1,375	1,900
378 EDUCATION - SEMINARS & TRAINING	0	2,000	1,955	2,500
383 TRAVEL-BUSINESS EXPENSES	0	2,500	2,072	2,500
399 OTHER CONTRACTED SERVICES	11,120	7,300	8,025	8,000
411 OFFICE SUPPLIES & MATERIALS	1,190	1,200	1,480	1,200
413 OFFICE EQUIPMENT	480	0	0	0
429 GENERAL OPERATING SUPPLIES	1,056	0	0	0
510 INSURANCE - GENERAL LIABILITY	1,346	1,485	1,530	1,610
523 PROPERTY (CONTENTS) INSURANCE	281	310	332	350
533 EQUIPMENT- RENTAL/LEASE	2,945	3,500	1,990	2,500
<i>44410 - Parks & Recreation Administration</i>	<i>366,101</i>	<i>391,502</i>	<i>388,318</i>	<i>407,861</i>

Parks & Recreation Programs

The Parks and Recreation Programs Division provides multiple recreational programs and activities to meet the needs of the community on a year-round basis. Programs include games, special events, arts, and leisure time activities. The objective of Programs is to provide recreational opportunities to youth and adults while advocating skills, sportsmanship, and good citizenship. Programs are held at Talley-Ward Recreation Center, various gyms in the area, as well as key parks within our system. We encourage recreation to foster health and wellness for our great community.

Performance and Workload Measures

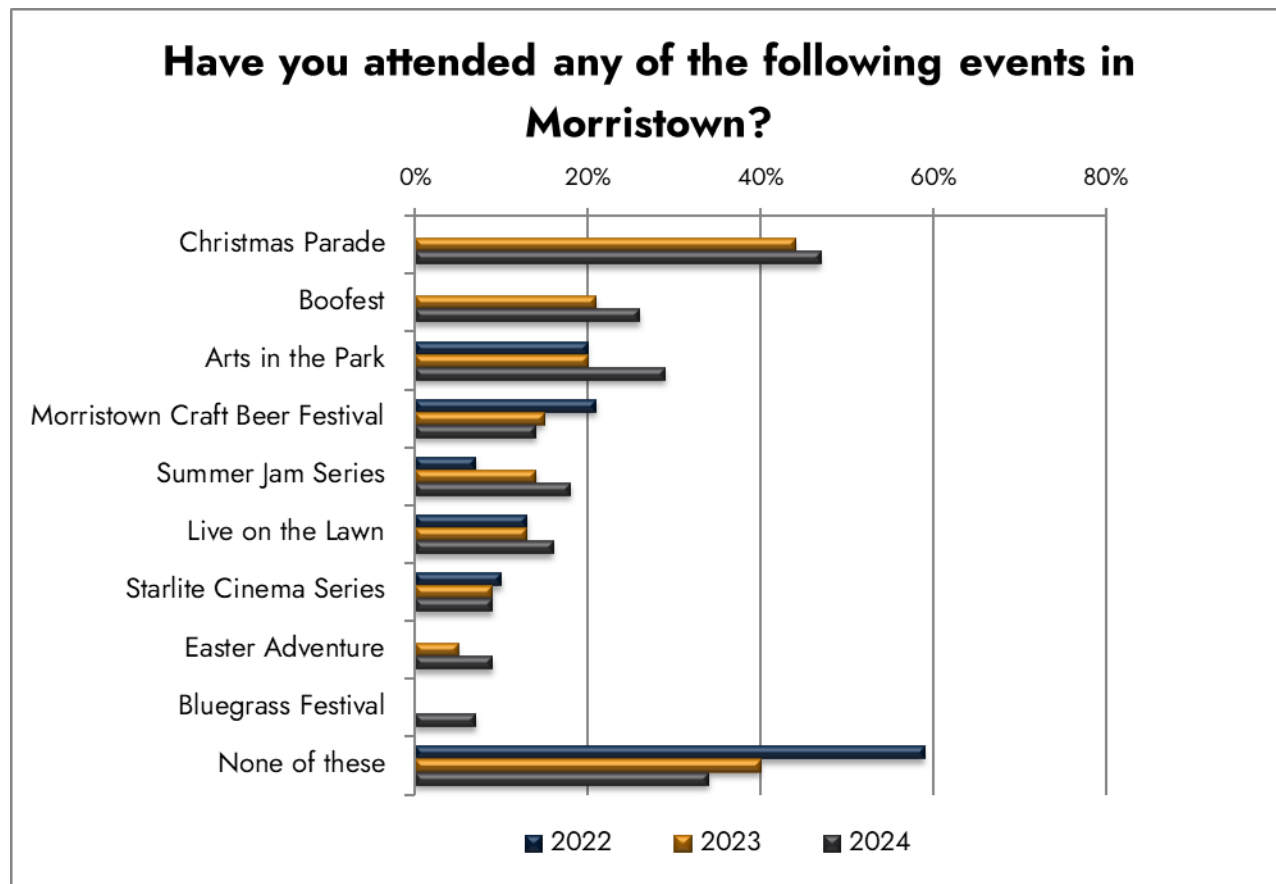


Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Ratings regarding recreation programs continued to show considerable improvement from the 2022 all-time low, garnering a 64% positive response. We remain comparable to our peers across the nation. Demographics registering the most favorable responses included residents of the southeast of the city, those age 18-34 (significantly more so than older respondents), households with incomes over \$50,000, residents that own their homes, and those residing in detached housing.

Ratings of special events saw a statistically significant increase to a score of 59%, a new all-time high, but only the third consecutive year we are comparable to our peers across the nation. Households with incomes between \$50,000 and \$200,000, households with children, and respondents aged 18-34 were among the demographics that were the most favorable regarding special events.

The opportunity to attend cultural and music events showed continued improvement. We are comparable to other communities across the nation. We have been comparable to other communities in nine of the last fourteen years. Households with incomes from \$100,000 to \$199,999 were significantly more favorable than other income groups, and those with incomes over \$200,000 were the most critical. Those aged 18-34 were more favorable than their elders, and households with children were significantly more favorable than those without.



Source: 2024 Citizen Survey

More residents attended the annual Christmas parade than any other event, and almost every event listed had a higher response of attendance than years prior. The craft beer festival has changed format, host, and name in the last year, which likely led to the reduction in reported attendance. Starlite Cinema events in the last year were challenged by inclement weather which likely impacted attendance. The trend downward in the number of respondents that have not attended any events is encouraging and a sign of progress being made in creating events for all to be able to enjoy.

Morristown Parks and Recreation Events Programming					
Event	2020	2021	2022	2023	2024
Events at Fred Miller Park					
BOO Fest	0*	3,000	4,000	5,000	8,500
Easter Eggsellent Adventure	0*	0*	800	500	800
Starlite Cinema (average attendance)	140	51	50	75	85
Kids Fun Fair	0*	640	300	200	500
Wet N Wild Wednesday	0*	300	200	450	400
Scarecrows in the Park (Displays/ Attendees)	9/ 0	15/0	12	15	11
Fall Fest	0*	300	225	250	1,000
Christmas In The Park/ Santa Helpers	100	400	1,200	200	700
Events at Other Locations					
Bluegrass Festival				5,000	1,800
Howls & Pals				30	20
Back To School Bash				300	150
K9 Carnival				100	50
Arts in the Park (Partner Program)	0*	650	1,000	2,000	1,500
Touch a Truck @ Frank Lorino Park	40 vehicles	800	2,500	2,500	3,000
Tree Lighting Ceremony	40	300	300	200	300
Walk Across Hamblen - (Partner Program) Teams	58	0*	0	22	11
Monday Mile Avg. Attendance (Partner Program)	13	10	15	15	5
Talley Ward Center Programming					
Event	2020	2021	2022	2023	2024
Free Play: Open court (users per day)	0*	23	33	23	20
Hot Wheels Derby (participants/cars)	0*	0*	75	183	84/252
Art Camp	0*	0*	12	14	20
Baseball Camp				14	13
Basketball Camp				28	20
Tennis Camp				17	13
Volleyball Camp				20	16
Celebration Camp				5	5
Pickle Ball (Weekly average)	36	24	70	48	28
Room Rentals	49	44	159	119	165
HCBOE Art Camp (Partner Program)	1,035	0*	350	discont.	discont.
Girls Incorporated Sport Day (Partner Program)	250	0*	0	discont.	29
Bingo and Breakfast (average attendance)					18
Dance and Ballet (per session)					85
Taekwondo (per session)					11

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Secured new volunteers and instructors to offer a variety of classes, clinics, and camps at Talley Ward Recreation Center.
- Enhanced program and event marketing with billboards, social media ads, videos, local radio, and television spots, as well as sandwich boards positioned in parks and at events.
- Streamlined advertising with ads and videos through Meta Suite on Facebook.
- Started working with AI programs to produce higher quality advertising more efficiently.



RENEWED ACTIVITY AT TALLEY WARD

Staff has recently partnered with a variety of organizations and volunteers to enhance activity at Talley Ward. Nearly every day the facility is used for activities such as craft classes, organized games, fitness classes, teen nights, dance classes, and more.

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- Increased after-school programming at Talley Ward Recreation Center by partnering with other organizations and inviting guest facilitators along with afternoon snacks to encourage teens to express themselves while enjoying crafts and games.
- Combined resources with the Chamber of Commerce to offer a combined Summer Concert series to increase attendance.
- Added new components and/or adjusted formats to keep existing special events fresh and appealing to the community.
- Increased vendor participation at special events.
- Offered support to Dance and Taekwondo Instructors at Talley Ward to facilitate appropriate classroom spaces and increase participation.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Increase sponsorship and marketing for special events.
- Introduce a comedy series in the parks for summer programming.
- Continue to build upon current successful special events to maintain community participation. Add components or change locations to build an interest in less successful events.

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- Introduce outdoor education classes, clinics, and opportunities utilizing various parks to include Cherokee Park where access for watersports will be available.
- Offer a spring break and summer day camp at Talley Ward Recreation Center.
- Continue to build on the fitness opportunities in both Talley Ward and the parks.

- Offer monthly Saturday Teen Nights at Talley Ward Recreation Center utilizing volunteers and sponsors to offer a variety of activities appealing to a mixture of interest.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to remain within budget.

Significant Changes for FY 2026

- No significant changes are planned.

Personnel Summary

PARKS & RECREATION PROGRAMS	FY22	FY23	FY24	FY25	FY26
RECREATION CENTER SUPERVISOR	1	1	1	1	1
RECREATION PROGRAM COORDINATOR	1	1	1	1	1
TOTAL PARKS & RECREATION PROGRAMS	2	2	2	2	2

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>44420 - Parks & Recreation Programs</i>				
111 SALARIES & WAGES	118,873	117,607	131,974	136,673
112 OVERTIME	170	1,000	0	1,000
114 WAGES & SALARIES TEMP EMP	1,395	2,500	3,285	2,500
134 CHRISTMAS BONUS & LONGEVITY	1,306	1,330	1,317	1,500
210 FICA	7,234	7,592	3,083	8,784
212 MEDICARE	1,692	3,717	1,982	2,055
213 TCRS CONTRIBUTION	18,049	18,195	20,918	21,280
214 EMPLOYEE HEALTH INS	30,855	31,164	31,006	31,224
217 EMPLOYEE LIFE INS	633	677	704	757
219 WORKERS COMPENSATIONS INSURANCE	2,949	2,995	2,431	4,000
330 LEGAL NOTICES	630	200	560	200
341 ELECTRICITY	12,608	14,000	13,404	14,000
342 WATER & SEWER	7,088	10,000	4,600	6,000
343 NATURAL GAS & PROPANE	2,274	3,500	2,781	3,000
345 TELEPHONE SERVICES	1,714	1,000	1,312	1,500
351 MEDICAL SERVICES	0	200	0	0
359 OTHER PROFESSIONAL SRVCS	3,737	3,850	8,048	8,000
364 REPAIR & MAINTENANCE-BLDG./GROUNDS	4,000	4,000	450	5,000
375 MEMBERSHIPS & DUES	10,096	10,000	6,300	1,500
378 EDUCATION - SEMINARS & TRAINING	200	500	0	1,000
383 TRAVEL-BUSINESS EXPENSES	0	1,200	0	500
399 OTHER CONTRACTED SERVICES	122,695	0	0	122,000
419 SMALL TOOLS & EQUIP	2,979	2,000	1,429	20,000
429 GENERAL OPERATING SUPPLIES	73,868	15,000	12,624	12,000
510 INSURANCE - GENERAL LIABILITY	16,361	18,000	16,692	18,000
523 PROPERTY (CONTENTS) INSURANCE	3,069	3,380	3,619	3,800
533 EQUIPMENT- RENTAL/LEASE	22,445	32,500	19,206	10,000
689 OTHER MISCELLANEOUS EXPENSES	110	2,500	0	2,500
999 OTHER CAPITAL OUTLAY	0	125,000	118,879	18,000
<i>44420 - Parks & Recreation Programs</i>	<i>467,030</i>	<i>433,607</i>	<i>406,604</i>	<i>456,773</i>

Parks & Recreation Athletics

The Parks and Recreation Athletics Division provides multiple recreational programs and activities for the community on a year-round basis with an emphasis on individual and team athletics. This is a new division of Parks & Recreation beginning in FY 2024, carved out of the Parks & Recreation Administration and Programs divisions. The objective of athletics is to provide sport-based recreational opportunities to youth and adults while advocating skills, sportsmanship, and good citizenship. Athletic events are held at Talley-Ward Community Center, various gyms in the area, the Morristown Landing, as well as key parks within our system. Activities of this division prioritize athletics opportunities for Morristown residents as well as visiting teams. The division prioritizes traditional recreation formats while also accommodating more competitive “travel” teams and organizations.

Performance and Workload Measures

Scheduled Adult Athletics games/matches played					
	2020	2021	2022	2023	2024
Fall Softball Games	0*	108	101	102	90
Men Volleyball Games	0*	0*	0	0	0
Women Volleyball Games	0*	504	438	540	522
Coed Volleyball Games	0*	30	126	207	174
Men Basketball Games	368	0*	272	249	270
Women Basketball Games	0*	0*	0	0	0
Men Spring Softball Games	0*	180	174	133	132
Women Spring Softball Games	0*	0*	0	0	0
Adult Cornhole			64	0	0
Women Grass Volleyball			72	68	56
Adult Kick Ball Games	0	64	89	86	84
Adult Soccer Spring	0	148	160	160	224
Adult Soccer Fall	0	150	160	160	224
Total Adult Games	368	1,184	1,656	1,705	1,776

Adult League Participation										
	2020		2021		2022		2023		2024	
Sport	Teams	Leagues	Teams	Leagues	Teams	Leagues	Teams	Leagues	Teams	Leagues
Fall Softball		0*	22	2	19	2	20	4	19	4
Men Volleyball		0*	0*	0*	0	0	0	0	0	0
Women Volleyball		0*	28	6	25	5	30	6	29	6
Coed Volleyball		0*	6	1	7	1	13	2	14	3
Men Basketball	49	8	0*	0*	49	5	59	6	58	9
Women Basketball		0*	0*	0*	0	0	0	0	0	0
Men Spring Softball		0*	19	4	24	4	19	4	21	4
Women Spring Softball		0*	0*	0*	0*	0*	0	0	0	0
Coed Spring Softball		0*	0*	0*	0*	0*	0	0	0	0
Adult Kick Ball		0*	10	1	13	2	16	2	14	2
Adult Soccer Spring		0*	32	4	40	4	40	4	56	4
Adult Soccer Fall		0*	34	4	40	4	40	4	56	4
Adult Cornhole					16	1	0	0	0	0
Women Grass Volleyball					16	4	14	2	16	2
Total Teams	49	8	151	22	249	32	251	34	283	38

Youth Sports Participation					
		Little League Baseball / Softball	Youth Basketball	Youth Flag Football	Youth Cheer
2020	Teams	0*	58		
	Players	0*	491		
	Leagues	0*	8		
2021	Teams	67	0*		
	Players	641	0*		
	Leagues	8	0*		
2022	Teams	72	54		
	Players	838	515		
	Leagues	9	8		
2023	Teams	72	72	24	
	Players	916	663	208	
	Leagues	9	9	4	
2024	Teams	77	78	26	6
	Players	923	803	212	54
	Leagues	9	9	4	na

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Upgraded youth baseball and softball uniforms.
- Instituted pitcher/catcher tryouts for girls' softball making the teams more competitive and the games more enjoyable.
- Increased pay for game officials to be in line with other organizations and entities competing for the same officials.
- Fundraising through sponsorship and donations eclipsed \$35,000 this year.



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- In collaboration with area counties, built upon the newly created All Stars Championship in youth basketball.
- Added a new High School Division in basketball, doubling participation from boys ages 15-17.
- Ran several sport related Day Camps during summer break to include Baseball, Basketball, Volleyball, and Tennis.
- Added cheerleading to our youth sports opportunities and completed our first league with 54 participants making up 6 teams.
- Hosted a successful, inaugural season kickoff tournament for Little League.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Secure sponsorships for Little League to upgrade uniforms and facilities with a goal of raising \$20,000 this year.
- Offer a Basketball Travel program for youth.
- Add a youth soccer program to opportunities.

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- Build upon the end of season tournament for youth basketball and the new kickoff tournament for the Little League program.
- Continue to work toward a more competitive pay scale for game officials.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be within budget.

Significant Changes for FY 2026

- As Parks and Recreation has added new leagues and seen growth in nearly all age groups, it is recommended that the department add one additional staff person to help manage activities.

Personnel Summary

PARKS & RECREATION ATHLETICS	FY22	FY23	FY24	FY25	FY26
ATHLETIC COORDINATOR	0	0	1	1	1
ATHLETIC SUPERVISOR	0	0	1	1	2
TOTAL PARKS & RECREATION ATHLETICS	0	0	2	2	3

Note: Though no personnel are shown prior to FY 2024, these positions were still a part of the Personnel Summary for Parks & Recreation Administration in those years.

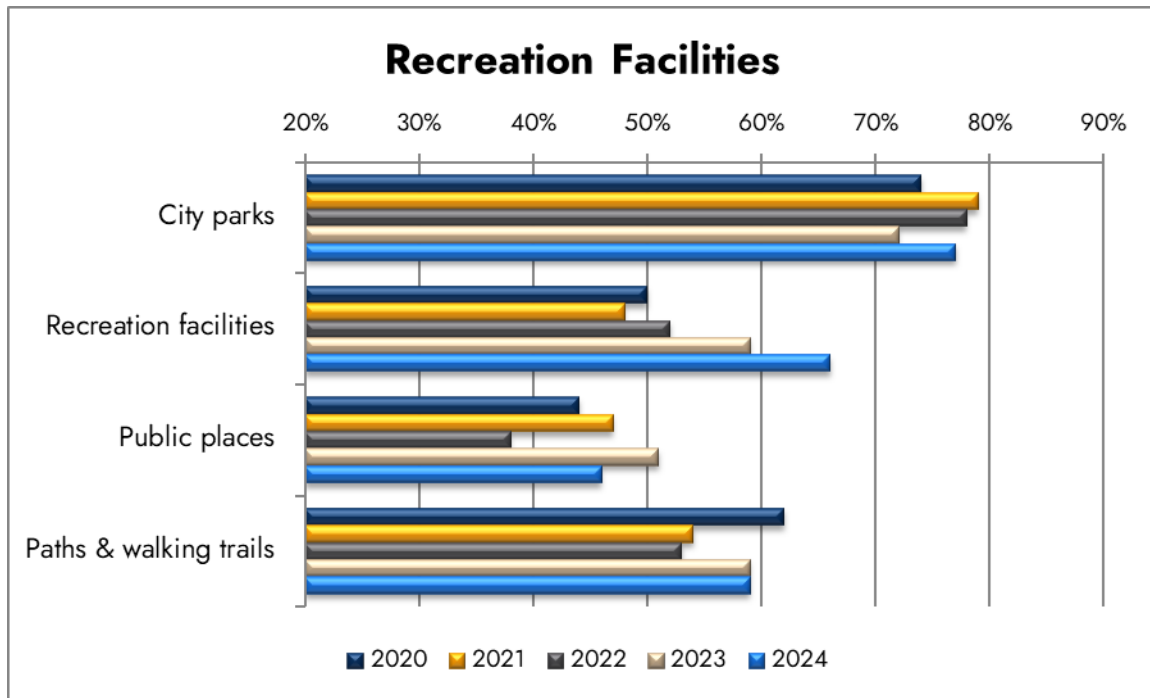
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>44425 - Parks & Recreation Athletics</i>				
111 SALARIES & WAGES	111,977	109,672	115,012	170,218
112 OVERTIME	1,007	1,000	872	1,000
114 WAGES & SALARIES TEMP EMP	52,247	145,225	59,493	145,225
134 CHRISTMAS BONUS & LONGEVITY	365	390	376	505
210 FICA	10,017	15,890	11,058	19,651
212 MEDICARE	2,343	3,717	2,586	4,596
213 TCRS CONTRIBUTION	17,272	16,849	18,446	26,257
214 EMPLOYEE HEALTH INS	31,419	31,130	31,119	46,690
217 EMPLOYEE LIFE INS	563	632	608	943
219 WORKERS COMPENSATIONS INSURANCE	0	2,335	0	6,000
226 CLOTHING/UNIFORMS/SHOES	0	200	0	400
310 POSTAL SERVICE	0	200	0	200
341 ELECTRICITY	0	2,800	0	0
342 WATER & SEWER	0	800	0	0
343 NATURAL GAS & PROPANE	0	1,600	0	0
345 TELEPHONE SERVICES	0	2,200	918	2,200
359 OTHER PROFESSIONAL SRVCS	6,033	5,750	1,095	5,500
375 MEMBERSHIPS & DUES	1,385	15,000	1,698	12,000
378 EDUCATION - SEMINARS & TRAINING	0	0	200	700
383 TRAVEL-BUSINESS EXPENSES	0	1,000	291	1,000
399 OTHER CONTRACTED SERVICES	0	127,000	125,724	149,000
411 OFFICE SUPPLIES & MATERIALS	68	800	53	0
413 OFFICE EQUIPMENT	0	200	0	0
418 CONCESSIONS	0	0	0	50,000
419 SMALL TOOLS & EQUIP	0	2,000	0	23,000
429 GENERAL OPERATING SUPPLIES	0	75,000	52,039	75,000
510 INSURANCE - GENERAL LIABILITY	1,224	705	0	740
523 PROPERTY (CONTENTS) INSURANCE	256	135	0	145
<i>44425 - Parks & Recreation Athletics</i>	<i>236,176</i>	<i>562,230</i>	<i>421,588</i>	<i>740,970</i>

Parks Maintenance

The Parks and Recreation Maintenance Division is responsible for maintenance of all City Parks. There are 16 parks consisting of 378.3 acres that the division is responsible for maintaining. Maintenance operates out of three sites: the General Maintenance building at Pauline St., Frank Lorino Park, and Wayne Hansard Park.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Ratings of the quality of city parks improved over 2023, returning to levels similar to the improving trend of prior years. We have remained comparable to other communities in the survey program every year. Households with incomes below \$50,000 were the most critical of parks – at a statistically significant difference than all other income level households. Responses were consistent among respondents geographically, but those that own their homes and those living in detached housing were significantly more positive than those that rent and/or live in detached housing. Younger residents were more favorable about parks than those 35+.

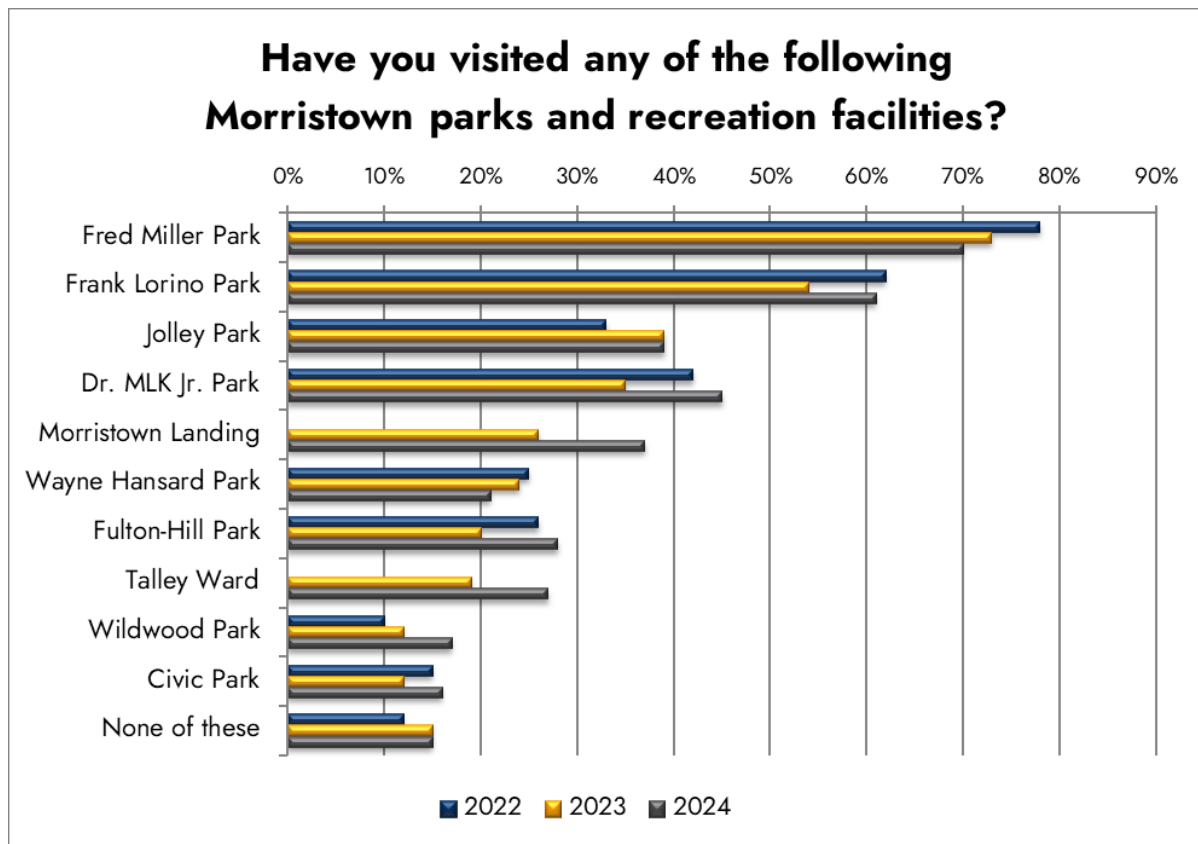
Continuing a strong, positive trend, ratings for recreation facilities saw a statistically significant increase over last year to 66%. We remain similar to other communities again this year, which also continues an improving trend as we have been below the national benchmark in nine of fourteen years of the survey. The opening of the inclusive Jolley Park in 2022 and Morristown Landing Recreation & Event Center in 2023 are likely continuing to positively impact this rating. Men responded significantly more positively than women,

and households with incomes between \$100,000 and \$199,999 were the most favorable among income groups. Those with incomes below \$50,000 were the most critical.

When respondents were asked to assess Morristown's public places as areas where people want to spend time, 46% gave a favorable rating – a decrease of 5% from 2023, which had matched the highest rating historically. We remain similar to peers across the nation. Responses were consistent among all geographic areas. Households with incomes from \$100,000 to \$199,999 were significantly more positive than some other income groups. Those age 55+ were the most critical about public places. Those in detached housing were significantly more positive, and those that own their homes were more favorable. Men were significantly more favorable than women, and households with children were significantly more favorable than those without.

In rating paths and walking trails, respondents matched last year's favorable rating of 59%, which continues a major improvement from historic levels. A significant spike in 2020 can likely be attributed to residents getting outdoors and finding trails and pathways during the COVID-19 pandemic. The years that followed indicate a normalizing of that response. Those aged 35-54 were significantly more favorable than their older and younger neighbors. The city continues to incorporate paths and trails into our capital planning. We currently have grants to extend the Turkey Creek Greenway and tie walking paths together on a major east/west corridor. The improvements on Cumberland Street also include a major enhancement to our trail system. Unfortunately, due to the lengthy lead times associated with major grant projects, they will not be available for public use for a few years. This remains an area of opportunity for improvement.

Parks & Recreation Facilities	2020	2021	2022	2023	2024
Service Population					
City of Morristown	29,547	30,431	30,431	31,425	32,099
Hamblen County	63,740	64,999	64,999	65,168	66,216
Parks					
Number of Parks	16	17	17	17	17
Park Acreage	378.3	378.3	380.1	380.1	380.1
Greenways/Trails (Miles)	4.3	6.3	6.3	6.3	6.3
Playgrounds	10	11	11	11	11
Shelters - 1,200 Square Feet or Larger	4	5	5	5	5
Shelters - 900 Square Feet or Smaller	16	19	19	19	19
Gazebo	1	1	1	1	1
Amphitheater/Stage	2	2	2	2	2
Athletic Fields					
Football Fields	3	3	3	3	3
Soccer Fields	8	8	8	8	8
Softball Fields 275'	4	4	4	4	4
Softball Fields 250'	1	1	1	1	1
Softball Fields 200'	3	3	3	3	3
Baseball Fields 300'	2	2	2	2	2
Baseball Fields 200'	4	4	4	4	4
Outdoor Batting Cages	6	6	6	6	6
Tennis Courts @ FLP	8	8	8	8	8
Outdoor Pickle Ball Courts @ FLP	3	8	8	8	8
Outdoor Basketball Courts	4	4	4	4	4
Special Facilities					
Centers	1	1	1	1	1
BMX Track @FLP	1	1	1	1	1
Skate Park @FLP	1	1	1	1	1
Disc Golf Courses	3	3	1	2	2
Splash Pad	1	1	1	1	1
Horseshoe pits (8 sets)	1	1	1	1	1
Pump Track @ FLP	1	1	1	1	1
Pedestrian Park Area @ Fulton-Hill	1	1	1	1	1
Colonnades/Courtyard @ Fulton-Hill	1	1	1	1	1
Great Lawn @ Fulton-Hill	1	1	1	1	1
Amenities					
Restrooms (Sets-Men/Women)	26	27	27	27	27
Concessions	9	8	8	8	8



Source: 2024 Citizen Survey

Fred Miller Park, the major park in the center of Morristown, remains one of the most utilized parks in the community. Frank Lorino Park, the primary park for athletic facilities, remains one of our most important facilities. In the 2024 survey, we see higher reported usage at most parks, and we see for the most part that the ranked order of parks by use according to respondents remains the same. There are some exceptions in that this year Dr. Martin Luther King Jr. Park showed higher use by respondents than Jolley Park, and both Fulton-Hill Park and Talley Ward Community Center indicate higher use by respondents than Wayne-Hansard Park. As a passive park, Fulton-Hill has shown slow, steady growth in usage, and the City has focused on scheduling certain events there to raise awareness of the park. The City has also invested in improvements at Talley-Ward in the last two years that is bringing more use back to this historic community center. The Morristown Landing Recreation & Event Center is new and has been an outstanding success. In 2023 we issued bonds which will allow for park improvements which will provide greater facilities and expanded opportunities for residents across the city.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Continued making updates to the department's Maintenance Operations Manual and established a new maintenance-focused checklist and operations procedure.
- Scheduled activities grew from 1,865 to 4,877. Some of this increase is due to growth in activities, and some of the increase is due to the increased use of the new reservation software that is providing improved tracking of facility use.
- Connected the maintenance department to the new recreation software so they have a live look at the scheduled activities.

A HEALTHY & VIBRANT CITY



- Parks staff continued its updated daily process to keep parks open, clean, and sanitized.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Worked with a local contractor to remove diseased, dead, and dangerous trees/limbs at various parks.
- Continued monthly updates and repairs as identified by Risk Management.
- Worked with tournament directors to provide a more professional game day experience.
- This year due to increased park usage, park staff has noted increased instances in which staff had to intervene to enforce schedules and reservations.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Review maintenance staffing to best optimize how to proceed with future operations.
- Continue inspecting tree canopies to target damaged trees for trimming and removal at all parks.
- Work with staff and administration to target Master Plan recommendations.
- Prioritize and plan for larger-scale repair & maintenance items such as playground replacement, athletic lighting, fencing needs, building repairs, and equipment needs.

THRIVING LIVABLE NEIGHBORHOODS



- Pursue external funding opportunities to increase the impact of local resources.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue to work with Safety Coordinator on inspection processes for playgrounds and other amenities.
- Work with Morristown Tree Board and City Arborist staff on various projects in parks targeting landscaping, inspections, and tree replacement.
- Continue to budget for replacement of aging structures and amenities if/when maintenance and repair is no longer feasible.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be in line with the budget.

Significant Changes for FY 2026

- Includes the purchase of a top dresser to improve play quality at various athletics fields.
- Includes the purchase of a robot striper that will enhance quality and act as a labor multiplier.

Personnel Summary

PARKS & RECREATION MAINTENANCE	FY22	FY23	FY24	FY25	FY26
PARK MAINTENANCE SUPERVISOR	1	1	1	1	1
ASSISTANT PARK MAINTENANCE SUPERVISOR	1	1	1	1	1
CREW LEADER	3	3	3	3	3
MAINTENANCE WORKER I	4	4	5	5	5
MAINTENANCE WORKER II	1	1	1	1	1
TOTAL PARKS & RECREATION MAINTENANCE	10	10	11	11	11

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>44430 - Parks & Recreation Maintenance</i>				
111 SALARIES & WAGES	445,931	505,544	488,771	519,980
112 OVERTIME	4,399	5,000	7,705	5,000
114 WAGES & SALARIES TEMP EMP	248,409	300,479	270,293	300,479
134 CHRISTMAS BONUS & LONGEVITY	3,547	3,742	4,143	4,750
210 FICA	42,153	50,516	46,956	51,473
212 MEDICARE	9,859	11,815	10,982	12,039
213 TCRS CONTRIBUTION	67,391	78,018	75,944	80,996
214 EMPLOYEE HEALTH INS	133,006	170,792	145,027	170,768
217 EMPLOYEE LIFE INS	2,472	2,912	2,737	2,880
219 WORKERS COMPENSATIONS INSURANCE	19,148	20,790	12,156	22,000
330 LEGAL NOTICES	551	500	513	500
341 ELECTRICITY	73,763	80,000	84,747	87,000
342 WATER & SEWER	79,584	75,000	92,683	105,000
345 TELEPHONE SERVICES	3,697	4,000	6,843	5,500
351 MEDICAL SERVICES	288	750	280	400
359 OTHER PROFESSIONAL SRVCS	0	500	0	0
361 REPAIR & MAINTENANCE-VEHICLES	224	6,500	822	6,500
362 REPAIR & MAINT-OPERATIONS EQUIPMENT	9,093	10,000	10,152	12,000
364 REPAIR & MAINTENANCE-BLDG./GROUNDS	38,538	28,000	29,732	40,000
378 EDUCATION - SEMINARS & TRAINING	180	800	0	1,200
383 TRAVEL-BUSINESS EXPENSES	0	1,000	0	1,000
399 OTHER CONTRACTED SERVICES	186,031	160,000	176,040	190,000
419 SMALL TOOLS & EQUIP	8,628	11,500	6,904	12,000
424 JANITORIAL SUPPLIES	16,791	11,500	15,437	18,000
429 GENERAL OPERATING SUPPLIES	49,526	50,000	56,734	60,000
431 GASOLINE & DIESEL FUEL	23,902	25,000	22,261	25,000
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	32,948	40,000	24,113	35,000
446 SPLASH PAD SUPPLIES	54	7,000	705	2,000
451 CONCRETE PRODUCTS	0	6,000	0	500
455 CRUSHED STONE & SAND	8,337	14,000	9,285	14,000
465 ASPHALT	3,647	25,000	0	3,000
510 INSURANCE - GENERAL LIABILITY	19,332	21,270	21,978	23,080
523 PROPERTY (CONTENTS) INSURANCE	4,040	4,445	4,765	5,005
533 EQUIPMENT- RENTAL/LEASE	350	2,000	405	15,000
562 LANDFILL FEES/DISPOSITION CHARGES	4,045	8,000	6,854	8,000
922 BUILDING STRUCTURES	0	120,000	0	0
960 MACHINERY & EQUIPMENT	4,525	57,097	57,097	73,000
971 MOTOR EQUIPMENT	14	40,000	40,000	0
999 OTHER CAPITAL OUTLAY	57,717	0	0	0
<i>44430 - Parks & Recreation Maintenance</i>	<i>1,602,120</i>	<i>1,959,470</i>	<i>1,733,064</i>	<i>1,913,050</i>

OTHER DEPARTMENTS, AGENCIES, & BUDGET ACCOUNTS

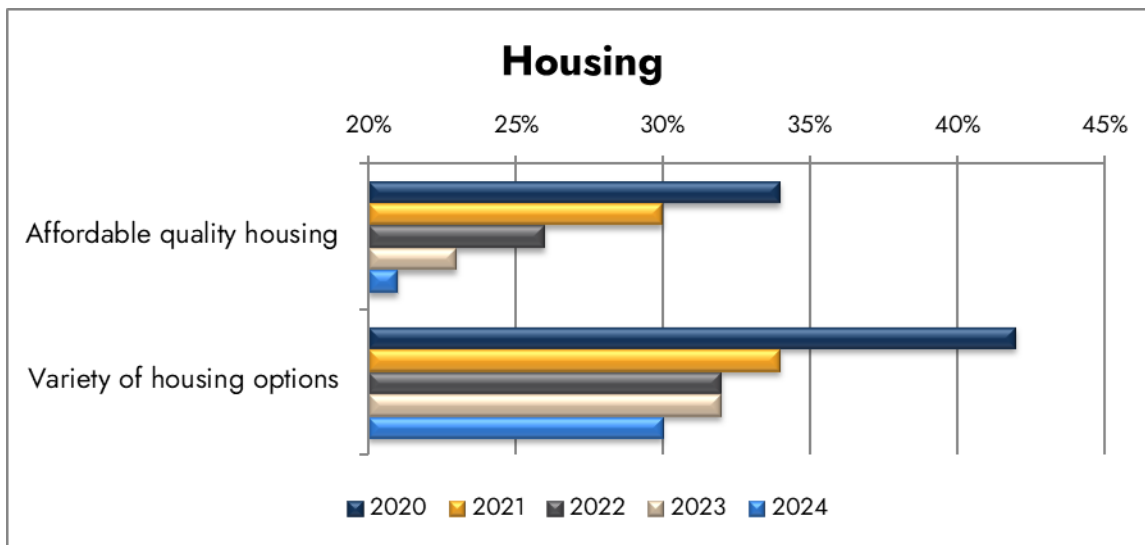


CDBG

The City of Morristown is an entitlement jurisdiction, receiving an annual allocation of Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). CDBG grants are used for a wide range of housing and community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. CDBG provides vital funding to projects and services within the community that directly impact the lives of our low- and moderate-income citizens. CDBG also provides the flexibility to fund a myriad of activities, fill gaps where needed, and attract additional resources to projects.

CDBG entitlement funds and City general funds are utilized to assist City of Morristown with the three national objectives of the HUD CDBG program. These three objectives are to: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; and meet community development needs having a particular urgency. A primary aim of CDBG is the development of healthy communities.

Performance and Workload Measures



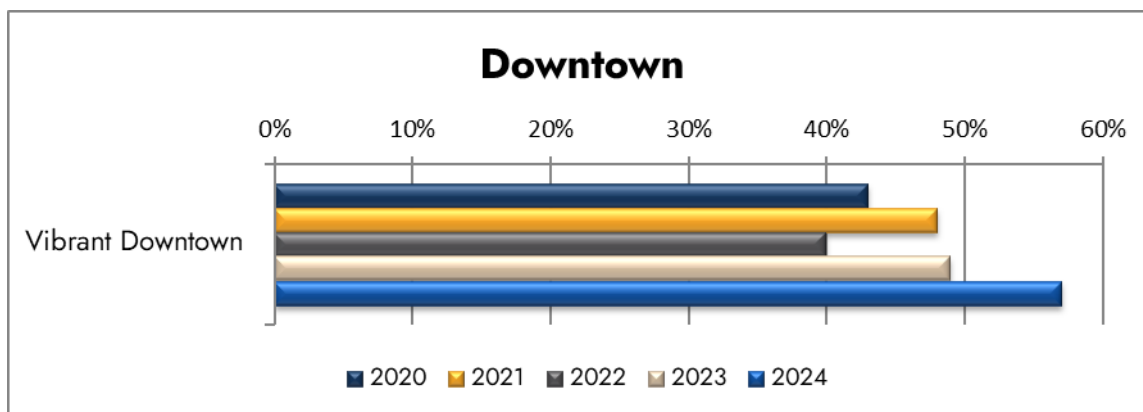
Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Resident responses about the availability of affordable quality housing continued the decline we have seen in recent years. The 21% favorable rating is the lowest in the fourteen years participating in the survey program. Even with the lower ratings, we remain similar to other communities, which is an indication that this is a nationwide dilemma. Respondents that rent their home were more critical than those that own. Those aged 18-34 were the most favorable age group regarding the availability of affordable housing.

With our population swelling spurred by job growth, the housing market is struggling to keep pace. Although there has been strong growth in housing construction, the supply is not keeping pace with demand. Competition has driven prices higher and longer-term residents are competing for housing with

those who are moving to the region. Our housing costs are increasing but are below some of our neighboring cities. With Morristown's historically low prices, newcomers still see housing here as a bargain. As Morristown grows, the appropriate balance between entry level housing and more costly alternatives will be a challenge. To attract retail development and improve our overall financial wellbeing as a community, we would like to see more middle and upscale housing. It will also be important to provide affordable housing options for the workforce needed for local manufacturing.

Responses about the variety of housing options continued the declining trend with the improved rating in 2020 appearing to be an outlier. With only a 30% positive rating we are at a new record low for the history of Morristown's participation in the survey. Despite the historically lower rating, we are comparable to others across the nation. Those that rent were slightly more critical of the variety of housing options, and non-white households and those living in Morristown less than 5 years were slightly more favorable than white households and those living in Morristown longer. Otherwise, there was little difference in responses among other demographics. Providing housing alternatives is a concern across the country. Much like the national housing market, we are not meeting resident expectations for a variety of housing. With higher interest rates and the higher costs of building materials, new housing construction remains strong in Morristown, but cost remains a challenge.



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Citizen reports of a vibrant downtown saw a statistically significant increase to 57% in 2024, continuing a three-year trend of growing satisfaction. This is up significantly from the low of 24% when we first asked this question in 2013. Resident ratings of the downtown are in keeping with what we see across the nation. Those with incomes above \$200,000 remain significantly more critical of downtown than other income groups. Those age 18-34 are significantly more positive than older age groups, and those that have lived in Morristown less than 5 years are more favorable than longer tenured neighbors.

Our CDBG façade grant program provides incentives for downtown property owners to invest in buildings that help generate increased activity in the central business district. The façade program has helped increase both appearance and commercial activity downtown. The CDBG funded project to improve access to water for fire protection at the rear of buildings is stimulating investment in downtown buildings. We have several renovation projects underway where owners were awarded historic preservation grants. This is expected to help continue and accelerate reinvestment and business activity downtown.

Historically, the high-profile former Belk and Bradley Hardware locations have been symbols of decline downtown. We were delighted to see a major redevelopment effort with the Belk and Bradley buildings

coming into new ownership. A renovation project was dealt a heartbreaking setback in January 2024 when the Belk building was lost to fire and declared a total loss. Fortunately, the adjoining buildings were saved, and the owner is adjusting development plans to push forward despite the fire. The project will bring commercial and retail activity back to this main corner of the central business district.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- CDBG administrator became a Certified Municipal Finance Officer (CMFO).
- Continued monitoring of the Community Development program & projects.
- Completed the Annual Action Plan and the Consolidated Annual Performance and Evaluation Report (CAPER).
- Updated the City's CDBG Policies Manual.
- Amended the subrecipient agreement with the Knoxville-Knox County Community Action Committee relative to the Emergency Repair program, increasing the limit per project from \$5,000 to \$10,000.
- Maintained accountability for all required reporting.

THRIVING LIVABLE NEIGHBORHOODS



- The City was awarded \$800,000 in HOME grant funding through THDA and subcontracted with TCAC to administer that program. Nine homes will be rehabbed by the end of June 2025.
- Successfully demonstrated conformance to HUD policies and guidelines through administering all funded grants, projects, and programs.
- Successfully administered/monitored the following six grant programs:
 - **Central Services homeless prevention program** (\$15,000 funded). Funding is utilized for direct client services to help prevent homelessness including rent, utility, and mortgage payments to prevent eviction. In 2024, CDBG dollars were paired with other resources to assist 1,077 households, representing 3,002 individuals.
 - **Citizens Public Services Survey** (\$12,400 funded through CDBG and \$12,400 paid by the City's general fund). The survey was developed to provide a statistically valid report of resident opinions about the community and services provided by local government. The survey results are used by staff, elected officials, and other stakeholders for community planning and resource allocation, program improvement, policy making, and tracking changes in residents' opinions about government performance.
 - **Homeowner rehab & emergency repair/demolition program** (\$110,000 funded). The focus for this program is to assist the greatest number of residents possible. Smaller rehab and emergency repair jobs allow for many more families/individuals to be assisted. In FY2025, ten (10) repair projects were completed at a cost of \$101,368.88.
 - **Façade grant program** (\$23,450.54 funded). Eligible applicants are awarded funds to help repair/rehab the exterior of structures on the main entrance corridors to our City with a 50% match required from the business or property owners. Over 100 grants have been awarded since 2009. The business community continues to show interest in the Façade Program. Four (4) projects were funded in FY 2025.

- **HMIS-Homeless Management Information System** (\$5,000 funded). HMIS is a HUD supported program that helps area service providers to prevent homelessness, assist those who are homeless, and minimize abuse of services. Funds are awarded to the TN Valley Coalition for the Homeless (TVCH) as they operate and maintain the system. This program is monitored monthly.
- **Public Facilities & Infrastructure** (\$125,000 budgeted). CDBG funds were identified as a possible resource for certain improvements at Fulton-Hill Park. In FY 2025, staff began working with a design team for potential park improvements, which would include possible projects at Fulton-Hill Park. The Fulton-Hill project has been bid and is expected to be completed in FY2026.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Continue training and maintaining certifications.
- Monitor the Community Development program including projects and activities.
- Prepare and complete all required reports and assessments in a timely manner.
- Conduct outreach to minority populations to improve engagement in CDBG planning activities with particular emphasis on improving outreach to Hispanic groups.
- Complete reports and studies as required to remain in compliance with all federal funding programs.
- Provide for continued function of the HMIS and homelessness prevention programs.
- Provide support for all program monitoring visits from THDA, the Federal Labor Dept., the City's auditors, and/or HUD.
- Oversee Grant/Project Administration, including the National Citizen Survey.

THRIVING LIVABLE NEIGHBORHOODS



- Continue the Homeowner rehabilitation/Emergency repair program which will include the renovation or repair of ten (10) homes.
- Through the façade grant program, help business owners repair/rehab their businesses that are located on the main entrance corridors to our city.

STRONG & DIVERSE ECONOMY



- Assist area Non-Profits as appropriate and continue to foster relationships and partnerships with various agencies engaged in all manners of community development.
- Enhance existing commercial district through Façade improvements.

A HEALTHY & VIBRANT CITY



- Assist agencies that provide services to the homeless and those at risk of homelessness.

Comments on FY 2025 Actual and FY 2026 Projection

- CDBG operations for the fiscal year ending June 30, 2025, will be slightly under budget. Unencumbered CDBG funding for Homeowner Rehabilitation, Public Facilities and Infrastructure, and CDBG-CARES will carry forward.

Significant Changes for FY 2026

- Funding allocation for FY 2026 has not yet been released by HUD. As such, the following are conservative estimates for projects proposed for FY 2026:

Public Facilities and Infrastructure Improvements	\$ 75,000
Business Façade Program	\$ 50,000
Homeowner Rehab/Emergency Repair	\$ 95,000
MHCS Homeless prevention	\$ 15,000
HMIS	\$ 5,000
Administration	<u>\$ 40,000</u>
Total	\$280,000

Personnel Summary

CDBG	FY22	FY23	FY24	FY25	FY26
CDBG COORDINATOR	1	1	1	1	1
TOTAL CDBG	1	1	1	1	1

Note: This position is only partially funded from CDBG – in proportion to time spent on CDBG projects. General funds from Finance cover non-CDBG-related time.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>46510 - Community Development Administration</i>				
111 SALARIES & WAGES	5,313	17,423	8,522	18,424
134 CHRISTMAS BONUS & LONGEVITY	0	25	0	0
210 FICA	323	1,082	523	1,144
212 MEDICARE	76	253	122	268
213 TCRS CONTRIBUTION	806	2,647	1,293	2,821
214 EMPLOYEE HEALTH INS	1,471	3,908	1,998	3,910
217 EMPLOYEE LIFE INS	29	100	48	102
219 WORKERS COMPENSATIONS INSURANCE	41	1,360	1,216	500
310 POSTAL SERVICE	0	50	0	50
330 LEGAL NOTICES	1,486	2,500	0	2,000
375 MEMBERSHIPS & DUES	550	800	550	800
378 EDUCATION - SEMINARS & TRAINING	231	1,500	0	1,500
383 TRAVEL-BUSINESS EXPENSES	0	1,000	160	1,000
399 OTHER CONTRACTED SERVICES	39,400	20,900	12,400	13,000
411 OFFICE SUPPLIES & MATERIALS	116	500	239	500
645 CENTRAL SERVICES	15,000	15,000	15,000	15,000
801 GRANTS & SUBSIDIES	185,824	622,288	94,801	550,000
801 GRANTS & SUBSIDIES - CARES ACT	0	290,108	113,258	150,000
801 GRANTS & SUBSIDIES - HOME Grant	254,507	0	0	810,000
<i>46510 - Comm. Development Administration</i>	<i>505,173</i>	<i>981,444</i>	<i>250,130</i>	<i>1,571,019</i>

Social Services

This account is utilized by the City to support social service agencies. Council has established a cap of \$250,000 annually for funding requested by social service agencies.

Comments on FY 2024 Actual and FY 2025 Projections

- FY 2024 actual and FY 2025 projections are expected to be within budget.

Significant Changes for FY 2026

- There are no significant changes proposed for FY 2026.

Personnel Summary

- No personnel are assigned to this area.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>44600 - Social Services</i>				
641 ALPS	13,000	13,000	13,000	13,000
643 BOYS & GIRLS CLUB, INC	26,500	26,500	26,500	26,500
646 CHILD ADVOCACY	1,000	1,000	1,000	2,500
648 GIRLS, INC.	15,000	15,000	15,000	15,000
649 HELPING HANDS	7,125	7,125	7,125	6,000
650 KMHB	19,950	19,950	19,950	19,950
651 MATS	8,000	8,000	8,000	8,000
652 M-H CHILD CARE CENTERS	23,925	23,925	23,925	23,925
655 ROSE CENTER	13,000	13,000	13,000	13,000
656 SENIOR CITIZENS CENTER	48,625	48,625	48,625	45,625
657 SENIOR CITIZENS HOME ASSISTANCE	0	0	0	4,000
658 STEPPING OUT	5,000	2,500	2,500	0
659 MCNABB CENTER	32,875	24,650	24,650	16,500
663 DIVERSITY TASK FORCE	16,000	8,000	8,000	8,000
666 HC*EXCEL	0	2,500	2,500	3,500
667 HOLA	0	8,000	8,000	10,000
668 M-H IMAGINATION LIBRARY ADVISORY COUNCIL	5,000	5,000	5,000	4,500
669 FRIENDS OF HOSPICE	10,000	10,000	10,000	10,000
670 HOLSTON UM HOME FOR CHILDREN	2,500	2,500	2,500	2,500
671 MORRISTOWN COMPOSITE SQ. CIVIL AIR PATROL	2,500	0	0	0
672 HABITAT FOR HUMANITY	0	0	0	10,000
673 SAFE SPACE	0	0	0	7,500
<i>44600 - Social Services</i>	<i>250,000</i>	<i>239,275</i>	<i>239,275</i>	<i>250,000</i>

Airport

Morristown Regional Airport is a vital recruiting and sustainability tool for business and industry in the Lakeway Region. It also supports local general aviation enthusiasts. There are no regular full-time employees funded in this division. A general fixed base operator under contract with the City is responsible for the day-to-day operation at the airport. Both Avgas and Jet-A fuel services, emergency flight services, hanger rental, flight training, aviation maintenance training, and aviation maintenance, are available at Morristown Regional Airport.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Completed annual update of Capital Improvement Program as required by Tennessee Aeronautics Commission.
- Continued in a multi-year process to update the Airport Layout Plan – a plan that will serve to guide and support future capital improvement efforts. FY 2025 included the continuation of several interim phases of the project; completion is slated for FY 2026.
- The Morristown Municipal Airport Commission provided strong and consistent leadership in the advancement of the airport.
- Requested proposals for fixed-base operator services in anticipation of the expiration of the existing contract and negotiated terms for a new contract with a revenue sharing arrangement that will be more beneficial to the City than the prior arrangement.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Completed – by contractor – the replacement of the runway lighting system, including the airport beacon and the establishment of pilot-operated lighting controls that will save the airport from continuously burning lights.
- Completed the acquisition of land parallel to Runway 5 to enable future relocation of the taxiway for FAA compliance.
- Continued to apply adjustments to ground leases based on last year's review of lease terms for CPI-based pricing and on the new standard ground lease amounts established by the Airport Commission.
- Partnered with Public Works and contractors as needed to ensure that maintenance needs were addressed in a timely manner. Repair and maintenance ranges from lighting repair/replacement to troubleshooting gate malfunctions and grounds issues such as vegetative overgrowth in fencing.



- Continued utilizing data gathering equipment to identify the number and types of operations at the airport to monitor and report as needed. The airport typically sees 400 to 600 operations (landings and takeoffs) per week.

SAFE & SECURE COMMUNITY



- Coordinated with the gate security vendor and the developer of the western expansion area for the installation of a new gate – Gate 6 – to ensure it operated as a part of the same system as the rest of the airfield.
- Completed the removal of overgrowth along fence rows between Gates 3 and 4 and around the detention pond to reduce foreign object debris and unsightly conditions.

STRONG & DIVERSE ECONOMY



- Monitored the progress of construction as a result of a development agreement with a private sector partner involving a large ground lease at the west end of the airport. This year saw the start of construction and completion of taxiway extensions and the completion or substantial completion of five (5) new corporate hangars consistent with the master plan for the area. When built out, the developed area could add as much as 50% more lease space to the airport property.
- The City Council adopted a resolution in support of donating land on the airfield within the western expansion area to the State of Tennessee for the purpose of allowing the State to construct a new state-of-the-art home for the Tennessee College of Applied Technology's aviation maintenance program – moving them from an older facility on the east end of the airfield.
- Monitored the start of construction for a hangar on a ground lease with the Experimental Aviation Association (EAA). The EAA's new home will include standard hangar space to house aircraft as well as to build aircraft with organization membership. Meeting and classroom space will serve the EAA's educational mission and the general promotion of aviation.



A HEALTHY & VIBRANT CITY



- Worked with the local EAA chapter to promote various educational activities engaging youth with interest in aviation.

- Hosted the Turkey Trot 5K race the Saturday before Thanksgiving. This is the first known race like this at the airport. The event served as a fundraiser for Stepping Out – a local non-profit. Formerly held in downtown Morristown, event organizers indicate that they had more racers in this 5K than any prior year due to interest in running on the airfield.



Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Continue maximizing use of local funding to leverage grant opportunities.
- Complete annual update of Capital Improvement Program as required by Tennessee Aeronautics Commission.
- Closely monitor revenue – particularly as it relates to the new arrangement with the fixed-base operator – to ensure that revenues cover recurring costs and repair & maintenance items to the greatest extent possible. Major design and capital projects are funded largely through federal and state grant sources with only minimal local match required.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Oversee continued construction of new hangars in the western taxiway expansion area.
- Continue to pursue other opportunities for public-private partnerships that may further expand availability of hangars.

STRONG & DIVERSE ECONOMY



- See through the completion of the western taxiway expansion through public-private partnership – particularly the construction of additional hangars and processing of ground lease assignments from the developer to the new users.

A HEALTHY & VIBRANT CITY



- Continue to work with the fixed-base operator to provide better customer service to all users of Morristown Regional Airport.
- Support events that continue to highlight the airport and the services and training available there – including aviation-related workforce training.

Comments on FY 2024 Actual and FY 2025 Projections

- Budgets for the airport can vary widely from year to year based on federally-funded capital projects. One or more capital projects can easily overshadow the general budget for recurring expenditures. In any case, actuals for FY 2024 were within budget, and FY 2025 expenditures are expected to be within budget.

Significant Changes for FY 2026

- The FY 2026 budget is different from prior years in that a new agreement for fixed-base operations has shifted responsibility for certain costs – namely utilities – for several buildings on the airfield – to the FBO, thereby reducing cost to the City.

Personnel Summary

- There are no City personnel assigned to this department. Staff support is from the Assistant City Administrator for Finance and Administration and the Grant Coordinator. The City Administrator serves as the Secretary to the Airport Commission. The Assistant City Administrator also serves as the Airport Manager.

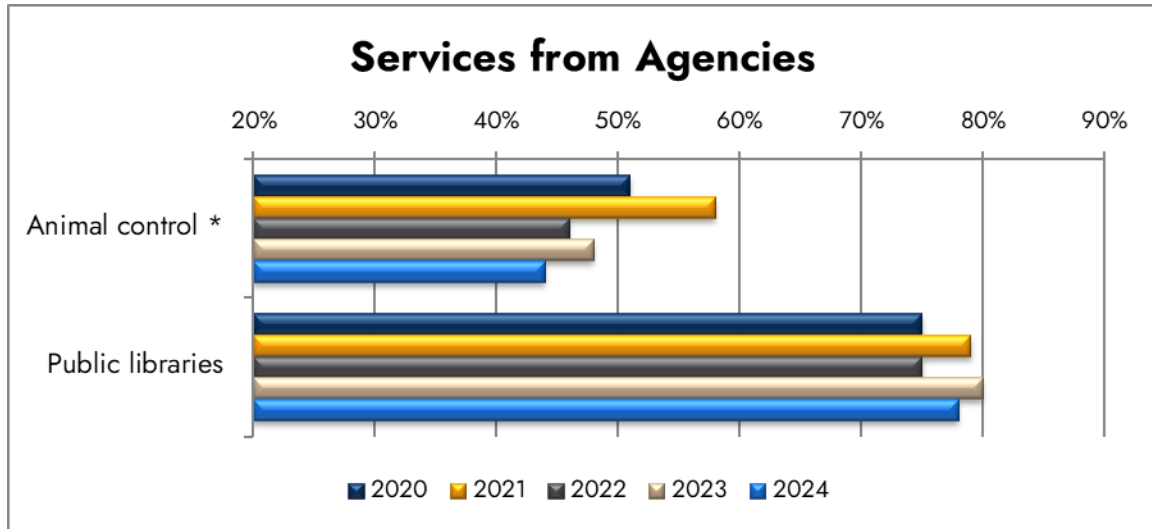
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>48100 - Airport</i>				
330 LEGAL NOTICES	418	1,000	337	1,000
341 ELECTRICITY	26,511	27,000	0	5,000
342 WATER & SEWER	24,696	25,000	36,973	5,000
343 NATURAL GAS & PROPANE	3,539	3,500	3,366	500
345 TELEPHONE SERVICES	3,315	3,300	3,560	500
359 OTHER PROFESSIONAL SRVCS	0	4,000	0	0
362 REPAIR & MAINTENANCE - OPERATIONS EQUIPMENT	4,346	8,000	789	8,000
364 REPAIR & MAINTENANCE - BLDG./GROUNDS	29,397	18,000	49,522	50,000
375 MEMBERSHIPS & DUES	200	500	660	700
378 EDUCATION - SEMINARS & TRAINING	0	500	0	500
383 TRAVEL - BUSINESS EXPENSES	0	1,000	0	1,000
399 OTHER CONTRACTED SERVICES	256,192	146,400	41,042	40,400
429 GENERAL OPERATING SUPPLIES	2,741	0	0	0
999 OTHER CAPITAL OUTLAY	238,892	775,000	97,912	650,000
<i>48100 - Airport</i>	<i>590,247</i>	<i>1,013,200</i>	<i>234,161</i>	<i>762,600</i>

Other Agencies

This account is used to allocate funds to regional agencies such as the Industrial Development Board and the Chamber of Commerce.

Performance and Workload Measures

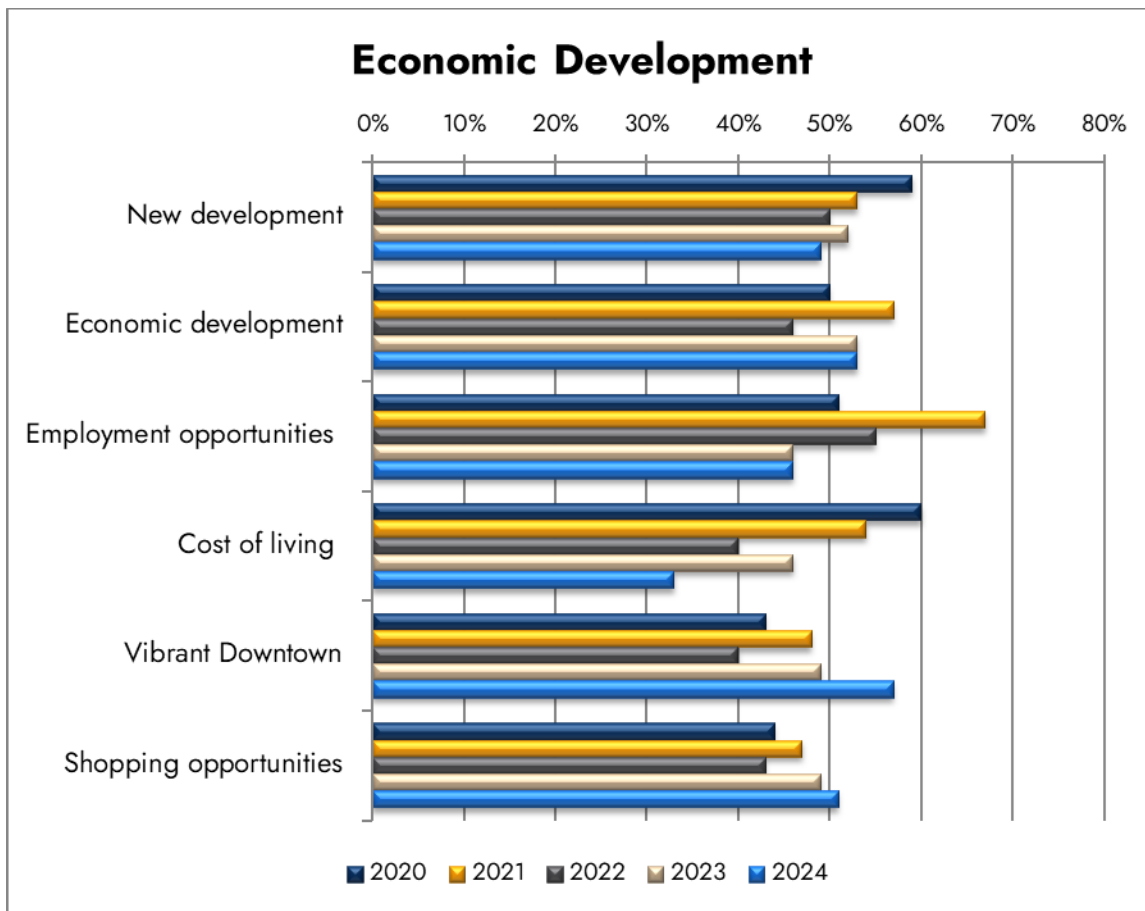


Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

*- reflects an area rated below the national benchmark

Following a new high for animal control services in 2021 we have seen a downward trend since. In recent years, the community has made significant changes in this service area with the relocation of the Humane Society building. The City and County also implemented an intergovernmental agreement whereby the County provides animal control services and the Humane Society houses animals. Previously, the Humane Society was under contract for both animal control and shelter services. These changes provide improved service levels but in the last few years the Humane Society has struggled with their objective of being a no kill facility. Increased demand has nearly overwhelmed their capacity.

Satisfaction with the regional library has remained relatively consistent in recent years. The library continues to make adjustments in operations and programming in response to changing customer expectations and the ways technology changes the ways residents seek information.



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

While local industry continues to expand, as is reflected in the number of vacant positions across the community, survey response returned the same reduced satisfaction with employment opportunities for 2024. This could be a matter of perception, or it could suggest that there is an expectation for employment opportunities in other types of industries. Ratings for economic development remain consistent aside from a temporary drop in 2022.

Following a record high set in 2020 for resident evaluation of the cost of living, we now begin to see a declining trend forming. Inflation in the last couple of years and the cost of goods and materials certainly contribute, and the fact that we remain comparable to the national benchmark in this area is an indication that this is a declining trend nationwide.

The opinions about the vibrancy of downtown showed one of the greatest gains in 2024. In 2023, several building owners were awarded historic preservation grants from the State of TN, which has kicked off a number of major renovation projects and is anticipated to bring additional activity to downtown. Critical to this effort is the addition of residential units on the upper floors of several of these projects, which will add to housing stock for the city as well as become a positive factor for businesses downtown. Downtown was dealt a considerable setback in January 2024 when a fire destroyed a vacant department store building that was slated for redevelopment. Thankfully the owner is still pursuing a redevelopment with commercial and residential uses in mind. It is especially interesting to see this statistically significant improvement on positive responses in the wake of 2024, which include a four (4) month long road closure along the blocks impacted by the fire.

Comments on FY 2024 Actual and FY 2025 Projections

- The City and Hamblen County continue to use the adopted formula for funding the Hamblen County Emergency Communications District.
- In recent years, the budget has required an amendment late in the fiscal year to account for amounts paid to the Chamber of Commerce in relation to tourism/development. This is driven by increases in Hotel/Motel tax collections. A similar amendment will be necessary late in FY 2025.

Significant Changes for FY 2026

- Most “other agencies” budgets include increases compared to prior years due to increases in general operational costs. For FY 2026, the budget for the Library includes a one-time contribution of \$29,875 to a capital project to share in the cost of re-roofing the building and restriping the parking lot with the County. This additional contribution is not a part of the annual maintenance of effort.

Personnel Summary

- No personnel are assigned to this area.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>81000 - Other Agencies</i>				
610 ANIMAL CONTROL	208,838	226,216	222,732	227,572
612 E-911 DISTRICT	259,880	311,412	311,412	300,540
614 PUBLIC LIBRARY	335,700	360,000	360,000	416,000
616 ECONOMIC DEVELOPMENT (HOTEL TAX)	433,244	401,500	435,396	431,500
619 EMERGENCY MANAGEMENT AGENCY	66,978	79,923	67,091	82,433
620 TIF PAYMENTS	292,895	340,000	375,481	450,000
621 HAMBLÉN COUNTY GOVERNMENT	0	0	193,499	23,302
637 LAMTPO LOCAL MATCH	25,683	20,798	24,786	87,500
662 CROCKETT TAVERN MUSEUM	10,000	10,000	15,000	10,000
801 GRANTS & OTHER SUBSIDIES	0	0	0	7,950,000
<i>81000 - Other Agencies</i>	<i>1,633,218</i>	<i>1,749,849</i>	<i>2,005,397</i>	<i>9,978,847</i>

General Fund Debt Service

This account is used to pay the City's debt obligations.

Comments on FY 2024 Actual and FY 2025 Projections

- FY 2024 actuals are as expected, and FY 2025 projections are slightly more than originally budgeted. In December 2024, the City refunded the 2009 TMBF (Tennessee Municipal Bond Fund) loan. With this refunding, the City was able to eliminate a variable rate debt issue and should see modest savings.
- The City issued debt on behalf of the Hamblen County-Morristown Solid Waste Board in 2022. To stay in compliance with GAAP (Generally Accepted Accounting Principles) we are required to budget both the debt payments and the reimbursement related to this issue. Both revenues and expenditures were amended to account for this.

Significant Changes for FY 2026

- There will be a slight increase due to budgeting the 2022 GOB that were issued on behalf of the landfill, though this will be offset by reimbursement from Hamblen County-Morristown Solid Waste.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>49100 - General Fund - Debt Service</i>				
292 CAPITAL OUTLAY - ISSUANCE OF SBITAs	10,980	0	0	0
711 DEBT PRINCIPAL	3,789,324	3,378,477	4,768,970	3,528,140
711 DEBT PRINCIPAL - LANDFILL	0	0	0	260,000
731 DEBT INTEREST	2,526,753	2,320,691	2,322,893	2,165,308
731 DEBT INTEREST - LANDFILL	0	0	0	168,850
798 PAYING AGENT FEES	1,500	5,000	3,000	3,500
<i>49100 - General Fund - Debt Service</i>	<i>6,328,557</i>	<i>5,704,168</i>	<i>7,094,863</i>	<i>6,125,798</i>

General Fund - Outstanding Debt By Issue

Issue	Original				
	Amount	Rate	Type	Retirement	
General Obligation Bonds, Series 2017	\$ 9,710,000	3.18%	Fixed	2042	
General Obligation Bonds, Series 2018	\$ 20,342,098	3.23%	Fixed	2042	
General Obligation Bonds, Series 2019B	\$ 37,250,000	2.75%	Fixed	2049	
General Obligation Bonds, Series 2022	\$ 4,500,000	3.91%	Fixed	2037	
General Obligation Bonds, Series 2023	\$ 9,700,000	3.98%	Fixed	2043	

General Fund - Outstanding Debt By Issue						
Issue	Original Amount	Rate	Type	Retirement	Outstanding Principal Balance	
General Obligation Bonds, Series 2017	\$ 9,710,000	3.18%	Fixed	2042	\$	7,255,000
General Obligation Bonds, Series 2018	\$ 20,342,098	3.23%	Fixed	2042	\$	10,975,000
General Obligation Bonds, Series 2019B	\$ 37,250,000	2.75%	Fixed	2049	\$	32,455,000
General Obligation Bonds, Series 2022	\$ 4,500,000	3.91%	Fixed	2037	\$	4,015,000
General Obligation Bonds, Series 2023	\$ 9,700,000	3.98%	Fixed	2043	\$	8,855,000
General Obligation Bonds, Series 2024 - Refunding	\$ 1,059,830	4.15%	Fixed	2033	\$	1,059,830

The table above reflects the current outstanding debt issues impacting the General Fund. The City currently maintains an Aa3 bond rating.

June 30	TOTAL GENERAL FUND DEBT			
	Principal	Interest	Total	Remaining Balance
2026	\$ 3,528,140	\$ 2,165,308	\$ 5,693,448	\$ 57,071,690
2027	\$ 3,688,140	\$ 1,964,826	\$ 5,652,966	\$ 53,383,550
2028	\$ 3,838,360	\$ 1,809,026	\$ 5,647,386	\$ 49,545,190
2029	\$ 2,668,800	\$ 1,646,976	\$ 4,315,776	\$ 46,876,390
2030	\$ 2,714,470	\$ 1,535,526	\$ 4,249,996	\$ 44,161,920
2031	\$ 2,790,380	\$ 1,435,026	\$ 4,225,406	\$ 41,371,540
2032	\$ 2,816,540	\$ 1,331,501	\$ 4,148,041	\$ 38,555,000
2033	\$ 2,810,000	\$ 1,249,463	\$ 4,059,463	\$ 35,745,000
2034	\$ 2,715,000	\$ 1,169,093	\$ 3,884,093	\$ 33,030,000
2035	\$ 2,735,000	\$ 1,088,338	\$ 3,823,338	\$ 30,295,000
2036	\$ 2,765,000	\$ 999,238	\$ 3,764,238	\$ 27,530,000
2037	\$ 2,795,000	\$ 909,163	\$ 3,704,163	\$ 24,735,000
2038	\$ 2,830,000	\$ 812,363	\$ 3,642,363	\$ 21,905,000
2039	\$ 2,870,000	\$ 714,200	\$ 3,584,200	\$ 19,035,000
2040	\$ 2,905,000	\$ 617,951	\$ 3,522,951	\$ 16,130,000
2041	\$ 2,945,000	\$ 519,726	\$ 3,464,726	\$ 13,185,000
2042	\$ 2,990,000	\$ 416,488	\$ 3,406,488	\$ 10,195,000
2043	\$ 1,885,000	\$ 311,475	\$ 2,196,475	\$ 8,310,000
2044	\$ 1,385,000	\$ 249,300	\$ 1,634,300	\$ 6,925,000
2045	\$ 1,385,000	\$ 207,750	\$ 1,592,750	\$ 5,540,000
2046	\$ 1,385,000	\$ 166,200	\$ 1,551,200	\$ 4,155,000
2047	\$ 1,385,000	\$ 124,650	\$ 1,509,650	\$ 2,770,000
2048	\$ 1,385,000	\$ 83,100	\$ 1,468,100	\$ 1,385,000
2049	\$ 1,385,000	\$ 41,550	\$ 1,426,550	\$ -

The 2022 GOB Issue is not included in the above chart as it is a pass-through issue for the Hamblen County-Morristown Solid Waste System.

City of Morristown Annual Debt Report: bit.ly/MorristownAnnualDebtReport

Transfers to Other Funds

These are transfers made between the General Fund and all other funds.

Comments on FY 2024 Actual and FY 2025 Projections:

- As we continue to fine-tune operations at the Morristown Landing and determine what mix and timing of activities works best, we have been prepared to make additional transfers to that budget when needed. A budget amendment for an added transfer late in the year was necessary in FY 2024. In FY 2025, we were overly ambitious with the budget and will require transfers late in the year again. FY 2025 also included transfers relative to ARPA-funded projects, which are non-recurring.

Significant Changes for FY 2026

- With no ARPA-funded projects to account for, the only transfers to include are for the operation of the Morristown Landing and transfers to fund certain capital projects.

Personnel Summary

- No personnel are assigned to this area.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
92000 - Transfers to Other Funds				
590 ARPA Fund	0	2,000,000	4,000,000	0
640 MORRISTOWN LANDING OPERATIONS FUND	850,000	600,000	850,000	700,000
639 CAPITAL PROJECTS FUND	1,873,070	0	2,268,011	750,000
92000 - Transfers to Other Funds	2,723,070	2,600,000	7,118,011	1,450,000

E-CITATION

FUND



Revenue Analysis

The E-Citation fund was first established in August 2017 under T.C.A. 55-10-207. This fund is used to account for the collection and accumulation of revenues from citations issued by the Police Department up to August 2022. Funds collected may only be used for the electronic citation system and program related expenditures and related expenditures for technology, equipment, repairs, replacement, and training to maintain electronic citation program.

No additional revenues should be generated in the fund except as may occasionally be paid with older citations.

Significant Changes for FY 2026

- No significant changes are planned. As this fund was established to specifically track revenues and expenditures associated with the implementation of the E-Citation program, which has now been fully implemented, only minimal expenditure will be budgeted for the purposes of expending revenues received that must be expended for E-Citation related purposes. Beginning in FY 2024, the majority of ongoing maintenance of the new software program is now borne by other Police Department general funds.

Revenue Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
121- E-Citation Revenue				
43382 ELECTRONIC E-CITATION FEES	382	0	0	0
TOTAL E-CITATION REVENUE	382	0	0	0
	27,444	1,890	1,944	1,944

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
42124 - Other Public Safety				
399 OTHER CONTRACTED SERVICES	25,500	1,500	0	1,944
42124 - Other Public Safety	25,500	1,500	0	1,944

NARCOTICS FUND



Revenue Analysis

The Narcotics Fund is financed by program income which is generated by drug enforcement activity and confiscation of assets by the courts as the result of convictions.

Comments on FY 2024 Actual and FY 2025 Projections

- FY 2025 expenditures are within budget.

Significant Changes for FY 2026

- No significant changes are planned for FY 2026.

Revenue Detail

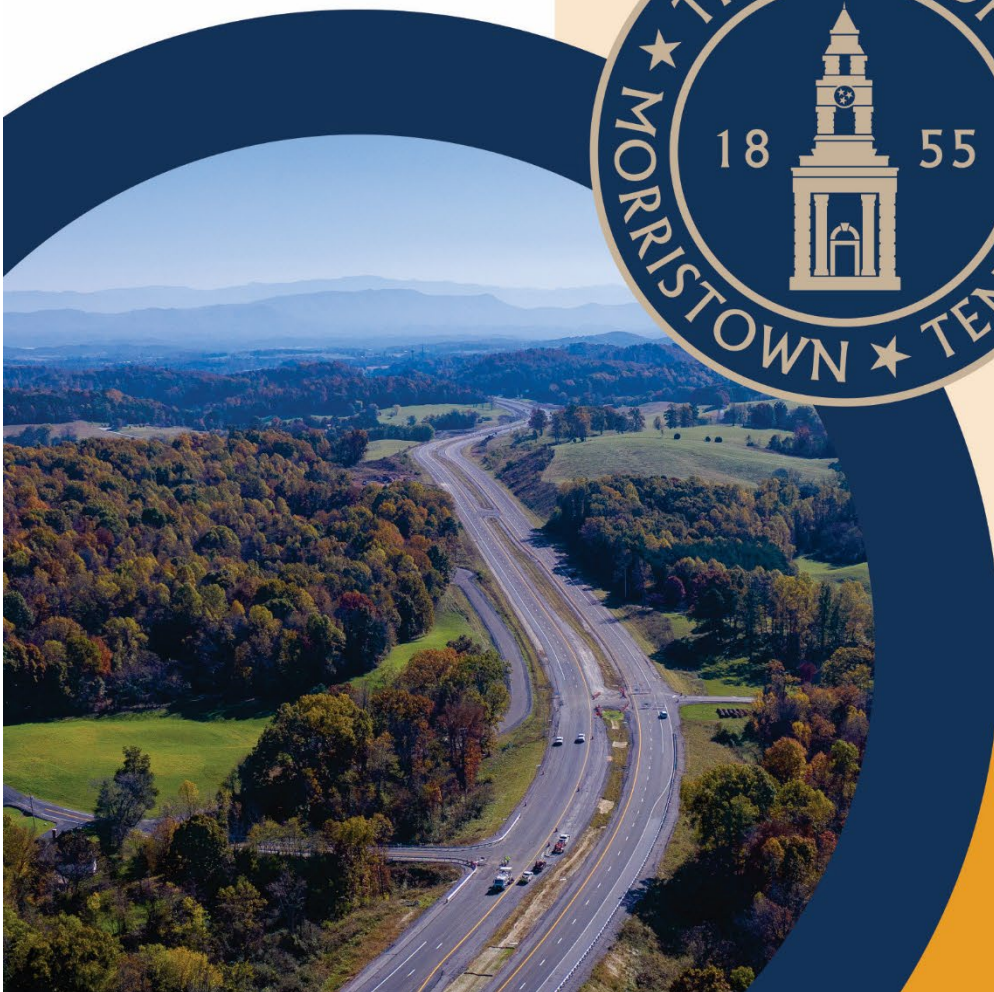
Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>126-000 - Narcotics Fund Revenue</i>				
34900 PROGRAM INCOME	52,320	42,000	65,796	50,000
36330 SALE OF EQUIPMENT	0	0	26,058	0
36400 JUDGEMENTS AND RESTITUTION	17,900	4,000	31,000	10,000
<i>Total Narcotics Revenue & Transfers</i>	<i>70,220</i>	<i>46,000</i>	<i>122,854</i>	<i>60,000</i>

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>42170 - Narcotics</i>				
310 POSTAL SERVICE	10	0	0	0
345 TELEPHONE SERVICES	3,157	4,500	2,754	4,500
355 COMPUTER/DATA SERVICE	0	100	0	100
361 REPAIR & MAINTENANCE-VEHICLES	774	1,000	875	1,000
378 EDUCATION - SEMINARS & TRAINING	164	0	0	0
383 TRAVEL - BUSINESS EXPENSES	0	0	374	0
399 OTHER CONTRACTED SERVICES	35,053	29,040	20,277	23,340
411 OFFICE SUPPLIES & MATERIALS	1,956	2,000	955	2,000
413 OFFICE EQUIPMENT	4,438	7,500	7,294	1,000
419 SMALL TOOLS & MINOR EQUIPMENT	17,819	2,000	1,070	1,900
429 GENERAL OPERATING SUPPLIES	3,097	3,000	2,609	3,000
431 GASOLINE & DIESEL FUEL	8,047	12,500	7,316	12,500
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	5,953	5,000	5,417	5,000
694 UNDERCOVER EXPENSES	1,415	25,000	5,000	25,000
695 K-9 SUPPLIES	16,199	13,660	13,429	10,215
960 MACHINERY & EQUIPMENT	11,177	0	0	0
971 MOTOR EQUIPMENT	35,476	0	0	0
<i>42170 - Narcotics SUBTOTAL</i>	<i>144,735</i>	<i>105,300</i>	<i>67,370</i>	<i>89,555</i>

LAMTPO

FUND



Revenue Analysis

The Lakeway Area Metropolitan Transportation Planning Organization (LAMTPO) is financed mostly through State and Federal transportation funds. There is a small matching requirement for administration and projects, which varies by the type of projects and their funding sources. The matching requirements for particular projects are paid by members of the organization who participate in the project, and matching funds for the general administration of the LAMTPO are funded by the City of Morristown.

Revenue Detail

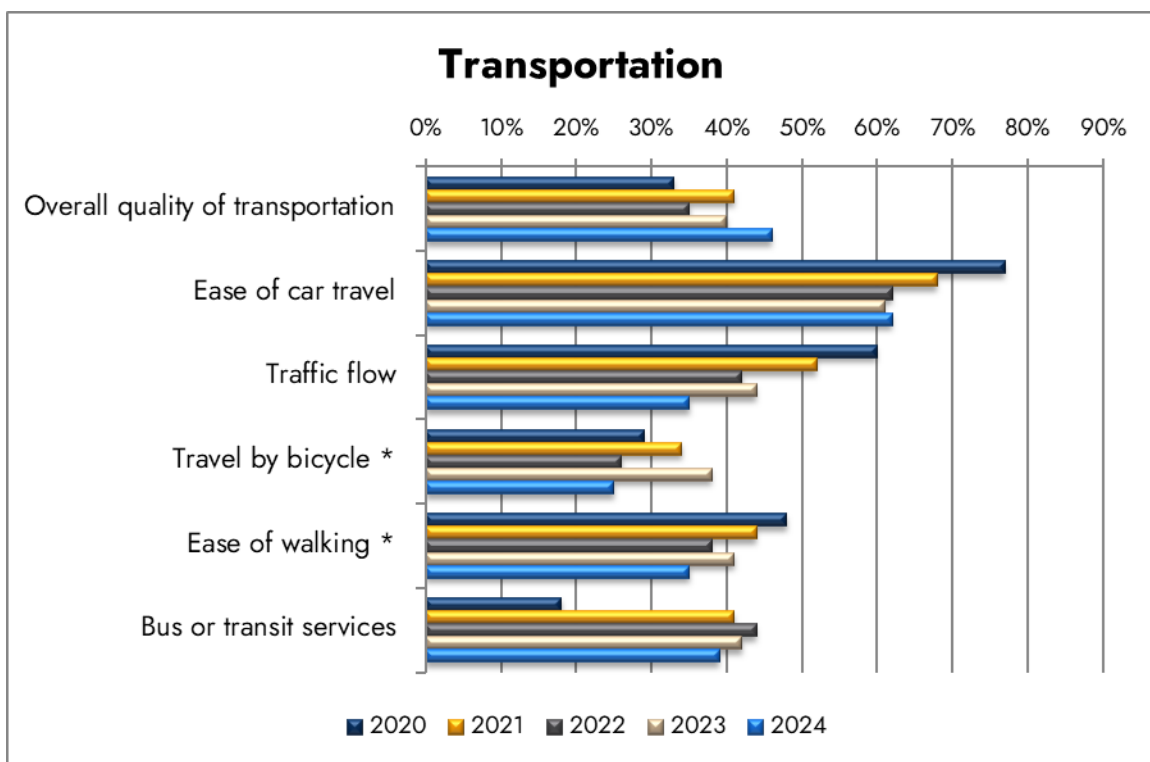
Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>172 - LAMTPO Revenue</i>				
33641 GENERAL FUND TRANSFER	25,683	20,798	19,363	87,500
33645 TRANSPORTATION PLANNING REIMB STATE	88,719	121,821	72,789	350,000
33800 OTHER COUNTY REVENUE	146,677	0	12,861	0
<i>Total LAMPTO Revenue & Transfers</i>	<i>261,079</i>	<i>142,619</i>	<i>105,013</i>	<i>437,500</i>

Transportation Planning Administration

The U.S. Census Bureau officially designates the Morristown area as the Lakeway Metropolitan Area, which has resulted in the formation of the Lakeway Area Metropolitan Transportation Planning Organization (LAMTPO). The area consists of Morristown, Jefferson City, White Pine, Bean Station, Hamblen County, and portions of Jefferson, Grainger, and Hawkins counties, and LAMTPO is responsible for coordinating transportation planning efforts among these jurisdictions – particularly as it relates to federally-funded transportation projects. This account is used to account for the expenditures of the LAMTPO.

Most expenditures are covered by Federal revenue, but matching amounts are required from participating members for some projects. The City of Morristown covers the matching amount associated with the general administration of the LAMTPO.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

*- reflects an area rated below the national benchmark

Adjustments to the structure of the survey is likely to have influenced some responses beginning in 2020. In 2020 the question began explicitly mentioning cycle, bus and walking where the previous question asked about “overall mobility.” It appears that in previous years, responses were more focused on auto travel, which has been much stronger than our ratings for paths, buses, etc. Thus, it warrants focusing on 2020 through today for more accurate trend information on the question of overall quality of transportation.

Favorable ratings for the overall transportation system increased significantly this year continuing a mostly positive trend since the adjustment to the question in 2020. The assessment by Morristown residents for overall transportation is much the same as our peers across the country. Reversing the results from last year when the northwest area of the city was the most critical, this year the northwest and southwest were significantly more favorable about overall transportation than their neighbors to the east. This could be attributed in part to the completion of certain retail developments, the construction of which temporarily hampered traffic along western routes – in addition to the possibility that eastern residents were more negatively impacted by two major TDOT projects that were underway for a considerable amount of the last half of 2024. Households with incomes above \$200,000 were by far the most critical. Non-white respondents were significantly more positive than white residents. Those that have lived in Morristown less than 5 years were more favorable than longer tenured respondents.

Resident ratings for both ease of travel by car and traffic flow remain comparable to peers nationwide. Ease of travel by car saw consistent results compared to 2023, but traffic flow garnered a statistically significant drop. Geographically, traffic flow was rated relatively consistently across the city, but the northeast was highly more positive about ease of travel by car than other areas.

Although ease of travel by bicycle increased to match our highest rating in the 13-year survey program in 2023, both ease of travel by bicycle and by walking returned significant drops in ratings in 2024, and both are much below the national benchmark. Geographically, responses were consistently unfavorable across the city. Interestingly, those age 55+ were the least critical – significantly less critical than some age groups – for both ease of walking and cycling. It is hoped that the multimodal project that will fill gaps in sidewalks along the major east-west corridor will help address some concerns about nontraditional travel. Improvements in the South Cumberland corridor with the RAISE grant project should also help in these non-traditional transportation areas. Unfortunately, these projects will not be completed by next year. The expected completion date is 2028.

Resident responses regarding ease of travel by transit services remained relatively consistent with recent years since the launch of the new fixed-route bus system. Previously the transit system was an on-demand point to point system. The ease of travel by transit in Morristown is comparable to other communities across the country. Interestingly, homeowners answered more favorably than renters, but those living in attached housing (which is more attributable to rental units) were significantly more favorable than those that live in detached housing.

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Updated the LAMTPO Prospectus and By-Laws.
- Adopted the 2050 Metropolitan Transportation Plan (MTP). This document illustrates potential transportation projects (whether roadways, bicycle, or public transportation) within the LAMTPO region, and must cover at least a 20-year timeframe.
- Began the review/ preparation of the 2026-2027 Unified Planning Work Program (UPWP)
- Adopted the PM1, PM2 and PM3 Performance Measures from TDOT.
- Adopted the ITS Architecture and Deployment Plan. This document guides the deployment of advanced technologies to improve the efficiency and safety of transportation systems.

- LAMTPO participated in the TN Statewide Urban Household Travel Survey. The information collected in the survey will assist decision makers in determining where to spend transportation dollars to reduce congestion, improve safety, and increase mobility options in our community.
- Provided continued maintenance and updates to the LAMTPO website.
- Participated in on-line classes through the MPO Institute.

SAFE & SECURE COMMUNITY



- Worked with TDOT, FHWA, and FTA to adopt the PM1, PM2, and PM3 Performance Measure targets and requirements.

A HEALTHY & VIBRANT CITY



- In conjunction with the Knoxville TPO, completed the Transportation Air Quality Conformity Determination Report.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Complete the FFY2026-2029 Transportation Improvement Program (TIP). This document outlines federally-funded roadway projects to be worked on between the years of 2026-2029.
- Complete the FFY2026-2027 Unified Planning Work Program (UPWP). This document outlines the transportation planning work to be accomplished in FFY26-27.
- Update the Public Participation Plan (PPP). This document outlines how the general public will be involved during transportation planning process.
- Continue working with the Morristown Traffic Team, local agencies, and TDOT to identify critical facilities within the LAMTPO region.
- Continue working with TDOT, TDEC, and the Knoxville TPO concerning Air Quality determination for the region.
- Continue working with the TDOT and the Knoxville TPO concerning freight and Travel Demand Modeling (TDM).
- Continue supporting the Lakeway Transit System in conjunction with ETHRA.
- Continue working with ETHRA to improve the response demand in the LAMTPO region.
- Continue working with ETHRA in applying for various TDOT public transportation grants.
- Continue working with the local agencies, wishing to pursue various transportation grants throughout the year.
- Update the Title VI, LEP and DBE documents. (Summer 2025)
- Update the functional street classification for LAMTPO. (Summer 2025)
- Continue working with the local agencies in updating corridor studies.
- Coordinate as needed with the local transit provider on the proposed Transit Center.
- Complete training through the MPO Institute and participate in training programs with TDOT.

THRIVING LIVABLE NEIGHBORHOODS



- Provide an efficient, safe, and secure multimodal transportation system.
- Effectively manage financial resources for the transportation network.
- Reduce project delivery delays.
- Reduce traffic congestion.

- Maintain infrastructure conditions.
- Support ETHRA in securing a location in Morristown for a transit operations and maintenance facility.
- Work with ETHRA and Lakeway Transit to continuously consider bus stops and routes to improve the overall system.

A HEALTHY & VIBRANT CITY



- Support environmental sustainability.
- In conjunction with the Knoxville TPO, complete the Transportation Air Quality Conformity Determination Report.
- Continue helping local agencies apply for multimodal grants through TDOT.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- TDOT has recommended that LAMTPO add a staff member for redundancy and additional support. LAMTPO and City Administration are considering possible alternatives such as full-time, part-time, or shared personnel. For purposes of FY 2026 budgeting, we have included one (1) FTE for only half the fiscal year (to be created/filled in the second half of the year).

Personnel Summary

LAMTPO	FY22	FY23	FY24	FY25	FY26
LAMTPO COORDINATOR	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	0	0	0	0	1
TOTAL LAMTPO	1	1	1	1	2

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>41761 - LAMTPO - Administration</i>				
111 SALARIES & WAGES	49,447	83,200	61,243	82,553
134 CHRISTMAS BONUS & LONGEVITY	842	87	81	95
210 FICA	3,043	5,164	3,694	5,125
212 MEDICARE	712	1,208	861	1,199
213 TCRS CONTRIBUTION	6,863	12,635	9,303	12,637
214 EMPLOYEE HEALTH INS	9,136	15,686	15,494	30,999
217 EMPLOYEE LIFE INS	253	479	333	457
219 WORKERS COMPENSATIONS INSURANCE	1,234	1,360	1,216	4,000
310 POSTAL SERVICE	0	500	0	500
330 LEGAL NOTICES	6,775	13,200	1,356	6,500
341 ELECTRICITY	0	1,000	0	1,000
342 WATER & SEWER	0	400	0	400
343 NATURAL GAS & PROPANE	0	200	0	200
345 TELEPHONE SERVICES	0	400	0	400
351 MEDICAL SERVICES	28	0	0	0
375 MEMBERSHIPS & DUES	0	0	0	200
378 EDUCATION - SEMINARS & TRAINING	0	0	0	3,000
383 TRAVEL-BUSINESS EXPENSES	2,979	5,000	1,110	2,000
399 OTHER CONTRACTED SERVICES	113,736	2,100	1,848	281,535
411 OFFICE SUPPLIES & MATERIALS	0	0	278	1,200
413 OFFICE EQUIPMENT	0	0	0	3,000
499 OTHER SUPPLIES & MATERIALS	0	0	0	500
<i>41761 - LAMTPO Administration SUBTOTAL</i>	<i>195,048</i>	<i>142,619</i>	<i>96,817</i>	<i>437,500</i>

SOLID WASTE FUND



Revenue Analysis

Prior to FY 2011, the cost of sanitation services was financed entirely through a transfer from the General Fund. Between FY 2011 and FY 2019, the City began converting this operation into a self-supporting fund where user fees support the cost of the service.

Though it took some time to accomplish the conversion, as of FY 2019, General Fund resources were no longer needed to supplement the system based on a rate of \$15 per sanitation can per month. In the following years, the fund balance increased allowing for the purchase of automated refuse trucks and the reorganization of staff.

Over FY 2022 and 2023, the Solid Waste Authority approved two tipping fee increases at the landfill, increasing fees by 31% over that period. These increases made it necessary to increase the City's rate per can to \$20 per month. The City continuously monitors this fund balance and evaluates methods of service delivery to provide the highest quality service at the most economical rates possible.

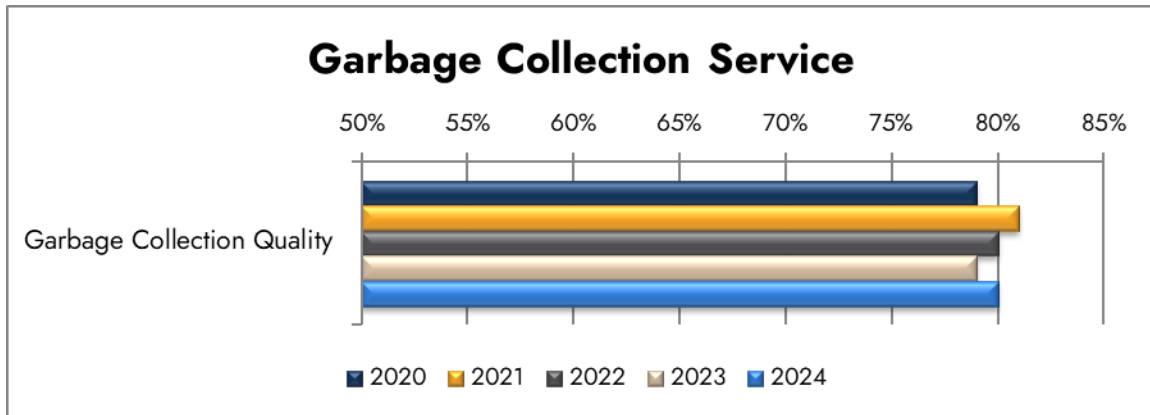
Revenue Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>Fund 435 - Solid Waste Fund Revenue</i>				
37310 SOLID WASTE FEES	3,012,412	2,840,000	3,087,721	2,840,000
36300 SALE OF CITY PROPERTY	21,224	1,000	500	1,000
36720 INSURANCE & CUSTOMER REIMBURSEMENT	445	0	0	0
<i>Total Solid Waste Revenue & Transfers</i>	<i>3,034,081</i>	<i>2,841,000</i>	<i>3,088,221</i>	<i>2,841,000</i>

Sanitation

The sanitation division is charged with the collection of residential and small commercial, household refuse. The refuse is placed at the curb in ninety-five gallon roll out carts each week.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Satisfaction with the quality of garbage collection services have been consistent over the years of the citizen survey, and a rating of 80% continues that stability. We remain comparable to other communities across the nation. Geographically, responses were consistent across the city. Homeowners are more favorable than renters; the City does not provide garbage collection in larger multifamily developments. Those age 18-34 were less critical than other age groups. Households with incomes from \$50,000 to \$200,000 were significantly more favorable than those less than \$50,000 and those greater than \$200,000.

Waste Collection (TONS)					
	2020	2021	2022	2023	2024
Household Refuse (Tons)	11,295	10,975	10,691	10,012	8,873
Brush	3,871	2,696	2,651	2,474	1,883
Bulk Waste	3,046	3,257	3,187	2,493	3,236
Leaf/Grass Collection	888	695	702	750	722
Misc. (Construction Material)	329	849	863	1,915	3,654
Total	19,429	18,472	18,095	17,644	18,368

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Serviced 13,256 residential sanitation carts using three (3) fully automated and one (1) rear loading sanitation truck.
- Transported 8,873 tons of household garbage to the landfill.
- Completed 2,592 work order requests for customer service issues, cart repairs and/or replacements.

- Received 4,355 calls for sanitation related issues.
- Provide curbside pickup for disabled and elderly residents.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Provide specialized training on Workplace Safety to reduce the chance of on-the-job accidents.
- Complete annual safety training requirements.
- Provide garbage service to residents who are physically unable to take their cart to the curb for collection.
- Move garbage from a 5-day work week to a 4-day work week.
- Participate in Touch-a-Truck hosted by the Parks and Recreation.
- Promote new Apple and Android Apps for garbage collection schedule.

Comments on FY 2024 Actual and FY 2025 Projections

- No expenditures are expected.

Significant Changes for FY 2026

- This budget sets aside funds with which to pilot a dumpster program. Target areas for such a program will be places where an abundance of the City's 95-gallon carts litter the curbside but ordinances do not require the property owners to secure their own dumpsters. Such a program may enable the City to tackle an aesthetic concern in an equitable manner.

Personnel Summary

SOLID WASTE SANITATION	FY22	FY23	FY24	FY25	FY26
HEAVY EQUIPMENT OPERATOR	3	3	3	3	4
MEDIUM EQUIPMENT OPERATOR	1	1	1	1	0
UTILITY WORKER	1	1	1	1	1
TOTAL SOLID WASTE SANITATION	5	5	5	5	5

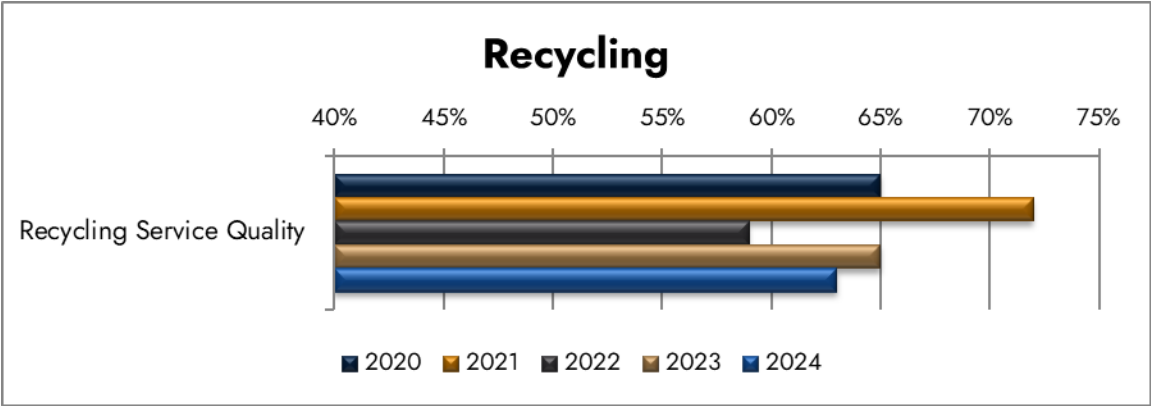
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>FUND 435 - Sanitation</i>				
111 SALARIES & WAGES	229,367	246,633	250,214	252,802
112 OVERTIME	11,582	5,800	11,492	5,800
134 CHRISTMAS BONUS & LONGEVITY	2,529	2,590	2,950	3,080
210 FICA	14,458	15,812	16,043	16,225
212 MEDICARE	3,381	3,698	3,752	3,795
213 TCRS CONTRIBUTION	36,814	38,687	40,106	40,012
214 EMPLOYEE HEALTH INS	68,278	77,704	83,719	77,689
217 EMPLOYEE LIFE INS	1,283	1,421	480	1,400
219 WORKERS COMPENSATIONS INSURANCE	11,952	14,700	9,725	10,000
226 CLOTHING/UNIFORM/SHOES	3,349	5,500	4,568	5,500
310 POSTAL SERVICE	0	50	65	100
321 PRINTING SERVICES	0	2,000	0	2,000
330 LEGAL NOTICES	2,314	2,800	2,045	2,800
351 MEDICAL SERVICES	194	900	626	900
361 REPAIR & MAINTENANCE-VEHICLES	20,210	10,000	12,427	15,000
378 EDUCATION - SEMINARS & TRAINING	185	500	180	500
383 TRAVEL - BUSINESS EXPENSES	0	0	170	0
399 OTHER CONTRACTED SERVICES	140,800	177,000	138,515	194,000
411 OFFICE SUPPLIES & MATERIALS	342	300	284	300
429 GENERAL OPERATING SUPPLIES	1,206	2,500	6,960	2,500
431 GASOLINE & DIESEL FUEL	84,221	125,000	58,431	125,000
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	111,506	150,000	147,893	150,000
487 SOLID WASTE CONTAINERS	74,910	75,000	41,226	50,000
510 INSURANCE - GENERAL LIABILITY	12,847	14,135	16,346	17,165
523 PROPERTY (CONTENTS) INSURANCE	2,685	2,955	3,167	3,325
562 LANDFILL FEE/DISPOSITION CHARGES	474,149	565,000	447,089	500,000
960 MACHINERY & EQUIPMENT	0	0	0	100,000
971 MOTOR EQUIPMENT	66,086	550,000	517,485	500,000
<i>43210 - Sanitation SUBTOTAL</i>	<i>1,374,648</i>	<i>2,090,685</i>	<i>1,815,958</i>	<i>2,079,893</i>

Recycling

The City of Morristown offers bi-weekly recycling collection at no additional cost to customers. The recycling division funds two positions and provides for the maintenance of a semi-automated sanitation truck for the recyclables collected. Recycle carts are available free of charge for citizens of Morristown.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Quality ratings for recycling dropped just slightly in 2024 but still remain above the low seen in 2022. Our scores remain similar to those across the nation. Ratings are consistent across all areas of the City. Residents of Morristown for more than 11 years were significantly more favorable than less tenured residents. Those that own their homes and those living in detached housing were significantly more favorable than those that rent and those in attached housing. Many living in attached housing – particularly larger apartment complexes would not be receiving recycling service from the City. Households with incomes between \$100,000 and \$199,999 were the most pleased with the service, and significantly more so than households with income below \$50,000.

Recycling (TONS)					
	2020	2021	2022	2023	2024
Tons	948	939	998	956	1,026
% Increase / Decrease	9%	-1 %	6%	-4%	7%
% Diverted from Landfill	7.7%	7.9%	8.5%	8.7%	10.4%

Total Diverted from Landfill (TONS)					
	2020	2021	2022	2023	2024
Recycling	948	939	999	956	1,026
Brush	3,871	2,696	2,651	2,474	477
Leaf/Grass Collection	888	695	702	750	0
White Goods	48	41	44	49	38
Tires	63	52	151	116	281
Oil and Electronics	15	14	14	17	12
Total Diverted from Landfill	5,833	4,437	4,561	4,362	1,834
Total Waste Stream	19,429	18,472	18,095	17,644	18,368
% Diverted from Landfill	30.0%	24.0%	25.2%	24.7%	10.0%

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Delivered 1,026 tons of recyclable material to the Hamblen County Landfill transfer station.
- BOPAE (Batteries, Oil, Paint, Antifreeze & Electronics) and HHW (Household Hazardous Waste) events diverted 17.96 tons of recycling from the landfill.
- In conjunction with Keep Morristown-Hamblen Beautiful, collected 25 tons of tires during “Free Tire Day” event.
- Completed 766 service requests for customer service, pick-ups, and repairs.
- Resolved 2,956 recycling-related phone calls.
- Implemented Routeware fleet management software.

THRIVING LIVABLE NEIGHBORHOODS



- Serviced over 4,800 residences taking advantage of the City’s recycling program.
- Provided door side pickup for citizens that might have difficulty getting their recycling carts to the street.
- Participated in the annual HHW, Tire, and BOPAE collection events.
- Engaged with citizens by using digital website tools and Apple and Android apps.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Set additional 125 carts for citizens new to the city recycling program.
- Move the recycling schedule from a 5-day work week to a 4-day work week.
- Promote new Apple and Android Apps for recycle collection schedule.

Comments on FY 2024 Actual and FY 2025 Projections

- No new expenditures are expected.

Significant Changes for FY 2026

- No significant changes are planned.

Personnel Summary

SOLID WASTE CURBSIDE RECYCLING	FY22	FY23	FY24	FY25	FY26
HEAVY EQUIPMENT OPERATOR	1	1	1	1	1
UTILITY WORKER	1	1	1	1	1
TOTAL SOLID WASTE CURBSIDE RECYCLING	2	2	2	2	2

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>FUND 435 - Curbside Recycling</i>				
111 SALARIES & WAGES	82,541	87,510	75,983	81,240
112 OVERTIME	176	750	2,922	750
134 CHRISTMAS BONUS & LONGEVITY	535	750	173	200
210 FICA	4,930	5,519	4,865	5,096
212 MEDICARE	1,153	1,291	1,138	1,192
213 TCRS CONTRIBUTION	12,570	13,503	11,996	12,567
214 EMPLOYEE HEALTH INS	31,931	31,034	17,486	30,993
217 EMPLOYEE LIFE INS	472	504	407	450
219 WORKERS COMPENSATIONS INSURANCE	2,472	2,720	2,429	4,000
226 CLOTHING/UNIFORM/SHOES	1,162	1,600	1,375	1,600
310 POSTAL SERVICE	0	25	0	25
321 PRINTING SERVICES	69	0	0	0
330 LEGAL NOTICES	0	100	213	100
351 MEDICAL SERVICES	112	200	153	200
361 REPAIR & MAINTENANCE-VEHICLES	3,526	2,500	2,600	2,500
383 TRAVEL - BUSINESS EXPENSES	0	400	0	0
399 OTHER CONTRACTED SERVICES	68,094	77,000	69,002	77,000
411 OFFICE SUPPLIES & MATERIALS	410	400	398	400
431 GASOLINE & DIESEL FUEL	11,480	20,000	10,960	15,000
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	25,920	15,000	21,326	15,000
487 SOLID WASTE CONTAINERS	50,004	50,000	35,630	50,000
510 INSURANCE - GENERAL LIABILITY	2,264	2,490	2,573	2,705
523 PROPERTY (CONTENTS) INSURANCE	473	520	558	590
<i>44500 - Curbside Recycling SUBTOTAL</i>	<i>300,294</i>	<i>313,816</i>	<i>262,187</i>	<i>301,608</i>

Solid Waste Debt Service

This account is used to budget and pay the City’s debt service payments for Solid Waste Functions.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
49180 - Solid Waste Debt Service				
711 DEBT PRINCIPAL	27,210	6,781	86,318	0
731 DEBT INTEREST	2,771	2,380	1,357	0
798 PAYING AGENT FEES	0	0	0	0
49180 - Solid Waste Debt Service SUBTOTAL	29,981	9,161	87,675	0

The City paid off the last of any debt associated with the Solid Waste fund in December of 2024. A refunding opportunity in FY 2025 created the opportunity to pay this debt issue off earlier than originally planned, which will generate minor savings from year to year.

The Solid Waste Fund currently carries no outstanding debt. The City currently maintains an Aa3 bond rating.

City of Morristown Annual Debt Report: bit.ly/MorristownAnnualDebtReport

STORM WATER

UTILITY FUND



Revenue Analysis

The City has established a utility to manage the city's storm water. Fees are assessed on the basis of equivalent residential units (ERU). Each single-family residence is assessed at a rate of one (1) ERU for the handling of their runoff. Commercial property is assessed a fee in proportion to this standard ERU, which is defined as 2,400 square feet. For example, a commercial lot with 24,000 square feet of impervious surface would be assessed a fee based on 10 ERUs. Collections in storm water user fees do not vary significantly over time. Most changes are based on new development which adds impervious surface and increases runoff and water quality issues. While there is significant development activity currently, the total change in impervious surface is not enough to significantly impact revenues.

Between 2011 and 2024, the rate per ERU was \$2.50 per month. Effective FY 2025, the rate increased to \$3.50 per ERU per month. Management closely monitors the fund balance to ensure that the new rate remains sufficient to cover operations, maintenance, and improvements, as well as depreciation of capital assets in the system.

Revenue Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>Fund 440 - Storm Water Fund Revenue</i>				
Beginning Net Position	4,682,585	4,220,374	6,287,222	8,641,324
33590 OTHER STATE REVENUE	953,085	0	128,360	0
36120 INTEREST OF INVESTMENT	10,508	1,500	28,806	10,000
36850 BOND PROCEEDS	0	2,500,000	2,500,000	0
37245 STORM WATER CHARGES	1,455,285	1,974,000	1,905,378	1,974,000
38150 TRANSFER IN - ARPA FUND	804,968	0	0	0
<i>Total Storm Water Revenue</i>	<i>3,223,846</i>	<i>4,475,500</i>	<i>4,562,544</i>	<i>1,984,000</i>

Storm Water Administration

The Storm Water Administration division is used to account for the administration, development, and implementation of storm water policies and projects. The City of Morristown is one of more than 95 Tennessee communities that are required to maintain an NPDES General Permit for Discharges from Small Municipal Separate Storm Sewer Systems (MS4).

Under this permit, the city is required to develop a program that manages the quality of storm water runoff from the drainage system. The program focuses on the following areas: (1) public education and outreach, (2) public involvement/participation, (3) illicit discharge detection and elimination, (4) construction site storm water runoff control, (5) post-construction storm water management in new development and re-development, (6) pollution prevention/good housekeeping for city operations.

Performance and Workload Measures

Storm Water Administration					
	2020	2021	2022	2023	2024
Stormwater Complaints	107	105	116	102	110
Stormwater Complaints resolved	99	97	109	96	105
Land Disturbance Permits	12	15	18	16	10
State TNGCP Permits Reviewed and Tracked	10	14	16	21	13
Illicit Discharge Complaints	9	8	7	10	15
Illicit Discharge Violations Cited	1	1	1	1	2
Notices of Violation Issued	3	3	2	2	2
Notices of Violation Resolved	3	3	2	2	2
Construction site Inspections	101	112	198	261	318
Turkey Creek Assessment (feet)	10,500	10,500	10,500	10,500	27,000
Stubblefield Creek Assessment (feet)	5,500	5,500	5,500	5,500	3,600
Hot Spot outfalls to Stormwater	368	386	386	386	440
Outfalls to regulatory water	37	37	37	37	37

Significant Accomplishments FY 2025

HIGH PERFORMING ORGANIZATION



- Completed design phase of several projects in the Havley Springs Flood Study Report.
- Inspected construction of new storm water infrastructure at new developments.
- Responded to citizen complaints of flooding and other storm water related issues.
- Ensured that all City land disturbance activities were properly permitted and maintained.

- Approximately 50% of Hotspot outfalls were inspected. Hotspots are areas of known or recurring concerns.

THRIVING LIVABLE NEIGHBORHOODS



- Identified new projects to be designed.
- Scheduled and repaired many storm water related issues.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Started construction on the Stormwater project near the Water Plant.
- Started using updated GIS app to map and inventory the storm water infrastructure.

A HEALTHY & VIBRANT CITY



- Responded to reports of illicit discharges and issued notices of violation where appropriate.

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Inspect the construction of new storm water infrastructure for new developments.
- Ensure that all City land disturbance activities are properly permitted and maintained.
- Continue to map and inventory the storm water infrastructure with a plan to have system fully inventoried in two years.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue planning storm water projects and maintenance based off recent issues and complaints received.
- Continue to inspect and clean the storm water infrastructure.
- Complete construction on projects designed from the Havley Springs Flood Study Report.
- Evaluate new stormwater projects for design and construction.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget.

Significant Changes for FY 2026

- There are no significant changes in FY 2026.

Personnel Summary

STORM WATER MANAGEMENT	FY22	FY23	FY24	FY25	FY26
CAPITAL PROJECTS SUPERINTENDENT	1	1	1	1	1
TOTAL STORM WATER MANAGEMENT	1	1	1	1	1

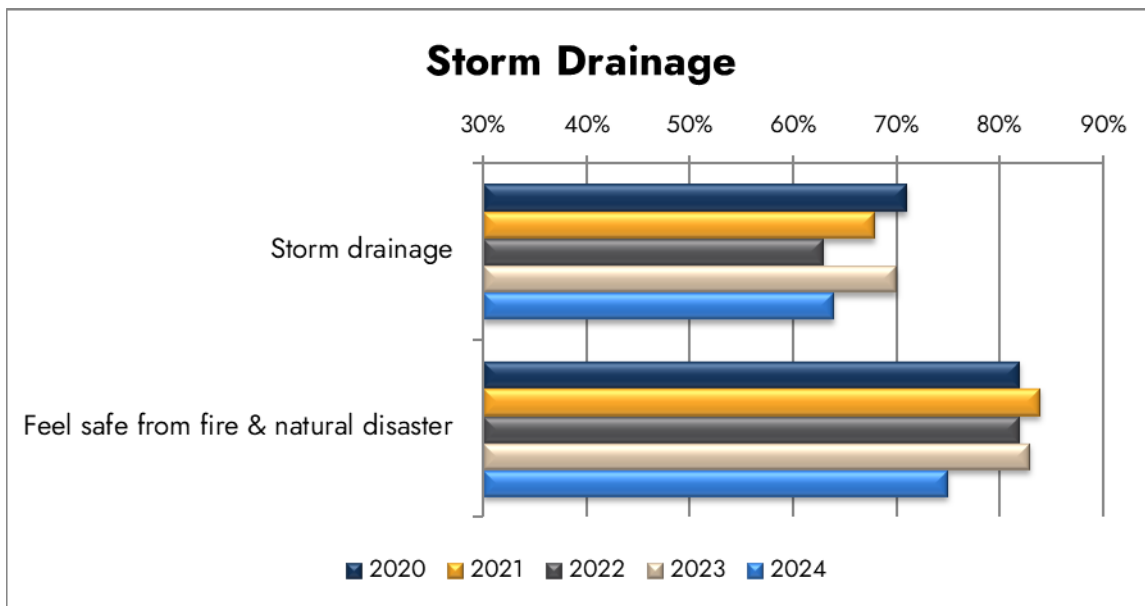
Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>43292 - Storm Water Administration</i>				
111 SALARIES & WAGES	103,419	102,654	104,136	108,010
134 CHRISTMAS BONUS & LONGEVITY	289	310	453	470
204 PENSION EXPENSE	63,872	0	0	0
208 PENSION ADJUSTMENTS (Contra Account)	(24,800)	0	0	0
210 FICA	6,269	6,384	6,331	6,726
212 MEDICARE	1,466	1,493	1,481	1,573
213 TCRS CONTRIBUTION	0	15,620	15,866	16,587
214 EMPLOYEE HEALTH INS	15,737	15,770	15,754	15,776
217 EMPLOYEE LIFE INS	546	591	573	598
219 WORKERS COMPENSATIONS INSURANCE	1,234	1,360	1,216	2,000
226 CLOTHING/UNIFORM/SHOES	499	1,000	568	1,000
320 POSTAL SERVICE	0	100	0	100
321 PRINTING SERVICES	652	500	420	500
330 LEGAL NOTICES	0	1,000	0	1,000
345 TELEPHONE SERVICES	1,024	1,080	1,582	1,000
375 MEMBERSHIPS & DUES	3,850	4,065	4,182	4,065
378 EDUCATION - SEMINARS & TRAINING	732	550	1,390	550
383 TRAVEL-BUSINESS EXPENSES	89	500	708	1,000
399 OTHER CONTRACTED SERVICES	131,671	150,500	129,838	160,500
411 OFFICE SUPPLIES & MATERIALS	92	250	147	250
431 GASOLINE & DIESEL FUEL	1,271	1,250	1,366	1,400
510 INSURANCE - GENERAL LIABILITY	2,447	2,695	2,782	2,925
523 PROPERTY (CONTENTS) INSURANCE	511	565	603	635
570 GENERAL FUND IN LIEU STORM WATER	42,679	42,679	42,679	42,679
581 GENERAL FUND ADMIN FEE STORM WATER	45,000	45,000	45,000	45,000
<i>43292 - Storm Water Administration SUBTOTAL</i>	<i>398,549</i>	<i>395,916</i>	<i>377,075</i>	<i>414,344</i>

Storm Water – Drainway Management

The Storm Water Drainway division is used to account for routine Storm Water issues related to the City's Storm Water System. This division ensures that all storm drains are clear, all pipes are clean, and eroded areas are stabilized. This division's work crew is dedicated to the repair and maintenance of the storm water system. Inspection, cleaning, and repair of the storm water system is performed with light and heavy equipment.

Performance and Workload Measures



Source: 2024 Citizen Survey – Respondents rating “Good” or “Excellent”

Resident ratings for our stormwater utility dropped significantly in 2024, which may be attributable to some major rain and flash flood events during the year. Other communities across the nation are similar to Morristown in this service area. We have been comparable to other communities for all but one year since we began the survey (2012). Those living in the northeast of the city were significantly more favorable than other areas. Households with incomes between \$100,000 and \$199,999 were significantly more favorable than all other income groups. Those that have lived in Morristown 11+ years were more favorable than newer residents.

Beginning in 2020, the survey asked people how safe they feel from fire and natural disaster. The 75% favorable rating is similar to peers across the nation but is the first time we have seen a significant drop. With the high-profile January 2024 downtown fire, we suspect that despite the effectiveness of the Fire Department in protecting all adjacent buildings, respondents may be more pessimistic about the reality of danger from fire. Additionally, the timing of the survey just two months after Hurricane Helene, which brought historic flooding to Hamblen County and even more devastating impacts to our neighbors to the east, is certain to have been fresh on the minds of respondents.

Storm Water Drainway Maintenance					
	2020	2021	2022	2023	2024
Miles of Right-of-Way Mowed	275	275	275	275	275
Frequency of Mowing (annual)	6	6	6	6	6
Storm Drain pipe replaced (ft)	545	789	379	433	496
New Storm Drain Lines inspected(ft)	4,398	6,923	9,258	7,441	4,413

Significant Accomplishments FY 2025

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Inspected 4,413 ft of new Stormwater pipe.
- Completed cleaning regiment of City storm pipes.
- Replaced or repaired 496 ft of drainage tiles.
- Repaired drainage ditches and swales as needed.
- Drainage structures were replaced or repaired throughout the City.
- Sinkholes repaired:
 - Buell Rd
 - Public Works
 - 2425 Morningside Dr
 - 4355 Durham Landing
 - 2035 S Liberty Hill Rd
 - N Jackson St
 - S Bellwood Rd
 - 5932 Commerce Blvd
 - 2034 Wilson Ave
 - 5715 W AJ Hwy

Goals for FY 2026

HIGH PERFORMING ORGANIZATION



- Continue to inspect and clean the storm water infrastructure.
- Continue to map and inventory the storm water infrastructure.

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue an aggressive maintenance program on the infrastructure.
- Continue to repair and/or replace the infrastructure as needed.
- Complete construction on Havley Springs Branch projects designed from the Flood Study Report.
- Complete Construction on the MAID pond project.

Comments on FY 2024 Actual and FY 2025 Projections

- Expenditures are expected to be under budget. Some of the capital projects anticipated for FY 2025 will not be completed until FY 2026.

Significant Changes for FY 2026

- The FY 2026 budget includes the purchase of a Bobcat for regular use by the Storm Water crew. Other expenditures are similar to the previous year.

Personnel Summary

STORM WATER DRAINWAY MANAGEMENT	FY22	FY23	FY24	FY25	FY26
STORM WATER CREW LEADER	1	1	1	1	1
MEDIUM EQUIPMENT OPERATOR	1	1	0	0	0
HEAVY EQUIPMENT OPERATOR	3	3	3	3	3
UTILITY WORKER	2	2	2	2	2
ENGINEER TECHNICIAN	0	0	1	1	1
TOTAL STORM WATER DRAINWAY MANAGEMENT	7	7	7	7	7

Note: The Engineering Technician position was newly created in FY 2024, and the Medium Operator position was eliminated.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>43293 - Storm Water Drainway Management</i>				
111 SALARIES & WAGES	327,890	345,021	345,547	363,028
112 OVERTIME	2,265	2,000	2,119	2,000
134 CHRISTMAS BONUS & LONGEVITY	2,435	2,560	2,626	2,750
210 FICA	19,189	21,675	20,191	22,803
212 MEDICARE	4,488	5,069	4,722	5,333
213 TCRS CONTRIBUTION	0	53,032	53,139	56,234
214 EMPLOYEE HEALTH INS	104,410	108,787	108,455	108,804
217 EMPLOYEE LIFE INS	1,741	1,987	1,925	2,011
219 WORKERS COMPENSATIONS INSURANCE	9,680	10,000	8,509	14,000
226 CLOTHING/UNIFORM/SHOES	5,504	2,000	1,965	2,000
310 POSTAL SERVICE	0	300	0	300
330 LEGAL NOTICES	0	500	0	500
345 TELEPHONE SERVICES	901	2,000	1,437	2,000
351 MEDICAL SERVICES	398	200	450	500
361 REPAIR & MAINTENANCE-VEHICLES	1,014	0	250	0
362 REPAIR & MAINT-OPERATIONS EQUIPMENT	0	1,000	0	1,000
366 PERMITS	0	750	0	750
378 EDUCATION - SEMINARS & TRAINING	1,397	2,500	340	2,500
383 TRAVEL - BUSINESS EXPENSES	0	250	450	500
399 OTHER CONTRACTED SERVICES	158,970	50,000	25,899	50,000
411 OFFICE SUPPLIES & MATERIALS	307	200	234	200
424 JANITORIAL SUPPLIES	0	100	118	100
429 GENERAL OPERATING SUPPLIES	17,346	30,000	23,433	30,000
431 GASOLINE & DIESEL FUEL	23,603	30,000	15,993	30,000
433 VEHICLE PARTS, OIL, FLUIDS, TIRES, ETC	26,298	15,000	25,620	25,000
451 CONCRETE PRODUCTS	10,236	8,080	11,080	11,000
455 CRUSHED STONE & SAND	13,320	25,000	3,573	25,000
510 INSURANCE - GENERAL LIABILITY	6,118	6,730	6,955	7,305
523 PROPERTY (CONTENTS) INSURANCE	1,279	1,410	1,508	1,585
913 EASEMENTS/RIGHT OF WAYS	5,819	10,000	0	0
952 STORM WATER PROJECTS	70,776	100,000	0	100,000
960 MACHINERY & EQUIPMENT	0	0	0	85,000
971 MOTOR EQUIPMENT	21	0	0	0
999 OTHER CAPITAL OUTLAY	0	2,500,000	243,218	2,510,000
<i>43293 - Storm Water Drainway Management SUBTOTAL</i>	<i>815,405</i>	<i>3,336,151</i>	<i>909,756</i>	<i>3,462,203</i>

Storm Water Debt Service/Depreciation

Personnel Summary

- No personnel are assigned to this area.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
<i>61100 - Storm Water Depreciation</i>				
572 dep-LINES	284,509	292,500	284,510	292,500
573 dep-PLANT & MACHINERY	0	45,000	0	45,000
574 dep-MOTOR VEHICLES	12,794	10,000	64,316	70,355
575 dep-OFFICE EQUIPMENT	0	25,000	0	0
576 dep-OTHER ASSETS	82,554	65,000	27,183	30,000
<i>61200 - Storm Water Depreciation SUBTOTAL</i>	<i>379,857</i>	<i>437,500</i>	<i>376,009</i>	<i>437,855</i>
 <i>49190 Storm Water Debt Service</i>				
DEBT PRINCIPAL	0	383,390	378,158	345,000
DEBT INTEREST	25,335	115,182	124,354	99,400
PAYING AGENT FEES	63	120	43,090	120
 <i>49190 - Storm Water Debt Service SUBTOTAL</i>	 <i>25,398</i>	 <i>498,692</i>	 <i>545,602</i>	 <i>444,520</i>

Storm Water Fund - Outstanding Debt By Issue

Issue	Original		Rate	Type	Retirement	Outstanding Principal Balance
	Amount					
General Obligation Bonds Series 2021A	\$ 2,990,000		2.00%	Fixed	2037	
General Obligation Bonds Series 2024	\$ 2,480,000		3.74%	Fixed	2044	
Storm Water Fund - Outstanding Debt By Issue						
Issue	Original Amount	Rate	Type	Retirement		Outstanding Principal Balance
General Obligation Bonds Series 2021A	\$ 2,990,000	2.00%	Fixed	2037	\$	2,220,000
General Obligation Bonds Series 2024	\$ 2,480,000	3.74%	Fixed	2044	\$	2,375,000

The table reflects the outstanding debt owed by the Storm Water Fund Utility. The City currently maintains an Aa3 bond rating.

June 30	TOTAL STORMWATER FUND DEBT				Remaining Principal Balance
	Principal	Interest	Total		
2026	\$ 345,000	\$ 139,400	\$ 484,400	\$	4,250,000
2027	\$ 340,000	\$ 130,000	\$ 470,000	\$	3,910,000
2028	\$ 335,000	\$ 120,700	\$ 455,700	\$	3,575,000
2029	\$ 330,000	\$ 111,500	\$ 441,500	\$	3,245,000
2030	\$ 320,000	\$ 102,400	\$ 422,400	\$	2,925,000
2031	\$ 320,000	\$ 93,500	\$ 413,500	\$	2,605,000
2032	\$ 310,000	\$ 84,600	\$ 394,600	\$	2,295,000
2033	\$ 305,000	\$ 75,900	\$ 380,900	\$	1,990,000
2034	\$ 295,000	\$ 55,000	\$ 350,000	\$	1,695,000
2035	\$ 285,000	\$ 58,900	\$ 343,900	\$	1,410,000
2036	\$ 270,000	\$ 50,700	\$ 320,700	\$	1,140,000
2037	\$ 265,000	\$ 42,800	\$ 307,800	\$	875,000
2038	\$ 125,000	\$ 35,000	\$ 160,000	\$	750,000
2039	\$ 125,000	\$ 30,000	\$ 155,000	\$	625,000
2041	\$ 125,000	\$ 25,000	\$ 150,000	\$	500,000
2042	\$ 125,000	\$ 20,000	\$ 145,000	\$	375,000
2043	\$ 125,000	\$ 15,000	\$ 140,000	\$	250,000
2044	\$ 125,000	\$ 10,000	\$ 135,000	\$	125,000
2045	\$ 125,000	\$ 5,000	\$ 130,000	\$	-

City of Morristown Annual Debt Report: bit.ly/MorristownAnnualDebtReport

MORRISTOWN LANDING



Budget Analysis

Due to the fact that day-to-day transactions will take place at the contractor level with SFM, the approved city budgeted allocation needs only to show the net cost expected to be paid based on periodic reports and bills from the contract operator. Below the city's budget detail is a more detailed budget created with assistance from SFM to better understand the actual operation.

Revenue Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
Fund 123 - Morristown Landing Operations Fund				
41120 Lease/Rentals	65,680	65,680	65,680	65,680
49800 TRANSFERS IN	850,000	600,000	850,000	700,000
Total Morristown Landing Operations Revenue	915,680	665,680	915,680	765,680

Supplemental Budget Detail

This detail is based on projections at the contractor level and should not be construed as line-by-line budget appropriation. The contract operator (SFM) will adjust programming based on the demands for the facility and the programs they will offer.

Revenues:

Memberships	\$	1,448,050	
Sport-Specific Programs	\$	383,500	
Court Rentals and			
Other Programming	\$	165,550	
Event Space Rentals	\$	220,380	
Food & Beverage	\$	472,450	
Sponsorships	\$	148,500	
Other (Retail)	\$	13,450	
Total Revenues		\$	2,851,880

Expenses:

Programmatic Expenses	\$	269,170	
Payroll & Non-Program			
Personnel	\$	2,019,910	
Facility Expenses	\$	906,190	
Operating Expenses	\$	343,221	
Total Expenses		\$	3,538,491

NET: (\$ 686,611)

Morristown Landing Operations Fund

In the Spring of 2017 the City purchased a site off Merchants Greene that would become the home of Morristown Landing. Design began in 2018 and construction began in early 2021. The facility was completed and opened in early 2023.

The City contracted with Sports Facilities Management (SFM) to operate the facility and works closely with the SFM management team on various key decision points to ensure the facility meets the needs and expectations of Morristown's residents. FY 2024 was the first full fiscal year of operations.

In order to track the cost of this operation, this fund is established to account for the City's cost to supplement operations at the Landing.

Significant Accomplishments FY 2025

Non-Sporting Events	
Comic Con	1
Weddings	3
Fund Raiser Galas	4
Retirement Parties	4
Trade Shows	4
Reunions	6
Adult Birthdays	6
Receptions/Showers	6
Group Sales	11
Field Trips	15
Lunch and Learn Education	16
Community Events	20
Banquets	39
Corporate/Business Meetings	45
Youth Birthday Parties	157
Total	337

Camps	
Swimming	2
Out-of-School	4 Days
Basketball	6
Summer	8 Weeks

Sports Tournaments	
Cornhole	1
Pickleball	1
Swim Meets	3
Volleyball	7
Basketball	13
Total	25

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Contractor completed last remaining punch list items and secured final certificate of occupancy on the facility.
- Worked with the architect and operations team to design upgrades to the catering kitchen to create a full-service kitchen capable of serving 200+ guest events with plated dining options in-house.
- Public Works provided ongoing support on various repair & maintenance items that were beyond the scope of on-site Landing staff.

A HEALTHY & VIBRANT CITY



- SFM continued outreach to schools, tournament organizations, teams, community organizations, and others to continue building interest and securing customers that might make the Landing the home for their organizations and events.
- SFM continued to build upon sponsorship and partnership opportunities to enhance the experience of members and visitors and the overall operations of the facility.



HIGH PERFORMING ORGANIZATION



- The Landing operations team continues to see success from the promotion of various program offerings – the most impressive of which has been the growth of memberships from 1,900 to 5,700 last year and to nearly 8,000 this year. Original expectations in planning the facility was a membership base of approximately 5,000.

Goals for FY 2026

RESPONSIBLE MANAGEMENT OF CITY'S PHYSICAL ASSETS



- Continue to work with the SFM team to identify economies that might be available in shared services such as preventive maintenance and service contracts, landscape services, etc.
- Bid out and oversee upgrades to the catering kitchen to create a full service kitchen to better enable staff to service customers requesting large plated dining options.
- Continue to provide timely support through Public Works on facilities maintenance issues.



HIGH PERFORMING ORGANIZATION



- Reduce the need for supplementary funding from the City while still meeting or exceeding level of service expectations for Morristown residents, members, tournament organizations, event/venue users, and others.

A HEALTHY & VIBRANT CITY



- Continue to engage the community outside the walls of the Landing – community events, Chamber of Commerce functions, etc. – to continue building on the reputation of the Landing as a place business and industry, as well as local families, can visit, play, and host their events.

Comments on FY 2024 Actuals and FY 2025 Projections

- With FY 2024 being the first full fiscal year of operations, staff monitored progress closely, and a budget amendment was necessary to provide an additional transfer amount late in the fiscal year. In FY 2025, the City was overly ambitious in reducing the supplementary transfer amount, which resulted in another transfer late in the year to accommodate.

Significant Changes for FY 2026

- A gradual reduction is still expected over the next few years, but after the last two years required amendments, the FY 2026 budget is less ambitious about that reduction.

Personnel Summary

- No personnel are assigned to this area. SFM is the contracted operator, and as such, staff at the Landing are SFM employees. Support from the City is provided by the City Administrator, Assistant City Administrators, Facilities Maintenance, and others as needed.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
56900 Other Social, Cultural, and Recreational				
399 OTHER CONTRACTED SERVICES	849,634	600,000	850,000	700,000
56900 Other Social, Cultural and Recreational	849,634	600,000	850,000	700,000

ARPA

FUND



Revenue Analysis

Projects to be completed with ARPA/SLFRF funds are typically large in scale and some are anticipated to cross over multiple fiscal years. Though projects undertaken may span multiple years, the funding source is not recurring. Once all of the projects are completed, this fund will be closed.

Revenue Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
Fund 122 - American Rescue Plan Fund				
Beginning Fund Balance	64,723	(846,558)	(846,558)	1,000,000
44110 INVESTMENT INCOME	0	10,000	11,066	0
44990 OTHER LOCAL REVENUE	40,583	0	0	0
47402 ARPA GRANT - TDEC	2,004,794	4,000,000	3,644,696	0
TRANSFERS IN	0	2,000,000	4,000,000	0
Total American Rescue Plan Revenue	2,045,377	6,010,000	7,655,762	0

American Rescue Plan Act (ARPA)

This account is used to pay or transfer funds for specific projects allowable under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan Act (ARPA).

Significant Accomplishments FY 2025

- The city allocated \$4,000,000 of the ARPA and TDEC funding to partner with Morristown Utilities for the construction of a new water tank near Exit 12. The project is anticipated for completion in April FY 2025.

Goals for FY 2026

- None. It is anticipated that all remaining ARPA funds will be expended in FY 2025 as projects are completed.
- Once the FY2025 audit is completed, this fund will be closed.

Personnel Summary

- There are no personnel assigned to this function.

Budget Expense Detail

Description	Original			
	Actual 23-24	Budgeted 24-25	Estimated 24-25	Budgeted 25-26
58831 American Rescue Plan Grant Fund				
934 PUBLIC UTILITY PROJECTS	0	4,000,000	2,798,138	0
939 OTHER GENERAL GOVERNMENT PROJECTS	997,420	0	0	0
58831 American Rescue Plan Grant Fund	997,420	4,000,000	2,798,138	0
<i>92000 - Transfers to Other Funds</i>				
TRANSFER TO STORMWATER FUND	1,959,238	0	0	0
TRANSFER TO GENERAL FUND	0	2,010,000	3,011,066	1,000,000
92000- Transfers to Other Funds	1,959,238	2,010,000	3,011,066	1,000,000
TOTAL American Rescue Plan Grant Fund	2,956,658	6,010,000	5,809,204	1,000,000

OTHER INFORMATION



Summary of Capital Equipment

41200 - City Administrator

110-41200-413	Office Equipment	
	Projector	500
	Total	500

41530 - Finance

110-41530-413	Office Equipment	
	Office Chairs	1,000
	Scanner - AP	300
	Total	1,300

110-41530-964	Office Machinery/Equipment	
	Tax Office Remodel / Rewiring	15,000
	Printers/Scanners for Tax Office	3,000
	Total	18,000

41640 - Information Technology

110-41640-413	Office Equipment	
	Shelving	600
	Total	600

110-41640-964	Office Machinery/Equipment	
	Desktop - 10	5,000
	Laptops - 4	6,000
	Domain Controller Upgrade to 2025	2,800
	Laptops - 7	4,200
	Voting Tablets	2,100
	Computer for Additional Finance Staff	1,500
	Surface Pro Tablet (2) - Police Admin	4,000
	Replacement Computers (2) - Patrol	2,400
	Replacement Schedule MDTs (5) - Patrol	15,000
	Laptop for CID Assistant - Investigations	860
	Replacement Desktop Computer - Investigations	1,000
	Total	44,860

41650 - Human Resources

110-41650-413	Office Equipment	
	Vacuum	200
	Total	200

41710 - Codes Enforcement

110-41710-419	Small Tools & Equipment	
	Misc. Small Tools	500
	Total	500

41800 - Engineering

110-41800-413	Office Equipment	
	Copier	2,000
	Total	2,000

110-41800-971	Motor Equipment	
	1500 Crew Cab Pickup and Camper Top	60,000
	Total	60,000

42110 - Police Administration

110-42110-413	Office Equipment	
Misc. Equipment	Misc. Equipment	500
	Total	500

110-42110-419	Small Tools & Equipment	
	Misc. Tools	1,000
	Total	1,000

42115 - Police Support

110-42115-413	Office Equipment	
	Misc. Replacement Equipment	1,000
	Total	1,000

110-42115-419	Small Tools & Equipment	
	Community Event & Recruiting Items	3,200
	Total	3,200

42117 - Police Litter Crew

110-42117-419	Small Tools & Equipment	
	Misc. Tools	1,000
	Total	1,000

110-42117-960	Machinery & Equipment	
	Bumper Winch & Equipment for Bulk Trask Removal	7,000

42120 - Patrol

110-42120-413	Office Equipment	
	OIC Office Reconfiguration	15,900
	Office Chairs (2)	1,200
	Total	17,100

110-42120-419	Small Tools & Equipment	
	SRT Medium 20x30 Shield	3,200
	SRT Large Rifle Shield	11,500
	SRT Helmet Night Vision Mounts (16)	4,000
	EOD X-ray Assembly	2,500
	Replacement Child Safety Seats (5)	600
	Sequential Road Flares (20)	1,650
	Stop Stick Tire Deflation Devices with Training Kits	12,000
	Patrol Medium Rifle Threat Shields (4)	4,500
	Breaching Tools (4)	1,600
	Tasers (15)	30,000
	Gas Masks (10)	5,000
	Rifle Program Maintenance	3,500
	Firearm Maintenance	1,000
	Total	81,050

110-42120-695	K-9 Dogs & Supplies	
	EOD Dog & Certification	16,000
	Veterinarian Care	1,000
	Dog Food	800
	Total	17,800

110-42120-971	Motor Equipment	
	Low Frequency Soundwave Sirens for Existing Patrol Units (5)	11,000
	Patrol Vehicles Equipped (7)	464,000
	Total	475,000

110-42120-999	Other Capital Outlay	
	Replacement Bomb Suit	55,000
	Total	55,000

42130 - Investigation

110-42130-413	Office Equipment	
	Misc. Equipment Replacement	1,000
	Total	1,000

110-42130-419	Small Tools & Equipment	
	Forensic Evidence Collection Cameras & Related Equipment	3,500
	Portable Automated Fingerprint System Machine	2,500
	Ductless Fuming Hood for Evidence Packaging	3,600
	Mi-Fi Devices & Batteries for Ring Cameras	600
	Total	10,200

110-42130-971	Motor Equipment	
	Detective Vehicles Equipped (2)	100,000
	Total	100,000

42210 - Fire Administration

110-42210-413	Office Equipment	
	Tablets for Fire Trucks	1,900
	Total	1,900

110-42210-971	Motor Equipment	
	Dodge 1500 Pickup Crew cab	43,995
	Upfitting Lights, Siren and Striping	10,557
	Total	54,552

42240 - Firefighting

110-42240-419	Small Tools & Equipment	
	Misc. Small Tools & Equipment	35,000
	Total	35,000

110-42240-960	Machinery & Equipment	
	BRINC Drone (3 year contract includes 2 drones) This price is per year.	25,500
	Raman Spectrometer	67,000
	2 Thermal Imaging Cameras	7,000
	SCBA Compressor at Station 3	87,000
	Zoll Pro Series AED w/ Case and 2 Batteries	7,936
	Gravel Drag	3,000
	Total	197,436

110-42240-971	Motor Equipment	
	Fire Department Apparatus	2,500,000
	Total	2,500,000

42400 - Inspections

110-42400-419	Small Tools & Equipment	
	Misc. Tools	500
	Total	500

43110 - Public Works Administration

110-43110-413	Office Equipment	
	Misc. Items	1,500
	Total	1,500

110-43110-999	Other Capital Outlay	
	Above Ground Fuel Tanks	350,000
	Total	350,000

43120 - Facilities Maintenance

110-43120-419	Small Tools & Equipment	
	Misc. Tools	5,000
	Total	5,000

43130 - Fleet Maintenance

110-43130-419	Small Tools & Equipment	
	Equipment for shop	6,000
	Safety blocks, Battery boosters Hand, Milwaukee band saw, Retractable extension cords	5,698
	Sling Ringing for shop	6,900
	Total	18,598
110-43130-971	Motor Equipment	
	Road Tractor for CDL Training (new)	205,000
	Total	205,000

110-43130-999	Other Capital Outlay	
	Service Truck Tools (Add to total cost of truck)	7,271
	Total	7,271

43140 - Street Repairs & Maintenance

110-43140-419	Small Tools & Equipment	
	Small Tools	6,500
	Total	6,500

110-43140-971	Motor Equipment	
	Sweeper Truck	450,000
	Total	450,000

110-43140-999	Other Capital Outlay	
	Pedestrian Crossing Signs - 3	20,000
	Total	20,000

43150 - Street Lights & Signs

110-43150-419	Small Tools & Equipment	
	Misc Small Tools	3,000
	Type III Barricades 10 / \$350 each	3,500
	36" Traffic Cones 200 / \$22.45 each	4,500
	Two - 30 Pack 8.5" Steel Barricades	8,000
	Total	19,000

110-43150-971	Motor Equipment	
	3/4 Ton Pick-Up Truck 4x4 with Service Body	67,500
	Total	67,500

43160 - Brush & Bulk

110-43160-419	Small Tools & Equipment	
	Misc. Small Tools	6,000
	Total	6,000

43175 - Communications Shop

110-43175-419	Small Tools & Equipment	
	Misc. Tools	7,000
	Total	7,000

110-43175-960	Machinery & Equipment	
	TACN Portable Radio Replacement Program (5) - Police	40,000
	Total	40,000

44420 - Parks & Rec Programs

110-44420-419	Small Tools & Equipment	
	Programming Equipment (mats, bathroom partitions & dollars for "upstairs" activities)	20,000
	Total	20,000

110-44420-999	Other Capital Outlay	
	Stage Floor	6,000
	Scoreboard - Talley Ward	12,000
	Total	18,000

44425 - Parks & Rec Athletics

110-44425-419	Small Tools & Equipment	
	Soccer Goals - 8	20,000
	Concessions Equipment	3,000
	Total	23,000

44430 - Parks & Rec Maintenance

110-44430-419	Small Tools & Equipment	
	Field Drag	3,000
	Field Equipment	9,000
	Total	12,000

110-44430-960	Machinery & Equipment	
	Turf Tiger Top Dresser	38,000
	Zero Turn Mower - 2	35,000
	Total	73,000

45160 - Natural Resource Maintenance

110-45160-419	Small Tools & Equipment	
	Small Tools	5,000
	Total	5,000

110-45160-971	Motor Equipment	
	Ford F-150 Crew Cab Extended Bed 8'	55,000
	Total	55,000

48100 - Airport

110-48100-999	Other Capital Outlay	
	Terminal Improvements Construction Phase	350,000
	Development Costs Western Taxiway Extension Buyout	300,000
	Total	650,000

810000 - Other Agencies

110-81000-801	Grants & Other Subsidies	
	Lot 10 Spec Building	7,500,000
	Downtown Improvement Grant	400,000
	Total	7,900,000

43210 - Sanitation

435-43210-960	Machinery & Equipment	
	Pilot Dumpster Program	100,000
	Total	100,000

435-43210-971	Motor Equipment	
	20 Yd. Side Arm Loader	500,000
	Total	500,000

43293 - Storm Water Drainway Management

440-43293-952	Storm Water Projects	-
	Projects	100,000
	Total	100,000

440-43293-960	Machinery & Equipment	
	Bobcat Compact Track Loader	85,000
	Total	85,000

440-43293-999	Other Capital Outlay	
	Land Acquisitions / Easements	10,000
	Havley Springs & MAID	2,500,000
	Total	2,510,000

41761 - LAMTPO

172-41761-413	Office Equipment	
	Computer	3,000
	Total	3,000

42170 - Narcotics (Drug Fund)

126-42170-413	Office Equipment	
	Misc Equipment Replacement	1,000
	Total	1,000

126-42170-419	Safe	500
	Rechargeable Flashlights - 4	1,400
	Total	1,900

126-42170-695	Bite suit	2,000
	Bite sleeves (2)	550
	Dog food	4,000
	Southern Care Veterinarian	2,000
	Narcotics Detector Dog Recertifications (3)	165
	Leashes, Collars, other miscellaneous	500
	Training scent replacement	1,000
	Total	10,215

TOTAL EQUIPMENT 16,965,182

Long-Range Financial Plan for Operations

The forward-looking operations budget is intended as a general guide for the planning of future operations. The inclusion of this section with annual budget documents is not meant to be an authoritative element of the budget but is simply meant for the administration's planning purposes. This serves as a broad overview of the general fund operations and takes various assumptions into consideration, which will need to be adjusted and reconsidered annually. Assumptions and other notes follow.

- The figures presented for taxes do not consider any increase or decrease to any tax rate (except a tax rate reduction to remain revenue neutral in this reappraisal year). Despite continued real estate development in the community and accelerated growth in sales tax in recent years, we have shown here a 3% annual increase to the total amount for tax receipts, using the FY 2026 budget figure as the basis, which takes into account updated assessments due to this being a reappraisal year.
- Licenses, Permits & Fees are shown with a 5% annual increase using the FY 2026 budget figure as the basis.
- Use of Money and Property can fluctuate considerably – particularly as it may relate to the sale of land. The \$1.6 million shown across all future years is a conservative assumption as compared with recent years.
- Intergovernmental Revenue can fluctuate considerably as it includes various one-time grants that are often capital in nature and of a significant scale. The assumptions used here for future years are intended to eliminate one-time capital project intergovernmental revenues in order that this exercise focus on general operations. Grants that are received annually are still considered, and an escalation of 3% annually has been applied.
- Other Financing Sources would typically suggest debt. Because the City of Morristown only pursues debt for one-time capital items, and this exercise focuses only on general operations, no debt issuance is taken into consideration.
- Most Expenditure lines are adjusted to remove one-time capital expenditures and to escalate at a rate of 2%.
- The General Fund Debt Service line is based on the service of existing general fund debt and does not consider any new debt. Should the city issue new debt or refinance existing debt, this section should be adjusted accordingly.
- Transfers for the operation of the Morristown Landing are intended to gradually decline over the next several years, which is shown in this plan.
- Beginning and Ending fund balance are not shown in this section. As this only incorporates non-capital items, it is not a complete depiction for future years.

The following schedule summarizes the projection of general operations revenue and expenditures through FY 2030.

5-Year Operations Summary

	<i>FY 2026 Budget</i>	<i>FY 2027 Projected</i>	<i>FY 2028 Projected</i>	<i>FY 2029 Projected</i>	<i>FY 2030 Projected</i>
REVENUES					
Taxes	42,195,000	43,460,850	44,764,676	46,107,616	47,490,844
Licenses, Permits and Fees	1,590,600	1,670,130	1,753,637	1,841,318	1,933,384
Use of Money and Property	2,512,529	1,600,000	1,600,000	1,600,000	1,600,000
Service Charges and Fees	424,500	432,990	441,650	450,483	459,492
Intergovernmental Revenues	14,373,685	9,563,685	9,850,596	10,146,113	10,450,497
Other Financing Sources	1,000,000	-	-	-	-
Total Revenues & Other Financing Sources	\$ 62,096,314	\$ 56,727,655	\$ 58,410,557	\$ 60,145,530	\$ 61,934,218
EXPENDITURES					
General Government	7,306,529	7,376,160	7,523,683	7,674,156	7,827,640
Public Safety	26,247,658	23,845,378	24,322,286	24,808,732	25,304,906
Public Works	12,889,344	12,016,461	12,256,790	12,501,926	12,751,964
Parks and Recreation	3,518,654	3,472,747	3,542,202	3,613,046	3,685,307
Natural Resource Maintenance	498,468	508,437	518,606	528,978	539,558
Civic Support	10,419,719	2,519,113	2,569,496	2,620,886	2,673,303
Miscellaneous	1,377,600	742,152	756,995	772,135	787,578
General Fund Debt Service	6,125,798	5,652,966	5,647,386	4,315,776	4,249,996
Total Expenditures	68,383,770	56,133,415	57,137,444	56,835,635	57,820,252
Other Financing Uses					
Transfer to Morristown Landing Fund	700,000	575,000	575,000	550,000	550,000
Transfer to Capital Projects Fund	750,000	-	-	-	-
Total Other Financing Uses	1,450,000	575,000	575,000	550,000	550,000
Total Expenditures & Other Financing Uses	69,833,770	56,708,415	57,712,444	57,385,635	58,370,252
Net Change in Fund Balance	(7,737,456)	19,240	698,114	2,759,895	3,563,966

Capital Spending and Establishment of Unified Multi-Year Capital Plan

Current administration understands the importance of developing a unified multi-year capital improvements plan. After years of deferring equipment replacement due to the economic downturn, we continue to make progress in attempting to restore our fleet and equipment to an acceptable condition. Equipment purchases reflect replacement of existing vehicles and equipment which have exceeded their useful life expectancy or have required excessive maintenance. Replacement of this equipment will allow for reduced maintenance and operating expenses when replaced with more efficient equipment. Equipment purchases are projected to result in future savings and to increase productivity.

In the past, equipment purchases have been as a “best guess” approach as opposed to relying on a sound multi-year capital improvements plan. The establishment of the long-range capital improvements plan is not something that the City has taken lightly. City staff finalized a fleet plan two years ago to guide purchases of most vehicles (other than specialty, heavy duty vehicles). This proactive strategy allows for adequate planning by identifying a dedicated funding source that will support such capital purchases.

During FY26 the City is examining its opportunities to make improvements in the services provided to its citizenry through major capital improvements such as:

- Construction of intersection improvements along Dr. Martin Luther King Jr. Pkwy.
- Construction of a roundabout to improve safety at the intersection of Walters Dr. and Cherokee Dr.
- Construction of improvements at Frank Lorino Park and Fulton-Hill Park based on priorities established by the Parks & Recreation Advisory Board and City Council.
- Engineering work will continue in relation to the Greenway Phase V.
- Completing the resurfacing and intersection improvements on East Morris Blvd.
- Pave 10 miles of City streets as part of the annual street maintenance plan.
- Rejuvenate 5 miles of local streets as part of the annual street maintenance plan.
- Creation of a fueling facility for city vehicles at the Public Works complex.
- Procurement of a ladder truck to replace an aging unit in the Fire Department.
- Construction of a speculative industrial building in the East TN Progress Center using grant funding through the State of Tennessee.

The following schedules summarize the planned major purchases and the effect on operations:

5-Year Capital Summary

DEPARTMENT	FUNDING SOURCE		2026	2027	2028	2029	2030
Information Technology:							
Replacement of computers (5 Year Cycle)	Local Taxes		\$ 11,000	\$ 11,550	\$ 20,000	\$ 21,000	\$ 23,100
Replacement of MDT's for Police (5 Year Cycle)	Local Taxes		15,000	20,000	21,000	22,050	24,255
Other Upgrades	Local Taxes		18,860	30,000	35,000	35,000	38,500
Other Equipment	Local Taxes		105,070	115,577	127,135	139,848	153,833
	Total		\$ 149,930	\$ 177,127	\$ 203,135	\$ 217,898	\$ 239,688
Airport:							
Western Taxiway Extension	Intergovernmental Revenues	No Local Match	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Terminal Improvements	Intergovernmental Revenues/Local Taxes	5% Local Match	350,000	-	-	-	-
MIRL Replacement	Intergovernmental Revenues/Local Taxes	5% Local Match	-	-	-	-	-
Misc. Projects	Intergovernmental Revenues/Local Taxes	5% Local Match	650,000	525,000	875,000	800,000	900,000
	Total		\$ 1,300,000	\$ 525,000	\$ 875,000	\$ 800,000	\$ 900,000
Fire Department:							
Staff vehicle replacement	Local Taxes		\$ 54,552	\$ -	\$ 60,000	\$ -	\$ 65,000
Protective Personal Equipment	Local Taxes		188,160	190,000	200,000	210,000	210,000
Equipment Replacement	Local Taxes		234,336	246,053	258,355	271,273	284,837
Fire Truck Replacement	Local Taxes		2,500,000	-	-	-	2,750,000
	Total		\$ 2,977,048	\$ 436,053	\$ 518,355	\$ 481,273	\$ 3,309,837
Park & Rec Department:							
Park Shelter & Picnic Table Replacement	Local Taxes		\$ 25,000	\$ -	\$ 30,000	\$ -	\$ 35,000
Mowers / Tractors	Local Taxes		73,000	42,000	44,100	46,305	48,620
Vehicle Replacement	Local Taxes		-	45,000	50,000	52,500	55,125
Equipment Upgrades	Local Taxes		21,000	22,050	23,153	24,310	25,526
Field Improvements	Local Taxes		125,000	125,000	135,000	135,000	135,000
Facility Improvements	Local Taxes / CARES Grant		303,000	50,000	60,000	75,000	85,000
Park Improvements	Bond Issue / Local Taxes		681,000	-	-	-	-
	Total		\$ 1,228,000	\$ 284,050	\$ 342,253	\$ 333,115	\$ 384,271
General Government							
Staff Vehicles	Local Taxes		50,000	52,500	57,750	63,525	66,701
Land Acquisition	Local Taxes		-	500,000	-	500,000	-
	Total		\$ 50,000	\$ 552,500	\$ 57,750	\$ 563,525	\$ 66,701
Police Department:							
Administrative Vehicles	Local Taxes		\$ -	\$ 55,000	\$ 60,000	\$ 63,000	\$ 66,150
Support Vehicles	Local Taxes		-	55,000	60,000	63,000	66,150
Detective Vehicles	Local Taxes		100,000	110,000	120,000	126,000	132,000
Narcotic Detective Vehicles	Program Income		-	55,000	60,000	63,000	-
Patrol Vehicles	Local Taxes		464,000	660,000	480,000	504,000	529,200
Equipment Replacement	Local Taxes		135,850	85,000	89,250	93,713	98,398
Portable Radios	Local Taxes		40,000	42,000	44,100	46,305	48,620
Bomb Suit	Local Taxes		55,000	-	60,000	-	65,000
K-9 Dog	Local Taxes		16,000	-	20,000	20,000	20,000
	Total		\$ 810,850	\$ 1,062,000	\$ 993,350	\$ 979,018	\$ 1,025,518
Public Works:							
Staff Vehicles	Local Taxes		\$ 122,500	\$ 60,000	\$ 68,000	\$ 130,000	\$ 80,000
Bucket Truck	Local Taxes		-	275,000	-	235,000	-
Sweeper Truck	Local Taxes		450,000	-	480,000	-	500,000
Shop Truck for Garage	Local Taxes		-	-	-	-	250,000
Road Tractor	Local Taxes		205,000	-	-	-	-
Equipment Replacement	Local Taxes		97,870	102,764	107,902	113,297	118,962
Safety Barricades	Local Taxes		-	80,000	-	84,000	-
Above Ground Fuel Tanks	Local Taxes		350,000	-	-	-	-
	Total		\$ 1,225,370	\$ 517,764	\$ 655,902	\$ 562,297	\$ 948,962
Solid Waste:							
Sanitation Truck Side Loader (Fully Automated)	Service Charges and Fees		\$ 500,000	\$ 550,000	\$ -	\$ 675,000	\$ -
	Total		\$ 500,000	\$ 550,000	\$ -	\$ 675,000	\$ -
Storm Water:							
Projects	Bond Issue		\$ 1,882,500	\$ 627,500	\$ -	\$ -	\$ -
Staff Vehicles	Service Charges and Fees		-	-	75,000.00	-	85,000
Equipment Replacement	Service Charges and Fees		85,000	89,250	93,713	98,398	103,318
	Total		\$ 1,967,500	\$ 716,750	\$ 168,713	\$ 98,398	\$ 188,318
Capital Projects:							
Miscellaneous Capital Projects	Local Taxes/Bond Issue		1,215,000	1,951,559	752,071	650,000	750,000
Paving - East Morris Blvd / Central Church Road	Intergovernmental Revenues/Local Taxes	20% Local Match	125,000	666,227	-	-	-
Paving & Rejuvenation Local Streets	Intergovernmental Revenues	No Match	2,600,000	1,500,000	1,500,000	1,500,000	1,500,000
Sidewalk Improvements	Intergovernmental Revenues/Local Taxes	5% Local Match	1,085,000	580,677	412,119	75,000	75,000
Greenway Extension	Intergovernmental Revenues	5% Local Match	120,000	650,000	192,796	-	-
	Total		\$ 5,145,000	\$ 5,348,463	\$ 2,856,986	\$ 2,225,000	\$ 2,325,000
TOTAL CAPITAL PROJECTS			\$ 15,353,698	\$ 10,169,706	\$ 6,671,443	\$ 6,935,524	\$ 9,388,295

Impact on Operations

The current five-year plan considers the above improvements and its impact on operations. It is the City of Morristown's belief that good stewardship of taxpayers' funds continuously evaluates how funds can be utilized to maximize efficiencies. Unlike the previously presented Summary of Capital Equipment, which includes all capital items, the five-year plan accounts for those items that meet the City's capitalization policy. The sources of revenue used to acquire capital assets are derived from local taxes, charges for services, federal and state grants, and intergovernmental revenues. Additionally, in FY 2024 the City issued debt to generate sufficient dollars to fund certain assets and complete major projects. These projects are being completed with no tax increase proposed.

The completion of these capital outlay items will have a positive impact on operations with marked improvements and efficiencies. The development of a capital plan allows the City of Morristown to ensure proper resources are allocated to fund the services at a sustained level. The below capital projects were completed during FY 2025:

- 6.4 miles of local City streets were paved
- 5 miles of City streets were rejuvenated
- The new Fire Station 3 and adjacent training tower on Thompson Creek Road were completed.
- Lighting and Irrigation improvements were completed at Frank Lorino Park.
- An intersection project at Snyder Rd. and Lorino Park Rd. improved safety at a key entry point to the park.
- Software projects impacting Finance, Human Resources, Asset Management, Work Order processing, and Parks & Recreation will benefit efficiencies of operation in departments across the City.
- ARPA funding was used to support Morristown Utilities' construction of a 1-million gallon water tank and new water lines in the vicinity of Exit 12.

The City of Morristown will realize significant efficiencies and operational benefits as these new facilities come on board. Conservative estimates have been included on the impact on operation that is presented herein. The City of Morristown will continue to evaluate the savings over time and will update the capital plan accordingly. The following table summarizes the effectiveness and effect on fund balance:

5-Year Capital Funding Summary

DEPARTMENT	2026	2027	2028	2029	2030
FUNDING USE:					
General Government	\$ 199,930	\$ 729,627	\$ 260,885	\$ 781,423	\$ 306,389
Public Safety	3,787,898	1,498,053	1,511,705	1,460,291	4,335,355
Public Works	7,622,870	5,181,418	2,929,529	2,910,695	2,712,280
Parks and Recreation	2,443,000	2,235,609	1,094,324	983,115	1,134,271
Airport	1,300,000	525,000	875,000	800,000	900,000
Total	\$ 15,353,698	\$ 10,169,706	\$ 6,671,443	\$ 6,935,524	\$ 9,388,295
IMPACT ON OPERATIONS:					
General Government	90,671	90,671	90,671	90,671	90,671
Public Safety	550,674	551,274	551,274	559,174	558,674
Public Works	(2,495)	16,396	16,196	16,896	17,396
Parks and Recreation	267,718	269,218	268,718	269,218	269,218
Total	906,568	927,559	926,859	935,959	935,959
REQUIRED FUNDING:	16,260,266	11,097,265	7,598,302	7,871,483	10,324,254
FUNDING SOURCE:					
Local Taxes	(2,118,156)	(4,500,000)	(3,725,000)	(3,825,000)	(4,242,000)
Service Charges and Fees	(585,000)	(639,250)	(93,713)	(773,398)	(103,318)
Program Income	-	(55,000)	(60,000)	(63,000)	-
Intergovernmental Revenues	(2,465,154)	(2,207,158)	(3,621,094)	(2,879,915)	(2,275,000)
Bond Proceeds	(3,097,500)	(2,579,059)	(752,071)	(650,000)	(750,000)
Total	(8,265,810)	(9,980,467)	(8,251,878)	(8,191,313)	(7,370,318)
Tax Increase and Growth	(200,000)	(825,000)	(825,000)	(825,000)	(825,000)
TOTAL FUNDING	(8,465,810)	(10,805,467)	(9,076,878)	(9,016,313)	(8,195,318)
Source (Use) of Fund Balance:	(7,794,456)	(291,798)	1,478,576	1,144,830	(2,128,936)

Impact of capital spending on operating expenses

The items listed in the above tables represent equipment purchases for the replacement of existing vehicles and equipment which have exceeded their useful life expectancy or have required excessive maintenance. Replacement of this equipment will allow for reduced maintenance and operating expenses when replaced with more efficient equipment. Equipment purchases are projected to result in future savings and to increase productivity.

In addition to the equipment replacement items, there are a couple of major construction projects for the City. The construction of a roundabout at Walters Dr. and Cherokee Dr. and the construction of a speculative industrial building in the East TN Progress Center industrial park are expected to be completed or near completion in FY 2026. Significant street projects and Airport projects are also planned. In addition to resurfacing local streets, the planning will continue for the future resurfacing of East Morris Boulevard and the widening of Central Church Road. The City was awarded a RAISE grant in FY 2023 in the amount of \$23 million and the planned use of those funds will be to make major improvements to Cumberland. Planning for construction & reconstruction of sidewalks, ADA upgrades, drainage improvements, pedestrian signals and crosswalk striping will also continue during FY 2026. Stormwater repairs to small and large projects areas will continue to improve problematic areas.

The charts below represent capital projects represent a snapshot of current and previous capital projects.

Capital Projects - Completed FY2022-2025

Project	Total Cost
Brights Pike Bridge Replacement ««««	\$ 587,224
Morristown Landing	\$ 37,956,732
ADA Park Bathroom Improvements	\$ 260,635
City Center Rennovations	\$ 880,681
Public Safety Tower & Radio Upgrade ««««	\$ 3,201,086
Durham Landing Road Connector	\$ 840,176
Frank Lorino Tennis Courts Resurfacing	\$ 241,231
South Cumberland Drainage Improvements	\$ 707,877
West Main Stree Drainage Improvement	\$ 329,196
Wayne Hansard Drainage Improvement	\$ 92,858
North Cumberland Drainage Improvement	\$ 157,150
Freshour Drainage Improvement ««««	\$ 432,553
MAID Ditch Drainage Improvement «««	\$ 1,736,121
Thompson Creek Road - Includes Site Development for Fire Station 3	\$ 7,033,755
Local Paving & Rejuvenation FY2025	\$ 1,593,715
Lighting Upgrades	\$ 509,722
Fire Dept. Bullhead Training Structure	\$ 555,862
Fire Station 3	\$ 6,045,545
	63,162,119

Capital Projects - Under Construction

Project	Estimated Cost
Cherokee Drive Round-A-Bout	\$ 850,000
Public Works Expansion	\$ 973,000
Fulton-Hill Pavillion	\$ 238,000
	\$ 2,061,000

Capital Projects - Under Design or ROW Acquisition

Project	Estimated Cost
Freddie Kyle Greenway Phase V «««	\$ 999,954
Widening of Central Church Road «««	\$ 1,372,727
Sidewalk Improvements «««	\$ 933,926
East Morris Blvd Resurfacing «««	\$ 1,851,034
South Cumberland Improvements ««««	\$ 23,000,000
Havley Springs & MAID Stormwater Projects	\$ 2,500,000
	\$ 30,657,641

Partially Grant Funded «««

Fully Grant Funded ««««

Personnel Summary

MAYOR AND COUNCIL	FY22	FY23	FY24	FY25	FY26
MAYOR	1	1	1	1	1
COUNCILMEMBERS	6	6	6	6	6
TOTAL MAYOR AND COUNCIL	7	7	7	7	7
CITY ADMINISTRATOR	FY22	FY23	FY24	FY25	FY26
CITY ADMINISTRATOR	1	1	1	1	1
ASSISTANT CITY ADMINISTRATOR	2	2	2	2	2
CITY CLERK/EXECUTIVE ASSISTANT	1	1	1	1	1
CITIZEN INFORMATION SPECIALIST/ASST DEPUTY CLERK	1	1	1	1	1
RECEPTIONIST/OFFICE ASSISTANT	1	1	1	1	1
TOTAL CITY ADMINISTRATOR	6	6	6	6	6
FINANCE DEPARTMENT	FY22	FY23	FY24	FY25	FY26
FINANCE DIRECTOR	0	0	1	1	1
ACCOUNTING MANAGER	1	1	0	0	0
ACCOUNTING CLERK	2	2	2	2	2
REVENUE ACCOUNTANT / RECORDS CLERK	0	0	1	1	1
ACCOUNTING TECHNICIAN	2	2	2	2	2
CITY ACCOUNTANT	1	1	1	1	1
TOTAL FINANCE DEPARTMENT	6	6	7	7	7
PURCHASING	FY22	FY23	FY24	FY25	FY26
PURCHASING AGENT	1	1	1	1	1
TOTAL PURCHASING	1	1	1	1	1
INFORMATION TECHNOLOGY	FY22	FY23	FY24	FY25	FY26
SYSTEMS ADMINISTRATOR	1	1	1	1	1
TOTAL INFORMATION TECHNOLOGY	1	1	1	1	1
HUMAN RESOURCES	FY22	FY23	FY24	FY25	FY26
HUMAN RESOURCES COORDINATOR	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	0	0	0	0	1
TOTAL HUMAN RESOURCES	1	1	1	1	2
RISK MANAGEMENT	FY22	FY23	FY24	FY25	FY26
ADMINISTRATIVE COORDINATOR	1	1	1	1	1
SAFETY & TRAINING COORDINATOR	1	1	1	1	1
CDL PROGRAM TRAINER	0	0	0	0	1
TOTAL RISK MANAGEMENT	2	2	2	2	3

COURT ADMINISTRATION	FY22	FY23	FY24	FY25	FY26
CITY JUDGE	1	1	1	1	1
RECORDS CLERK	1	1	0	0	0
TOTAL COURT ADMINISTRATION	2	2	1	1	1
PLANNING	FY22	FY23	FY24	FY25	FY26
DEVELOPMENT DIRECTOR	1	1	1	1	1
PLANNER	2	2	2	2	2
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
TOTAL PLANNING	4	4	4	4	4
CODE ENFORCEMENT	FY22	FY23	FY24	FY25	FY26
CODE ENFORCEMENT OFFICER	2	2	2	2	2
TOTAL CODE ENFORCEMENT	2	2	2	2	2
LAMTPO	FY22	FY23	FY24	FY25	FY26
LAMTPO COORDINATOR	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	0	0	0	0	1
TOTAL LAMTPO	1	1	1	1	2
CDBG	FY22	FY23	FY24	FY25	FY26
CDBG COORDINATOR	1	1	1	1	1
TOTAL CDBG	1	1	1	1	1
ENGINEERING	FY22	FY23	FY24	FY25	FY26
ENGINEERING TECHNICIAN	2	2	2	2	2
TOTAL ENGINEERING	2	2	2	2	2
GIS DEPARTMENT	FY22	FY23	FY24	FY25	FY26
GIS MANAGER	1	1	1	1	1
GIS TECHNICIAN	1	1	1	1	1
TOTAL GIS DEPARTMENT	2	2	2	2	2
INSPECTIONS	FY22	FY23	FY24	FY25	FY26
CHIEF BUILDING OFFICIAL	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
BUILDING CODES INSPECTOR	1	1	1	1	1
PLUMBING AND GAS INSPECTOR	1	1	1	1	1
ELECTRICAL CODES INSPECTOR	1	1	1	1	1
TOTAL INSPECTIONS	5	5	5	5	5

POLICE ADMINISTRATION	FY22	FY23	FY24	FY25	FY26
POLICE CHIEF	1	1	1	1	1
DEPUTY CHIEF	2	2	2	2	2
POLICE RECORDS CLERK	1	1	1	1	2
POLICE RECORDS TECHNICIAN SUPERVISOR	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
TOTAL POLICE ADMINISTRATION	6	6	6	6	7
POLICE SUPPORT	FY22	FY23	FY24	FY25	FY26
POLICE SERGEANT	1	1	1	1	1
POLICE LIEUTENANT	1	1	1	1	1
POLICE CORPORAL	2	2	2	2	2
SCHOOL RESOURCE OFFICER	3	3	3	0	0
MORRISTOWN HOUSING AUTHORITY OFFICER	1	1	1	1	1
CRIMINAL APREHENSION UNIT	2	2	2	2	2
TRAINING OFFICER	1	1	1	1	1
INTERNET CRIMES AGAINST CHILDREN UNIT	1	1	1	1	1
POLICE ACCREDITATION MANAGER	1	1	1	1	1
TOTAL POLICE SUPPORT	13	13	13	10	10
POLICE LITTER CREW	FY22	FY23	FY24	FY25	FY26
POLICE OFFICER	1	1	1	1	1
TOTAL POLICE LITTER CREW	1	1	1	1	1
POLICE PATROL	FY22	FY23	FY24	FY25	FY26
POLICE CAPTAIN	4	4	4	4	4
POLICE SERGEANT	4	4	4	4	4
POLICE LIEUTENANT	4	4	4	4	4
POLICE CORPORAL	4	4	4	4	4
POLICE OFFICER	35	35	35	38	38
TOTAL POLICE PATROL	51	51	51	54	54
POLICE INVESTIGATIONS	FY22	FY23	FY24	FY25	FY26
DETECTIVE CAPTAIN	1	1	1	1	1
POLICE DETECTIVE SERGEANT	1	1	1	1	1
POLICE DETECTIVE LIEUTENANT	1	1	1	1	1
POLICE DETECTIVE CORPORAL	1	1	1	1	1
POLICE DETECTIVE	8	8	8	8	8
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
TOTAL POLICE INVESTIGATIONS	13	13	13	13	13

POLICE NARCOTICS & VICE	FY22	FY23	FY24	FY25	FY26
DETECTIVE CAPTAIN	1	1	1	1	1
DETECTIVE SERGEANT	1	1	1	1	1
DETECTIVE	4	4	4	4	4
POLICE RECORDS CLERK	1	1	1	1	1
TOTAL POLICE NARCOTICS & VICE	7	7	7	7	7
FIRE ADMINISTRATION	FY22	FY23	FY24	FY25	FY26
FIRE CHIEF	1	1	1	1	1
DEPUTY FIRE CHIEF	2	2	2	2	2
TRAINING OFFICER	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
LIAISON OFFICER	1	1	1	1	1
TOTAL FIRE ADMINISTRATION	6	6	6	6	6
FIREFIGHTING	FY22	FY23	FY24	FY25	FY26
CAPTAIN	3	3	3	3	3
LIEUTENANT	18	18	18	18	18
BATTALION CHIEF	3	3	3	3	3
FIREFIGHTER	34	34	34	34	34
DRIVER/ENGINEER	20	20	20	20	20
TOTAL FIREFIGHTING	78	78	78	78	78
FIRE PREVENTION & INSPECTION	FY22	FY23	FY24	FY25	FY26
FIRE MARSHAL	1	1	1	1	1
DEPUTY FIRE MARSHAL	1	1	1	1	1
TOTAL FIRE PREVENTION & INSPECTION	2	2	2	2	2
PUBLIC WORKS ADMINISTRATION	FY22	FY23	FY24	FY25	FY26
PUBLIC WORKS DIRECTOR	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	2	2	2	2	1
TOTAL PUBLIC WORKS ADMINISTRATION	3	3	3	3	2
PUBLIC WORKS FACILITIES MAINTENANCE	FY22	FY23	FY24	FY25	FY26
BUILDING & GROUNDS SUPERVISOR	1	1	1	1	1
CUSTODIAN	2	2	2	2	2
CREW LEADER	1	1	1	1	1
TOTAL PUBLIC WORKS FACILITIES MAINTENANCE	4	4	4	4	4
PUBLIC WORKS FLEET MAINTENANCE	FY22	FY23	FY24	FY25	FY26
FLEET SUPERINTENDENT	1	1	1	1	1
FLEET MECHANIC SUPERVISOR	2	1	1	1	1
EQUIPMENT MECHANIC	3	5	5	5	5
MECHANIC HELPER	1	0	0	0	0
TOTAL PUBLIC WORKS FLEET MAINTENANCE	7	7	7	7	7

PUBLIC WORKS STREET REPAIRS & MAINTENANCE	FY22	FY23	FY24	FY25	FY26
GENERAL SUPERVISOR	1	1	1	1	1
CREW LEADER	2	2	2	2	2
HEAVY EQUIPMENT OPERATOR	4	4	4	4	4
MEDIUM EQUIPMENT OPERATOR	8	8	8	8	8
UTILITY WORKER	2	2	2	2	2
TOTAL PUBLIC WORKS STREET REPAIRS & MAINTENANCE	17	17	17	17	17
PUBLIC WORKS STREET LIGHTS & SIGNS	FY22	FY23	FY24	FY25	FY26
TRAFFIC TECHNICIAN	1	1	1	1	1
TOTAL PUBLIC WORKS STREET LIGHTS & SIGNS	1	1	1	1	1
PUBLIC WORKS BRUSH & BULK	FY22	FY23	FY24	FY25	FY26
SUPERINTENDENT	1	1	1	1	1
MEDIUM EQUIPMENT OPERATORS	7	7	7	7	7
UTILITY WORKER	3	3	3	3	3
TOTAL PUBLIC WORKS BRUSH & BULK	11	11	11	11	11
PUBLIC WORKS COMMUNICATION SHOP	FY22	FY23	FY24	FY25	FY26
COMMUNICATIONS TECHNICIAN	1	1	1	1	1
ASSISTANT COMMUNICATIONS TECHNICIAN	1	1	1	1	1
TOTAL PUBLIC WORKS COMMUNICATION SHOP	2	2	2	2	2
PARKS & RECREATION ADMINISTRATION	FY22	FY23	FY24	FY25	FY26
PARKS & REC DIRECTOR	1	1	1	1	1
RECREATION SUPERINTENDENT	1	1	1	1	1
ATHLETIC COORDINATOR	1	1	0	0	0
ATHLETIC SUPERVISOR	1	1	0	0	0
ADMINISTRATIVE ASSISTANT	1	1	1	1	1
TOTAL PARKS & RECREATION ADMINISTRATION	5	5	3	3	3
PARKS & RECREATION PROGRAMS	FY22	FY23	FY24	FY25	FY26
RECREATION CENTER SUPERVISOR	1	1	1	1	1
RECREATION PROGRAM COORDINATOR	1	1	1	1	1
TOTAL PARKS & RECREATION PROGRAMS	2	2	2	2	2
PARKS & RECREATION ATHLETICS	FY22	FY23	FY24	FY25	FY26
ATHLETIC COORDINATOR	0	0	1	1	1
ATHLETIC SUPERVISOR	0	0	1	1	2
TOTAL PARKS & RECREATION ATHLETICS	0	0	2	2	3

PARKS & RECREATION MAINTENANCE	FY22	FY23	FY24	FY25	FY26
PARK MAINTENANCE SUPERVISOR	1	1	1	1	1
ASSISTANT PARK MAINTENANCE SUPERVISOR	1	1	1	1	1
CREW LEADER	3	3	3	3	3
MAINTENANCE WORKER I	4	4	5	5	5
MAINTENANCE WORKER II	1	1	1	1	1
TOTAL PARKS & RECREATION MAINTENANCE	10	10	11	11	11
NATURAL RESOURCE MAINTENANCE	FY22	FY23	FY24	FY25	FY26
HORTICULTURALIST	1	1	1	1	1
MAINTENANCE WORKER	2	2	2	2	2
TOTAL NATURAL RESOURCE MAINTENANCE	3	3	3	3	3
STORM WATER MANAGEMENT	FY22	FY23	FY24	FY25	FY26
CAPITAL PROJECTS SUPERINTENDENT	1	1	1	1	1
TOTAL STORM WATER MANAGEMENT	1	1	1	1	1
STORM WATER DRAINWAY MANAGEMENT	FY22	FY23	FY24	FY25	FY26
STORM WATER CREW LEADER	1	1	1	1	1
MEDIUM EQUIPMENT OPERATOR	1	1	0	0	0
HEAVY EQUIPMENT OPERATOR	3	3	3	3	3
UTILITY WORKER	2	2	2	2	2
ENGINEER TECHNICIAN	0	0	1	1	1
TOTAL STORM WATER DRAINWAY MANAGEMENT	7	7	7	7	7
SOLID WASTE SANITATION	FY22	FY23	FY24	FY25	FY26
HEAVY EQUIPMENT OPERATOR	3	3	3	3	4
MEDIUM EQUIPMENT OPERATOR	1	1	1	1	0
UTILITY WORKER	1	1	1	1	1
TOTAL SOLID WASTE SANITATION	5	5	5	5	5
SOLID WASTE CURBSIDE RECYCLING	FY22	FY23	FY24	FY25	FY26
HEAVY EQUIPMENT OPERATOR	1	1	1	1	1
UTILITY WORKER	1	1	1	1	1
TOTAL SOLID WASTE CURBSIDE RECYCLING	2	2	2	2	2
TOTAL EMPLOYEES	300	300	301	301	305

Total employees for FY 2026 reflect four additional full-time positions; a CDL Program Trainer, an Athletics Supervisor, a PD Records Clerk, and a LAMTPO Administrative Assistant (LAMTPO position funded beginning in the second half of the fiscal year). An amendment during FY 2025 reorganized certain staff to move one Administrative Assistant position from Public Works Administration to Human Resources; this change is presented in these charts beginning in FY 2026.

Budget Policies

Morristown was officially incorporated in 1855. Its initial form of government was a Mayor-Council type. Later, the city added an Administrator. The City Council and the Mayor are selected by the vote of the people and the Council selects the City Administrator, who is responsible for the day-in day-out operations of the City.

The City of Morristown's Council-Administrator form of government places the legislative responsibility for municipal government with a City Council. The Morristown City Council consists of the Mayor and six Council members. City Council levies taxes, enacts ordinances, and adopts the annual budget, as well as performing many other legislative functions.

Administrative or executive authority is vested in the City Administrator. The City Administrator is appointed by the Mayor and Council to manage the government through the development, implementation, and execution of programs and policies established by the Council. The City Administrator recommends the annual budget and work programs in addition to advising the Council on policy and legislative matters.

Various policies and processes are used to guide the maintenance and use of the City's financial resources. They are described as follows.

Budget Policies

The overall goal of the City's financial plan is to establish and maintain effective management of the City's financial resources. The following section outlines the policies used to guide the preparation and management of the City's annual budget. This section contains a summary of policies pertaining to the operating budget, capital expenditures, revenue, financial accounting, cash management/investment, and debt.

Operating Budget Policies

Financial policies are more than just a list of "do's and don'ts" for a city. They are a set of guidelines that hold staff and elected officials accountable and help ensure that sound financial decisions are made, and the impact of those decisions is considered. Financial policies also provide a level of security for the community, letting the public know that tax dollars are being spent efficiently and effectively. The policies are broken down into seven sections.

- ★ Budget
- ★ Capital Assets & Expenditures
- ★ Debt
- ★ Revenue
- ★ Fund Balance
- ★ Personnel
- ★ Community & Economic Development & Support

Budget

The budget section of the policies sets the tone and creates an atmosphere of financial responsibility for planning the city's revenues and expenditures for the year, monitoring them and adjusting when necessary.

- The City will periodically review services provided to the community and to the organization and compare the costs of providing these services internally versus the costs of privatization.
- Ongoing expenditures/expenses are never budgeted using a non-recurring or one-time revenue source.
- Expenses for enterprise operations must be funded either exclusively or primarily by user fee revenues. Self-sufficiency is a long-range objective for these funds.
- The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' obligations.
- The City will maintain a budgetary control system to ensure adherence to the budget and will prepare monthly reports comparing actual revenues and expenditures to budgeted amounts.
- The City will monitor actual revenues and expenditures monthly and take actions when necessary.
- The City shall adopt a balanced operating budget for each of its funds. Day-to-day operations will not be balanced using fund balance or net assets. Planned capital expenditures may be budgeted for with fund balance.
- Budget amendments shall recognize additional revenue to fund special projects or balance expenditure needs or to counter revenue shortfalls when the expenditure levels are reduced.
- Budget amendments will be prepared on a quarterly basis through a budget amendment ordinance.
- Line-item transfers, which do not change the overall budgeted amounts will be made on an as-needed weekly basis.

Capital Assets and Expenditures

The City has made significant investments in capital and capital equipment such as fire trucks, police cars, buildings, streets, parks and many other items. It is important to recognize that these investments be monitored and maintained. It is also important to recognize that many of the City's operations rely on capital equipment that is expensive and needs to be replaced on a continuing basis.

- The City will adopt and follow a scheduled level of maintenance and replacement for infrastructure and fleet for all funds.
- Capital projects that are financed through the issuance of debt will be financed for a period not to exceed the useful life of the project.
- A five-year program for capital infrastructure improvements will be developed and updated annually. The program will identify anticipated funding sources for each project.
- The City will coordinate the development of the capital budget with the development of the operating budget. Future operating costs associated with new capital projects will be forecasted and included in the operating budget forecasts.
- The City will maintain an inventory of all capital assets and review their condition on an annual basis. A capital asset will be defined as an item with a useful life of at least two years and an original cost or value of more than \$5,000.

Debt Policies

Long-term debt is a tool that is used by governments on all levels to fund projects that cannot be paid for with cash. There is not a one-size-fits-all debt policy solution. Recommended debt levels vary by city as there are many variables to consider such as what services a city provides through the general fund, whether there is a city school system, and many other factors.

- The City will strive to maintain its current bond rating from Moody's of Aa3.
- Total general fund long-term debt will not exceed 10% of total assessed value for taxable property within the City.
- Long-term borrowing will be restricted to capital improvements too costly to be financed from current revenues.
- Long-term debt will be retired within a period not to exceed the useful economic life of the improvements and in consideration of the ability of the City to absorb such additional debt service expense.
- Variable rate debt will be budgeted at an interest rate that takes market fluctuations affecting the rate of interest into consideration.
- Proceeds from long-term debt will not be used to fund ongoing operations.
- The use of any revenue anticipation notes will be avoided if possible. If such borrowing becomes necessary, it shall be issued only to meet cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to federal IRS and state requirements and limitations.
- All borrowing will comply with regulations of the State of Tennessee and in accordance with the procedures published by the Office of Local Finance.
- The City will produce an annual report detailing all outstanding debt and future debt service schedules for all funds.
- The City will review its debt policy bi-annually or as circumstances, rules and regulations warrant.

Revenue Policies

Understanding the City's revenues is essential to ensuring that the City is financially stable. These policies, along with the previous mentioned budget policies, help to ensure that revenues are closely monitored, properly collected and fully understood.

- The City will implement user fees in all areas where feasible and productive, as well as set fees at levels related to the costs of providing the services. Moreover, user fees will be reviewed as part of the budget process and will, accordingly, be adjusted to maintain or move incrementally closer to full coverage.
- As deemed appropriate, the City will establish self-supporting enterprise funds where the relationship between operating costs and revenues will be clearly identified.
- The City will maintain effective collection systems and implement aggressive enforcement strategies to maximize revenues from available sources.
- Revenues will be projected conservatively so that actual revenues at the fund level will consistently equal or exceed budget.
- The City will limit the designation of General Fund revenues for specified purposes to maximize flexibility in budgeting and utilize revenues more efficiently.
- The City will aggressively pursue Federal and State grants.

Fund Balance

The City understands the importance of maintaining a proper fund balance for the functions of City government. Proper fund balance allows for sufficient cash flow between high and low revenue periods but also ensures security in case of a natural emergency.

- The City will maintain an unassigned fund balance in the General Fund of at least 20% of annual General Fund expenditures.
- The City will not budget for the use of unassigned fund balance in the General Fund for ongoing operations. Unassigned fund balance can be used to cover shortfalls in revenues during a fiscal year if insufficient time remains in the fiscal year to reduce expenditures or for emergency purchases (i.e. natural disasters).

Personnel

As with any organization, its employees are the most important part. Balancing what the City would like to do for its employees with the responsibility of efficient use of the taxpayer money can be a daunting task at times. It is important to provide a place of work that City employees will be secure in and to be able to provide a comparable wage to provide for a family.

- The City will provide medical, dental, vision and life insurance for employees. The employees will share in the costs of these benefits.
- The City will participate in the Tennessee Consolidated Retirement System and fully fund the plan. The FY 2025-2026 contribution rate will be 15.29% of payroll.
- The City will provide retirees of the City of Morristown who are less than 65 years of age at the time of their retirement access to group health, dental and vision insurance for the retiree and their eligible dependents. The retiree is eligible to remain on the plan until their 65th birthday and the retiree's eligible dependent may remain on the plan until their 65th birthday.

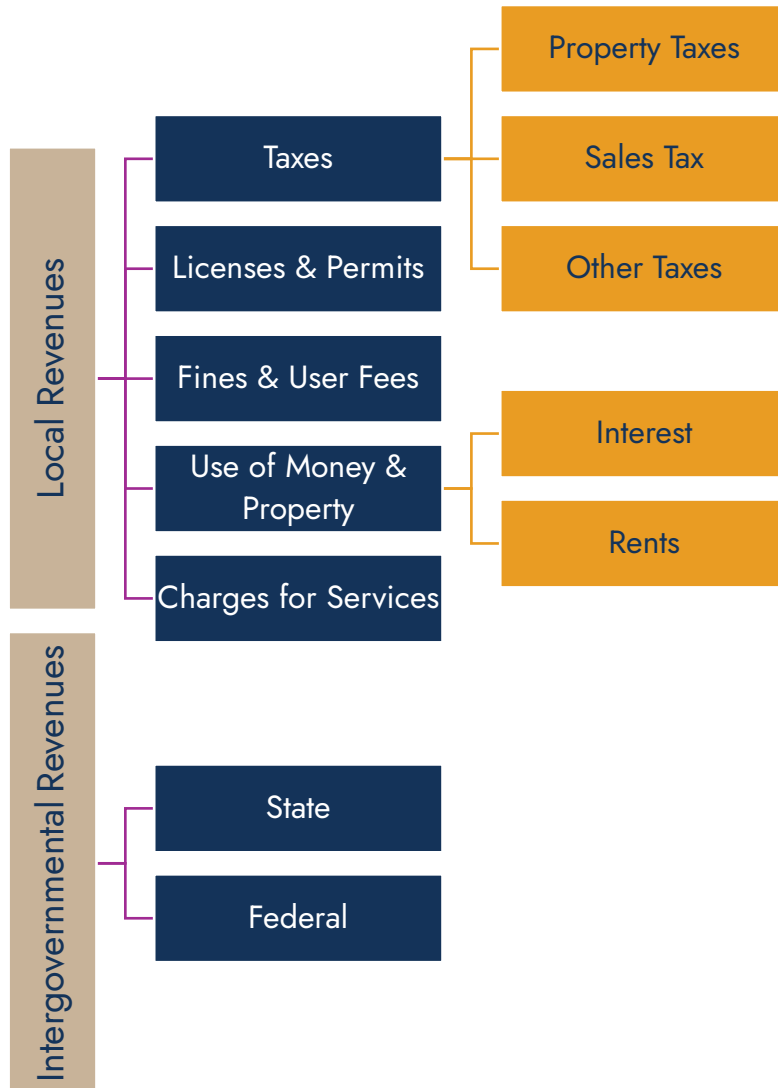
Community and Economic Development and Support

The City has a long-standing history of participating in economic and development activities, especially with regard to industrial recruitment and incentives. The City also had a history of providing funding to several non-profits, or social service agencies in the area.

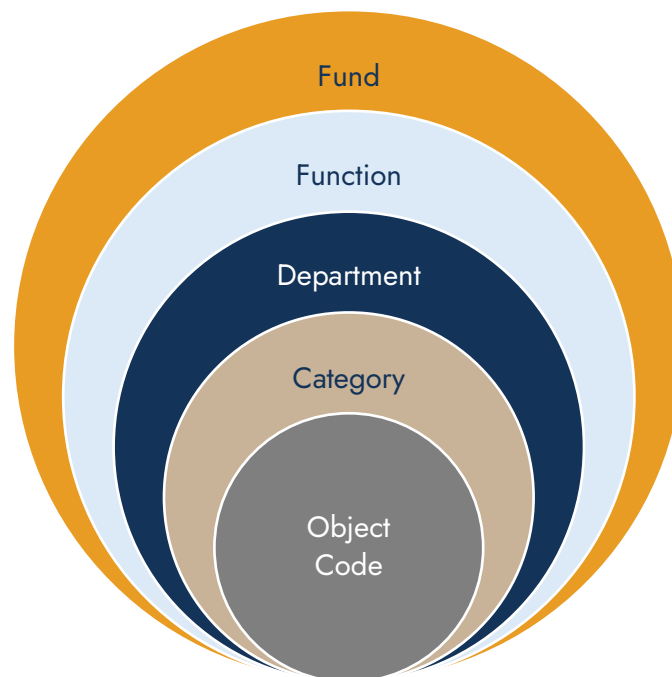
- The City will actively participate in and support activities to recruit and retain industrial development through the purchase and development of industrial park land and the use of incentives when necessary.
- The City recognizes the important role of various non-profit and social service agencies in the area. The City will make every attempt to continue funding those agencies at the same level each year. However, any "across-the-board" cuts made within the City will cause the same percentage cut in funding to those agencies. The City will also have a dollar limit of funds available to fund these 501c3 non-profit organizations (regardless where budgeted) unless specifically funded by funding formula. The amount will be \$250,000 and will be in place unless changed by Council.

Financial Structure

The City's annual operating budget is organized into funds to individually account for the City's different types of key operations. The budget is further organized into departments representing functional areas of accountability for services, and further by object codes. As you read through the budget, you will notice that revenues in the General Fund are organized as follows:



In addition, expenditures for governmental funds are generally organized in the following manner:



Funds are classified into three basic types: governmental funds, proprietary funds, and fiduciary funds.

Government Funds	Proprietary Funds	Custodial Funds
★ General ★ Special Revenue ★ Capital Projects	★ Enterprise ★ Internal Service	★ LAMTPO ★ OPEB

Governmental Funds

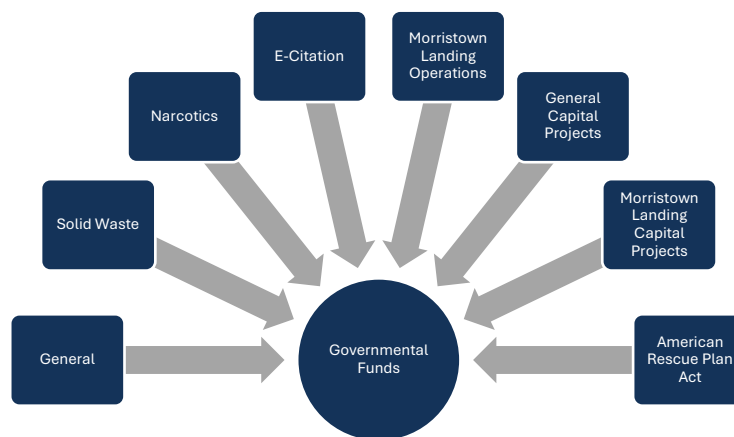
These funds are used to finance most governmental functions. Specifically, the acquisition, usage, and balances of the City's expendable financial resources as well as the related current liabilities are accounted for through governmental funds. The measurement focus is on determination of changes in financial position rather than on net income determination. The following types of governmental funds are utilized by the City:

General Fund: This is the City's primary operating fund. The General Fund provides for general purpose governmental services such as Police, Fire, and Streets Maintenance. The revenues and activities that are

required to be segregated by law or administrative decision must be accounted for in a special fund. The General Fund has a great number of revenue sources and therefore is used to finance many more activities than any other fund.

Special Revenue Funds: Special Revenue Funds account for and report the proceeds of specific revenue sources, with the exception of special assessments, expendable trusts, or major capital projects. These funds are legally restricted to expenditures for specified purposes.

Capital Projects Funds: Capital Projects Funds account for and report financial resources which are utilized for the acquisition, renovation, or construction of major capital facilities and infrastructure. These projects may include the maintenance or renovation of an existing structure. These funds adopt project length budgets as they arise during the fiscal year.



General Capital projects and Morristown Landing Capital projects are not budgeted during the normal budget process. Instead these funds' budgets are established at the time the City Council approves the project.

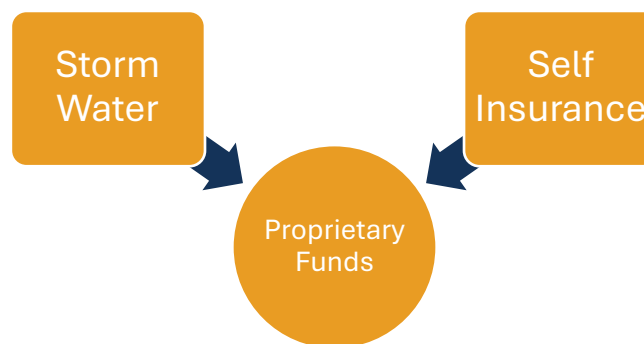
Proprietary Funds

These funds are used to account for the ongoing activities of the City which are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the City's business and quasi-business activities are accounted for through proprietary funds. As such, the measurement focus is on determination of net income, financial position, and changes in financial position. The City maintains the following two types of proprietary funds:

Enterprise Funds: Enterprise Funds are used to account for activities that are financed and operated in a manner similar to private business enterprises wherein the expenses (including depreciation) incurred in providing goods or services to the general public on a continuing basis are financed or recovered primarily

through user fees. As such, the periodic determination of revenues earned, expenses incurred, and/or net income derived from these self-supporting funds is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Stormwater Fund is the only Enterprise Fund maintained by the City.

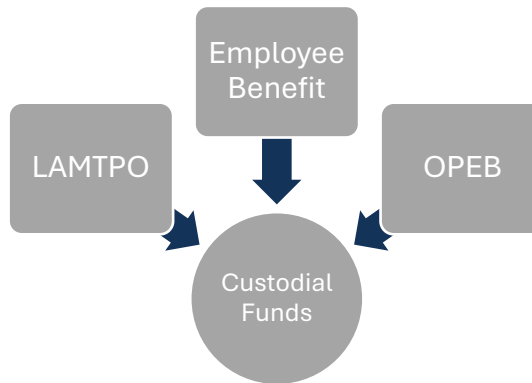
Internal Service Funds: Internal service funds are an accounting device used to report any activity that provides goods or services on a cost-reimbursement basis to other funds, departments, or agencies of the primary government and its component units, or to other governments. The City's Insurance Fund is an internal service fund accounting for our self-insurance program.



Custodial Funds

Custodial Funds, or Fiduciary Funds, are used to report resources held in a trustee or agency capacity for others and that therefore cannot be used to support the government's own programs. Morristown maintains the following fiduciary funds:

- Lakeway Are Metropolitan Transportation Planning Organization (LAMTPO) – The City is fiscal agent for this regional transportation agency
- Employee Benefit
- Post-Employment Benefit Trust



Accounting Basis

Governmental Funds are accounted for using the current financial resources measurement focus incorporated in the modified accrual basis of accounting. Under this basis, revenues are recognized when they are susceptible to accrual or when they become measurable and available. Likewise, expenditures are recorded as liabilities are incurred, if measurable, except for principal and interest on general long-term liabilities which are recognized when due. Revenues which are susceptible to accrual include grants from other governments and interest on investments. Revenue from property taxes is susceptible to accrual but is not accrued because funds are not collected in an appropriate period of time after the year's end to pay liabilities of the current period. Revenues generated from sales taxes, fines, forfeitures, penalties, alcohol taxes, and franchise fees are not susceptible to accrual as they are neither measurable nor available prior to receipt.

The Proprietary Funds, including the Enterprise Fund and the Internal Service Fund, are accounted for on the accrual basis of accounting using the economic resources measurement focus. Revenues are recognized when they are earned and become measurable. Expenses are recognized when incurred, if measurable.

The City also reports various fiduciary funds for which no budget is adopted. These funds are accounted for on an accounting basis consistent with the fund's measurement focus.

Budgetary Basis

The City Council adopts annual budgets for the City's General Fund, Solid Waste Fund, Storm Water System Fund, Narcotics Fund, E-Citation Fund, Morristown Landing Fund and LAMTPO Fund. Budgets for these funds are adopted on an accrual basis of accounting to be consistent across all types of funds presented in the budget. Appropriations lapse at the end of each fiscal year.

Budgeted Funds

General	Solid Waste
Storm Water	Narcotics
E-Citations	Morristown Landing Operations
LAMTPO	

Non-Budgeted Funds

Capital Projects
Morristown Landing Construction

Budget Process Overview

The purpose of the budget process is to present to City Council and the public a comprehensive picture of proposed operations for the budget year based on the following guidelines:

- The primary objective is to provide the highest possible level of service to residents without impairing the City's sound financial condition.
- The budget must be balanced for each fund; total projected revenues must equal total projected expenditures.
- The internal budgetary control is maintained at the department level and designed to provide reasonable assurance that these objectives are met.

The City of Morristown's budget process begins with an overall review of current City finances such as revenues, debt services and expenditures. Factors such as the condition of the economy, status of the State of Tennessee and Hamblen County budgets, recent retail and industrial growth and any other pertinent information is considered. An estimate for the current year-end is assembled and all this information is included in the City Administrator and staff's overall review.

The capital budget is prepared, and projects are prioritized by City Council. Estimates of available funds are made and based on projections by City staff, and projects are selected to be included in the proposed budget for the upcoming fiscal year.

Based on the overall review and capital projects selected for inclusion in the proposed budget, the City Administrator gives directions to the department heads regarding the initial operating budget. Department heads then prepare initial operating budgets adhering to the directions from the City Administrator.

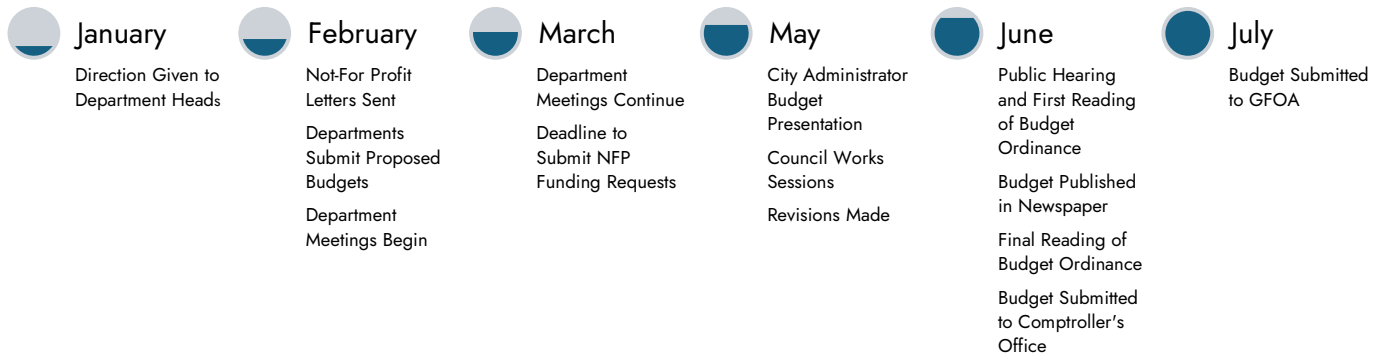
Once all department heads submit their initial operating budgets, the budgets are compiled, with the total request amounts for each fund compared to the total revenue estimates. After this is complete, the City Administrator carefully reviews the budget for each division. Department heads are then instructed to add/subtract items from their budgets based on estimates of available funds.

The City Administrator then presents a budget to City Council in a work session for their initial review. Department heads are present to assist the City Administrator and address questions from the City Council. While no formal action is taken by City Council, their input and comments lead to changes that are incorporated into the final proposed budget, appearing in ordinance form for their consideration at the first regularly scheduled City Council meeting in June.

To be adopted, the budget ordinance must be passed by City Council two times, with the first time including a public hearing. In accordance with *Tennessee Code Annotated 6-56-206*, the City advertises the budget in the *Citizen Tribune* prior to adoption.

The total budgeted amounts for each fund, as adopted, may only be amended through formal approval of the City Council by ordinance. Budgetary integrity is established in the account records for control purposes at the object of expenditure level, however, the City Administrator upon request of the department head, may transfer part or all of any unencumbered appropriation within a department or from one department to another within the same fund.

FY 2026 Budget Process Calendar



January 31	City Administrator gives directions to department heads
February 1	Letters sent to Not-For-Profit Organizations & Outside Agencies & associated advertisement in newspaper
February 21	Deadline for departments to submit proposed budgets
February 21 - March 14	Department heads meet with City Administrator to review their budgets
February 21	Deadline for Not-For-Profit / Outside Agency funding requests
May 9	City Administrator budget presentation
May 12 - May 30	Council work sessions – Revisions made to budget based on Council work sessions as needed
June 3	First reading of budget ordinance
June 6	Budget published in newspaper
June 17	Public hearing and final reading of budget ordinance
June 27	Budget submitted to Tennessee Comptroller's Office
July 31	Budget submitted to GFOA

General Information

HISTORY

The people of Morristown-Hamblen County are proud of their heritage, having a little of each period of American history reflected here. Our progressive city, through visionary leadership, is making plans and dreaming dreams for Morristown for decades to come.

Davy Crockett, famous backwoodsman and Alamo defender, lived in Morristown with his parents until 1806 when he moved west. Old timers say Davy often honed his skill with a rifle while hunting on a local hill, now called Crockett Ridge. A replica of his boyhood home, the Crockett Tavern Museum, has been constructed on the original site of the family's tavern and home. John Crockett, Davy's father, was among the first European settlers in the area. Others included Robert McFarland, Alexander Outlaw and Absalom Morris for whom Morristown is named.



Morristown was known as "the Crossroads of Dixie," serving as the crossing point of Buffalo Trail (formerly State Hwy 25E) and the main road that joined Knoxville to Baltimore (State Hwy 11E). This strategic location aided Morristown's agricultural and industrial development. The railroad companies recognized this advantage and turned Morristown into a railroad hub. Morristown was officially incorporated in 1855.

The Civil War brought turmoil to Morristown as it did to most of the nation. The town was held by both armies at some point during the conflict because of the easy access by rail. Several battles were fought in this area including the Battle of Morristown and Gillem's Stampede.

Shortly after the war, in 1870, Hamblen County was formed from sections of Jefferson, Grainger and Hawkins Counties - creating the third smallest county in Tennessee.

In the late 1800's and early 1900's, Morristown blossomed into a popular, well-rounded community. The city became the retail center for surrounding counties, and the bustling downtown business district sold everything from groceries to fine clothing. Morristown College was started in 1881 by Judson S. Hill for the education of black students in the area. In 1908, Morristown's first hospital opened, equipped with eight cots and one operating room.



Morristown sent its share of young men off to participate in the World War efforts in Europe. Two local men, Edward Talley and Calvin Ward, received the Congressional Medal of Honor for their heroism in WWI.

During the mid-1900's, Morristown continued to grow. In 1955, the airport was relocated to its present site. In 1965, Panther Creek State Park was established by the state of Tennessee on the shores of Cherokee Lake. Local shopping centers, downtown overhead sidewalks, a community college and two industrial parks were just a few of the massive projects that developed in Morristown in the '50s, '60s and '70s. Modern-day Morristown has many alluring qualities in addition to its rich history.

FORM OF GOVERNMENT

The City has been organized by a private-act charter using the Council-Administrator form of government, whereby the City Council is the legislative body of the City and is empowered by the City Charter to make all City policy. The Council, including the mayor, is elected at large for four-year overlapping terms.

The Council appoints a City Administrator to act as administrative head of the City. Serving at the pleasure of Council, the City Administrator carries out its policies, directs business procedures, and has the power of appointment and removal of most City employees. Duties and responsibilities of the City Administrator include preparation, submittal, and administration of the capital and operating budgets, advising the Council on the affairs of the City, handling citizen complaints, maintenance of all personnel records, enforcement of the City Charter and laws of the City, and direction and supervision of most departments.

The Council, in its legislative role, adopts all ordinances and resolutions and establishes the general policies of the City. The Council also sets the tax rates and approves the budget and appropriates funds.

Morristown/Hamblen County, Tennessee Largest Employers

<u>Name</u>	<u>Service</u>	<u>No. of Employees</u>
Hamblen County Dept. of Ed.	Education	1,786
Koch Foods	Mfg. - Process Poultry	951
Howmet Aerospace	Mfg. - Ceramic cores, etc.	896
Team Technologies	Mfg. - Assembled plastic parts	853
MAHLE, Inc.	Mfg. - Aluminum pistons	851
Morristown Hamblen Healthcare	Hospital/Healthcare	775
Wal-Mart	Retail	749
JTEKT Automotive	Mfg. - Power steering systems	730
Rich Products	Mfg. - Frozen cakes	680
Walters State Community College	Higher Education	650
HealthStar Physicians	Healthcare	520
Food City	Retail	422
Foundever	Service - Call Center	400
Iconex	Mfg. - Printing supplies	380
Kawasaki Tennessee, Inc.	Mfg. - Automotive parts	375
Cummins-Meritor, Inc.	Mfg. - Precision forged gears, spindles & knuckles for truck axles	364
OTICS USA, Inc.	Mfg. - Automotive parts	343
City of Morristown	Government	338
Colortech, Inc.	Mfg. - Polymer color & additive concentrates	306
Colgate Palmolive Co.	Mfg. - Dental cream & rinse	291

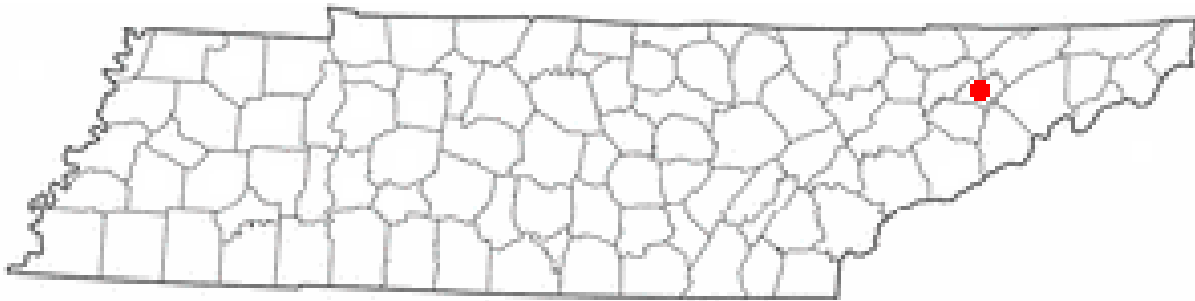
The Community Profile

SUMMARY

The Morristown Area Chamber of Commerce periodically updates a community profile in which they identify and evaluate demographic and socio-economic conditions. Based on that information and information from other governmental agencies such as the United States Census Bureau, Tennessee Department of Environment and Conservation, Tennessee Department of Transportation, and the East Tennessee Economic Development Corporation, we have completed the following analysis of the community.

GEOGRAPHY OF MORRISTOWN

The City of Morristown, located in the State of Tennessee, is the county seat of Hamblen County. The city was incorporated in 1855, while Hamblen County was formed in 1870 from parts of Jefferson, Grainger, and Hawkins counties. The first known settlers of Hamblen County, as well as East Tennessee as a whole were Native American Indians. In 1783, Robert McFarland and Alexander Outlaw, the first European settlers, migrated from Virginia to claim land grants on the “Bend of the Chucky” (Van West, 1998, pp.396-397). Shortly thereafter, the Morris brothers, Gideon, Daniel, and Absalom, took land grants within the present city limits of Morristown, providing the community with its name.



CLIMATE

Morristown, TN climate is warm during summer when temperatures tend to be in the 80's and very cold during winter when temperatures tend to be in the 30's.

The warmest month of the year is July with an average maximum temperature of 86.7 degrees Fahrenheit, while the coldest month of the year is January with an average minimum temperature of 26.3 degrees Fahrenheit.

Temperature variations between night and day tend to be moderate during summer with a difference that can reach 20 degrees Fahrenheit, and moderate during winter with an average difference of 20 degrees Fahrenheit.

The annual average precipitation at Morristown is 45.99 Inches. Rainfall is fairly evenly distributed throughout the year. The wettest month of the year is July with an average rainfall of 4.74 inches.

POPULATION OF MORRISTOWN

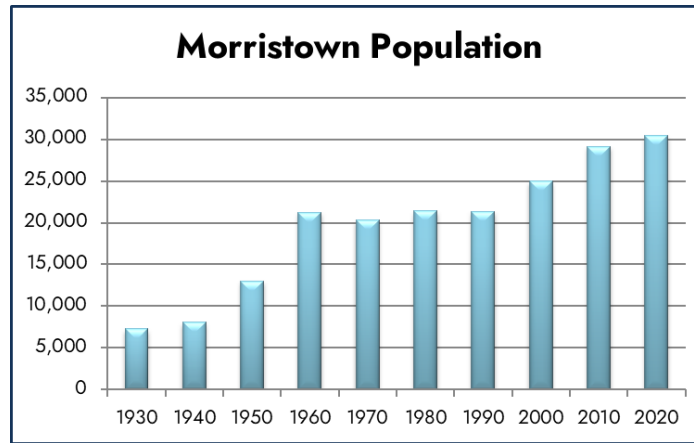
The City of Morristown is the 24th largest city within the State of Tennessee. The population has grown significantly since the 1980's. The breakdown of ages within our community indicates that we are largely a family community with the majority of our residents between the ages of eighteen and sixty-five.

2020 Demographic Profile Chart from United State Census Bureau

Population (2023 Estimate per US Census Bureau)	32,099
Population (2020)	30,585
Population Percent Change from April 1, 2010 to July 1, 2020	4.9%
Population (2010)	29,137
Persons Under 5 years old	6.4%
Persons Under 18 years old	25.1%
Persons 65 Years old and over	16.6%
Females	51.8%
White Persons	79.1%
Black Persons	7.4%
American Indiana and Alaska Native Persons	0.6%
Asian Persons	1.0%
Native Hawaiian and Other Pacific Islander	1.2%
Persons of Hispanic or Latino Origin	19.3%

The Historical Population Profile from the United States Census Bureau

Year	Morristown	Growth	Change
1930	7,305		
1940	8,050	745	9%
1950	13,019	4,969	38%
1960	21,267	8,248	39%
1970	20,318	-949	-5%
1980	21,422	1,104	5%
1990	21,385	-37	0%
2000	24,965	3,580	14%
2010	29,137	4,172	17%
2020	30,585	1,448	4.9%



ART, CULTURE, AND RECREATION IN MORRISTOWN

Art & Culture

Art and Culture in the City of Morristown includes a variety of types of events, programs, and organizations. Over 37 organizations produce approximately 125 annual arts and cultural events. These organizations include theatrical groups, dance schools, and art and historical associations. These varied events are held primarily in six cultural facilities and venues: the Rose Center, Walters State Community College Inman Humanities Complex, Crockett Tavern & Pioneer Museum, the Citizen Tribune/Jefferson Federal Amphitheater in Cherokee Park, Fulton-Hill Park, and the Downtown Green and Farmers Market. In addition to these purpose-built centers, events take place at churches, schools, and other venues.



The area has a total of 40 recorded historical landmarks or districts, including nine Historical Highway Markers; 20 Century Farms; a Historic District; nine properties registered with the National Register of Historic Places; a Civil War Trail; an Appalachian Quilt Trail, “Quilts in the Smokies;” and the Crockett Tavern.

The Morristown-Hamblen Library is home to 150,000 volumes of print. They host several community programs for children and adults including a summer reading program, arts and crafts classes, and children’s music activities.

PARKS AND RECREATION



The Morristown Parks and Recreation Department offers year-round programming. Department facilities include the Talley-Ward Community Center, eight combination tennis/pickleball courts, 27 baseball and softball fields, two football fields, eight soccer fields, a BMX track, a skate park, two splash pads, three Disc Golf courses, a running track, several miles of nature trails and greenway paths, two amphitheaters, a butterfly garden, seven playgrounds, and 13 picnic shelters/pavilions – located throughout the City among 15 different parks. Opened in 2023, the Morristown

Landing Recreation & Event Center also offers opportunities and facilities for residents, including four indoor basketball courts (convertible to volleyball or pickleball), walking track, fitness center, aquatics center, climbing wall, and event/venue meeting space.

Morristown Parks and Recreation programs include diverse events such as: Easter Eggsellent Adventure, Touch-A-Truck, BOO Fest, Kids Fun Fair, Wet-N-Wild Wednesday, Arts in The Park, and Starlite Cinemas in the park. Sports competition leagues are offered in youth basketball, flag football, cheer, baseball, and softball and adult basketball, volleyball, kickball and softball. The department also partners with outside organizations for the operation of youth and adult soccer leagues. The area is a popular destination for disc golf with four area courses and a number of popular recreation areas for boating, fishing, and hiking, including Cherokee Park, the TVA Cherokee Park Watershed, and Panther Creek State Park.

BUSINESS AND ECONOMIC DEVELOPMENT

Since the middle of the 20th century, Morristown-Hamblen County has had an increasingly diverse economic base. Once considered the poultry capital of the U.S. – shipping chickens to New York for processing – it became a furniture manufacturing center in the early 1930s when Berkline Furniture located in Morristown. Mid-century, American Enka (later BASF) established a plant for synthetic fibers, eventually employing 5,000 individuals. With the advent of technological changes, national and global economic shifts, and movement of some of these industries to other parts of the U.S. – and eventually to offshore locations – further changes were necessary. In the 1960s, the East Tennessee Valley Industrial District was established in Morristown as the first of three industrial districts, to provide an infrastructure for economic and industrial development.

Over the past two decades, Morristown-Hamblen County has continued to diversify, with companies ranging from Inteplast, an Italian based manufacturer of polypropylene film, to OTICS USA and Colgate Palmolive. Importantly, our community has also grown to be a regional medical center, including a multipurpose health center and various individual and group practices serving an eight-county area. We are also a major retail center for the Lakeway region of eastern Tennessee.

Morristown-Hamblen County has several distinct advantages for a thriving business-industrial sector: its central location in the U.S. and proximity to Interstates 81, 40, 75, and 26, placing our community within a 10-hour drive of 76 percent of the U.S. consumer market; low energy costs; two post-secondary education

institutions; and for tourism, its location along the East Tennessee Crossings Scenic Byway – the US 25E corridor from Cumberland Gap to Newport, TN.

EDUCATION

Education History in Morristown

Early education in the home began in the 1790's. In 1888, Henry Sherwood, James A. Carringer, Marion Roberts, James Rose, and Judson S. Hill were among those responsible for the development of the education system we know today. In 1910, there were 46 schools in Hamblen County, most with one teacher each, with very strict rules for students and teachers alike. For example, students were suspended for misbehaving, and single women teachers were not allowed to marry during the school year, nor could they loiter by the ice cream shop.

Bethel Baptist Church, erected in 1830, has been a focal point in Hamblen County black history. Initially a Baptist meeting place, in 1860 it became a slave market, and in 1881, Morristown College. Andrew Fulton, a young boy sold into slavery in that very building, later became a professor at the College.

Current Education in Morristown

Morristown is an active academic community, with both public and private school options for grades K-12; post-secondary education options include Tennessee College of Applied Technology (TCAT) and Walters State Community College. Early childhood education is a priority as well, with options including public pre-K, Early Head Start, Head Start and private pre-K institutions.



Growing student enrollment in Hamblen County has spurred the construction and expansion of school facilities including an expansion of TCAT in 2021 a new Lincoln Heights Elementary School that opened in 2025.

ENVIRONMENT

A thriving environment is increasingly recognized as necessary for human health and happiness as well as essential for community economic growth and prosperity. The general public, our elected and appointed officials, and the private sector are paying attention to the environment in our community as well as nationally and globally. Morristown-Hamblen County boasts a number of strategies and programs designed to sustain the environment while making the most effective use of our community's precious resources. For example, the community has strategies in place for long-term protection of water resources and growth in its drinking water production, as well as a Drought Management Strategy and a Watershed Protection Program. The two most often mentioned indicators of environmental quality are air and water. Soil conservation is also a concern, particularly in rural areas.

Air Quality

Through public and private sector cooperation and participation of community residents, Morristown-Hamblen County has achieved “attainment status” of the Federal National Ambient Air Quality Standard for Ozone. Hamblen County meets all national ambient air quality standards (NAAQS), including the 8-hour ozone standard.

Water Quality

Water-quality limited streams are those streams that have one or more attributes that do not meet state water quality standards. Since there are bodies of water, both lakes and streams, in Morristown-Hamblen County not fully supporting their designated use classifications (i.e., domestic water supply, fish and aquatic life, and recreation) such streams have been identified as impaired and, therefore, listed as such by the Tennessee Department of Environment and Conservation (TDEC) on a 303(d) list. The pollutant sources affecting these streams include pathogens (disease-causing organisms) from untreated or inadequately treated water containing human or animal fecal matter, siltation effects and/or habitat alterations. The sources of these pollutants are often associated with activities such as agriculture, deteriorating sewers, urban runoff, land development, and stream bank modifications.

According to the 2006 state, EPA-approved, Total Maximum Daily Load (TMDL) reports, slightly over 55 miles of streams in Morristown-Hamblen County are classified as impaired – 38.3% of the area’s total stream mileage, compared to 37.9% for the state, and 49.6% for the nation. The local county streams affected by pathogens alone include: 13.7 miles of Bent Creek, 4.9 miles of Flat Creek, 13.5 miles of Long Creek (only 3.3 miles of which are in Hamblen County, the remainder in Jefferson County), and 8.2 miles of Mud Creek (only 1.4 miles of which are in Hamblen County, the remainder in Hawkins County). Streams affected by either siltation and/or habitat loss include: 5.8 miles of Turkey Creek (a Hamblen County southbound stream that empties into the Nolichucky River), 3.4 miles of Robinson Creek, 7.1 miles of Hale Branch, 1.7 miles of Slop Creek, 7.5 miles of Cedar Creek (only 1.1 miles which are in Hamblen County, the remainder in Jefferson County), and 3.5 miles of Carter Branch (only 0.8 miles in Hamblen County, the remainder in Jefferson County). Also, a 4.0 mile section of the Nolichucky River, which borders Hamblen and Cocke Counties, has been listed because of both pathogens and siltation. The pollutant source for all the above county water bodies is noted as pasture grazing and/or agricultural activities.

The Hamblen County Planning Commission is working in concert with the Hamblen County Soil Conservation District (HSCD) and USDA’s Natural Resources Conservation Service (NRCS) in an effort to address these various non-point pollutant sources. Finally, 8.0 miles of the city’s northbound Turkey Creek, which empties into Cherokee Lake, is listed as being affected by pathogens, siltation and habitat loss. The pollutant sources for this stream are noted as coming from sanitary sewer collection system failures and discharges from the Municipal Separate Storm Sewer System (MS4), both of which are currently being addressed by the City’s Engineering Department and Morristown Utility’s Wastewater Departments. In 2008, the water quality from all providers (100%) of drinking water in Hamblen County met or exceeded health-based standards, compared to 94% drinking water from the state as whole, and 92% nationwide.

Soil Conservation

Notwithstanding the extensive development of the Morristown-Hamblen County area in the past two decades, our community has ample open space – important for both environmental concerns and for potential future development. More than half (55.5%) of the land in Hamblen County is undeveloped, including 24% of Morristown’s acreage and 61% of unincorporated county acreage, or approximately 12,564 acres. Included in this open space in Morristown-Hamblen County are over 2,350 acres of public parks, which represents less than 2% of the total acreage in the county. The public parks include: 16 city parks comprising 380 acres, one county park of 178 acres and one state park of 1,900 acres. The National Recreation and Park Association (NRPA) recommends 10.6 acres of park land for every 1,000 residents. For Morristown’s approximately 32,000 residents (2023 population estimates), the City’s 380+ acres of parks and park facilities easily exceeds the NRPA’s suggestion of 339 acres. Taking into consideration the entirety of Hamblen County with roughly 62,000 residents and the County’s Cherokee Park (178 acres) and Panther Creek State Park (1,900 acres), parkland acreage easily exceeds the NRPA’s suggestion of 657 acres. Park land in Morristown and Hamblen County is plentiful.

HEALTHCARE IN MORRISTOWN

A healthy population contributes importantly to a community’s quality of life. Healthy children are better able to learn and to participate in family activities, sports, and community service. Healthy adults are better able to engage in lifelong learning, to be economically productive members of the community, and to engage with their family and others in the activities of daily living, such as voluntary service and arts and recreation – the hallmarks of vibrant communities. At the broader level, healthy communities are more economically productive, more socially stable, and more engaged.



Hamblen County and Morristown boast an impressive array of health care services, ample health care providers, and a forward-thinking focus on prevention and wellness because Morristown serves as a

regional health center for an eight-county area.

Morristown-Hamblen Healthcare System’s Spirit of Women Program offers an innovative wellness program targeting women. This program, in partnership with national, state and local health and other organizations, is a forerunner in local movements to improve health and wellbeing and the ability of patients to make informed choices about their own lifestyles and health care services.

Hamblen County has 125 physicians, with most engaged in family practice and pediatrics and others practicing in specialty areas from cardiology to neurology and orthopedics. The physician to population ratio is 2.1 per 1,000 population which is lower than that for Tennessee overall, and slightly lower than the U.S. overall rate of 3.2.

The county also has 359 nurses, 29 dentists and 19 pharmacies. Four licensed mental health facilities and a total of 18 licensed mental health professionals – psychiatrists, psychologists, and psychiatric social workers – provide mental health services in the county. With an increasingly aging population, nursing home care is

vital; the county has 358 licensed nursing home beds to meet the needs of those who require skilled nursing and rehabilitation care outside of the home.

HOUSING IN MORRISTOWN

Morristown has followed the recent nationwide trends in housing. The increase in homeownership has driven development of new single-family and multi-family housing units. Housing prices, while still lower compared to larger surrounding communities such as Knoxville, have dramatically increased in value. Morristown does continue to rate nationally as one of the more affordable places in the nation to reside.

PHYSICAL INFRASTRUCTURE

The way our community uses and conserves energy and water, disposes of waste, and has access to broadband internet has significant impact on our environment, economy, education systems, households, and on our future generally.

Publicly Owned Treatment Works

Morristown Utilities (MU) is the sole provider of wastewater collection and treatment services within Hamblen County. MU operates two wastewater treatment plants (WWTP's), Turkey Creek and Lowland with approximately 13,000 customers. Turkey Creek WWTP has an average day capacity of 7.5 million gallons per day (MGD) with a peak flow design of 15 MGD. Annual average flow is approximately 4.5 MGD. Lowland WWTP has a design capacity of 0.5 MGD with an annual average flow of approximately 0.28 MGD. The Lowland WWTP currently operates under a Tennessee Department of Environment and Conservation National Pollutant Discharge Elimination System tiered permit with an allowable discharge of up to 5.0 MGD. The wastewater Collection System operates 284 miles of gravity sewer, 44 miles of force main, 28 pump stations, and 2 equalization basins with a combined capacity of 4,000,000 gallons. MU currently operates a Fats, Oil, and Grease Program regulating approximately 200 commercial dischargers and an Industrial Pretreatment Program regulating 15 industrial customers. Furthermore, MU operates and maintains a septic receiving station providing septic haulers within the Hamblen County area a location to dispose of septic waste.



Public Water Works

Morristown Utilities (MU) provides water service to the City of Morristown and Hamblen County. Furthermore, MU sells water to three adjacent Utility Districts: Alpha-Talbott, Russellville Whitesburg, and Bean Station. These Utility Districts account for 48% of MU's Roy S. Oakes Water Treatment Plant's production. The Roy S. Oakes Water Treatment Plant (WTP) has an annual average day production of 10.5 million gallons per day (MGD). The WTP has a capacity of 24 MGD with a historical peak day production of 13 MGD. The WTP is a mix media filtration plant with conventional flocculation and sedimentation but includes a secondary filtration process using deep bed Granular Activated Carbon (GAC) Contactors. GAC Contactors remove taste and odor-causing compounds along with

disinfection by-products, pharmaceuticals, PFAS, and other organic compounds. MU Water System has approximately 13,000 customers with 316 miles of water mains, 1,400 Fire Hydrants, 10 pump stations, and 14 water tanks ranging in size from 10,000 to 2,000,000 gallons operating in 11 pressure zones. MU maintains a Cross-Connection Program regulating over 2,600 backflow prevention devices. MU works closely with the City of Morristown's Fire Department to maintain an Insurance Service Organization Class 2 (1 being the best and 10 being the lowest) rating for the residents of Morristown. This rating allows residents to experience lower property insurance premiums.

Electrical Services

Morristown Utilities (MU), which provides power for about 16,000 customers, boasts low-cost services and high reliability. MU couples operational efficiencies and low power line losses to achieve optimum electric service for customers. The MU peak demands are around 170MW, and MU purchases all wholesale power requirements from TVA, which provides lower power cost compared to electric generation and transmission in most of the nation. The residential electricity consumption rate in Morristown is 1100 kWh per month. Residential usage in the City represents 18% of total energy sales. Manufacturing usage represents the majority as industry provides valuable and well-paying jobs to the community. MU rates are 17% lower than the average US municipal according to the American Public Power Association, and lower than the average municipal in Tennessee.

In 2011, MU deployed automatic metering infrastructure and Smart Grid technologies to decrease system electric loads during peak periods and insure system reliability. Technologies are available to customers in all rate classes, enabling them to monitor and reduce their energy consumption and offer more efficient methods to do business with MU. Over the last 10 years, peak demand has remained steady and energy use slightly increased. Strategic plans assume that energy usage will grow at a rate of 1-2 percent over the next 5-10 years. That rate may increase due to new residential units and the proliferation of electric vehicles. Energy use per customer has lowered due to mandated energy efficiency standards but customer count is growing.

One important benchmark is the energy used "on peak" versus "off peak," which affects wholesale power costs. Use of the smart grid technologies will help to control peaks and monitor the disruptors from renewable sources and unknown electrification effects of electric vehicle charging. MU believes it has the technology and infrastructure to meet these challenges.

Gas Services

Morristown-Hamblen County residences used an average of 850 Centrum Cubic feet (CCF) of natural gas per year from 2007-2009. The CCF rate has remained constant because of energy conservation and efficiency. Current customers by class for Morristown-Hamblen County are residential 5,978, commercial 1,462, and industrial 72.

Waste Disposal Services

Two landfills support Morristown-Hamblen County: Lakeway and Hamblen County. Landfill capacity is expected to be reached in 2030 in Lakeway and the Hamblen County landfill has undertaken recent property acquisition and an expansion project to extend capacity to serve 50 years. The City does its part to ensure that we exceed the statutory requirements for waste diversion and seeks to continuously improve.

Telecommunications

One of the first in Tennessee to do so, Morristown Utilities (MU) provides Fiber-to-the-Home (FTTH), a 100% fiber optic network to its customers. All homes and businesses inside the City of Morristown enjoy access to state-of-the-art Gig speed service. Under the business name of FiberNET, MU serves over 7,000 customers with Internet, Video, and Phone.

The FTTH network by MU provides for the highest speeds available at low cost, reliable communication needs, and local customer service solely dedicated to citizens and businesses. The fiber network enables Gigabit speeds across the City to improve quality of life, education, business efficiency, and enhance economic development. MU treats this investment with the same importance as core utility infrastructure.

PUBLIC SAFETY

Public Safety includes law enforcement, fire safety, and emergency medical services. The City of Morristown and Hamblen County have achieved a safe and prepared community through the trained professionals in each of these fields. The public safety system in our community comprises three EMS stations, six fire stations in Morristown and five in Hamblen County, one main police station and one substation; and one Sheriff's department.

Law Enforcement

The Morristown Police Department (MPD) not only meets but exceeds Federal and state requirements and also standards set by the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). The MPD offers 100 hours of in-service as compared to the 40 required hours and promotes post-secondary education. Hamblen County is currently under construction with a new justice center facility, including courtrooms, Sheriff's offices, and jail facility that will exceed all state requirements for capacity and community need.

Public safety in our community is also trend-setting. For example MPD is currently moving from a zone to a real-time, GPS-based location dispatch system for 911 calls, which will be one of the first systems of this type in the state. The City Watch Program provides emergency notification calls to local land-line telephones, as well as recall abilities for safety officials – thus improving emergency response planning.



Fire Safety

According to the International Standards Organization's (ISO) Fire Suppression Rating Schedule (FSRS), the Morristown Fire Department has an ISO rating of 2. The rating is on a 1-10 scale, with 1 being the best rating and 10 the lowest rating. Hamblen County's rating ranges from 5 - 9 depending on the specific volunteer fire station. The Morristown Fire Department has 48 certified emergency medical responders, 34 EMTs and 3 EMT-Paramedics. In 2024, Morristown had 78 city firefighters, 7 uniformed administrative staff and 1 administrative assistant.



Emergency Medical Services

Morristown-Hamblen Emergency Medical Services holds a Class A license from the Tennessee Department of Health-EMS. As of 2025, the service operates 10 ALS ambulances, with five units deployed during peak hours and four units covering nighttime shifts. Additionally, in the event of extraordinary circumstances, Morristown-Hamblen EMS has the capability to activate additional units to ensure adequate emergency response and community coverage.

Social Services

Social service needs in Morristown-Hamblen County are addressed by public agencies in the city and county as well as by private and non-profit agencies. These agencies are funded through multiple sources:

- 1) the city and county agencies receive direct Federal and State funding for certain programs (e.g., for TANF and Food Stamps) and support others through city and county taxes;
- 2) both the public and private agencies are also eligible to receive grants and contracts from the Federal government, state government, and from private foundations; and
- 3) the private and non-profit agencies receive support from the city and county and from individual and corporate donations.

The public agencies that provide direct services or contract for them with the private sector are the Tennessee Department of Human Services in Hamblen County, Douglas Cherokee Economic Authority, and the Department of Children Services – which is part of the Tennessee Department of Human Services. The Morristown Housing Authority (MHA) manages or provides direct support for public housing and other housing support programs.

In addition to these public programs, the vibrant private, non-profit community contributes to meeting social service needs. Indeed, a total of 62 private social service organizations in Morristown-Hamblen County help to meet these urgent needs through a wide array of programs in eight broad categories:



- Health, mental health (including alcohol and other drug prevention and treatment) and disability programs
- Children-focused programs
- Multi-purpose services
- Family violence and shelters
- Emergency services and food
- Education
- Senior services
- Other – adult day services, international resources, legal aid, and transportation.

There are approximately 130 houses of worship meeting the needs of both members and non-members of their faith communities.

TRANSPORTATION

The transportation system in Morristown is made up of five distinct parts. Each part services our citizens and businesses in different ways. Below is a description of each part.

Roadway System

Morristown-Hamblen County is fortunate to be centrally located within the United States – the area's proximity to Interstates 40, 81, 75, and 26 place it within a 10-hour drive of 76% of the U.S. consumer market. Currently the City of Morristown has more than 200 miles of paved roadways.

Air System

Morristown operates its own general aviation airport. According to the TN Aviation System Plan Report Card issued in 2022, Morristown Regional Airport creates a \$12.9 million economic impact annually and, at the time of the report, fixed-base operators supporting aviation activities accounted for employment of 13 people and accounted for \$3 million in direct economic impact. Business services, flight training, medical support flights, and general aviation travel have accounted for more than 25,000 operations (take-offs / landings) in the last year.

Rail System

The area is also serviced by the Norfolk Southern main line (for cargo transport only) and is within one hour, 15 minutes of two commercial airports. An average of 40 trains traverse Hamblen County daily across 43 miles of active rail tracks with 97 at-grade highway/rail crossings. There is no passenger rail service in our community.

Public Transportation System

Lakeway Transit, operated by the East Tennessee Human Resource Agency (ETHRA), is a fixed route public transportation service that has been running since February 16, 2021. There are three separate routes that serve popular shopping, medical and housing developments. In addition, ETHRA operates eight vans as part of its rural and public demand response transportation program designed to help citizens in a sixteen-county area meet their mobility needs. In addition, there are some private companies that offer public transportation services, as well as 2 car rental agencies, and 14 truck freight companies in Morristown-Hamblen County.

Bike System

Currently the City of Morristown has only two operational bike paths. The first is located along Martin Luther King, Jr. Boulevard and the second is along our completed Greenway system linking Civic Park to Fulton-Hill Park. With the federal government's push to construct complete streets which include avenues for bike travel, the Lakeway Area Metropolitan Transportation Planning Organization (LAMTPO) completed a Bicycle and Pedestrian Plan in September 2019. This plan utilizes signage to create bike paths along the existing street system.

Pedestrian Plan

The Lakeway Area Metropolitan Transportation Planning Organization (LAMTPO) adopted a Bicycle and Pedestrian Plan in September 2019. The City of Morristown had adopted a Master Sidewalk Plan and Map which identified seven walkable districts within the City of Morristown. These districts were evaluated to show the proposed location of sidewalks within the City of Morristown. The plan implemented changes within the subdivision regulations, the Zoning ordinance, and city maintenance policies. The City of Morristown adopted an Americans with Disabilities Act (ADA) Transition Plan in December 2016. All of these documents used GIS to document the conditions of the existing sidewalk network, and to help establish where new sidewalks could possibly be located. In 2002, a Greenway Master Plan was developed to show where greenways, sidewalks, bicycle paths, and/or multiuse paths could be placed within Morristown.

Glossary

Account Code – The combination of a department unit and object account that classifies all revenues and expenditures within a fund.

Active Position – A position that is budgeted and funded, whether filled or not.

Accountability – The state of being answerable; it is demonstrated by being willing and able to tell taxpayers what they are getting for their money in terms of results.

Accrual Basis Accounting – A basis of accounting in which revenues and expenses are recorded at the time they are earned or incurred as opposed to when the cash is actually received or spent. For example, revenue that is earned on June 1 but payment was not received until July 10 is recorded as revenue of June rather than July.

Annual Budget – An estimate of expenditures for specific purposes during the Fiscal Year (July 1 – June 30) and the proposed means (estimated revenues) for financing those activities.

Appraise – To estimate value, particularly of property. If the property is valued for purposes of taxation, the term “assess” means the same thing.

Appraisal – A valuation of property based on current market values.

Appraisal Ratio – The ratio between the appraised value of property and its market value, or the appraised value as a percentage of the market value. A house appraised at \$80,000 with a current market value of \$100,000 has an appraisal ratio of 80% (80,000/100,000). Using statistical techniques, Hamblen County / City of Morristown appraisal ratios are currently recalculated every five years.

Appropriation – A legal authority granted by the City Council to make expenditures and incur obligations. Appropriations authorize expenditures for a period of one fiscal year; the authority to spend lapses at the close of the fiscal year.

Appropriation Ordinance – An ordinance by which the budget appropriations are given legal effect, usually the budget ordinance.

Assessed Valuation – A value established for property for use as a basis of levying property taxes. In Tennessee, property is classified based on its use and statutory assessment percentages are applied to appraised values: Residential property 25%, Farm property 25%, Commercial and industrial property 40%, Public utility property 55%, and Business personal property 30%.

Assessment Ratio – The ratio at which the tax rate is applied to the tax base.

Asset – Resources owned or held by a government which have monetary value.

Assigned Fund Balance – The portion of fund balance that represents resources set aside (earmarked) by the City for a specific purpose but is neither restricted nor committed.

Balanced Budget – A budget in which estimated revenues and appropriated fund balances is equal to appropriations for expenditures.

Bond – A written promise a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified rate. In the budget document, these payments are identified as debt service. Bonds may be used as an alternative to tax receipts to secure revenue for long-term capital improvements. General Obligation Bonds are debt approved by Council to which the full faith and credit of the City is pledged.

Bond Rating Agencies – Companies that assess the creditworthiness of both debt securities and their issuers. In the United States, the three primary bond rating agencies are Moody's, Standard and Poor's and Fitch

Budget – A financial plan for a specified period of time that balances projected revenues to estimated service expenditures.

Budgetary Basis – This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash or modified accrual.

Budgetary Control – The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Budget Message – The opening section of the budget, which provides City Council and the public with a general summary of the most important aspects of the budget, changes from previous years, and the recommendations of the City Administrator.

Capital Expenditures – An addition to the City's assets that may or may not be capitalized depending on its value and useful life.

Capital Improvement Program – A plan for public facilities which results in construction or acquisition of fixed assets, primarily buildings and infrastructure needs, such as street improvements. The program also includes funding for parks, sewers, sidewalks, major equipment, etc., and major items of capital equipment related to the new facilities.

Capital Outlay – An addition to the City's assets. Capital equipment has a value over \$5,000 and a useful life of over two years.

CDBG – Community Development Block Grant.

CGFM – Certified Government Financial Manager. This is a professional certification awarded by the AGA (Association of Government Accountants) demonstrating competency in governmental accounting, auditing, financial reporting, internal controls and budgeting at the Federal, State, and Local levels.

Certified Tax Rate – After reappraisal, the property tax rate equates total current property tax revenues to those of the previous year's receipts plus normal growth. TCA 67-5-1701 provides that reappraisals by themselves cannot increase the City's revenues. So, for years in which a reappraisal is implemented, the certified rate forms a basis for gauging the amount of any tax increases. This ensures that tax increases are not hidden within post-reappraisal tax rates but will be known to the public. The certified tax rate is calculated using state forms and guidelines and is approved by the state board of Equalization and the City Council.

CMFO – Certified Municipal Financial Officer. The Municipal Financial Officer Certification and Education Act of 2007 (TCA 6-56-400) requires municipalities to have a chief financial officer, who is either a Certified Municipal Finance Officer or an individual who is exempt from the educational requirements leading to the CMFO designation.

Committed Fund Balance – The portion of fund balance that can only be used for a specific purpose pursuant to constraints imposed by formal ordinances/resolutions of the City Council, the City's highest level of decision-making authority.

Contingency – The appropriation or assignment of reserve funds for future allocation to be used in the event of a project overrun, or in the event specific budget allotments have expired, and additional funding is needed.

Cost-of-Living Adjustment (COLA) – An increase in salaries to offset the adverse effect of inflation on compensation.

Current Taxes – Taxes that are levied and due within one year.

Debt Service – Debt Service expenditures are the result of bonded indebtedness of the City. Debt Service expenditures include principal, interest, and bond reserve requirements on the City's outstanding debt.

Deficit – When expenditures are more than revenue.

Delinquent Taxes – Taxes remaining unpaid after the due date. Unpaid taxes continue to be delinquent until paid, abated, or converted into a lien on the property.

Department – A major administrative organizational unit, which has management responsibility for carrying out governmental functions.

Depreciation – Expiration in the service life of capital assets attributable to wear and tear, deterioration, actions of the physical elements, inadequacy, or obsolescence.

Distinguished Budget Presentation Awards Program – A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Employee Benefits (or Fringes) – Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and various pension, medical, dental and life insurance plans.

Encumbrances – The commitment of appropriated funds to an unperformed contract for goods or services. It is an estimate of the expenditure that will result when the contracts are completed.

ETHRA – The East Tennessee Human Resource Agency is a regional social service agency which provides a wide range of services to a 16-county area of East Tennessee.

ETPC – East Tennessee Progress Center is the City's newest of three industrial parks which is located at exit 8 on Interstate 81 on the southern edge of the city.

ETVID – East Tennessee Valley Industrial District is the City's first industrial park located on the eastern side of the City.

Enterprise Funds – Funds in which the services provided are financed and operated similarly to those of a private business. The rates for these services are set to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds in Morristown are established for services such as electricity, water, and sewer.

Encumbrance – The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Fiduciary Fund – A category of funds used to report assets held in a trust agreement or equivalent arrangement that has certain characteristics or in a custodial capacity for the benefit of others and which therefore cannot be used to support the government's own programs.

Fiscal Year – A twelve-month period to which the annual operating budget applies. The City of Morristown's fiscal year begins July 1st and ends June 30th.

Franchise – The granting of a special privilege to use public property such as City streets. A franchise usually involves elements of a monopoly and regulation.

Fringe Benefits – An extra benefit supplementing an employee's salary.

Full Faith and Credit – A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

Full-Time Equivalent – A measure of effective authorized positions, indicating the percentage of time a position or group of positions is funded. For an individual position, 1.00 FTE is usually equal to 2,080 hours of work per year. FTE takes into account the number of hours per week and portion of the year the position is funded.

Fund – An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific governmental functions.

Fund Balance – The excess of assets over liabilities in a fund. A negative fund balance is sometimes called a deficit.

GAGAS – Standards for conducting governmental audits as determined by the latest revision of the booklet *Government Auditing Standards* (the Yellow Book) published by the Comptroller general of the United States through the GAO.

GAO – The Federal General Accounting Office.

GASB – Governmental Accounting Standards Board. The official policy and procedural organization designated by the American Institute of Certified Public Accountants (AICPA) to establish accounting principals for state and local governments.

General Fund – The principal fund of the City, the General Fund is used to account for all activities not included in other specified funds. General Fund revenue sources include property and business taxes, licenses and permits, intergovernmental revenues, service charges, fines and forfeitures, and other types of revenue. The Fund includes most of the basic operation services, such as fire and police protection, streets and general government administration.

General Obligation Bonds – Bonds that finance a variety of public projects, such as streets, buildings, and improvements. The repayment of these bonds is usually made from the General Fund and the full faith and credits of the issuing government back these bonds.

GFOA – Government Finance Officers Association – The Government Finance Officers Association represents public finance officials in enhancing and promoting professional management of governmental resources for the public's benefit.

GIS – Geographic Information System - a system designed to capture, store, manipulate, analyze, manage, and present all types of spatial or geographical data.

Goal – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Grants – A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

Grant Match – Costs or in-kind services required to match grantors' shares of grant program costs.

HUD – US Department of Housing and Urban Development.

HVAC – Heating, ventilation and air conditioning units.

ICAC – Internet Crimes Against Children, an operation of the Police Department to provide investigators and a forensic detective to combat child predators.

ISO – Insurance Services Organization - A private organization financed by insurance companies which rates the ability of a fire department to respond to fire calls within a community.

Infrastructure – The physical assets of a government (e.g. streets, water, sewer, public buildings and parks).

Interfund Transfers – Legally authorized transfers from one fund to another. Typically, these transfers are from the General Fund to another fund to subsidize an operation that is not self-supporting.

Intergovernmental Revenues – Revenues from other governments, such as the State and Federal government in the form of grants, entitlements, and shared revenues.

Internal Control – A plan of organization under which employee’s duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. Under such a system, the work of employees is subdivided so that no single employee performs a complete cycle of operations.

Internal Services Fund – Services established to finance and account for services furnished by a designated City department to other departments.

LAMTPO – The Lakeway Area Metropolitan Transportation Planning Organization operates as the regional transportation planning and coordinating agency for portions of the urbanized areas in Morristown, Jefferson City, White Pine, and Hamblen and Jefferson Counties. The United States Census Bureau designated these areas as urbanized in May 2002.

Lapsing Appropriation – An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.

Lease Purchase Agreements – Contractual agreements, which are, termed “leases” but in effect are a contract to purchase over a period of time. Lease purchase agreements typically include a clause that the item may be purchased at the end of the lease agreement for a nominal fee.

Levy – to impose taxes for the support of government activities.

Line Item Transfers – Provides departments with flexibility within their budgets by allowing them to submit a request to move funds from one specific line item to another line item within their budgets.

Long-Term Debt – Debt with a maturity of more than one year after the date of issuance.

Major Fund – Funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least ten percent of corresponding totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all government and enterprise funds.

MDT – Mobile Data Terminal, a ruggedized laptop computer deployed in Police vehicles.

Modified Accrual Basis – Revenue is recognized in the accounting period when it becomes “susceptible” to accrual, that is, when it becomes measurable and available to finance expenditures of the fiscal period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations which should be recognized when due.

MPO – Metropolitan Planning Organization.

MTAS – Municipal Technical Advisory Service.

MUS – Morristown Utility Systems was formed by a private act of the State Legislature in 1901 under the legal name “The Board of Electric Lights and Water Works Commissioners of The City of Morristown”. Morristown Utility Systems provides water, sewer, and telecommunication and power services within the municipal boundaries of the City of Morristown to approximately 15,000 customers.

Non-Major Fund – Funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are less than ten percent of corresponding totals for all governmental or enterprise funds or less than five percent of the aggregate amount for all governmental and enterprise funds.

Non-spendable Fund Balance – The portion of fund balance that cannot be spent because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Object Code – A detailed line item expenditure category such as wages & salaries (111), office supplies (411), or motor vehicles (971).

Obligations – Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Ordinance – A formal legislative enactment by the City Council. If it is not in conflict with a higher form of law, such as a State Statute or constitutional provision, it has the full force of law within the boundaries of the City.

OPEB – Other Post-Employment Benefits that an employee will begin to receive at the start of retirement.

Operating Expense – The cost of goods and services to provide a particular governmental function. This excludes salaries and fringe benefits.

Operating Revenues – Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Pay-as-you-go Basis – A term commonly used to describe the financial policy of a government, which finances all of its capital outlays from current revenues rather than borrowing.

Performance Measures – Specific measures of work performed as an objective of the department.

PILOT – Payment in lieu of taxes.

Planned Use of Fund Balance – Carryover of appropriated expenditures from the prior year such as encumbrances or revenues received in the prior year to be expended in the following year.

Property Tax – Levied on both real and personal property according to the property's assessed valuation and the tax rate.

Proprietary Fund – Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two types of proprietary funds: enterprise funds and internal service funds.

Reappraisal – A countywide evaluation of real property based on current market value. See Certified Tax Rate.

Resolution – A special or temporary order of a legislative body; an order of a legislative body requiring less formality than an ordinance or statute.

Restricted Fund Balance – Restrictions on the expenditure of certain revenues that exceed appropriated expenditures accumulate in fund balance that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Revenue – Money that the government receives as income. It includes such items as taxes, fees, fines, grants, and interest income.

Salary and Benefit Expenses – The cost of all salaries, wages, and associated fringe benefits required to provide a governmental service.

SCADA – SCADA stands for Supervisory Control And Data Acquisition. As the name indicates, it is not a full control system, but rather focuses on the supervisory level. As such, it is a purely software package that is positioned on top of hardware to which it is interfaced, in general via Programmable Logic Controllers, or other commercial hardware modules. In Morristown, SCADA systems are used in monitoring electrical, water distribution and sewer collection systems.

Source of Revenue – Revenues are classified according to their source or point of origin.

Special Revenue Fund – These funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government.

Supplemental Appropriation – An additional appropriation made by the governing body after the budget year has started.

Tax Anticipation Note – Notes issued by states or municipalities to finance current operations before tax revenues are received. When the issuer collects the taxes, the proceeds are then used to retire the debt.

Tax Rate – The level of taxation stated in terms of either a dollar amount or a percentage of the value of the tax base.

Tax Levy – The total amount of tax that should be collected based upon the current tax rates and the assessed value of real, personal, and public utility property.

Transfer – A movement of money from one fund to another in order to provide general support, to pay for services, or to segregate funding sources for designated or restricted purposes.

Unassigned Fund Balance – The portion of the City's General Fund's balance that has not been assigned to other funds and that has not been restricted, committed, or assigned for a specific purpose and is available for general appropriation. The City maintains a fund balance to use in times of emergency.

User Charges (Fees) – The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Vacant Position – A position that is active (available and funded) but unoccupied.

Vesting – Regarding pension plans, the minimum amount of service time and age required before an employee is entitled to receipt of monthly retirement income from the Tennessee Consolidated Retirement System.

Changes Proposed to Final Budget

- Decreased line item 81000-616 / Economic Development (Hotel/Motel Tax) in the amount of \$180,000. This expenditure is based on tax collected and the expenditure was based on more than the estimated revenue amount.
- The ARPA Fund budget was inadvertently not included in the draft and was added in the final version.
- The budget detail for the Storm Water debt was inadvertently not included in the draft, but has been added to the final version. The dollar amounts were accounted for. It was only the chart with the budget dollars that was left out. This can be found on page 314 of the final version.
- Based on the MTAS Funding Model, (a funding formula the City of Morristown and Hamblen County utilize) the funding for the Emergency Communications District (E-911) decreased in the amount of \$10,872. Revised funding amount is \$300,540.
- This is related to the Ordinance. After the first reading it was discovered that one of the required State of Tennessee Comptroller debt charts was in the wrong place on the ordinance and another one was missing altogether. The debt chart relating to the General Fund was included, but instead of being after the General Fund, it was located after the LAMTPO fund. This has been corrected. The debt chart for the Stormwater Fund was missing and has now been added.
- It is a reappraisal year for Hamblen County (which includes the City of Morristown). Since the tax rate is set by the State of Tennessee Comptroller's Office during reappraisal years, estimates regarding the new rate were made based on the current assessment data we had at the time. To keep this revenue stream "flat" we estimated the FY26 tax rate would be between \$1.03 - \$1.04. We received the equalized tax rate from the State in mid-June and the actual rate will be \$0.9424. Since assessments have increased considerably, the decrease in the tax rate should not have any negative consequences regarding this revenue stream.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**Fiscal Year 2025
July 1, 2024 - June 30, 2025**

Prepared by Finance Department

CITY OF MORRISTOWN, TENNESSEE
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**INTRODUCTORY
SECTION**

The City of Morristown

Office of Administration



December 2, 2025

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Morristown:

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), audited in accordance with generally accepted auditing standards and in accordance with Government Auditing Standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Morristown for the fiscal year ended June 30, 2025.

This report consists of management's representations concerning the finances of the City of Morristown. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Morristown has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and compile sufficient reliable information for the preparation of the City of Morristown's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Morristown's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Morristown's financial statements have been audited by Mauldin & Jenkins L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Morristown for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Morristown's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Morristown was part of a broader, federally mandated "Uniform Guidance" designed to meet the special needs of federal grantor agencies. The standards governing Uniform Guidance engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal

controls and legal requirements involving the administration of federal awards. These reports are available in the compliance report section of this ACFR.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Morristown's MD&A can be found immediately following the report of the independent auditor.

Profile of the Government

The City of Morristown was incorporated in 1855 and operates under a council-administrator form of government. It is located between two major Tennessee Valley Authority lakes approximately 40 miles northeast of Knoxville on Interstate-81 and approximately 60 miles southwest of the Tri-Cities area on the same highway. The City currently occupies a land area of approximately 22 square miles and serves a population of approximately 32,099. The City is authorized by state statutes to levy a property tax on both real and personal properties located within its boundaries.

Policy-making and legislative authority are vested in the governing body, consisting of the Mayor and six city council members. The Council is responsible, among other things, for passing ordinances, resolutions, adopting the budget, appointing committees, and hiring the City Administrator, City Attorney, Police Chief, and Fire Chief. The City's Administrator is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City and for appointing the heads of various departments.

The City of Morristown provides a full range of services, including police, fire, street construction and maintenance, solid waste collection and recycling, planning and zoning, parks and recreation, cultural events and general administrative services. In addition, water, electric, broadband, sewer service, and storm water collection are provided under an Enterprise Fund concept with user charges established by the Council and/or the Morristown Utility Commission to ensure adequate coverage of operating expenses and payments on outstanding debt.

The annual budget serves as the foundation for the City of Morristown's financial planning and control. All departments of the City of Morristown are required to submit requests for appropriation to the City Administrator. The City Administrator uses these requests as the starting point for developing a proposed budget. The City Administrator then presents this proposed budget to the Council for review by May 15th. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the City of Morristown's fiscal year. The appropriated budget is prepared by fund, function, and department. The City Administrator may make transfers of appropriations within a department. Budget-to-actual comparisons are provided in this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Morristown operates.

Local Economy

The City of Morristown is the center of the Morristown Metropolitan Statistical Area (MSA). The region is typified by strong manufacturing, and the city serves as a regional retail and employment hub. While manufacturing is diversified, there are concentrations of automotive suppliers, food processing, and plastic processing. The city serves as a regional medical center and is the home of both Walters State Community College and the Tennessee College of Applied Technology (TCAT). Agriculture is the primary business in the surrounding area with Morristown serving as the employment and commercial center. Institutions like Walters State and the medical sector help stabilize the local economy and help us to manage through downturns.

Based on its location, the City of Morristown functions as a regional hub for employment, commercial, and servicing needs for the surrounding area. The City of Morristown, along with cooperative efforts by the Morristown Chamber of Commerce, Hamblen County Government, and its citizens has been one of the state's most successful recruiters of regional, national, and international industry despite being the third smallest county in the State of Tennessee in terms of land size. The economy continues to have an impact on every segment of Morristown's largest taxpayers. The breakdown of assessed values between commercial and residential is 70% and 30%, respectively. Manufacturing continues to make up the majority of property tax assessments for the City of Morristown.

The continued growth of manufacturing in Morristown has helped sustain a very robust residential development and supported commercial growth despite a difficult national environment for brick-and-mortar commercial construction. Over the past several years, the City of Morristown has experienced a significant amount of retail development as several national retail chains continue to locate to Morristown. This, combined with significant residential development has contributed to sales tax growth of approximately \$504,000 (2.61%) over the prior fiscal year.

Commercial, residential, institutional, and industrial development all remain strong. For calendar year 2024, the Planning department oversaw the approval and development of an incredible list of restaurants, hotels, storage facilities, offices and medical facilities, retail stores, a strip mall, industrial expansions, a school, and the county's justice center.

Site plans reviewed in 2024 continued an upward trend and outpaced 2023. In the last year, industrial development has accounted for \$194 million in building expansion and new equipment and 383 new jobs.

On the residential side, development continues to remain steady. The number of new homes over the past four years has averaged over 150 homes per year, which is significantly higher than previous years. Based on the number of available lots and the number of subdivisions which are in different stages of development, this trend is expected to continue.

Long-term Financial Planning and Major Initiatives

The City of Morristown employs a policy of maintaining an unassigned fund balance of no less than 20% of General Fund expenditures. The City had an unassigned fund balance of \$20.4 million at June 30, 2025 in its General Fund. This represents an unassigned fund balance of approximately 39% compared to expenditures. This compares to 46% unassigned fund balance compared to ex-

penditures for the fiscal year ended June 30, 2024. Though a portion of the unassigned fund balance was assigned during the year for certain capital projects (local match for East Morris Resurfacing, right of way acquisition for Central Church Road widening, Site Development for Lot 10, Morristown Landing Operations increase, Cherokee and Walters Drive round a bout & easements and right of way purchases related to East Morris), the City still maintains a healthy unassigned balance, which is attributed in part to the modest growth in local revenues, in particular sales tax. It should be stressed that fund balance is only used for capital items and is not used for re-occurring expenditures.

The City of Morristown continued to demonstrate effective long-term planning with the adoption of its 2025-2026 fiscal year budget. The City of Morristown was proactive in that it appropriated \$7.5 million from fund balance for street projects, various capital projects and to purchase specialty vehicles.

There are various other projects that began in FY24 that continued into FY25, including a new Fire Station and major park improvements that are funded via the issuance of new debt in the amount of \$9,700,000. The new debt was issued without the need for an increase in the property tax rate.

While the City was already pursuing major capital projects, the American Rescue Plan Act of 2021 (ARPA) has expanded opportunities for transformational improvements. City Council allocated \$8.2 million from a direct federal grant and \$4.5 million in state-allocated ARPA funds for targeted utility upgrades, including \$4 million in ARPA and TDEC funding used with Morristown Utilities to construct a new water tank at Exit 12 that was completed earlier this year. ARPA projects are large in scale and have spanned multiple fiscal years; All ARPA-supported projects are wrapping up and the fund will close in fiscal year 2026. This funding enabled the City to address critical needs that could not have been met with local resources alone.

The Cumberland Street corridor, once a central and vibrant part of Morristown, has experienced significant decline and no longer serves as an appropriate gateway to the city. The City successfully secured a \$23 million RAISE grant to revitalize the corridor, improve its overall function, and restore its role as a source of community pride. Design and engineering efforts, along with public engagement meetings, have been conducted this year to advance the project.

Relevant Financial Policies

Idle cash is invested in a money market investment account and with the State of Tennessee Treasurer's Local Government Investment Pool (LGIP) for most of the operating reserves of the City. Staff have reviewed various investment alternatives allowed under State statute and both of these options are offering the most competitive rates with increased liquidity. Cash is transferred into the operating account of the City as needed.

Awards and Acknowledgment

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Morristown for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the thirteenth

consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City of Morristown also received the GFOA's Distinguished Budget Presentation award for its annual budget document for the 2025-2026 fiscal year. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the dedication and hard work of the Department of Finance, led by Director Michelle Woods, CGFM, CMFO. We extend our sincere appreciation to the Finance staff, as well as to the many employees across departments, agencies, and authorities who contributed to its development. We also wish to thank the Mayor and City Council for their continued commitment to upholding the highest standards of professionalism in the financial management of the City of Morristown.

Respectfully submitted,



Andrew Ellard, CMFO
City Administrator



Emily Wood
Assistant City Administrator/Finance & Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Morristown
Tennessee**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO

CITY OF MORRISTOWN, TENNESSEE
DIRECTORY OF PRINCIPAL OFFICIALS

June 30, 2025

MEMBERS OF CITY COUNCIL

Gary Chesney, Mayor

Al A'Hearn
Chris Bivens
Bob Garrett
Tommy Pedigo
Joseph Senter
Kay Senter

GENERAL CITY GOVERNMENT

Andrew Ellard City Administrator
Larry Clark Assistant City Administrator/Operations
Emily Wood Assistant City Administrator/Finance & Administration
Lauren Carroll..... City Attorney
Michelle Woods..... Finance Director
Steve Nielson..... Director of Planning
Roger Overholt Chief of Police
Clark Taylor Fire Chief
Paul Brown Director of Public Works
Travis Barbee Director of Parks and Recreation

**FINANCIAL
SECTION**



INDEPENDENT AUDITORS' REPORT

**The Honorable Mayor and Members
of the City Council of the
City of Morristown, Tennessee**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Morristown, Tennessee** (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Morristown, Tennessee as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Solid Waste Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Morristown Utilities Commission, which represent 94%, 96%, and 100%, respectively, of the assets, net position, and revenues of the business-type activities as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Morristown Utilities Commission is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained on *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 25), the schedule of changes in net pension liability (asset) and related ratios based on participation in the public employee pension plan of TCRS, schedule of contributions based on participation in the public employee pension plan of the TCRS, schedule of changes in net OPEB liability and related ratios, schedule of changes in total OPEB liability and related ratios – Morristown Utilities Retiree Benefit Plan, schedule of investment returns – OPEB trust, and schedule of OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), schedule of expenditures of state awards, the schedule of changes in long-term debt by individual issue, schedule of principal and interest requirements, and the schedule of revenues, expenditures, and changes in fund balance – State Street Aid Fund within General Fund, the schedule of interfund transfers, and the schedule of interfund receivables and payables, as listed in the table of contents (collectively the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

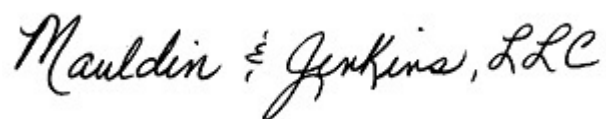
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Chattanooga, Tennessee
December 17, 2025

Management's Discussion & Analysis

As management of the City of Morristown, Tennessee, we offer readers of the City of Morristown's financial statements this narrative overview and analysis of the financial activities of the City of Morristown for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in our letter of transmittal, which can be found on pages i through v of this report.

Financial Highlights

- **Net Position**

The City of Morristown's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$312.7 million.

Of this amount, \$80.2 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

- **Change in Net Position**

The City of Morristown's total net position increased by approximately \$18 million. Charges for services, which are program specific revenues, accounted for \$138.5 million in revenue or 69.7% of all government revenues. The majority (96.68%) of the charges for services are from Morristown Utilities Commission. General revenues of the primary government account for \$54.4 million or 27.38% of all government revenues.

While there are numerous factors that come into play, the overall increase is attributed mostly to the timing of capital projects and when capital assets were placed into service. Total capital assets net of depreciation increased \$7.3 million in FY25 compared to the prior year. This increase in part is attributed to the completion of several major projects such as the opening of the new Fire Station #3 and the associated training tower and completion of the MAID Drainage Ditch Project as well as the purchase of several other capital assets such as vehicles and equipment purchased and placed into service during the fiscal year.

Another item attributed to the increase is the debt that was issued for various utility projects that were not spent down as of the end of the fiscal year. There was approximately \$20.2 million of unspent proceeds at June 30, 2025.

- **Governmental Fund Balances**

As of the close of the current fiscal year, the City of Morristown's governmental funds reported combined fund balances of approximately \$57.3 million, a decrease of \$3.2 million in comparison with the prior year. Overall while general revenues increased slightly when compared to the prior year at around 1.35% or \$780,000 and expenditures decreased compared to the prior year around 2.75% or \$1.7 million, current year revenues were not enough to cover current year expenditures.

The strongest revenue growth was once again in local option sales tax collection. Local option sales tax comprises \$500,000 of the \$780,000 revenue growth. Contributing factors to the growth in this revenue source are believed to be due to the continued growth in residential development and the rising costs of goods.

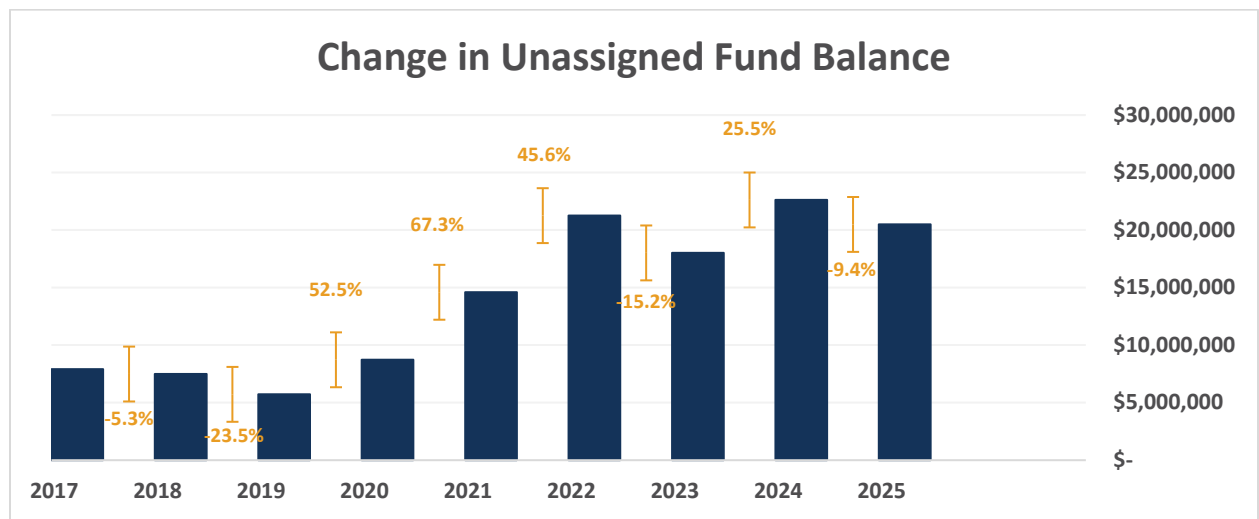
Management's Discussion & Analysis

The main contributing factor to the decrease in expenditures is the timing of capital projects and the purchase of other, smaller capital items.

At the end of the current fiscal year, the unassigned fund balance for the City of Morristown's General Fund was approximately 35% of total fund balance and is available for spending at the government's discretion. (unassigned fund balance).

- **Unassigned Fund Balance**

At the end of the current fiscal year, unassigned fund balance for the City of Morristown's General Fund was approximately \$20.4 million, or approximately 38.4% of total General Fund expenditures.



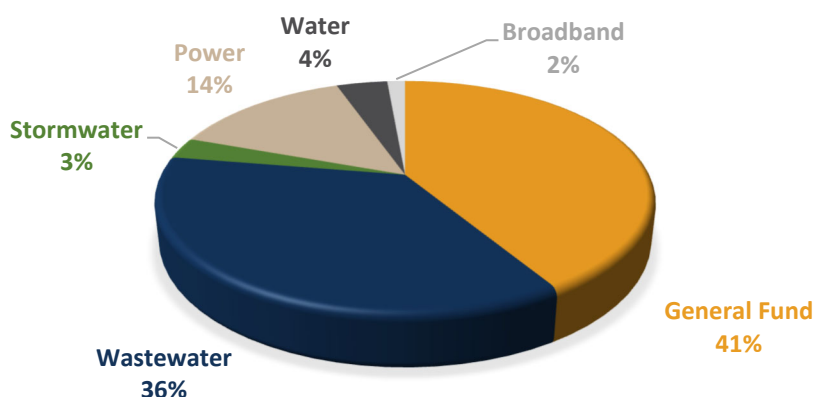
- **Debt Position**

The City of Morristown's total outstanding long-term debt increased by \$4.5 million, bringing the total to \$156.9 million. The following factors contributed to this increase:

- New debt issued for the Wastewater System, Power System, and the Stormwater System totaling \$19.3 million.
- Refunded debt in relation to the General Government, Solid Waste Fund, Stormwater System and Wastewater System in the amount of \$2.4 million.
- Debt retired during the fiscal year totals \$12.9 million.

Management's Discussion & Analysis

OUTSTANDING LONG-TERM DEBT



Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Morristown's financial statements. The City of Morristown's basic financial statements consist of three components:

- 1) Government-Wide Financial Statements
- 2) Fund Financial Statements
- 3) Notes to the Financial Statements

This report also includes supplementary information intended to furnish additional details to support the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Morristown's finances, in a manner similar to a private-sector business and consist of the following two statements.

The **statement of net position** presents information on all the City of Morristown's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Morristown is improving or deteriorating.

The **statement of activities** presents information showing how the City of Morristown's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned, but unused vacation leave).

Both government-wide financial statements distinguish functions of the City of Morristown that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

Management's Discussion & Analysis

The **governmental activities** of the City of Morristown include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation.

The **business-type activities** of the City of Morristown include the power, water, storm water, broadband, and wastewater systems.

Of the business-type activities, the Morristown Utilities Commission is responsible for water, power, wastewater, and broadband. The Morristown Utilities Commission is a component unit of the City and therefore has been included as a business-type activity of the primary government. The Morristown Utilities Commission issues a separate financial report and information from that report is used in this report. Readers should consult the Morristown Utilities Commission's Annual Financial Report for more detailed information on their finances.

The government-wide financial statements can be found on pages 26-27 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Morristown, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Morristown can be divided into three categories:

Government Funds	Proprietary Funds	Fiduciary Funds
★ General	★ Enterprise	★ LAMTPO
★ Special Revenue	★ Internal Service	★ OPEB
★ Capital Projects		

Governmental funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

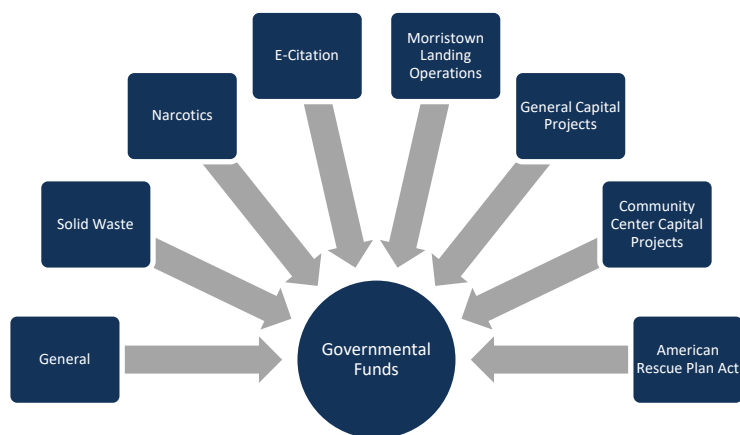
Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Management's Discussion & Analysis

The City of Morristown maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Solid Waste Fund, and the General Capital Projects Fund which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 101-102 of this report.

The City of Morristown adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided on pages 32-34 for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28-31 of this report. The combining statements can be found on pages 101-108 of this report.



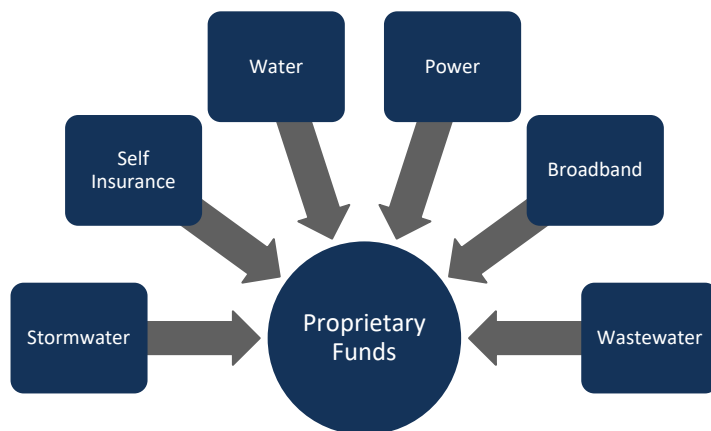
Proprietary funds

The City of Morristown maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Morristown uses enterprise funds to account for its water, wastewater, stormwater, broadband and power systems. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Morristown's various functions. The City of Morristown uses an internal service fund to account for its self-insured employee health insurance program. Because the services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for wastewater, water, power and broadband systems, all of which are considered major funds of the City of Morristown. The storm water system is not considered to be a major fund; however, it is presented separately in the proprietary fund financial statements because it is the only other proprietary fund.

Management's Discussion & Analysis

The basic proprietary fund financial statements can be found on pages 38-38 of this report.

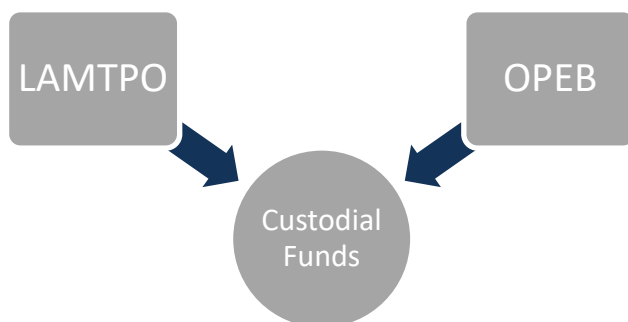


Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City of Morristown's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Morristown maintains two fiduciary funds. The City of Morristown uses a custodial fund to account for the Lakeway Area Metropolitan Transportation Planning Organization (LAMTPO) funding. LAMTPO is the metropolitan planning organization for Morristown's region encompassing two counties and four cities. LAMTPO's board consists of members from these localities consisting of Mayors and City Administrators. The City also maintains a trust fund for the Other Post Employment Benefit (OPEB) obligation. The administration of the fund assets is contracted out to USI Advisors, Inc.

The basic fiduciary fund financial statements can be found on pages 39 and 40 of this report.



Management's Discussion & Analysis

Notes to the financial statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on Page 41-93 this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Morristown's progress in funding its obligation to provide pension and OPEB benefits to its employees. A table of contents has been provided to locate this information.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City of Morristown, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$310.3 million at the close of the most recent fiscal year.

City of Morristown's Net Position

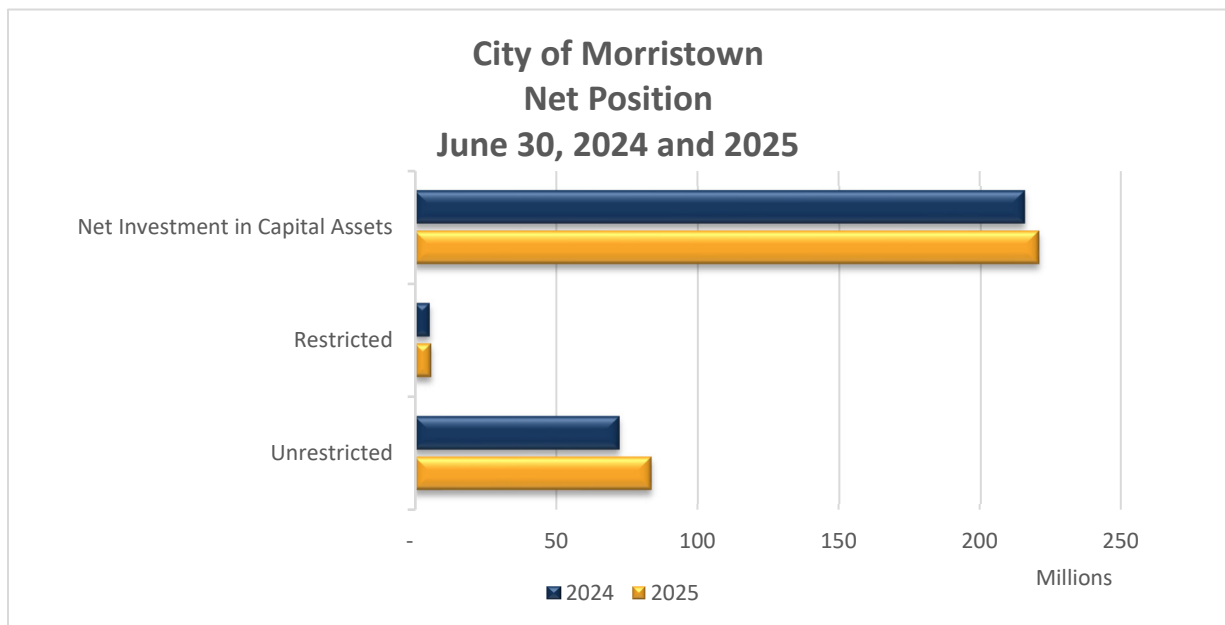
	Governmental Activities		Business-Type Activities		Total	
	2025	2024 - as restated	2025	2024	2025	2024 - as restated
Current and other assets	\$ 82,483,899	\$ 89,396,955	\$ 75,612,788	\$ 56,708,907	\$ 158,096,687	\$ 146,105,862
Capital assets	131,645,912	129,689,172	234,876,891	229,563,069	366,522,803	359,252,241
Total Assets	214,129,811	219,086,127	310,489,679	286,271,976	524,619,490	505,358,103
Total deferred outflows of resources	9,880,820	8,316,234	621,501	751,015	10,502,321	9,067,249
Long-term liabilities outstanding	64,966,803	69,577,252	87,745,685	79,792,887	152,712,488	149,370,139
Other liabilities	17,082,125	19,802,723	31,524,344	30,036,575	48,606,469	49,839,298
Total liabilities	82,048,928	89,379,975	119,270,029	109,829,462	201,318,957	199,209,437
Total deferred inflows of resources	19,820,350	19,273,792	1,299,522	1,285,833	21,119,872	20,559,625
Net position:						
Net investment in capital assets	69,438,806	68,627,397	157,160,444	147,114,452	226,599,250	215,741,849
Restricted	5,902,557	5,390,294	-	-	5,902,557	5,390,294
Unrestricted	46,799,990	44,730,903	33,381,185	28,793,244	80,181,175	73,524,147
Total net position	\$ 122,141,353	\$ 118,748,594	\$ 190,541,629	\$ 175,907,696	\$ 312,682,982	\$ 294,656,290

By far the largest portion of the City of Morristown's net position (72%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related outstanding debt that was used to acquire those assets. The City of Morristown uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are *not* available for future spending. Although the City of Morristown's investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion & Analysis

An additional portion of the City of Morristown's net position (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$80,181,175 (25.7%) is unrestricted and may be used to meet Morristown's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Morristown is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior five fiscal years.



The City of Morristown's overall net position increased by approximately \$16.8 million (5.7%) from the prior fiscal year. The reasons for the overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental activities

While revenue saw overall declines and expenses saw a slight increase of around \$659,000, one might expect a decline in net position. However, during the current fiscal year, net position of the governmental activities increased by \$3.4 million (2.9%). Noted below are a few of the factors contributing to this increase in net position.

Overall, revenue saw a decrease of around \$1.08 million (-1.83%). While most revenue streams are down compared to the prior year, local option sales tax continues to show modest growth around \$500,000, and other local taxes and charges for services saw slight growth around \$171,000. There was a slight decrease in property tax collection of around \$345,000. Much of the decrease is contributed to a combination of the appraisal ratio decreasing from .7751 in prior year to 0.6248 in the current year and prior year tax collections decreasing. While there was slight growth, this growth was offset by the aforementioned factors. The City also saw a decrease of \$440,000 in investment income. The reduction is attributed to bonds that were previously invested being utilized for capital projects.

Management's Discussion & Analysis

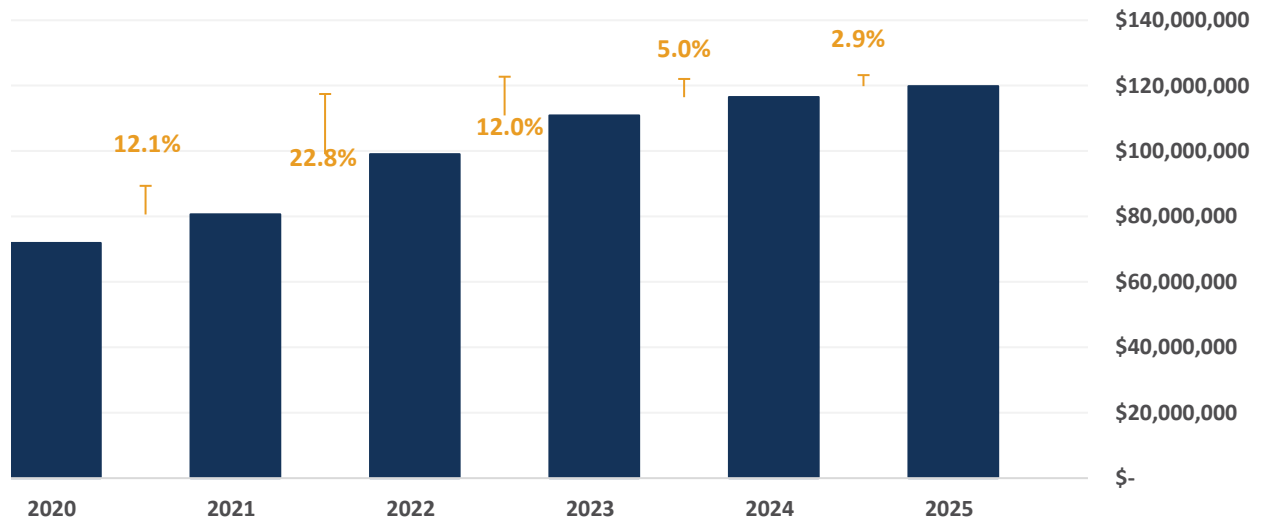
Another factor contributing to the increase in net position was the increase in capital assets net of depreciation of approximately \$1.9 million when compared to the prior year. This increase in part is attributed to the completion of several major projects such as the opening of the new Fire Station #3 and the onsite training tower, the completion of the Snyder Road connections to Frank Lorino Park, and purchase of several other capital assets such as vehicles and equipment that were purchased and placed into service during the fiscal year.

City of Morristown's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024 - as restated	2025	2024	2025	2024 - as restated
Revenues:						
Program Revenues:						
Charges for Services	\$ 4,598,570	\$ 4,426,960	\$ 133,898,378	\$ 121,630,622	\$ 138,496,948	\$ 126,057,582
Operating grants & Contributions	2,148,991	1,838,461	-	-	2,148,991	1,838,461
Capital Grants & contributions	3,155,709	3,639,264	501,550	642,200	3,657,259	4,281,464
General revenues:						
Property taxes	14,739,518	15,084,275	-	-	14,739,518	15,084,275
Sales tax	19,818,242	19,314,036	-	-	19,818,242	19,314,036
Intergovernmental	7,690,647	9,716,673	-	-	7,690,647	9,716,673
Other	5,929,052	5,145,917	6,226,359	5,947,544	12,155,411	11,093,461
Total revenues	58,080,729	59,165,586	140,626,287	128,220,366	198,707,016	187,385,952
Expenses:						
General government	12,592,904	8,183,693	-	-	12,592,904	8,183,693
Public safety	15,845,094	21,347,968	-	-	15,845,094	21,347,968
Public works	14,784,821	13,971,662	-	-	14,784,821	13,971,662
Culture & recreation	5,888,790	5,099,998	-	-	5,888,790	5,099,998
Civic support	1,979,201	1,883,218	-	-	1,979,201	1,883,218
Interest on long-term debt	2,257,633	2,202,442	-	-	2,257,633	2,202,442
Water	-	-	8,639,765	7,975,933	8,639,765	7,975,933
Wastewater	-	-	15,960,824	15,301,414	15,960,824	15,301,414
Storm water	-	-	1,413,311	1,531,530	1,413,311	1,531,530
Power	-	-	92,448,724	83,265,571	92,448,724	83,265,571
Broadband	-	-	8,869,257	8,803,845	8,869,257	8,803,845
Total expenses	53,348,443	52,688,981	127,331,881	116,878,293	180,680,324	169,567,274
Increase (decrease) in net position before transfers	4,732,286	6,476,605	13,294,406	11,342,073	18,026,692	17,818,678
Transfers	(1,339,527)	234,913	1,339,527	(234,913)	-	-
Increase (decrease) in net position	3,392,759	6,711,518	14,633,933	11,107,160	18,026,692	17,818,678
Net position - July 1	117,592,542	110,881,024	175,907,696	164,800,536	293,500,238	275,681,560
Error correction - inventory	1,135,320	-	-	-	1,135,320	-
Adjustment - change in reporting entity	20,732	-	-	-	20,732	-
Net position - July 1, as adjusted	118,748,594	110,881,024	175,907,696	164,800,536	294,656,290	275,681,560
Net position - June 30	\$ 122,141,353	\$ 117,592,542	\$ 190,541,629	\$ 175,907,696	\$ 312,682,982	\$ 293,500,238

Management's Discussion & Analysis

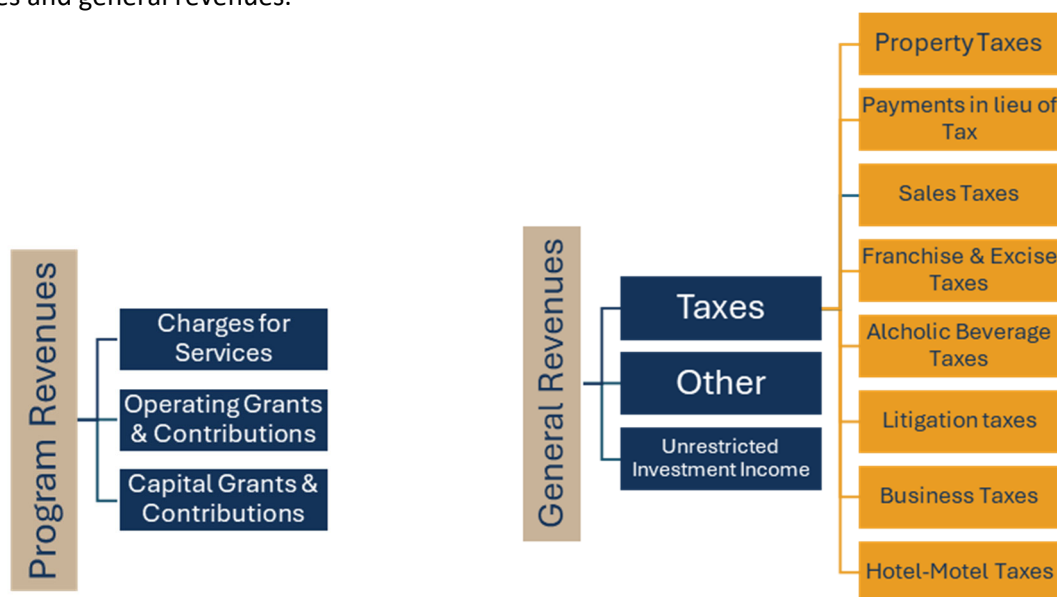
Change in Net Position - Governmental Activities



Management's Discussion & Analysis

Revenues

Revenues on the government-wide Statement of Activities are broken into two major categories: program revenues and general revenues.



Program revenues

Program Revenues include three types: charges for services (arise from charges to customers), operating grants and contributions (restricted for a specific purpose), and capital grants and contributions (restricted for a specific purpose).

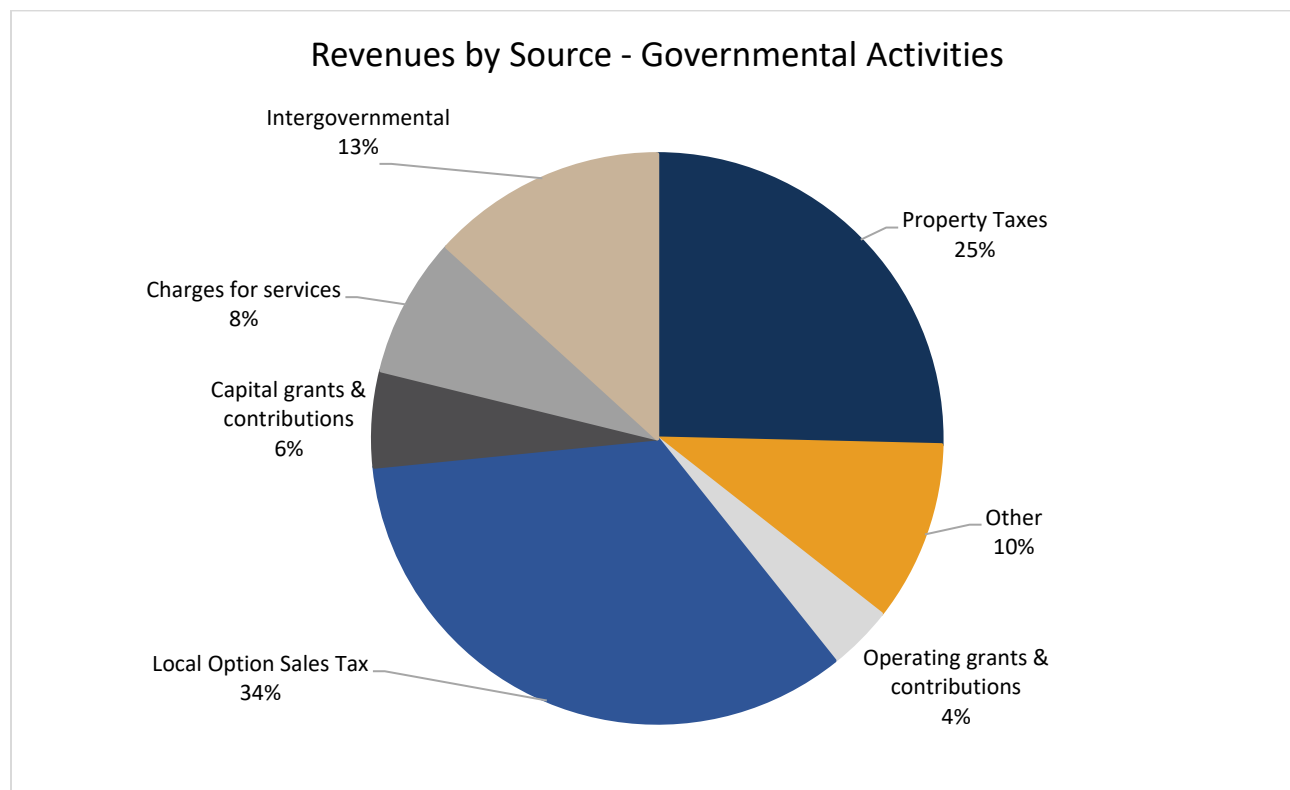
General revenues

General Revenues are all revenues that do not qualify as program revenues and by far are the largest revenue source.

The largest revenue sources within this major category are local option sales tax and property taxes, both of which continue to be stable revenue sources for the City of Morristown and when combined represent 59.5% of the general revenues. Overall general revenues decreased by approximately \$1.08 million compared to the prior year. The main portion of the decrease is attributed to intergovernmental revenues which decreased around \$2.02 million.

While revenues overall decreased, local option sales tax increased by approximately \$504,000 (2.61%) compared to the prior year. The continued growth in local sales tax is thought to be in part due to people relocating to Morristown along with the rising cost of consumer goods. The only other general revenue source that saw growth was within the “other” category, which increased around \$783,000 (15.22%).

Management's Discussion & Analysis



Governmental expenses

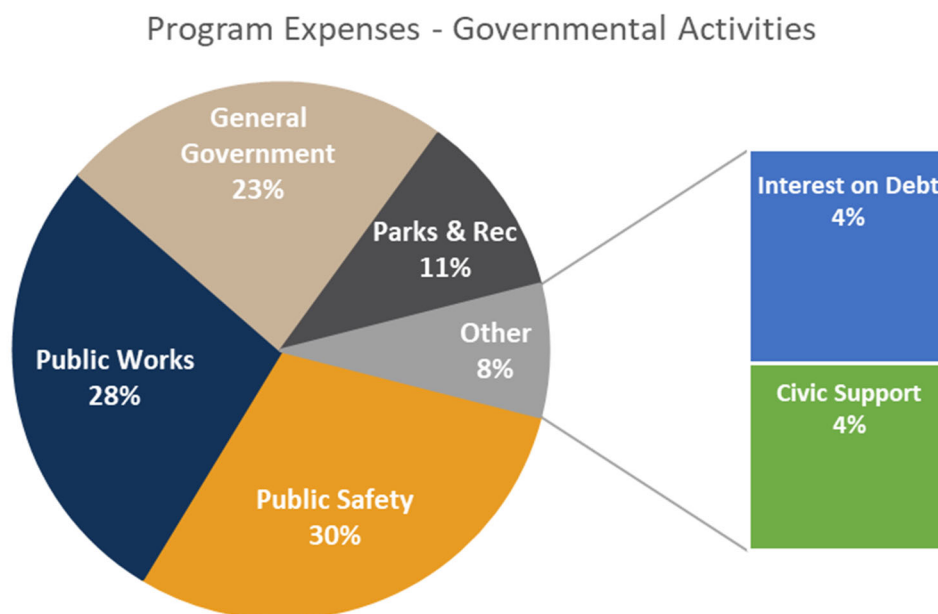
Public Safety expenses of \$15,845,094 and Public Works expenses of \$14,784,821 are the largest expenses of the City of Morristown, which when combined total \$30,629,915 and are 57.4% of total expenses. Of this amount, \$3,443,174 was recovered by charges for services, \$1,396,241 from operating grants/contributions, and \$2,833,021 from capital grants/contributions.

Overall governmental expenses increased by approximately \$659,000 (1.25%) when compared to prior year. There is not one determining factor that can be pointed to as the main reason for the increase but rather decreases and increases in several areas that when combined amount to the overall increase. For example, a portion of the increase was driven by economic factors outside of the City's control and were related to rising costs in areas such as repair & maintenance and utilities. Performance-based raises were given to City employees resulting in increased expenses for payroll and payroll related items. Decreases are mainly attributed to the timing of capital purchases and the associated depreciation.

General Government saw the largest increase of expenses by approximately \$4.4 million, and is attributed to an increase in debt payments, grant related expenses in relation to Airport improvements, the Home Grant, expenses related to the cleanup after Hurricane Helen and an increase in equipment purchases. The largest decrease in expenses came from Public Safety in the amount of \$5.5 million. Decreases in Public Safety were driven by several factors. Due to supply chain issues that had been experienced with the delivery of police related vehicles over the past several years, a decision was made in the prior year to purchase additional vehicles for the Police Department and forgo any purchases of this nature in the current year. Public Safety also had numerous vacancies throughout the year, which also contributed to the decrease in overall expenses.

Management's Discussion & Analysis

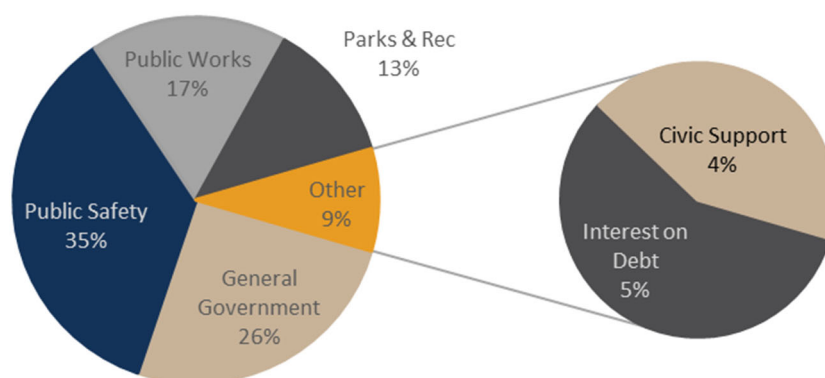
The graph below presents the program expenses for governmental activities for the current year.



The following illustration shows the “net (expenses)” from the Statement of Activities as a percentage of the total. Unlike the preceding illustration, this one not only shows the percentage of total costs, it shows the impact the program had on the local citizens’ tax base, as a percentage. Net expense is all program expenses less all program revenues. Net expenses increased by approximately \$661,000 or 1.54%. While overall program revenues decreased by a nominal amount of around \$1,400, which is around 0.01%. Most of the increase in net expenses is attributed to the fact that the increase in expenses do not have offsetting grant revenue. For example, most of the current projects are not grant funded, but rather funded with debt.

Management's Discussion & Analysis

Net Program Expenses - Governmental Activities



Business-type activities

For the City of Morristown's business-type activities, the results for the current year were positive in that overall net position increased to reach an ending balance of approximately \$190.4 million. Of the overall net position amount, \$6.8 million or 3.61% relates to the Stormwater fund.

The total increase in net position for business-type activities was \$14.6 million or 8.32% compared to the prior fiscal year. Of this amount, 4.48% (\$654,895) is related to the Stormwater Fund. The increase in net position for the business-type activities is mainly attributed to the overall increase in capital assets, net of depreciation, which accounts for around \$5.3 million of the increase, and the increase in cash and cash equivalents of around \$6.2 million. Cash & cash equivalents increased due to debt proceeds not being spent by fiscal year end. For a more thorough discussion of the Morristown Utilities Commission's finances readers should consult the Annual Comprehensive Financial Report issued by the Commission for the current fiscal year ended.

Financial Analysis of the Government's Funds

As noted earlier, the City of Morristown uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City of Morristown's governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Morristown's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not been limited to use for a particular purpose by either an external party, the City of Morristown itself, or a group or individual that has been delegated authority to assign resources for use for a particular purpose by the City of Morristown's Council.

At June 30, 2025, the City of Morristown's governmental funds reported combined ending fund balances of \$57,273,445, a decrease of approximately \$3.2 million in comparison with the prior year.

Management's Discussion & Analysis

Approximately 35.05% of the ending fund balances amount (\$20,074,876) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The remainder of the fund balance is either non-spendable, restricted, or assigned to indicate that it is:

- 1) not in spendable form or legally/contractually required to be maintained intact: \$10,026,302
- 2) restricted for particular purposes: \$13,299,260
- 3) committed for particular purposes: \$1,560,224
- 4) assigned for particular purposes: \$12,312,783

General fund

The General Fund is the chief operating fund of the City of Morristown. The total fund balance decreased slightly to \$46,020,401. At the end of the current fiscal year, unassigned fund balance was \$20,074,876. Current year expenditures were around \$3.1 million more than prior year, and the incoming revenue was around \$507,000 less than expenditures, and is one of the contributing factors of the overall decrease in the General Fund balance. Another contributing factor is the net effect of other financing sources (uses) increased a little over \$1.03 million. The increase in other financing uses is attributed to transfers out relating to several projects; in particular, the TDEC/ARPA funded water tank project accounted for around \$5.8 million of the total transfers out of \$7.1 million. The remaining transfer out amounts were comprised of transfer to the General Capital Projects Fund and the Morristown Landing Operating Fund.

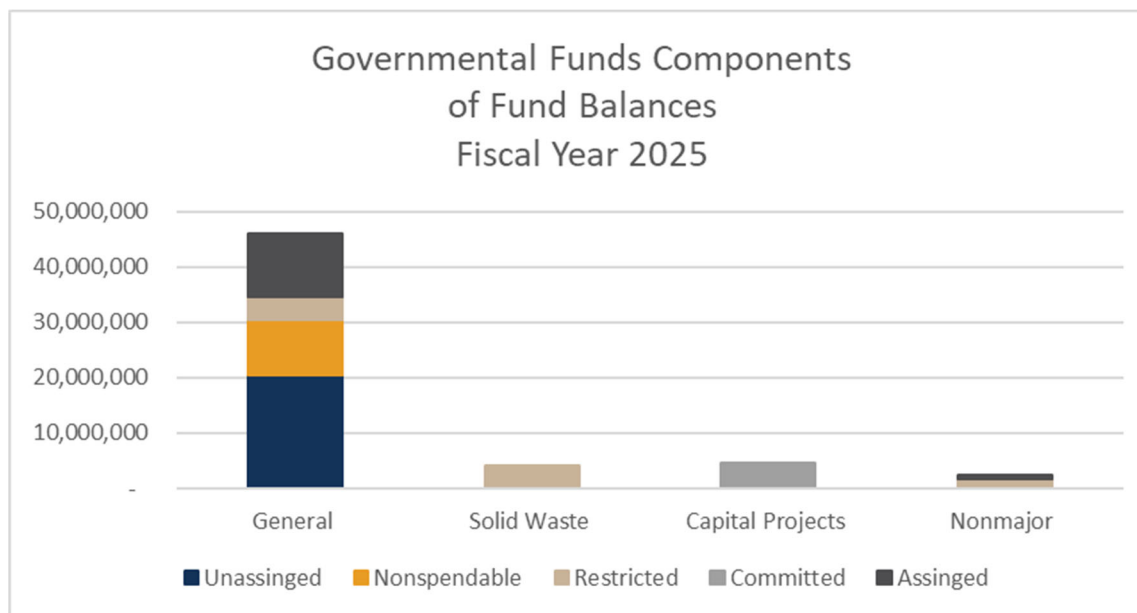
Revenue experienced an overall decrease. The biggest decline was found in the interest income revenue stream. The reason for this decline is contributed to invested bond funds being expended throughout the year and decreasing interest rates and changes in the market.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 38.43% of total general fund expenditures, while total fund balance represents 88.10% of that same amount. City of Morristown Council has formally adopted a financial policy stating that the City's general fund will maintain an unassigned fund balance of at least 20% of annual general fund expenditures.

The fund balance of the City of Morristown's general fund decreased around \$902,899. As mentioned above, this decrease is mainly attributed to expenditures exceeding revenue and the increase in transfers out related to projects. Another contributing factor is the restatement that occurred due to the implementation of an enterprise asset management system. The implementation of the software platform allowed the City to better track its' on hand inventory items, which resulted in a restatement of fund balance of around \$1 million. While a restatement of this nature is never ideal. The City now has the necessary tools in place to properly and accurately track inventory items.

It should be stressed that fund balance is only expended for one-time items, not reoccurring expenditures.

Management's Discussion & Analysis



General capital projects fund

The General Capital Projects fund is used to account for the construction of major capital facilities and other projects that are capital in nature. Transfers are made from the General Fund as necessary to help fund capital projects. The fund balance for the General Capital Projects fund decreased by approximately \$3.7 million. The total fund balance for this fund at the end of the fiscal year is \$4.6 million. The decrease is attributed in part due to the timing of expenditures related to the current projects underway.

Two major projects that came to completion during the fiscal year were the new Fire Station #3 and the associated training tower. These two projects had combined expenditures during the fiscal year of around \$4.9 million.

There was around \$2.3 million in funds transferred from the General Fund during the current fiscal year. The transfers will help fund a combination of projects that will improve current facilities and extend their useful lives, as well as projects that are related to new facilities / assets. A few of the projects currently in progress at fiscal year-end are the construction of a round-a-bout at the Cherokee Drive & Walters Drive intersection, Phase V of the Greenway project (Freddie Kyle Greenway) and multiple park improvement projects.

Community center capital projects fund

The Community Center Capital Projects Fund accounts for financial resources to be used for the construction of capital facilities related to the City's Community Center referred to as Morristown Landing. While this facility opened to the public in 2023, there are still several construction type activities occurring, with the main project being the upgrade to a full service kitchen.

Fund balance for this fund slightly decreased by approximately \$58,000 or 4.24%. The decrease was expected as engineering services related to the kitchen upgrade continued, with construction expected to begin in fiscal year 2026. Morristown Landing and all the smaller projects related to it, were financed solely by General Obligation Bonds.

Management's Discussion & Analysis

Solid waste fund

The Solid Waste fund is used to account for the City's sanitation and recycling operations. The Solid Waste Fund's operations are funded by user fees. The Solid Waste Fund balance increased by approximately \$993,000 or 32.3%. The increase is mainly due to the increase in revenue and the timing of capital equipment purchases. The user fee funding the Solid Waste Fund, increased to \$15 per can / per month, beginning July 1, 2018 as part of a long-term funding plan to help this fund become self-sufficient. Over fiscal years 2022 and 2023, the Solid Waste Authority approved two tipping fee increases at the landfill, increasing fees by 31% over that period. These increases made it necessary to increase the City's rate per can to \$20 per month beginning July 1, 2023. It should be noted no funds were transferred from the general fund during FY 2024-2025. The Solid Waste fund has been self-supported since fiscal year 2019 (seven years).

Proprietary funds

The City of Morristown's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the City's business-type activities increased \$654,895 bringing the total net position for the current year to around \$6.9 million. Of this amount, \$6.07 million is related to the net investment in capital assets and the remaining \$869,512 is the unrestricted net position of the City's Storm Water Fund. Overall net position only increased by 10.42%, and the unrestricted net position increased by around 968.28%. The increase in net position is attributed to the timing of projects being placed into service and general obligation bonds that were issued in August 2024, that due to the current environment, remain unspent at the end of the fiscal year.

Unrestricted net position of the Morristown Utilities Commission, which operates power, wastewater, water, and broadband systems for the City, at the end of the year, amounted to \$32.5 million, an increase of \$3.8 million. For a more thorough discussion of the Morristown Utilities Commission's finances readers should consult the Annual Comprehensive Financial Report issued by the Commission for the current fiscal year ended.

General Fund Budgetary Highlights

During the fiscal year, amendments were necessary to increase estimated revenues and original budgeted appropriations. Additionally, there were amendments made to reallocate appropriations between departments without increasing the total appropriations. The original budget ordinance approved appropriations totaling \$56,839,291. Budget amendments were approved by Council during the year increasing total appropriations to \$68,913,158, an increase of \$12,073,867 or 21.2%. Significant differences between the original budget and the final amended budget for the current fiscal year can be briefly summarized as follows:

- \$3,433,689 – To increase appropriations to allow for the transfer of funds (\$2m) to the ARPA Fund in relation to the MUS water tank project (funds will be transferred back upon completion of the project and associated grant reimbursement), to increase appropriations for a passthrough Downtown Improvement Grant that was awarded to the City, and to account for debt issued on behalf of the Solid Waste Authority.

Management's Discussion & Analysis

- \$3,184,316 - To increase appropriations in relation to increases in the East Morris grant resurfacing road project, to account for Central Church Road right of way grant phase, transfers to the Capital Projects Fund in relation to the Site Development Grant Lot 10 project, and to the Morristown Landing Operations Fund.
- \$1,209,499 – To increase appropriations to account for the HOME Grant the City received, and a transfer to the Capital Projects Fund for the purchase of property, and the opioid abatement funds that will be transferred to Hamblen County for our opioid abatement partnership.
- \$2,365,263 – To increase appropriations to account for the Airport apron rehab grant project, transfer to the General Capital Projects Fund for the Cherokee and Walters Drive round-a-bout project, and other needs such as easements and right of way increases related to the East Morris resurfacing grant project.
- \$1,759,100 – To increase appropriations to account for debt that was issued, and for unexpected increases in maintenance and repairs.

Capital Asset and Debt Administration

Capital assets

The City of Morristown's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$131.6 million and \$234.9 million, respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings, other improvements, equipment, vehicles, park facilities, infrastructure, and construction in progress. The total increase in capital assets for the current fiscal year was approximately \$7.3 million or 2.02%.

The increase is driven mostly by governmental activities and to a smaller degree business type activities and is attributed to several factors such as the new Fire Station #3 and associated training tower, construction of the Snyder Road connection to Frank Lorino Park, installation of a second transformer at SR160 substation, completion of the Lowland water tank, and several vehicle and equipment related purchases and improvements that were made to existing City facilities during the current year.

Management's Discussion & Analysis

City of Morristown's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 16,279,905	\$ 15,955,076	\$ 2,965,952	\$ 2,965,952	\$ 19,245,857	\$ 18,921,028
Construction in progress	2,793,052	3,224,434	10,497,060	10,497,060	13,290,112	13,721,494
Buildings	74,049,054	68,978,030	-	-	74,049,054	68,978,030
Improvements other than buildings	-	6,821,695	-	-	-	6,821,695
Infrastructure	19,610,728	21,451,911	-	-	19,610,728	21,451,911
Other improvements	6,780,338	-	-	-	6,780,338	-
Motor vehicles	6,846,349	5,638,415	-	-	6,846,349	5,638,415
Machinery & equipment	4,922,674	7,113,901	-	-	4,922,674	7,113,901
Utility plant and equipment	-	-	216,100,057	216,100,057	216,100,057	216,100,057
Right-to-use subscription asset	363,112	505,710	-	-	363,112	505,710
Total	\$ 131,645,212	\$ 129,689,172	\$ 229,563,069	\$ 229,563,069	\$ 361,208,281	\$ 359,252,241

Additional information on the City of Morristown's capital assets can be found in Note 5 on pages 60-62 of this report.

Long-term debt

At the end of the current fiscal year, the City of Morristown had total bonded debt outstanding of \$156.9 million; of this amount, \$64.6 million comprises net direct debt of governmental activities. The remainder of the City of Morristown's debt represents bonds secured by specified revenue sources in addition to the full faith and credit of the government.

With the issuance of the 2024 General Obligation Refunding Bonds, the City currently has no variable rate debt.

The following is a summary of the City's long-term debt by fund.

City of Morristown's Long-Term Debt

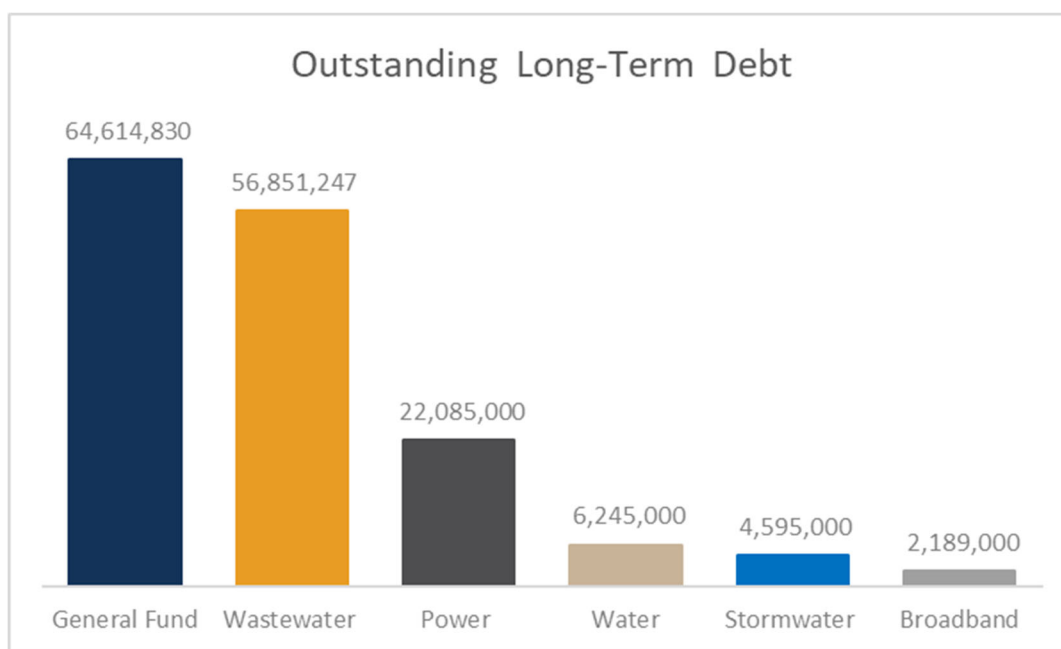
	Balance				Balance
	July 1, 2024	Additions	Reductions		June 30, 2025
Governmental activities					
General Fund	\$ 68,574,045	\$ 1,059,830	\$ (5,019,045)	\$	64,614,830
Solid Waste Fund	86,255	-	(86,255)		-
Total governmental activities	68,660,300	1,059,830	(5,105,300)		64,614,830
Business-type activities					
Wastewater System	57,036,053	5,910,170	(6,094,976)		56,851,247
Stormwater System	2,493,146	2,480,000	(378,146)		4,595,000
Power System	13,935,000	9,910,000	(1,760,000)		22,085,000
Water System	7,500,000	-	(1,255,000)		6,245,000
Broadband System	3,012,963	-	(447,963)		2,565,000
	83,977,162	18,300,170	(9,936,085)		92,341,247
Total Debt	\$ 152,637,462	\$ 19,360,000	\$ (15,041,385)	\$	156,956,077

Management's Discussion & Analysis

The City of Morristown's total debt increased by \$4.3 million (2.8%) during the current fiscal year. The reason for the increase is attributed to a combination of new debt being issued in the amount of \$18.3 million and the principal payments made throughout the year.

General Obligation Bonds were issued in August of the current year. The purpose of this issue was to finance capital projects/improvements for the Power System, Wastewater System and the Stormwater System.

General Obligation Refunding Bonds were issued in December of the current year. The purpose of this issue was to lower required debt service through interest savings. The transaction resulted in an economic gain of \$109,633 and a reduction of \$595,627 in future debt service payments.



Additional information on the City of Morristown's long-term debt can be found in Note 7 on pages 64-73 and on pages 109-110 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City of Morristown and were considered in developing the 2025-2026 fiscal year budget.

- The City's economy continues to exhibit slight growth. Local option sales tax saw growth of approximately 2.6% when compared to prior fiscal year. Slight growth is expected to continue into the new fiscal year in part due to the rising cost of goods and the increase we continue to experience in residential growth.

Management's Discussion & Analysis

- The unemployment as of June 30, 2025 was 4.2%, compared to 3.9% at June 30, 2024. The state's seasonally adjusted unemployment rate slightly decreased and as of June 30, 2025 and was 3.6% compared to 3.53% a year ago. The national average unemployment rate remained steady at 4.1% compared to a year ago.
- Healthy reserves, conservative management and budgeting, and the stable tax base of the local economy allowed the City of Morristown to maintain its strong financial position in 2025 and to continue the current level of services for the near-term.
- During the current fiscal year (FY25), the assigned fund balance in the General Fund was around \$11.5 million. The City of Morristown has appropriated around \$7.5 million of this amount for spending in the 2025-2026 fiscal year budget. This action was taken to address needed improvements to the City of Morristown's capital assets, in particular local streets, the purchase of a new fire engine, the Site Development Grant and Downtown Improvement Grant projects and is not spent on reoccurring operating expenditures.

Impact of pandemic

Since the March 2020 coronavirus (COVID-19) pandemic and the ensuing impacts to the economy, the City of Morristown has maintained a cautious and conservative approach to budgeting, to spending, and to borrowing. While immediate negative impacts to local sales tax were noticed in 2020 as many businesses closed temporarily, in subsequent periods (Fiscal Year 2021), thereafter the City experienced sales tax growth. despite a period of impacts to the economy – most notably supply chain disruptions – the City has continued to witness healthy growth in local sales tax. Additionally, grant resources such as the American Rescue Plan Act (ARPA), created in response to the challenges brought on by the pandemic, enabled the City of Morristown to commit to sizeable capital projects that otherwise may not have been possible. We believe the greatest impact of the pandemic on the economy and the finances of the City of Morristown are now well behind us. While the City's financial health throughout the pandemic remained favorable, the City continues to be cautious and conservative to remain prepared for any other negative impacts that may be presented.

Requests for Information

This financial report is designed to provide a general overview of the City of Morristown's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Morristown, Office of Finance, P.O. Box 1499, Morristown, Tennessee 37816-1499.

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2025

		Primary Government	
		Governmental	Business-type
		Activities	Activities
			Total
ASSETS			
Cash and cash equivalents	\$ 40,686,312	\$ 29,575,614	\$ 70,261,926
Short-term investments	3,381,703	2,487,957	5,869,660
Receivables:			
Taxes (net of allowance)	15,640,896	-	15,640,896
Accounts (net of allowance)	6,063,471	13,079,663	19,143,134
Other receivables, net	-	91,292	91,292
Leases	1,468,928	-	1,468,928
Notes	4,015,000	-	4,015,000
Internal balances	(479,000)	479,000	-
Due from other governments	355,175	893,521	1,248,696
Inventories	1,144,300	4,308,638	5,452,938
Prepaid items	29,501	-	29,501
Other assets	-	1,467,618	1,467,618
Restricted assets:			
Cash and cash equivalents	1,312,612	17,979,485	19,292,097
Long-term investments	-	5,250,000	5,250,000
Land held for sale	8,865,701	-	8,865,701
Capital assets:			
Capital assets, not being depreciated	19,072,957	11,475,859	30,548,816
Capital assets, net of accumulated depreciation	112,572,255	223,401,032	335,973,287
Total capital assets	131,645,212	234,876,891	366,522,103
Total Assets	214,129,811	310,489,679	524,619,490
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items - TCRS	8,113,283	163,279	8,276,562
OPEB related items	1,767,537	458,222	2,225,759
Total Deferred Outflows of Resources	9,880,820	621,501	10,502,321
LIABILITIES			
Accounts payable	1,290,362	10,439,272	11,729,634
Accrued expenses	1,292,601	3,789,649	5,082,250
Customer deposits	-	5,574,254	5,574,254
Due to other governments	284,507	-	284,507
Accrued interest payable	185,141	-	185,141
Unearned revenue	306,324	284,472	590,796
Noncurrent Liabilities :			
Due within one year	4,505,923	8,918,341	13,424,264
Due in more than one year	64,966,803	87,745,685	152,712,488
Net pension liability - TCRS	3,300,329	78,732	3,379,061
OPEB liability	5,916,938	2,439,624	8,356,562
Total Liabilities	82,048,928	119,270,029	201,318,957
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	14,946,582	-	14,946,582
Deferred revenue - leases	1,916,020	-	1,916,020
Bond refunding	-	676,413	676,413
OPEB related items	1,497,477	613,493	2,110,970
Pension related items - TCRS	1,460,271	9,616	1,469,887
Total Deferred Inflows of Resources	19,820,350	1,299,522	21,119,872
NET POSITION			
Net investment in capital assets	69,438,806	157,160,444	226,599,250
Restricted for:			
Narcotics	162,117	-	162,117
E-Citation	2,291	-	2,291
Morristown Landing Operations	259,805	-	259,805
Capital projects	100,475	-	100,475
Community center	1,312,346	-	1,312,346
Solid waste collection	4,065,523	-	4,065,523
Unrestricted	46,799,990	33,381,185	80,181,175
Total Net Position	\$ 122,141,353	\$ 190,541,629	\$ 312,682,982

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 12,592,904	\$ 1,013,574	\$ 415,635	\$ -	\$ (11,163,695)	\$ -	\$ (11,163,695)
Public safety	15,845,094	110,596	348,722	-	(15,385,776)	-	(15,385,776)
Public works	14,784,821	3,332,578	1,047,519	2,833,021	(7,571,703)	-	(7,571,703)
Culture and recreation	5,888,790	141,822	337,115	-	(5,409,853)	-	(5,409,853)
Civic support	1,979,201	-	-	322,688	(1,656,513)	-	(1,656,513)
Interest on debt	2,257,633	-	-	-	(2,257,633)	-	(2,257,633)
Total Governmental Activities	53,348,443	4,598,570	2,148,991	3,155,709	(43,445,173)	-	(43,445,173)
Business-type Activities:							
Water	8,639,765	8,775,481	-	214,200	-	349,916	349,916
Wastewater	15,960,824	19,174,464	-	287,350	-	3,500,990	3,500,990
Stormwater	1,413,311	2,011,250	-	-	-	597,939	597,939
Power	92,448,724	94,515,451	-	-	-	2,066,727	2,066,727
Broadband	8,869,257	9,421,732	-	-	-	552,475	552,475
Total Business-type Activities	127,331,881	133,898,378	-	501,550	-	7,068,047	7,068,047
Total Primary Government	\$ 180,680,324	\$ 138,496,948	\$ 2,148,991	\$ 3,657,259	\$ (43,445,173)	\$ 7,068,047	\$ (36,377,126)
General Revenues:							
Property taxes					\$ 14,739,518	\$ -	\$ 14,739,518
Payments in lieu of tax					106,636	-	106,636
Sales taxes					25,133,443	-	25,133,443
Franchise and excise taxes					439,968	-	439,968
Alcoholic beverage taxes					1,550,320	-	1,550,320
Litigation taxes					58,701	-	58,701
Business taxes					1,720,169	-	1,720,169
Hotel-motel taxes					1,028,646	-	1,028,646
Other					1,412,154	3,816,639	5,228,793
Unrestricted interest income					1,987,904	2,409,720	4,397,624
Total General Revenues					48,177,459	6,226,359	54,403,818
Transfers					(1,339,527)	1,339,527	-
Change in Net Position					3,392,759	14,633,933	18,026,692
Net Position, July 1					117,592,542	175,907,696	293,500,238
Error correction - Inventory					1,135,320	-	1,135,320
Adjustment - Change in reporting entity					20,732	-	20,732
Net Position, July 1, as adjusted					118,748,594	175,907,696	294,656,290
Net Position, Ending					\$ 122,141,353	\$ 190,541,629	\$ 312,682,982

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General	Solid Waste	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 28,515,631	\$ 3,759,800	\$ 2,005,141	\$ 2,086,302	\$ 36,366,874
Investments	409,605	-	2,972,098	-	3,381,703
Receivables (net of allowance):					
Taxes	15,640,896	-	-	-	15,640,896
Accounts	5,544,234	133,121	162,969	-	5,840,324
Leases	1,468,928	-	-	-	1,468,928
Notes	4,015,000	-	-	-	4,015,000
Due from other funds	-	254,324	-	-	254,324
Due from other governments	-	-	-	355,175	355,175
Restricted cash	-	-	-	1,312,612	1,312,612
Prepaid items	16,301	-	-	-	16,301
Inventories	1,144,300	-	-	-	1,144,300
Land held for sale	8,865,701	-	-	-	8,865,701
Total Assets	65,620,596	4,147,245	5,140,208	3,754,089	78,662,138
LIABILITIES					
Accounts payable	878,921	66,083	344,442	916	1,290,362
Accrued expenses	1,027,927	15,639	-	-	1,043,566
Due to other funds	-	-	-	733,324	733,324
Due to other governments	284,507	-	-	-	284,507
Unearned revenue	-	-	162,969	143,355	306,324
Total Liabilities	2,191,355	81,722	507,411	877,595	3,658,083
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	14,946,582	-	-	-	14,946,582
Unavailable revenues - intergovernmental	-	-	-	321,770	321,770
Unavailable revenues - property taxes	546,238	-	-	-	546,238
Leases	1,916,020	-	-	-	1,916,020
Total Deferred Inflows of Resources	17,408,840	-	-	321,770	17,730,610
FUND BALANCES					
Nonspendable:					
Inventory	1,144,300	-	-	-	1,144,300
Prepays	16,301	-	-	-	16,301
Land held	8,865,701	-	-	-	8,865,701
Restricted:					
Narcotics	-	-	-	162,117	162,117
E-Citation	-	-	-	2,291	2,291
Morristown landing operations	-	-	-	259,805	259,805
Capital projects	409,605	-	3,072,573	-	3,482,178
Community center	-	-	-	1,312,346	1,312,346
Solid waste collection	-	4,065,523	-	-	4,065,523
Debt service	4,015,000	-	-	-	4,015,000
Committed:					
Capital projects	-	-	1,560,224	-	1,560,224
Assigned:					
General government	2,265,932	-	-	-	2,265,932
Public safety	219,858	-	-	-	219,858
Public works	1,062,682	-	-	-	1,062,682
Social, cultural, and recreational	87,062	-	-	-	87,062
Capital projects	12,500	-	-	818,165	830,665
Other purposes	7,846,584	-	-	-	7,846,584
Unassigned	20,074,876	-	-	-	20,074,876
Total Fund Balances	46,020,401	4,065,523	4,632,797	2,554,724	57,273,445
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 65,620,596	\$ 4,147,245	\$ 5,140,208	\$ 3,754,089	\$ 78,662,138

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balances - Governmental Funds	\$ 57,273,445
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds	131,645,212
Internal service funds are used by management to charge the costs of self-insurance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	4,306,750
Revenue not available to pay for current expenditures and, therefore, is deferred in the funds:	
Unavailable revenue - property taxes	546,238
Unavailable revenue - intergovernmental revenues	321,770
Payables, such as accrued interest payable, are not due and payable in the current period, and therefore are not reported in governmental funds	(185,141)
Deferred outflows of resources - pensions and OPEB are not available to pay current expenditures and, therefore, are not reported in governmental funds	9,880,820
Deferred inflows of resources - pensions and OPEB are not due in the current period and, therefore, are not reported in governmental funds	(2,957,748)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in governmental funds:	
Bonds payable	(64,614,830)
Premiums on bonds	(2,564,590)
Subscription payable	(362,938)
Compensated absences payable	(1,930,368)
Total OPEB liability	(5,916,938)
Net pension liability	(3,300,329)
Net Position of Governmental Activities	<u><u>\$ 122,141,353</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General	Solid Waste	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 39,645,463	\$ -	\$ -	\$ -	\$ 39,645,463
Licenses and permits	580,214	-	-	-	580,214
Fines, forfeitures and penalties	474,790	-	-	67,781	542,571
Intergovernmental	7,690,647	-	12,909	3,546,438	11,249,994
Charges for services	301,092	3,103,540	-	71,153	3,475,785
Interest Income	1,921,544	-	-	66,360	1,987,904
Other	1,060,861	-	238,090	60,719	1,359,670
Contributions	52,484	-	-	-	52,484
Total Revenues	<u>51,727,095</u>	<u>3,103,540</u>	<u>250,999</u>	<u>3,812,451</u>	<u>58,894,085</u>
EXPENDITURES					
Current:					
General government	6,385,201	-	5,393,929	124,912	11,904,042
Public safety	22,205,533	-	221,284	62,341	22,489,158
Public works	10,790,935	2,022,969	286,403	-	13,100,307
Culture and recreation	3,159,715	-	364,691	1,040,389	4,564,795
Civic support	1,979,201	-	-	-	1,979,201
Capital Outlay	3,304	-	-	-	3,304
Debt Service:					
Principal	5,151,366	86,255	-	-	5,237,621
Interest and fiscal charges	2,558,813	1,419	-	-	2,560,232
Total Expenditures	<u>52,234,068</u>	<u>2,110,643</u>	<u>6,266,307</u>	<u>1,227,642</u>	<u>61,838,660</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(506,973)	992,897	(6,015,308)	2,584,809	(2,944,575)
OTHER FINANCING SOURCES (USES)					
Debt issuance	1,059,830	-	-	-	1,059,830
Transfers in	4,506,203	-	2,268,011	4,850,000	11,624,214
Transfers out	(7,118,011)	-	-	(5,845,730)	(12,963,741)
Total Other Financing Sources (Uses)	<u>(1,551,978)</u>	<u>-</u>	<u>2,268,011</u>	<u>(995,730)</u>	<u>(279,697)</u>
Net Change in Fund Balances	(2,058,951)	992,897	(3,747,297)	1,589,079	(3,224,272)
Fund balance, July 1	46,923,300	3,072,626	8,380,094	965,645	59,341,665
Error correction - Inventory	1,135,320	-	-	-	1,135,320
Adjustment - Change in reporting entity	20,732	-	-	-	20,732
Fund balance, July 1, as adjusted	48,079,352	3,072,626	8,380,094	965,645	60,497,717
Fund Balance - Ending	<u>\$ 46,020,401</u>	<u>\$ 4,065,523</u>	<u>\$ 4,632,797</u>	<u>\$ 2,554,724</u>	<u>\$ 57,273,445</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balance - Total Governmental Funds	\$ (3,224,272)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the current period. This is the amount by which capital outlays exceeded depreciation in the current period:	
Capital outlay	9,769,941
Depreciation expense	(7,589,398)
The net effect of various miscellaneous transactions involving capital assets (disposals) to decrease net position.	(224,503)
The net revenues of internal service funds are reported with governmental activities	(373,099)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:	
Change in property taxes	(183,263)
Change in intergovernmental revenues	(630,093)
Some expenses reported in the statement of activities, such as accrued leave, interest payable, debt premium amortization and OPEB liability, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Compensated absences	(56,263)
Amortization of debt issuance premium	312,809
Change in accrued interest payable	(10,210)
Change in OPEB liability and deferrals	(222)
Change in net pension liabilities and deferrals	1,423,541
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds. These transactions do not have any effect on net position:	
Issuance of bonds	(1,059,830)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions do not have any effect on net position:	
Payments on bonds payable	5,105,300
Payments on subscription payables	132,321
Change in Net Position of Governmental Activities	<u>\$ 3,392,759</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
REVENUES				
Taxes:				
Property tax	\$ 14,945,100	\$ 14,945,100	\$ 14,922,781	\$ (22,319)
Sales tax	19,180,000	19,315,000	19,818,242	503,242
Other local taxes	4,990,000	4,990,000	4,904,440	(85,560)
Total Taxes	39,115,100	39,250,100	39,645,463	395,363
Licenses and permits	478,000	503,000	580,214	77,214
Fines, interest, and penalties	337,000	361,500	474,790	113,290
Intergovernmental	9,703,563	13,869,580	7,690,647	(6,178,933)
Charges for services	194,600	276,600	301,092	24,492
Interest Income	500,000	1,265,000	1,921,544	656,544
Other	1,172,400	1,737,666	1,060,861	(676,805)
Contributions	9,000	9,000	52,484	43,484
Total Revenues	51,509,663	57,272,446	51,727,095	(5,545,351)
EXPENDITURES				
General Government:				
Mayor and City Council	390,840	385,820	220,377	165,443
City administrator	963,660	970,794	915,570	55,224
Finance department	1,336,733	1,401,313	1,309,483	91,830
Purchasing department	88,259	88,699	85,410	3,289
Computer operations	378,831	387,901	293,275	94,626
Human resources	174,522	245,448	208,855	36,593
Risk management	207,542	230,452	206,280	24,172
Legal	110,000	115,000	103,491	11,509
Court administration	34,904	34,904	28,622	6,282
Community and economic affairs	1,487,077	2,296,848	1,005,134	1,291,714
Codes enforcement	235,594	252,383	223,500	28,883
Engineering	269,821	269,821	217,351	52,470
GIS	293,053	293,053	275,421	17,632
Natural resource management	390,821	370,821	330,512	40,309
Inspections	562,520	566,320	480,089	86,231
Retiree health insurance	475,000	467,000	410,235	56,765
Flexible benefits program	-	-	71,596	(71,596)
Total General Government	7,399,177	8,376,577	6,385,201	1,991,376
Public Safety:				
Police supervision	1,007,077	1,036,330	920,012	116,318
Patrol and traffic	6,948,334	6,963,712	6,679,610	284,102
Police investigation	1,497,953	1,547,739	1,511,349	36,390
Police support	1,115,149	1,148,432	1,065,964	82,468
Litter crew	88,603	96,495	88,049	8,446
Chaplains	4,650	4,650	2,500	2,150
Narcotics	729,140	695,048	618,650	76,398
Fire supervision	804,727	844,727	844,239	488
Fire inspection	308,128	308,928	294,899	14,029
Fire stations	232,171	270,971	232,331	38,640
Firefighting	9,542,674	10,196,639	9,947,930	248,709
Total Public Safety	22,278,606	23,113,671	22,205,533	908,138

(Continued)

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	over (under)
EXPENDITURES (CONTINUED)				
Public Works:				
Public works supervision	\$ 346,340	\$ 331,287	\$ 263,213	\$ 68,074
Building and grounds	736,753	828,196	755,858	72,338
Equipment shop	1,064,873	1,294,873	863,641	431,232
Repairs and maintenance	2,649,550	2,627,225	2,279,075	348,150
Street lighting and signs	984,005	1,012,383	1,018,816	(6,433)
Brush pick-up and snow removal	1,594,780	1,801,080	1,700,268	100,812
Communications	486,650	499,077	436,879	62,198
Sidewalks	1,004,926	1,013,926	136,477	877,449
Traffic Devices	333,900	395,473	375,592	19,881
Pavement management system	3,427,630	5,540,446	1,690,142	3,850,304
Airport	1,013,200	2,184,515	1,270,974	913,541
Total Public Works	13,642,607	17,528,481	10,790,935	6,737,546
Culture and Recreation:				
Parks and recreation supervision	391,502	393,153	390,630	2,523
Playgrounds and programs	433,607	502,607	452,544	50,063
Athletics	562,230	586,424	478,465	107,959
Parks and maintenance	1,959,470	1,980,976	1,838,076	142,900
Total Culture and Recreation	3,346,809	3,463,160	3,159,715	303,445
Civic Support:				
Contributions to local agencies	239,275	239,275	239,275	-
Animal control	226,216	226,216	223,033	3,183
E-911 district	311,412	311,412	311,412	-
Economic development	401,500	401,500	385,254	16,246
Emergency management agency	79,923	79,923	59,893	20,030
Library	360,000	360,000	360,000	-
TIF payments	340,000	375,490	375,480	10
LAMTPO local match	20,798	20,798	14,854	5,944
Crockett Tavern Association	10,000	15,000	10,000	5,000
Hamblen County Government	-	193,499	-	193,499
Grants and other subsidies	-	300,000	-	300,000
Total Civic Support	1,989,124	2,523,113	1,979,201	543,912
Capital Outlay	-	-	3,304	(3,304)
Debt service:				
Principal	3,378,477	4,769,010	5,151,366	(382,356)
Interest and fiscal charges	2,325,691	2,517,610	2,558,813	(41,203)
Total debt service	5,704,168	7,286,620	7,710,179	(423,559)
Total Expenditures	54,360,491	62,291,622	52,234,068	10,060,858
Excess (deficiency) of revenues over (under) expenditures	(2,850,828)	(5,019,176)	(506,973)	4,515,507
OTHER FINANCING SOURCES (USES)				
Debt issuance	-	1,059,830	1,059,830	-
Transfers in	3,623,799	5,623,799	4,506,203	(1,117,596)
Transfers out	(2,600,000)	(7,118,011)	(7,118,011)	-
Total Other Financing Sources (Uses)	1,023,799	(434,382)	(1,551,978)	(1,117,596)
Net Change in Fund Balances	\$ (1,827,029)	\$ (5,453,558)	(2,058,951)	\$ 3,397,911
Fund balance, July 1			46,923,300	
Error correction - Inventory			1,135,320	
Adjustment - Change in reporting entity			20,732	
Fund balance, July 1, as adjusted			48,079,352	
Fund balance at end of year			\$ 46,020,401	

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SOLID WASTE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	over (under)
REVENUES				
Charges for Services	\$ 2,840,000	\$ 2,840,000	\$ 3,103,540	\$ 263,540
Other	1,000	1,000	-	(1,000)
Total revenues	<u>2,841,000</u>	<u>2,841,000</u>	<u>3,103,540</u>	<u>262,540</u>
EXPENDITURES				
Current:				
Public works	2,404,501	2,404,501	2,022,969	381,532
Debt service:				
Principal	6,781	86,444	86,255	189
Interest and fiscal charges	<u>2,380</u>	<u>2,380</u>	<u>1,419</u>	<u>961</u>
Total debt service	<u>9,161</u>	<u>88,824</u>	<u>87,674</u>	<u>1,150</u>
Total expenditures	<u>2,413,662</u>	<u>2,493,325</u>	<u>2,110,643</u>	<u>382,682</u>
Net change in fund balances	<u>\$ 427,338</u>	<u>\$ 347,675</u>	992,897	<u>\$ 645,222</u>
Fund balance at beginning of year			<u>3,072,626</u>	
Fund balance at end of year			<u>\$ 4,065,523</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Enterprise Funds					Non-Major Enterprise Fund			Internal Service Fund
	Wastewater System	Power System	Water System	Broadband	Stormwater System	Eliminations	Totals		
ASSETS									
Current assets:									
Cash and cash equivalents	\$ 8,297,833	\$ 13,334,660	\$ 2,952,191	\$ 4,516,672	\$ 474,258	\$ -	\$ 29,575,614	\$	4,319,438
Short-term investments	-	250,000	-	-	2,237,957	-	2,487,957		-
Accounts receivable, (net)	910,252	11,766,240	284,741	-	118,430	-	13,079,663		223,147
Other receivables	-	-	-	-	91,292	-	91,292		-
Due from other funds	-	-	733,324	-	159,302	(159,302)	733,324		-
Due from others	195,004	645,754	-	52,763	-	-	893,521		-
Prepays	-	-	-	-	-	-	-		13,200
Other	56,765	34,104	471,571	95,661	-	-	658,101		-
Inventory	482,548	2,802,479	955,512	-	68,099	-	4,308,638		-
Total current assets	9,942,402	28,833,237	5,397,339	4,665,096	3,149,338	(159,302)	51,828,110		4,555,785
Noncurrent assets:									
Capital assets, not being depreciated	2,816,989	7,810,033	632,183	4,544	212,110	-	11,475,859		-
Capital assets, net of accumulated depreciation	87,193,861	76,389,137	39,667,988	11,699,817	8,450,229	-	223,401,032		-
Total capital assets	90,010,850	84,199,170	40,300,171	11,704,361	8,662,339	-	234,876,891		-
Restricted cash and cash equivalents	7,132,788	7,698,349	3,148,348	-	-	-	17,979,485		-
Long-term investments	-	5,250,000	-	-	-	-	5,250,000		-
Other	-	792,410	-	-	17,107	-	809,517		-
Total other noncurrent assets	7,132,788	13,740,759	3,148,348	-	17,107	-	24,039,002		-
Total noncurrent assets	97,143,638	97,939,929	43,448,519	11,704,361	8,679,446	-	258,915,893		-
Total assets	107,086,040	126,773,166	48,845,858	16,369,457	11,828,784	(159,302)	310,744,003		4,555,785
DEFERRED OUTFLOWS OF RESOURCES									
OPEB related items	45,649	268,513	90,708	53,352	-	-	458,222		-
Pension related items	-	-	-	-	163,279	-	163,279		-
Total deferred outflows of resources	45,649	268,513	90,708	53,352	163,279	-	621,501		-

continued

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Enterprise Funds				Non-Major Enterprise Fund	Eliminations	Totals	Internal Service Fund
	Wastewater System	Power System	Water System	Broadband	Stormwater System			
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 846,386	\$ 8,474,879	\$ 549,192	\$ 542,699	\$ 26,116	\$ -	\$ 10,439,272	\$ -
Accrued expenses	851,871	1,890,740	489,789	505,261	51,988	-	3,789,649	249,035
Customer deposits	-	5,543,154	-	31,100	-	-	5,574,254	-
Due to other funds	-	413,626	-	-	-	(159,302)	254,324	-
Unearned revenues	-	-	-	284,472	-	-	284,472	-
Compensated absences payable, current portion	-	-	-	-	16,741	-	16,741	-
Bonds, leases, and contracts payable, current portion	5,103,209	1,997,229	1,170,000	286,162	345,000	-	8,901,600	-
Total current liabilities	6,801,466	18,319,628	2,208,981	1,649,694	439,845	(159,302)	29,260,312	249,035
Long-term liabilities:								
Net pension liability	-	-	-	-	78,732	-	78,732	-
OPEB liability	324,170	1,246,437	533,575	335,442	-	-	2,439,624	-
Compensated absences payable, non-current portion	-	-	-	-	39,062	-	39,062	-
Bonds, leases, and contracts payable, non-current portion	54,666,911	20,767,786	5,311,214	2,552,915	4,407,797	-	87,706,623	-
Total long-term liabilities	54,991,081	22,014,223	5,844,789	2,888,357	4,525,591	-	90,264,041	-
Total liabilities	61,792,547	40,333,851	8,053,770	4,538,051	4,965,436	(159,302)	119,524,353	249,035
DEFERRED INFLOWS OF RESOURCES								
Pension related items	-	-	-	-	9,616	-	9,616	-
OPEB related items	82,932	380,523	53,781	96,257	-	-	613,493	-
Bond refunding	601,519	-	-	-	74,894	-	676,413	-
Total deferred inflows of resources	684,451	380,523	53,781	96,257	84,510	-	1,299,522	-
NET POSITION								
Net investment in capital assets	36,407,941	69,132,504	36,682,110	8,865,284	6,072,605	-	157,160,444	-
Unrestricted	8,246,750	17,194,801	4,146,905	2,923,217	869,512	-	33,381,185	4,306,750
Total net position	\$ 44,654,691	\$ 86,327,305	\$ 40,829,015	\$ 11,788,501	\$ 6,942,117	\$ -	\$ 190,541,629	\$ 4,306,750

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Enterprise Funds				Non-Major Enterprise Fund	Eliminations	Total	Internal Service Fund
	Wastewater System	Power System	Water System	Broadband	Stormwater System			
OPERATING REVENUES								
Charges for services	\$ 19,174,464	\$ 94,515,451	\$ 8,775,481	\$ 9,421,732	\$ 2,011,250	\$ -	\$ 133,898,378	\$ 7,103,957
Interfund services	61,713	1,732,917	572,839	867,600	-	(3,235,069)	-	-
Miscellaneous	847,963	2,161,509	61,262	679,083	66,822	-	3,816,639	-
Total Operating Revenues	<u>20,084,140</u>	<u>98,409,877</u>	<u>9,409,582</u>	<u>10,968,415</u>	<u>2,078,072</u>	<u>(3,235,069)</u>	<u>137,715,017</u>	<u>7,103,957</u>
OPERATING EXPENSES								
Operations	8,053,111	6,941,674	5,879,553	7,212,535	305,172	-	28,392,045	-
Maintenance	1,604,622	5,069,115	854,839	416,077	614,042	-	8,558,695	-
Power purchased	-	73,042,676	-	-	-	-	73,042,676	-
Depreciation and amortization	4,738,800	6,055,557	1,775,740	1,031,021	352,031	-	13,953,149	-
Interfund services	642,231	703,913	297,969	1,590,956	-	(3,235,069)	-	-
Other	-	401,343	-	112,069	-	-	513,412	-
Insurance claims and expenses	-	-	-	-	-	-	-	7,477,056
Total Operating Expenses	<u>15,038,764</u>	<u>92,214,278</u>	<u>8,808,101</u>	<u>10,362,658</u>	<u>1,271,245</u>	<u>(3,235,069)</u>	<u>124,459,977</u>	<u>7,477,056</u>
Operating income (loss)	5,045,376	6,195,599	601,481	605,757	806,827	-	13,255,040	(373,099)
NONOPERATING REVENUES (EXPENSES)								
Interest and other income	596,475	1,282,579	265,598	187,255	77,813	-	2,409,720	-
Interest expense	(1,466,726)	(766,428)	(129,633)	(97,555)	(142,066)	-	(2,602,408)	-
Debt issuance costs	(97,565)	(171,931)	-	-	-	-	(269,496)	-
Total Nonoperating Revenues (Expenses)	<u>(967,816)</u>	<u>344,220</u>	<u>135,965</u>	<u>89,700</u>	<u>(64,253)</u>	<u>-</u>	<u>(462,184)</u>	<u>-</u>
Income (Loss) Before Capital Contributions and Transfers	4,077,560	6,539,819	737,446	695,457	742,574	-	12,792,856	(373,099)
Capital contributions	287,350	-	214,200	-	-	-	501,550	-
Transfers in	-	-	2,845,730	-	-	-	2,845,730	-
Transfers out	-	(1,382,404)	(36,120)	-	(87,679)	-	(1,506,203)	-
Change in Net Position	4,364,910	5,157,415	3,761,256	695,457	654,895	-	14,633,933	(373,099)
Net Position, Beginning	40,289,781	81,169,890	37,067,759	11,093,044	6,287,222	-	175,907,696	4,679,849
Net Position - Ending	<u>\$ 44,654,691</u>	<u>\$ 86,327,305</u>	<u>\$ 40,829,015</u>	<u>\$ 11,788,501</u>	<u>\$ 6,942,117</u>	<u>\$ -</u>	<u>\$ 190,541,629</u>	<u>\$ 4,306,750</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Enterprise Funds				Non-Major Enterprise Fund	Total	Internal Service Fund
	Wastewater System	Power System	Water System	Broadband	Stormwater System		
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers	\$ 20,043,885	\$ 96,338,214	\$ 9,748,636	\$ 10,925,938	\$ 2,099,257	\$ 139,155,930	\$ 7,028,745
Cash paid to suppliers of goods and services	(7,292,080)	(76,764,174)	(5,364,973)	(6,818,516)	(607,545)	(96,847,288)	(7,561,730)
Cash received from City of Morristown, Tennessee	-	1,558,124	-	-	-	1,558,124	-
Cash paid to employees for services	(2,822,361)	(8,024,275)	(1,864,790)	(2,195,852)	(764,423)	(15,671,701)	-
Net cash provided by (used in) operating activities	9,929,444	13,107,889	2,518,873	1,911,570	727,289	28,195,065	(532,985)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers to City of Morristown (tax equivalent payments)	-	(1,331,863)	(36,120)	-	(87,679)	(1,455,662)	-
Net interfund advances (repayments)	-	201,000	-	(201,000)	-	-	-
Net cash used in non-capital financing activities	-	(1,130,863)	(36,120)	(201,000)	(87,679)	(1,455,662)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Net additions to capital assets	(2,107,968)	(10,283,515)	(4,959,214)	(932,589)	(113,272)	(18,396,558)	-
Contributions	287,350	-	214,200	-	-	501,550	-
Transfers from City of Morristown for contributions	-	-	2,674,784	-	-	2,674,784	-
Proceeds from long-term debt	5,096,283	10,172,354	-	-	2,545,582	17,814,219	-
Principal payments on long-term debt and contractual obligations	(5,263,164)	(1,760,000)	(1,255,000)	(246,963)	(378,158)	(8,903,285)	-
Principal payments on subscription liability	-	(89,507)	-	(69,119)	-	(158,626)	-
Debt issuance costs	(97,565)	(171,931)	-	-	-	(269,496)	-
Interest paid on long-term debt	(1,794,702)	(864,331)	(152,765)	(110,173)	(177,069)	(3,099,040)	-
Net cash provided by (used in) capital and related financing activities	(3,879,766)	(2,996,930)	(3,477,995)	(1,358,844)	1,877,083	(9,836,452)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale of investments	-	6,125,000	-	-	-	6,125,000	-
Purchases of investments	-	(5,559,000)	-	-	(2,237,957)	(7,796,957)	-
Interest earned	596,475	1,282,579	265,598	187,255	77,813	2,409,720	-
Net cash provided by (used in) investing activities	596,475	1,848,579	265,598	187,255	(2,160,144)	737,763	-
Net Increase (Decrease) in Cash and Cash Equivalents	6,646,153	10,828,675	(729,644)	538,981	356,549	17,640,714	(532,985)
Cash and Cash Equivalents - Beginning	8,784,468	10,204,334	6,830,183	3,977,691	117,709	29,914,385	4,852,423
Cash and Cash Equivalents - Ending	<u>\$ 15,430,621</u>	<u>\$ 21,033,009</u>	<u>\$ 6,100,539</u>	<u>\$ 4,516,672</u>	<u>\$ 474,258</u>	<u>\$ 47,555,099</u>	<u>\$ 4,319,438</u>
Cash and cash equivalents are classified as:							
Current assets	\$ 8,297,833	\$ 13,334,660	\$ 2,952,191	\$ 4,516,672	\$ 474,258	\$ 29,575,614	\$ 4,319,438
Restricted assets	7,132,788	7,698,349	3,148,348	-	-	17,979,485	-
Total cash and cash equivalents at end of year	<u>\$ 15,430,621</u>	<u>\$ 21,033,009</u>	<u>\$ 6,100,539</u>	<u>\$ 4,516,672</u>	<u>\$ 474,258</u>	<u>\$ 47,555,099</u>	<u>\$ 4,319,438</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES							
Operating income (loss)	\$ 5,045,376	\$ 6,195,599	\$ 601,481	\$ 605,757	\$ 806,827	\$ 13,255,040	\$ (373,099)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense (increase) decrease in:	4,905,859	6,245,800	1,853,065	1,143,507	352,031	14,500,262	-
Accounts receivable	(37,348)	(635,457)	343,863	(5,137)	47,299	(286,780)	(75,212)
Other receivables	-	-	-	-	(26,114)	(26,114)	-
Due from other funds	-	-	-	-	(50,974)	(50,974)	-
Accrual for unbilled revenue	(2,907)	(251,281)	(4,809)	-	-	(258,997)	-
Deferred outflows of resources	9,410	56,697	32,126	9,023	22,258	129,514	-
Inventory	3,495	(71,464)	(8,639)	-	3,372	(73,236)	-
Other assets	15,716	(210,031)	622,374	8,973	8,554	445,586	-
(Decrease) increase in:							
Accounts payable	(91,352)	1,054,812	(943,273)	62,132	(326,093)	(243,774)	-
Retainage payable	-	-	-	-	(73,356)	(73,356)	-
Customer deposits	-	583,230	-	(5,200)	-	578,030	-
Accrued expenses	59,515	170,964	52,727	92,418	14,423	390,047	(84,674)
Compensated absences	-	-	-	-	319	319	-
Net pension liability	-	-	-	-	(47,395)	(47,395)	-
OPEB liability	9,928	(76,267)	(41,713)	(11,247)	-	(119,299)	-
Deferred inflows of resources	11,752	45,287	11,671	11,344	(3,862)	76,192	-
Net cash provided by (used in) operating activities	<u>\$ 9,929,444</u>	<u>\$ 13,107,889</u>	<u>\$ 2,518,873</u>	<u>\$ 1,911,570</u>	<u>\$ 727,289</u>	<u>\$ 28,195,065</u>	<u>\$ (532,985)</u>
Noncash capital and related financing activities							
Additions to capital assets	<u>\$ 364,058</u>	<u>\$ -</u>	<u>\$ 285,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 649,253</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2025

	Post-Employment Benefits Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 35,917	\$ 239,633
Receivables	-	21,465
Investments at fair value:		
Fixed Income Mutual Funds	529,353	-
Equity Mutual Funds	1,180,892	-
International Equity Mutual Funds	103,060	-
Total Assets	<u>1,849,222</u>	<u>261,098</u>
LIABILITIES		
Accounts payable and accrued expenses	<u>-</u>	<u>1,605</u>
Total Liabilities	<u>-</u>	<u>1,605</u>
NET POSITION		
Restricted for:		
Post-employment benefits other than pensions	1,849,222	-
Individuals and organizations	<u>-</u>	<u>259,493</u>
Total net position	<u><u>\$ 1,849,222</u></u>	<u><u>\$ 259,493</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Post-Employment Benefits Trust Fund	Custodial Funds
ADDITIONS		
Employer contributions	\$ 656,460	\$ -
Net investment income	139,243	-
Intergovernmental	-	99,118
Total Additions	795,703	99,118
DEDUCTIONS		
Benefits	556,460	8,951
Administrative expenses	3,000	3,225
Medical, dental, and life insurance for retirees	-	15,827
Payroll	-	64,605
Other contracted services	-	56,243
Total Deductions	559,460	148,851
Change in Net Position	236,243	(49,733)
Net Position - July 1	1,612,979	329,958
Adjustment - Change in reporting entity	-	(20,732)
Net Position - July 1, as adjusted	1,612,979	309,226
Net Position - Ending	<u>\$ 1,849,222</u>	<u>\$ 259,493</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting Entity

The City of Morristown, Tennessee (the City), is a municipal corporation governed by an elected mayor and six-member council and provides the following services as authorized by its charter: fire and police protection, planning, engineering, inspections, public works, parks, and general government. The City and component units also provide water, wastewater, power, refuse collection, and broadband services to its citizens.

Primary Government. The accompanying financial statements present the City (primary government) and its component unit, an entity for which the City is considered to be financially accountable. The City is financially accountable if it appoints a voting majority of the organization's governing body, and (1) it is able to impose its will on the organization, or (2) there is a potential for the entity to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units.

Blended Component Unit. The Morristown Utilities Commission (the Commission) accounts for all activities of the City's water, wastewater, power, and broadband systems. The management of the Commission is vested in a board of commissions who are appointed for five-year terms by the mayor and members of City Council. The Commission is a blended component unit of the City. The Commission is presented as a blended component unit mainly because their board is appointed by the City Council and the City is fiscally responsible for the debt. Complete financial statements of the Commission can be obtained from the administrative office at 433 West 1st North Street, Morristown, TN 37814.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Joint Ventures. The City participates in the following joint ventures with Hamblen County, Tennessee:

Morristown-Hamblen County Library – The City of Morristown and Hamblen County jointly own the Morristown – Hamblen Library. Each appoints an equal number of members to its Board of Directors. The City contributed \$360,000 for the library’s operations during the fiscal year ended June 30, 2025.

Hamblen County – Morristown Solid Waste Authority – The City of Morristown and Hamblen County jointly own the Hamblen County – Morristown Landfill. Each appoints an equal number of members to the Board of Directors. This operation is self-sufficient in that users are charged for services rendered. During the year ended June 30, 2025, the City was charged \$928,228. Additionally, the City of Morristown did not purchase any land on behalf of the Board.

City of Morristown does not have an equity interest in any of the above joint ventures. Complete financial statements for the Morristown – Hamblen Library and Hamblen County-Morristown Solid Waste Disposal System can be obtained from their respective administrative offices at the following addresses:

Morristown-Hamblen Library
417 West Main Street
Morristown, Tennessee 37814

Hamblen County-Morristown Solid Waste
Disposal System
3849 Sublett Rd
Morristown, Tennessee 37813

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the City’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City’s water, wastewater, power, and broadband services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *solid waste fund* accounts for the revenue and expenditure activity relating to operation of refuse collection and recycling activities. Solid waste revenues are provided through monthly charges to customers and garbage can purchases, with transfers from the general fund covering deficits.

The *capital projects fund* is used to account for financial resources to be used for the construction of major capital facilities, other than those financed by proprietary funds.

The City reports the following major proprietary funds:

The *power system fund* accounts for the activities of the City's electric distribution activities.

The *water system fund* accounts for the activities of the City's water distribution activities.

The *wastewater system fund* accounts for the activities of the City's sewage treatment operations.

The *broadband system fund* accounts for the activities of the City's cable and telephone services.

Additionally, the City reports the following fund types:

The *stormwater system fund* accounts for infrastructure maintenance and improvements to the City's stormwater infrastructure.

The *special revenue funds* account for various restricted licenses, permits, and fines for public safety and culture and recreation.

The *capital project funds* account for capital asset acquisition and construction of the City.

The *internal service fund* accounts for the City's health insurance services.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements (Continued)

The *fiduciary funds* are used to account for monies held by the City in a trustee capacity or as an agent or custodian for others. The City's Other Post-Employment Benefits (OPEB) Trust fund accounts for assets held in trust and the related contributions and expense for OPEB administration. The LAMTPO fund is used to account for the City's role of fiscal agent of the Lakeway Area Metropolitan Transportation Planning Organization (LAMTPO).

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied, even though the receivable is recognized in the prior period when the enforceable legal claim arises.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty days of the end of the current fiscal period. Grant revenue has a period of availability of sixty days.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as other expenditures related to other long-term liabilities such as subscription-based information technology arrangements, compensated absences, and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and financing through note payables are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within sixty days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within sixty days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City. Certain revenues are required to be recognized as a receivable and either as revenue or unearned revenue, depending upon the revenue recognition policies of the entity. The amounts due for penalties, fines and forfeitures, and clerk's fees for business tax were determined to be immaterial; therefore, receivables were not recorded. Gross receipts tax, minimum business tax, and corporate (bank) excise taxes that were earned but not received by June 30, 2025, were not recorded as receivables because they were not estimable.

The proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Fiduciary fund reporting focuses on net position and changes in net positions. The fiduciary fund category includes the OPEB trust fund and custodial funds.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information

Budgetary Basis of Accounting. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, certain governmental funds, and certain proprietary funds. All annual appropriations lapse at fiscal year end, except encumbrances.

The budget process begins around the first of February with the City Administrator giving direction to department heads. Their requests are due back to finance by the end of February. During the month of March budget requests are reviewed and budget meetings held with each department. The City Administrator will make final decisions before submission to City Council which usually occurs in early May. City Council has work sessions and makes their revisions. The proposed budget is placed in the local newspaper. Before June 30th, City Council adopts the budget ordinance with two readings.

Capital Project Funds are not budgeted. However, projects go before Council throughout the year and are approved on an individual basis. Once a project is approved, any associated contracts also go before Council for approval.

The appropriated budget is prepared by fund, function, and department for all governmental funds. The government's department head may make transfers of appropriations within their department. City Council amends the original budget, and the original and final amounts are presented in the financial statements included in this report.

Excess of Expenditures over Appropriations. For the fiscal year ended June 30, 2025, the following were instances of expenditures by fund exceeding appropriations in each fund:

General Fund:

General Government	
Flexible Benefits Program	\$ 71,596
Public Works	
Street lighting and signs	6,433
Capital Outlay	3,304
Debt Service	
Principal	382,356
Interest and fiscal charges	41,203

American Rescue Plan Act Fund:

Other Financing Sources (Uses)	
Transfers out	\$ 1,835,730

Morristown Landing Operations Fund:

Culture and recreation	\$ 190,389
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These expenditures in excess of the allotments were funded with use of available fund balance and revenues in excess of anticipated levels.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the City are reported at fair value (generally based upon quoted market prices) except for the position in the Local Government Investment Pool (LGIP) and certificates of deposit. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The LGIP is subject to regulatory oversight by the State Treasurer, although it is not registered with the Securities and Exchange Commission (SEC). The LGIP has met the criteria under GASB Statement No. 79 to value its investments at amortized cost and has elected to do so. The City reports its investment in the LGIP at amortized cost.

3. Inventories and Prepaid Items

Inventories in the governmental funds are valued at cost, using the average cost method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than purchased.

Inventories for the proprietary funds are valued at the lower of average cost or market using the average cost method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statement and fund financial statements for the proprietary funds. The cost of prepaid items is recorded as an expense when consumed rather than when purchased. The payments are being recorded as expenditures on the fund level for the governmental funds.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance
(Continued)**

4. Capital Assets and Right-to-Use Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and right to use assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life in excess of two years. Right-to-use assets are defined by the City as assets resulting from lease or subscription-based information technology arrangements with an initial, individual cost in excess of \$5,000 and an estimated useful life in excess of one year. As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Land and Construction in Progress are not depreciated. The capital assets and right-to-use assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-50
Improvements other than buildings	15-50
Building and improvements	15-50
Machinery and equipment	5-25
Transmission and distribution	25-50
Infrastructure	20
Motor vehicles	6-15
Right-to-use subscription asset	5

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance
(Continued)**

5. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's participation in the single employer defined pension plan and also their participation in the TCRS plan, and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the retirement plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the retirement plan. Investments are reported at fair value.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance
(Continued)**

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense or expenditure) until then. The City has various items that qualify for reporting in this category; deferred outflows related to pensions and deferred outflows related to other postemployment benefits. All of these are reported in the government-wide statement of net position and the statement of net position for proprietary funds. These items result from the requirements recognized under GASB 68 for pensions and GASB 75 for OPEB. The deferred outflows related to pensions reflect payments made by the City not currently recognized by the pension plans and other changes in the net pension liability and are disclosed more in Note 10. The deferred outflows related to other postemployment benefits reflects payments made by the City not currently recognized by the OPEB plans and other changes in the net OPEB liability and are disclosed more in Note 8 and 9.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has six types of deferred inflows. One of these items arises only under a modified accrual basis of accounting. Unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes, as well as other receivables not collected within 30 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item relates to deferred property taxes recorded in advance of the year in which they are intended to fund operations. This item is a deferred inflow in both the governmental fund balance sheet and the entity wide statement of net position. The third item relates to the recognition of employee pensions as required under GASB 68. This item is a deferred inflow in both the enterprise fund and the entity wide statement of net position and are discussed more in Note 10. The fourth item relates to the recognition of other postemployment benefits as required under GASB 75. This item is a deferred inflow in both the enterprise fund and the entity wide statement of net position and is discussed more in Note 8 and 9. The fifth item relates to long-term lease receivables which are deferred and recognized over the term of each lease. Lastly, the deferred loss on refunding will be recognized over the life of the refunded bond.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

7. Fund Balance

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance. Generally, fund balance represents the difference between the assets, deferred outflows of resources, deferred inflows of resources, and liabilities, under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.
- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of an ordinance. Only the City Council may modify or rescind the commitment.
- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through Council ordinance, the City Administrator has retained the authority to assign fund balances.
- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

7. Fund Balance (Continued)

Flow Assumptions. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Minimum Fund Balance Policy. The City will maintain an adequate, unassigned fund balance to accommodate unexpected expenditures, expenditures of a non-recurring nature, unanticipated revenue declines, or revenues for special opportunities. For the General Fund, the City will maintain, at a minimum, an unassigned fund balance of at least 20% of the annual General Fund expenditures.

8. Net Position

Flow Assumptions. When both restricted and unrestricted amounts of net position are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed.

Net position represents the difference between assets, deferred inflow and outflows of resources, and liabilities in reporting which utilizes the economic resources measurement focus. The following are the classifications of net position.

Net Investment in Capital Assets. Consists of capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. When debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position. Restricted net position reflects the resources that are subject to restricted use and have been externally imposed by creditors, grantors or contributors, or by law through constitutional provisions or enabling legislation.

Unrestricted Net Position. Unrestricted net position includes resources that are available for transactions relating to the general operations of the City and may be used at the discretion of the City to meet current expenses for any purpose.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include, 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes receivable are recognized as of the date when an enforceable legal claim to the taxable property arises. This is January 1st in Tennessee and is referred to as the "lien date." Revenues from property taxes are recognized in the period for which the taxes are levied. The City's levy date is the first Monday in October, annually, even though the receivable and deferred inflow of resources are recognized in the prior period when the enforceable legal claim arises. Tax notices are typically mailed in September following the levy date and the majority of collections are received during the remainder of the calendar year. Unpaid property taxes become delinquent the following March 1 and on the first day of each succeeding month, interest and penalty of 1.5% shall be added to the tax amount due and payable. Taxes shall remain in the hands of the City for collection until the first day of April of the following year, at which time shall be filed with Chancery Court.

3. Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by the employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or applied to years of service for purposes of calculating retirement) during or upon separation of employment. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

In the event of termination or retirement, an employee is reimbursed for accumulated vacation days. In general, accumulated vacation days are limited to 30 days. Employees are reimbursed for accumulated sick leave upon retirement or termination at an equivalent salary rate of 100%, 50%, or 33-1/3% depending on the date earned. Sick leave accumulation is limited to 90 days.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses (Continued)

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

I. Other

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

Deposits include demand deposits, money market accounts, and certificates of deposit managed by an agent of the City in the City's name.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes impose various restrictions on the City's and the Commission's deposits and investments, including repurchase agreements. These restrictions are summarized for deposits as follows: all deposits with financial institutions must be collateralized in an amount equal to 105% of the market value of uninsured deposits.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

The City's carrying amount of deposits was \$89,829,573 and the balance in financial institutions was \$90,138,400. Carrying amounts differ from financial institution balances primarily due to outstanding checks and deposits in transit. State statutes require collateral pledged by each financial institution to equal a certain percentage of the uninsured public deposits it holds. Members of the State of Tennessee Collateral Pool can be assessed if the collateral is inadequate to cover a loss. This is similar to depository insurance. The entire City's bank balance was covered by the State of Tennessee Collateral Pool, which is a multiple financial institution collateral pool, or by amounts insured by the Federal Deposit Insurance Corporation (FDIC), or with securities held by the pledging financial institution's trust department.

At June 30, 2025, the City's investment balances consisted of State of Tennessee Local Government Investment Pool (the TN LGIP) investments of \$21,083,062 with maturity of less than a year. The City reports the TN LGIP balance of \$15,583,062 and the Morristown Utilities Commission reports the TN LGIP balance of \$19,700,558 as cash equivalents.

Investments in the State of TN LGIP are uncategorized in terms of credit risk because specific securities related to the City cannot be identified.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligation of the U.S. government, or bonds of public authorities, counties, or municipalities.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The City does not have a formal policy for interest rate risk other than pledging securities for amounts in excess of FDIC coverage that are also not covered by the State of Tennessee Collateral Pool.

The maturities of the governmental and business-type funds' debt securities are categorized as follows:

	<u>Fair Value</u>	<u>Percent of Total</u>
Less than one year	\$ 5,608,226	100%
Total	<u>\$ 5,608,226</u>	<u>100%</u>

The Post-Retirement Benefits Trust (OPEB Trust) manages interest rate risk over a longer-term, seeking to maximize return. The OPEB Trust holds mutual funds, which do not have maturity dates as they can be sold at any time.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is the measure by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a formal policy for credit risk other than pledging securities for amounts in excess of FDIC coverage that are also not covered by the State of Tennessee State Collateral Pool.

State statutes authorize the City to invest in bonds, notes, or treasury bills of the United States of America; nonconvertible debt securities of the Federal Home Loan Bank, The Federal National Mortgage Association, The Federal Farm Credit Bank, and the Federal Home Loan Mortgage Corporation; other obligations not listed above which are guaranteed as to principal and interest by the United States of America or any of its agencies; certificates of deposit and other evidences of deposit at state and federally chartered banks and savings and loan associations; obligations of the United States of America or its agencies under a repurchase agreement for a shorter time than the maturity date of the security itself if the fair value of the security itself is more than the amount of funds invested, provided, that municipalities may invest in reverse purchase agreements only if the comptroller of the treasury or the comptroller's designee approves repurchase agreements as an authorized investment, and if such investments are made in accordance with procedures established by the state funding board; the State of Tennessee Local Government Investment Pool (TN LGIP); and obligations of the Public Housing Authority and bonds of the Tennessee Valley Authority.

Specifically, the TN LGIP was established under Tennessee Code Annotated Title 9, Chapter 4, Part 7. This investment pool is established for the use of idle funds of local governments located within the State of Tennessee. These funds are placed by the participating entity into accounts that are held and invested by the State Treasurer. The TN LGIP invests in time deposits, such as certificates of deposit, commercial paper, United States of America agency securities, repurchase agreements, and United States of America treasuries. By law, the TN LGIP is required to maintain a 90-day or less weighted-average-maturity. There are no withdrawal restrictions related to the TN LGIP. The TN LGIP has not been rated by a nationally recognized statistical rating organization. At June 30, 2025, the LGIP had a weighted average maturity of 45 days.

The LGIP is audited as part of the Annual Comprehensive Financial Report for the State of Tennessee. That report may be obtained by writing Tennessee Department of Finance and Administration, Division of Accounts, 312 Rosa Parks Avenue, Suite 2100, Nashville, TN 37243 or can be accessed at <https://www.tn.gov/finance/rd-doa/fa-acffin-ar.html>. LGIP is reported as cash equivalents for the City and as investments for the Morristown Utilities Commission.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Concentration of Credit Risk

Concentration risk is the risk of loss attributed to the magnitude of the government's investment in a single issuer. Other than its investment in U.S. Treasury obligations or mutual funds, the City entities, the governmental funds, and the OPEB Trust did not have any single investment that had a value in excess of 5% of the respective total investments.

The concentration of credit risk of the governmental and business-type funds' are as follows:

	<u>Amount</u>	<u>Portfolio</u>
Cash on hand and in banks	\$ 11,434	0.10%
Certificates of deposit	5,500,000	49.46%
U.S. Treasury obligations	5,608,226	50.44%
	<u>\$ 11,119,660</u>	<u>100.00%</u>

The concentration of credit risk of the OPEB Trust is as follows:

	<u>Amount</u>	<u>Portfolio</u>
Cash on hand and in banks	\$ 35,917	1.94%
Mutual funds	1,813,305	98.06%
	<u>\$ 1,849,222</u>	<u>100.00%</u>

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City's governmental and business-type funds have the following recurring fair value measurements as of June 30, 2025:

<u>Investments</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury obligations	\$ 5,608,226	\$ 5,608,226	\$ -	\$ -
	5,608,226	5,608,226	-	-
Cash on hand	11,434			
Certificates of deposit	5,500,000			
Total investments	<u>\$ 11,119,660</u>			

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

The OPEB Trust has the following recurring fair value measurements as of June 30, 2025:

<u>Investments</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 1,813,305	\$ 1,813,305	\$ -	\$ -
	1,813,305	1,813,305	-	-
Cash on hand	35,917			
Total investments	\$ 1,849,222			

The mutual funds and \$5,608,226 of the United States Treasuries, are classified in Level 1 of the fair value hierarchy and values using prices quoted in active market for those investments.

NOTE 3. RECEIVABLES

Receivables as of year-end for the City's individual major and nonmajor funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			
	General	Solid Waste	Capital Projects	Total
Receivables:				
Taxes	\$ 16,245,827	\$ -	\$ -	\$ 16,245,827
Accounts	5,544,234	179,331	162,969	5,886,534
Leases	1,468,928	-	-	1,468,928
Notes	4,015,000	-	-	4,015,000
Gross receivables	27,273,989	179,331	162,969	27,616,289
Less: Allowance	(604,931)	(46,210)	-	(651,141)
Total receivables	\$ 26,669,058	\$ 133,121	\$ 162,969	\$ 26,965,148

In 2023, the City facilitated financing for the Hamblen County-Morristown Solid Waste Disposal System (Solid Waste Board) by issuing General Obligation Bonds, Series 2022. The proceeds of these \$4,500,000 bonds were designated to finance the improvement and expansion of the regional landfill. Simultaneously, the City and the Solid Waste Board executed an agreement requiring the Board to repay the full \$4,500,000 to the City. The repayment terms mirror those of the underlying General Obligation Bonds, Series 2022. In 2025, upon the final disbursement of all bond proceeds to the Solid Waste Board, the City recorded a note receivable totaling \$4,500,000. The amount of the receivable will be reduced as principal payments are received from the Solid Waste Board. The balance of the note receivable at June 30, 2025 was \$4,015,000.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 3. RECEIVABLES (CONTINUED)

	Business-Type Activities					Total
	Enterprise Funds				Internal	
	Wastewater	Power	Water	Nonmajor Funds	Service Fund	
Receivables:						
Accounts	\$ 910,252	\$ 11,967,053	\$ 284,741	\$ 378,087	\$ 223,147	\$ 13,763,280
Gross receivables	910,252	11,967,053	284,741	378,087	223,147	13,763,280
Less: Allowance	-	(200,813)	-	(259,657)	-	(460,470)
Total receivables	<u>\$ 910,252</u>	<u>\$ 11,766,240</u>	<u>\$ 284,741</u>	<u>\$ 118,430</u>	<u>\$ 223,147</u>	<u>\$ 13,302,810</u>

NOTE 4. LAND HELD FOR SALE

Land held at historical cost for sale consists of land located in industrial parks held for resale. At June 30, 2025, the balance was \$8,865,701.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated					
Land	\$ 15,955,076	\$ 448,453	\$ (123,624)	\$ -	\$ 16,279,905
Construction in progress	3,224,434	6,586,928	-	(7,018,310)	2,793,052
Total capital assets, not being depreciated	<u>19,179,510</u>	<u>7,035,381</u>	<u>(123,624)</u>	<u>(7,018,310)</u>	<u>19,072,957</u>
Capital assets, being depreciated					
Buildings	82,897,411	118,879	(163,373)	7,315,568	90,168,485
Improvements other than buildings	20,376,668	-	-	(20,376,668)	-
Infrastructure	62,435,699	-	-	858,993	63,294,692
Other Improvements	-	29,655	-	21,449,357	21,479,012
Motor vehicles	14,174,968	2,224,960	(1,146,407)	3,835,437	19,088,958
Machinery and equipment	14,672,191	361,066	(48,518)	(6,064,377)	8,920,362
Right-to-use subscription asset	713,828	-	-	-	713,828
Total capital assets, being depreciated	<u>195,270,765</u>	<u>2,734,560</u>	<u>(1,358,298)</u>	<u>7,018,310</u>	<u>203,665,337</u>
Less accumulated depreciation					
Buildings	(13,919,381)	(2,219,844)	62,494	(42,700)	(16,119,431)
Improvements other than buildings	(13,554,973)	-	-	13,554,973	-
Infrastructure	(40,983,788)	(2,631,391)	-	(68,785)	(43,683,964)
Other Improvements	-	(537,497)	-	(14,161,177)	(14,698,674)
Motor vehicles	(8,536,553)	(1,359,109)	1,146,407	(3,493,354)	(12,242,609)
Machinery and equipment	(7,558,290)	(698,959)	48,518	4,211,043	(3,997,688)
Right-to-use subscription asset	(208,118)	(142,598)	-	-	(350,716)
Total accumulated depreciation	<u>(84,761,103)</u>	<u>(7,589,398)</u>	<u>1,257,419</u>	<u>-</u>	<u>(91,093,082)</u>
Total capital assets, depreciable, net	<u>110,509,662</u>	<u>(4,854,838)</u>	<u>(100,879)</u>	<u>7,018,310</u>	<u>112,572,255</u>
Governmental-type activities capital assets, net	<u>\$ 129,689,172</u>	<u>\$ 2,180,543</u>	<u>\$ (224,503)</u>	<u>\$ -</u>	<u>\$ 131,645,212</u>

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5. CAPITAL ASSETS (CONTINUED)

Business-Type Activities

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated					
Land	\$ 2,965,952	\$ 16,986	\$ -	\$ -	\$ 2,982,938
Construction in progress	10,497,060	19,675,337	(19,654,339)	(2,025,137)	8,492,921
Total capital assets, not being depreciated	<u>13,463,012</u>	<u>19,692,323</u>	<u>(19,654,339)</u>	<u>(2,025,137)</u>	<u>11,475,859</u>
Capital assets, being depreciated					
Building and improvements	37,373,480	145,321	(554,439)	-	36,964,362
Transmission and distribution	182,764,693	11,744,964	(910,894)	2,025,137	195,623,900
Machinery and equipment	233,645,483	7,881,210	(1,823,713)	-	239,702,980
Right-to-use subscription asset	831,526	-	-	-	831,526
Total capital assets, being depreciated	<u>454,615,182</u>	<u>19,771,495</u>	<u>(3,289,046)</u>	<u>2,025,137</u>	<u>473,122,768</u>
Less accumulated depreciation					
Building and improvements	(13,930,579)	(651,517)	-	-	(14,582,096)
Transmission and distribution	(94,769,048)	(5,965,048)	889,239	-	(99,844,857)
Machinery and equipment	(128,983,972)	(7,717,398)	1,636,139	-	(135,065,231)
Right-to-use subscription asset	(63,253)	(166,299)	-	-	(229,552)
Total accumulated depreciation	<u>(237,746,852)</u>	<u>(14,500,262)</u>	<u>2,525,378</u>	<u>-</u>	<u>(249,721,736)</u>
Total capital assets, depreciable, net	<u>216,868,330</u>	<u>5,271,233</u>	<u>(763,668)</u>	<u>2,025,137</u>	<u>223,401,032</u>
Business-type activities capital assets, net	<u>\$ 230,331,342</u>	<u>\$ 24,963,556</u>	<u>\$ (20,418,007)</u>	<u>\$ -</u>	<u>\$ 234,876,891</u>

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 921,521
Public Safety	1,421,503
Public Works	3,559,093
Culture and recreation	<u>1,687,281</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 7,589,398</u>
Business-type Activities:	
Water	\$ 1,853,065
Power	6,245,800
Wastewater	4,905,859
Broadband	1,143,507
Stormwater	<u>352,031</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 14,500,262</u>

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2025, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water System Fund	Nonmajor governmental funds	\$ 733,324
Stormwater Fund	Power System Fund	\$ 159,302
Solid Waste Fund	Power System Fund	\$ 254,324

Interfund receivables of the Water System Fund and nonmajor governmental funds represent cash disbursements made by the nonmajor governmental funds for which the timing of cash reimbursements have occurred subsequent to year-end. The interfund receivables between the proprietary funds represents timing of cash corrections for operations being made between the various funds.

The composition of interfund transfers as of June 30, 2025, is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Stormwater Fund	\$ 87,679
General Fund	Nonmajor governmental funds	3,000,000
General Fund	Power System Fund	1,382,404
General Fund	Water System Fund	36,120
		<u>\$ 4,506,203</u>
Capital projects Fund	General Fund	<u>\$ 2,268,011</u>
Nonmajor governmental funds	General Fund	<u>\$ 4,850,000</u>
Water System Fund	Nonmajor governmental funds	<u>\$ 2,845,730</u>

Interfund transfers are used to (1) move revenues from the funds with collection authorization to the debt service fund as debt service principal and interest payments become due, and (2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7. LONG-TERM LIABILITIES

The following is a summary of debt transactions of the City for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 68,660,300	\$ 1,059,830	\$ (5,105,300)	\$ 64,614,830	\$ 3,788,140
Premium on debt issuance	2,877,399	-	(312,809)	2,564,590	-
Subscription payable	495,259	-	(132,321)	362,938	138,673
Net pension liability	5,297,347	10,478,140	(12,475,158)	3,300,329	-
Net OPEB liability	4,468,371	2,221,182	(772,615)	5,916,938	-
Compensated absences	1,874,105	3,282,140	(3,225,877)	1,930,368	579,110
Governmental activity					
Long-term liabilities	<u>\$ 83,672,781</u>	<u>\$ 17,041,292</u>	<u>\$ (22,024,080)</u>	<u>\$ 78,689,993</u>	<u>\$ 4,505,923</u>
Business-type activities:					
General obligation bonds	\$ 69,258,146	\$ 18,300,170	\$ (6,948,146)	\$ 80,610,170	\$ 7,417,860
Premium on debt issuance	2,208,367	445,251	(434,141)	2,219,477	-
Notes payable	14,476,053	-	(2,744,976)	11,731,077	1,180,112
Subscription payable	763,270	-	(158,626)	604,644	163,391
Contractual obligations	1,542,245	-	(99,390)	1,442,855	140,237
Financed purchase obligation	41,963	-	(41,963)	-	-
Net pension liability	126,127	36,977	(84,372)	78,732	-
Net OPEB liability	2,558,923	245,760	(365,059)	2,439,624	-
Compensated absences	55,484	90,653	(90,333)	55,804	16,741
Business-type activity					
Long-term liabilities	<u>\$ 91,030,578</u>	<u>\$ 19,118,811</u>	<u>\$ (10,967,006)</u>	<u>\$ 99,182,383</u>	<u>\$ 8,918,341</u>

Within the City's governmental activities, the compensated absences, subscription payable, pension, and OPEB liabilities are primarily liquidated by the General Fund.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

The annual requirements to amortize the bonds as of June 30, 2025 for the long-term debt and related interest are as follows:

Year Ending June 30,	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2026	\$ 3,788,140	\$ 2,334,158
2027	3,963,140	2,157,201
2028	4,128,360	1,982,432
2029	2,968,800	1,800,443
2030	3,029,470	1,671,322
2031-2035	15,631,920	6,677,531
2036-2040	14,975,000	4,101,915
2041-2045	10,590,000	1,704,739
2046-2049	5,540,000	415,500
	<u>\$ 64,614,830</u>	<u>\$ 22,845,241</u>

Year Ending June 30,	Business-Type Activities					
	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 7,417,860	\$ 2,552,883	\$ 1,180,112	\$ 263,264	\$ 8,597,972	\$ 2,816,147
2027	7,020,860	2,280,590	1,212,880	234,236	8,233,740	2,514,826
2028	7,218,640	2,042,002	1,244,720	204,793	8,463,360	2,246,795
2029	6,352,200	1,799,557	1,278,608	173,736	7,630,808	1,973,293
2030	6,411,530	1,617,998	1,311,556	142,234	7,723,086	1,760,232
2031-2035	29,464,080	5,396,602	4,326,112	378,163	33,790,192	5,774,765
2036-2040	12,335,000	1,804,025	1,177,089	3,673	13,512,089	1,807,698
2041-2044	4,390,000	156,900	-	-	4,390,000	156,900
	<u>\$ 80,610,170</u>	<u>\$ 17,650,557</u>	<u>\$ 11,731,077</u>	<u>\$ 1,400,099</u>	<u>\$ 92,341,247</u>	<u>\$ 19,050,656</u>

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Details of long-term indebtedness are as follows:

Description	Interest Rate	Year Issued	Maturity	Original Issue	Balance June 30, 2025
<u>Governmental Activities</u>					
General long-term debt					
2018 Public Improvement and Refunding (\$64M)	3.00-5.00%	2019	2018-2042	\$ 19,190,000	\$ 10,975,000
2022 General Obligation Bonds	Variable	2022	2024-2037	4,500,000	4,015,000
2023 General Obligation Bonds	Variable	2023	2024-2043	9,700,000	8,855,000
2024 General Obligation Refunding	4.15%	2025	2026-2035	1,059,830	1,059,830
Capital Projects					
2017 GO (\$9.71M)	3.00-3.75%	2017	2018-2042	9,710,000	7,255,000
2019B GO (\$37.25M)	5%	2019	2019-2049	37,250,000	32,455,000
Total governmental activities				81,409,830	64,614,830
<u>Business-type Activities</u>					
Wastewater system					
2013 CWSRF Promissory Note (\$5M)	1.51%	2013	2015-2036	5,000,000	2,874,077
2015 Promissory Note (\$10M)	2.74%	2016	2017-2036	10,000,000	6,482,000
2018 General Obligation Bonds	3.00-4.00%	2019	2020-2037	10,060,000	10,060,000
2018 General Obligation Refunding	4.00-5.00%	2019	2020-2028	10,480,000	3,685,000
2019 General Obligation Refunding	3.00-5.00%	2019	2020-2034	12,775,000	8,290,000
2021A General Obligation Refunding	2.00%	2022	2022-2037	21,740,000	16,385,000
2021B General Obligation Bonds	2.00%	2022	2022-2041	3,395,000	3,165,000
2024 General Obligation Bonds	4.00%	2025	2025-2044	4,970,000	4,970,000
2024 General Obligation Refunding	4.15%	2025	2026-2035	940,170	940,170
Power system					
2018 General Obligation	3.00-5.00%	2019	2020-2038	4,375,000	3,255,000
2018 General Obligation Refunding	3.00-5.00%	2019	2020-2035	16,410,000	9,335,000
2024 General Obligation Bonds	4.00%	2025	2025-2044	9,910,000	9,495,000
Water system					
Water System Bonds Series 2010	2.52%	2010	2010-2030	7,500,000	2,375,000
2021A General Obligation Refunding	2.00%	2022	2022-2032	3,590,000	940,000
2021B General Obligation Bonds	2.00%	2022	2022-2041	3,590,000	2,930,000
Broadband System					
2018 General Obligation Refunding	3.00-5.00%	2019	2020-2035	3,810,000	2,565,000
Stormwater system					
2021A General Obligation Refunding	2.00%	2021	2022-2037	2,990,000	2,220,000
2024 General Obligation Bond	4.00%	2025	2025-2044	2,480,000	2,375,000
Total business-type activities				134,015,170	92,341,247
				<u>\$ 215,425,000</u>	<u>\$ 156,956,077</u>

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

In March 2017, the City issued General Obligation Bonds, Series 2017, of \$9,710,000 attributable to the governmental activities. These bonds were issued at a premium of \$285,743. The underwriters discount was \$109,238 with an additional \$75,738 in other issuance costs. The interest rate ranges from 3% to 3.75% with maturity in 2042. The outstanding principal balance of the bonds is \$7,255,000 at June 30, 2025.

In October 2018, the City issued General Obligation Bond, Series 2018, in the amount of \$64,325,000. The breakdown of these funds is as follows:

\$4,375,000 is attributed to the Power System for renovations to an administrative building. An additional \$16,410,000 of the proceeds were used for a current refunding of the 2008 Promissory Note and the 2013 Promissory Note then outstanding, and \$960,562 in previously undrawn funds on the 2013 Promissory Note. The bonds attributed to the Power System were issued at a premium of \$1,259,089. The underwriters discount was \$205,143 with an additional \$94,330 in other issuance costs. The interest rates range from 3% to 5% with maturity in 2038. The outstanding principal balance attributable to the Power System is \$12,590,000 at June 30, 2025.

\$10,060,000 is attributed to the Wastewater System, including \$9,910,000 to replace previously undrawn loan proceeds on the 2016 Promissory Note. An additional \$10,480,000 in proceeds were used for a current refunding of the then outstanding 2008-50518 Promissory Note, the 2008-50532 Promissory Note, the 2008-50536 Promissory Note and the 2008-50545 Promissory Note. The bonds attributed to the Wastewater System were issued at a premium of \$1,051,041. The underwriters discount was \$202,725 with an additional \$92,318 in other issuance costs. The interest rates range from 3% to 5% with maturity in 2037. The outstanding principal balance attributable to the Wastewater System is \$13,745,000 at June 30, 2025.

\$3,810,000 is attributed to the Broadband System for a current refunding of its then outstanding 2008 Promissory Note. The bonds attributed to the Broadband System were issued at a premium of \$183,948. The underwriters discount was \$37,604 with an additional \$17,291 in other issuance costs. The interest rates range from 3% to 5% with maturity in 2035. The outstanding principal balance attributable to the Broadband System is \$2,565,000 at June 30, 2025.

\$9,250,000 is attributed to governmental activities for future construction. An additional \$9,940,000 in proceeds were used for a current refunding of the then outstanding Series 2008A, 2008B, 2008C, and 2008D General Obligation Bonds. The bonds attributed to Governmental Activities were issued at a premium of \$1,409,107. The underwriters discount was \$189,401 with an additional \$67,609 in other issuance costs. The interest rates range from 3% to 5% with maturity in 2042. The outstanding principal balance attributable to Governmental Activities is \$10,975,000 at June 30, 2025.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

In June 2019, the City issued General Obligation Bonds, Series 2019, of \$12,775,000 attributable to the Wastewater System for an advanced refunding of \$14,000,000 for the outstanding maturities between 2021 and 2034 of the 2013 Promissory Note. From the advance refunding, \$13,956,901 was deposited with an escrow agent to be applied to refunded principal payments in August 2019. As of June 30, 2019, \$10,110,000 of notes outstanding are considered defeased.

These bonds were issued at a premium of \$1,351,198. The underwriters discount was \$68,981 with an additional \$100,315 in other issuance costs. The interest rate ranges from 3% to 5% with maturity in 2034. The intent of the refunding is to reduce debt service payments. The transaction resulted in an economic gain of \$1,201,367 and a reduction of \$1,407,701 in future debt service payment. The outstanding principal balance of the bonds is \$8,290,000 at June 30, 2025.

In December 2019, the City issued General Obligation Bonds, Series 2019B, of \$37,250,000 attributable to the governmental activities. These bonds were issued at a premium of \$2,554,964. The underwriters discount was \$501,056 with an additional \$149,995 in other issuance costs. The interest rate is 5% with maturity in 2049. The outstanding principal balance of the bonds is \$32,455,000 at June 30, 2025.

In September 2021, the City issued General Obligation Refunding Bonds, Series 2021A, in the amount of \$28,320,000. The breakdown of these funds is as follows:

\$21,740,000 is attributed to the Wastewater System for a current refunding of the General Obligations Bonds, Series 2012, 2007 CWSRF Promissory Note, and 2009 CWSRF Promissory Note. The bonds attributed to the Wastewater System were issued at a premium of \$1,240,237. The underwriters discount was \$141,597 with an additional \$123,814 in other issuance costs. The interest rate is 2% with maturity in 2037. The intent of the refunding is to consolidate debt and lower required debt service through interest savings. The transaction resulted in an economic gain of \$2,729,859 and a reduction of \$2,883,634 in future debt service payments. The outstanding principal balance of the bonds is \$16,385,000 at June 30, 2025.

\$3,590,000 is attributed to the Water System for a current refunding of the 2002 DWSRF Promissory Note and 2011 DWSRF Promissory Note. The bonds attributed to the Water System were issued at a premium of \$155,024. The underwriters discount was \$23,382 with an additional \$19,944 in other issuance costs. The interest rate is 2% with maturity in 2032. The intent of the refunding is to consolidate debt and lower required debt service through interest savings. The transaction resulted in an economic gain of \$192,784 and a reduction of \$201,038 in future debt service payments. The outstanding principal balance of the bonds is \$940,000 at June 30, 2025.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

\$2,990,000 is attributed to the Stormwater System for a current refunding of the series 2012 General Obligation Bonds. The bonds attributed to the Stormwater System were issued at a premium of \$165,692. The underwriters discount was \$19,474 with an additional \$15,869 in other issuance costs. The interest rate is 2% with maturity in 2037. The intent of the refunding is to consolidate debt and lower required debt service through interest savings. The outstanding principal balance of the bonds is \$2,220,000 at June 30, 2025.

In September 2021, the City issued General Obligation Refunding Bonds, Series 2021B, in the amount of \$6,785,000. The breakdown of these funds is as follows:

\$3,390,000 is attributed to the Water System for improvements and extensions to the water system. The bonds attributed to the water system were issued at a premium of \$169,862. The underwriters discount was \$29,901 with an additional \$32,356 in other issuance costs. The interest rate is 2% with maturity in 2041. The outstanding principal balance of the bonds is \$2,930,000 at June 30, 2025.

\$3,395,000 is attributed to the Wastewater System for improvements and extensions to the wastewater system. The bonds attributed to the wastewater system were issued at a premium of \$170,113. The underwriters discount was \$29,949 with an additional \$32,588 in other issuance costs. The interest rate is 2% with maturity in 2041. The outstanding principal balance of the bonds is \$3,165,000 at June 30, 2025.

In December 2022, the City issued General Obligation Bonds, Series 2022, of \$4,500,000 attributable to the governmental activities. These bonds were issued at a premium of \$117,491. The underwriters discount was \$46,892 with an additional \$67,295 in other issuance costs. The interest rates ranges from 4% to 5% with maturity in 2037. The outstanding principal balance of the bonds is \$4,015,000 at June 30, 2025.

In September 2023, the City issued General Obligation Bonds, Series 2023, of \$9,700,000 attributable to the governmental activities. These bonds were issued at a premium of \$299,206. The interest rates ranges from 4% to 5% with maturity in 2043. The outstanding principal balance of the bonds is \$8,855,000 at June 30, 2025.

In August 2024, the City issued General Obligation Bonds, Series 2024, in the amount of \$17,360,000. The breakdown of these funds is as follows:

\$9,910,000 is attributed to the Power System for improvements and extensions to the power system. The bonds attributed to the power system were issued at a premium of \$262,354. The underwriters discount was \$84,251 with an additional \$87,680 in other issuance costs. The interest rate is 4% with maturity in 2044. The outstanding principal balance of the bonds is \$9,495,000 at June 30, 2025.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

\$4,970,000 is attributed to the Wastewater System for improvements and extensions to the wastewater system. The bonds attributed to the wastewater system were issued at a premium of \$117,315. The underwriters discount was \$42,253 with an additional \$43,973 in other issuance costs. The interest rate is 4% with maturity in 2044. The outstanding principal balance of the bonds is \$4,970,000 at June 30, 2025.

\$2,480,000 is attributed to the Stormwater System for improvements and extensions to the stormwater system. The bonds attributed to the Stormwater System were issued at a premium of \$65,582. The underwriters discount was \$21,084 with an additional \$21,942 in other issuance costs. The interest rate is 4% with maturity in 2044. The outstanding principal balance of the bonds is \$2,375,000 at June 30, 2025.

In December 2024, the City issued General Obligation Refunding Bonds, Series 2024, in the amount of \$2,000,000. The breakdown of these funds is as follows:

\$1,059,830 is attributable to the governmental activities for a current refunding of the 2009 Promissory Note. The interest rate is 4.15% with maturity in 2035. The issuance cost was \$10,070. The intent of the refunding is to lower required debt service through interest savings. The transaction resulted in an economic gain of \$109,633 and a reduction of \$595,627 in future debt service payments. The outstanding principal balance of the bonds is \$1,059,830 at June 30, 2025.

\$940,170 is attributed to the Wastewater System for a current refunding of the 2009 Promissory Note. The interest rate is 4.15% with maturity in 2035. The issuance cost was \$8,930. The intent of the refunding is to lower required debt service through interest savings. The transaction resulted in an economic gain of \$71,235 and a reduction of \$76,599 in future debt service payments. The outstanding principal balance of the bonds is \$940,170 at June 30, 2025.

Other than the contractual obligation noted below all of the City's direct borrowings are backed by the full faith and credit of the government. In the event of defaults these direct borrowings would be payable in full at the time of default.

During 2009, the City entered into an asset purchase agreement for the acquisition of wastewater treatment plant located in Hamblen County, Tennessee. The agreement provided for an initial down payment of \$750,000 plus ongoing Flow Fees generally ranging between \$182,500 (minimum Flow Fee if annual volume fails to exceed the average of 500,000 gallons per day) and \$736,125 annually through 2034 depending on the volume of discharges. The City recorded the acquisition (and related contractual obligation) at the then estimated fair value of the wastewater treatment plant. The obligation (\$1,442,855 outstanding as of June 30, 2025) is payable monthly at \$15,208, which includes interest at the imputed rate of 4.99%. Flow fees in excess of \$15,208, if any, will be charged to expense as incurred.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Subscription-based Information Technology Arrangements

Governmental Activities

In July 2023, the City entered into a contract for website support services through Revize Web Services with a term of 3 years. An initial liability was recorded in the amount of \$10,980. As of June 30, 2025, the value of the liability is \$3,657. The City is required to make annual fixed payments of \$3,800. As the contract with the vendor did not include a stated interest rate, the City estimated its incremental borrowing rate related to this arrangement to be 4.80% at the time of the measurement of the initial lease liability. The right-to-use asset's useful life is 3 years as of the contract commencement. The value of the right-to-use asset as of June 30, 2025 of \$10,980 with accumulated amortization of \$7,320 is included with right-to-use subscription assets.

In February 2023, the City entered into a contract for the use of Tyler Technologies Records Management System with a term of 5 years. An initial liability was recorded in the amount of \$298,934. As of June 30, 2025, the value of the liability is \$122,175. The City is required to make annual fixed payments of \$65,520. As the contract with the vendor did not include a stated interest rate, the City estimated its incremental borrowing rate related to this arrangement to be 4.80% at the time of the measurement of the initial lease liability. The right-to-use asset's useful life is 5 years as of the contract commencement. The value of the right-to-use asset as of June 30, 2025 of \$298,934 with accumulated amortization of \$185,094 is included with right-to-use subscription assets.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Subscription-based Information Technology Arrangements (Continued)

In March 2023, the City entered into a contract for the use of Axon equipment (police body cameras) with a term of 5 years. An initial liability was recorded in the amount of \$403,914. As of June 30, 2025, the value of the liability is \$237,106. The City is required to make annual fixed payments of \$86,741. As the contract with the vendor did not include a stated interest rate, the City estimated its incremental borrowing rate related to this arrangement to be 4.80% at the time of the measurement of the initial lease liability. The right-to-use asset's useful life is 5 years as of the contract commencement. The value of the right-to-use asset as of June 30, 2025 of \$403,914 with accumulated amortization of \$158,302 is included with right-to-use subscription assets.

In accordance with GASB Statement No. 96, the City measured its subscription payables under the contracts as the present value of the fixed payments required. The contracts with the vendor did not include any other items that would factor into the measurement of the liabilities, such as contract incentives, variable payments fixed in substance, or other payments that are reasonably certain of being required.

The City's subscription asset under this arrangement was equal to the subscription liability as no payments were made to the vendor at the commencement of the terms and there were no capitalizable implementation costs.

The debt service to maturity on the City's outstanding subscription payables is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2026	\$ 138,673	\$ 17,418	\$ 156,091
2027	141,496	10,765	152,261
2028	82,769	3,973	86,742
Total	<u>\$ 362,938</u>	<u>\$ 32,156</u>	<u>\$ 395,094</u>

Business-Type Activities

The Power System leases certain subscription assets under non-cancelable arrangements. Terms of the arrangements are for five years and contain fixed and variable payment terms. The subscription arrangements do not contain an option for renewal. The Power System incurred interest expense of \$11,647 and amortization expense of \$93,818 related to subscription agreements in 2025.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Subscription-based Information Technology Arrangements (Continued)

The Broadband System leases certain subscription assets under non-cancelable arrangements. Terms of the arrangements are for five years and contain fixed and variable payment terms. The subscription arrangements do not contain an option for renewal. The Broadband System incurred interest expense of \$9,026 and amortization expense of \$72,481 related to subscription arrangements in 2025.

The debt service to maturity on the business-type activities outstanding subscription payables is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2026	\$ 163,391	\$ 15,907	\$ 179,298
2027	168,362	10,936	179,298
2028	173,481	5,815	179,296
2029	99,410	966	100,376
Total	<u>\$ 604,644</u>	<u>\$ 33,624</u>	<u>\$ 638,268</u>

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Local Plan

Plan Description

The City provides post-employment health benefits for retired employees through a single-employer defined benefit plan. The City may change, add, or delete health insurance benefits as the City deems appropriate with City Council approval. The plan does not grant retirees vested health coverage benefits.

The cost of post-employment healthcare benefits is associated with the periods in which the cost occurs, rather than in the future years when it will be paid. Recognition of the liability accumulated from years prior to adoption will be phased in over 30 years, and commenced with the 2009 liability. A trust fund was established by the City with Commercial Bank and Trust Company (the Trust Fund). The Trust Fund is established as an investment vehicle for participating employers to accumulate assets to fund OPEB. Plan assets for purposes of GASB Statement No. 75 are usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, in which (a) contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer or plan administrator, for the payment of benefits in accordance with the terms of the plan. No stand-alone financial report is issued for this plan.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Local Plan (Continued)

Benefits Provided

The City provides medical, dental, and vision benefits to retirees and their spouses. The City also pays 85% of medical and 100% of dental, and vision premiums for the retiree and the retiree spouse. All full-time, active employees who retire or are disabled directly from the City and meet the eligibility criteria may participate.

Employees Covered by Benefit Terms

As of the July 1, 2024 actuarial valuation, the following employees were covered by the benefit terms of the plan:

Inactive employees or beneficiaries:	
Currently receiving benefits	37
Actives	<u>279</u>
Total	<u>316</u>

Contributions

The City pays 85% of medical and 100% of dental, and vision insurance premiums for all retirees and their spouse.

Net OPEB Liability

The City's total net OPEB liability of \$5,916,938 was measured as of June 30, 2025 and was determined by an actuarial valuation performed as of July 1, 2024.

Actuarial Assumptions

The net OPEB liability was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	7.20%
Inflation	2.50%
Salary increases	4.00%
Payroll Growth Rate	2.50%
Investment rate of return	7.20%
Healthcare cost trend rates	5.0%-8.0%

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Local Plan (Continued)

Mortality rates were based on the PUB-2010 Combined Fully Generational Mortality Table with projection scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2020.

Change in assumptions: The healthcare cost trend rate was updated to 8.0% in 2024, grading down by 0.5% per annum to an ultimate rate of 5.0% in years 2030 and later. The mortality projection scale was updated to PUB-2010.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB investments was determined using the annual money weighted rate of return on investments for each asset class, asset allocation percentages and a 2.5% inflation rate. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Real Rate of Return</u>	<u>Weighted Average Long- Term Real Rate of Return</u>
Large Cap	26.00%	5.61%	1.52%
Small-Mid Cap	28.00%	6.83%	1.97%
Non-US Equity-Developed	3.00%	6.42%	0.20%
Non-US Equity-Emerging	2.00%	8.29%	0.18%
Core Fixed Income	17.00%	2.48%	0.15%
High Yield Fixed Income	7.00%	4.25%	0.25%
US Treasuries	2.00%	0.92%	-0.02%
TIPS	5.00%	1.93%	-2.00%
Real Estate	10.00%	4.76%	-0.54%

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Local Plan (Continued)

Discount Rate

The discount rate used to measure the net OPEB liability was 7.20%. This is an increase from the June 30, 2024 rate of 6.70%. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Rate of Return

For the year ended June 30, 2025, the annual money weighted rate of return on investments of the OPEB Plan, net of investment expense, was 7.66 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/2024	\$ 6,081,350	\$ 1,612,979	\$ 4,468,371
Changes for the year:			
Service cost	155,924	-	155,924
Interest	523,820	-	523,820
Differences between expected and actual experience	172,433	20,088	152,345
Assumption Changes	1,389,093	-	1,389,093
Contributions-employer	-	656,460	(656,460)
Net investment income	-	116,155	(116,155)
Benefit payments, including refund of employee contributions	(556,460)	(556,460)	-
Net changes	1,684,810	236,243	1,448,567
Balances at 6/30/2025	\$ 7,766,160	\$ 1,849,222	\$ 5,916,938

The Plan's fiduciary net position as a percentage of the total pension liability if 23.8%.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Local Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current discount rate:

	<u>1% Decrease (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Net OPEB liability	\$ 6,519,825	\$ 5,916,938	\$ 5,377,074

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare costs trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost rates:

	<u>1% Decrease 6.50% decreasing to 4.00%</u>	<u>Healthcare Cost Trend Rates 7.50% decreasing to 5.00%</u>	<u>1% Increase 8.50% decreasing to 6.00%</u>
Medical Trend			
Net OPEB liability	\$ 5,268,801	\$ 5,916,938	\$ 6,659,389

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Local Plan (Continued)

OPEB Expense (Income) and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2025, the City recognized OPEB expense of \$620,892. At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to OPEB are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 283,393	\$ 1,031,427
Changes in assumptions	1,484,144	459,386
Net difference between projected and actual earnings on pension plan investments	-	\$ 6,664
Total	<u>\$ 1,767,537</u>	<u>\$ 1,497,477</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2026	\$ 96,914
2027	43,513
2028	49,246
2029	59,294
2030	(15,313)
Thereafter	<u>36,406</u>
Total	<u>\$ 270,060</u>

NOTE 9. POST-EMPLOYMENT HEALTH INSURANCE BENEFITS – MORRISTOWN UTILITIES COMMISSION

Plan Description

The Systems provide post-employment benefits (OPEB) through the Morristown Utilities Retiree Benefit Plan to all eligible retirees. The OPEB is administered by the Commission, is a single employer defined benefit plan and is not required to issue a separate financial report. There are no assets accumulated in a trust and the Systems fund the Plan on a pay-as-you-go basis.

The amounts reported as of June 30, 2025 are based on an actuarial valuation performed as of July 1, 2023, and updated to June 30, 2025.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9. POST-EMPLOYMENT HEALTH INSURANCE BENEFITS – MORRISTOWN UTILITIES COMMISSION (CONTINUED)

The Systems provide medical, dental and life insurance benefits to retirees. Employees who retire at age 55 with 10 years of service are eligible to participate for five years or until age 65. The Systems pay either 90% or 95% of the monthly premium amount that is paid for active employees of the retiree's medical premiums. The Systems pay 100% of the monthly premium amount that is paid for active employees of the retiree's dental and life insurance premiums.

In addition, the Systems pay 60% of the monthly premium amount that is paid for active employees of the retiree's dependent's medical premiums. The retiree's spouse is also eligible for medical benefits (same as retiree) as long as the retiree is eligible (there are no surviving spouse benefits). The life insurance benefit available to retirees is \$5,000.

Participants in the OPEB consisted of the following as of July 1, 2023:

	Actives	Inactives Receiving Benefits	Total
Male	123	3	126
Female	28	-	28
Total	<u>151</u>	<u>3</u>	<u>154</u>

Total OPEB Liability

Total OPEB liability of the Commission is as follows as of June 30, 2025:

	<u>Power System</u>	<u>Water System</u>	<u>Wastewater System</u>	<u>Broadband System</u>
Total OPEB liability	<u>\$ 1,246,437</u>	<u>\$ 533,575</u>	<u>\$ 324,170</u>	<u>\$ 335,442</u>

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9. POST-EMPLOYMENT HEALTH INSURANCE BENEFITS – MORRISTOWN UTILITIES COMMISSION
(CONTINUED)

Changes in Total OPEB Liability

The changes in the total OPEB liability are as follows for 2025:

Total OPEB liability at beginning of year	\$ 2,558,923
Changes for the year:	
Service cost	142,554
Interest	103,206
Changes in assumptions and other inputs	(212,856)
Benefit payments	<u>(152,203)</u>
Net changes for the year	<u>(119,299)</u>
Total OPEB liability at end of year	<u><u>\$ 2,439,624</u></u>

Actuarial Methods and Assumptions

The actuarial methods and assumptions used were applied consistently for the Power, Water, Wastewater and Broadband Systems. A discount rate of 5.20% was used for the year ending June 30, 2025, based on the Bond Buyer's 20 Bond Index. The mortality rates are from the PUB-2010 Headcount-Weighted Fully Generational Mortality Table using Projection Scale MP-2021.

It was assumed that the following percentages of eligible employees would retire each year for males:

<u>Age</u>	<u>Years of Service</u>		
	<u>< 15</u>	<u>15-29</u>	<u>30+</u>
55-56	0.00%	0.00%	16.50%
57	0.00%	0.00%	17.00%
58	0.00%	0.00%	17.00%
59	0.00%	0.00%	17.50%
60	10.50%	12.50%	12.50%
61	15.00%	17.00%	17.00%
62	20.00%	22.00%	22.00%
63	17.50%	19.50%	19.50%
64	17.50%	19.50%	19.50%
65+	100.00%	100.00%	100.00%

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9. POST-EMPLOYMENT HEALTH INSURANCE BENEFITS – MORRISTOWN UTILITIES COMMISSION
(CONTINUED)

It was assumed that the following percentages of eligible employees would retire each year for females:

Age	Years of Service		
	< 15	15-29	30+
55-56	0.00%	0.00%	15.50%
57	0.00%	0.00%	17.00%
58	0.00%	0.00%	17.50%
59	0.00%	0.00%	18.50%
60	11.00%	13.00%	13.00%
61	13.00%	15.00%	15.00%
62	18.00%	20.00%	20.00%
63	16.00%	18.00%	18.00%
64	16.00%	18.00%	18.00%
65+	100.00%	100.00%	100.00%

It was assumed that employees would terminate employment with the rate in the following table:

Age	Years of Service			
	0	1	2+ (Male)	2+ (Female)
20	26.2%	21.8%	13.7%	19.6%
25	23.0%	19.1%	10.3%	15.1%
30	21.8%	17.9%	7.4%	11.1%
35	20.7%	17.0%	5.1%	7.7%
40	19.2%	15.9%	3.5%	5.4%
45	17.7%	14.1%	2.8%	4.1%
50	17.0%	13.0%	2.8%	3.8%
55	17.4%	13.0%	3.6%	4.3%
60	20.4%	14.9%	4.6%	5.3%
65	26.3%	19.1%	0.0%	0.0%

It was assumed that health care cost would increase in accordance with the trend rates in the following table, with the exception of dental costs which are assumed to increase at 5% per annum:

Year	Health Care Trend Rate
2026	6.50%
2027	6.00%
2028	5.50%
2029+	5.00%

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9. POST-EMPLOYMENT HEALTH INSURANCE BENEFITS – MORRISTOWN UTILITIES COMMISSION
(CONTINUED)

It was assumed that 100% of the current active employees covered under the active plan on the day before retirement would enroll in the retiree medical plan upon retirement. It was also assumed that 10% of the male and 10% of the female employees who elect retiree health coverage for themselves would also elect coverage for their spouse upon retirement. It was assumed that male spouses are three years older than the retiree and female spouses are three years younger than the retiree. For current retirees, actual census information was used.

The preparation of the actuarial liabilities calculated requires management to make assumptions discussed above. Due to the use of these assumptions, actual results may differ from the estimates. The discount rate considers inflationary rate adjustments.

Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the Systems calculated using the discount rate of 5.20%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

<u>1.00% Decrease (4.20%)</u>		<u>Discount Rate (5.20%)</u>		<u>1% Increase (6.20%)</u>	
\$	2,605,634	\$	2,439,624	\$	2,285,650

The following presents the total OPEB liability of the Systems as of June 30, 2025, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1- percentage-point lower or 1-percentage-point higher than the current rate:

<u>1% Decrease (6.00% decreasing to 4.00%)</u>		<u>Healthcare Cost Trend Rates (7.00% decreasing to 5.00%)</u>		<u>1% Increase (8.0.0% decreasing to 6.00%)</u>	
\$	2,193,823	\$	2,439,624	\$	2,727,474

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, the Morristown Utilities Commission recognized OPEB expense of \$220,214. This expense was allocated to the systems as follows: Power (\$97,532), Water (\$52,580), Wastewater (\$39,169) and Broadband (\$30,933).

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9. POST-EMPLOYMENT HEALTH INSURANCE BENEFITS – MORRISTOWN UTILITIES COMMISSION
(CONTINUED)

At June 30, 2025, the Systems reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources					
	Power	Water	Wastewater	Broadband	Total
Experience loss	\$ 31,455	\$ 21,974	\$ 10,488	\$ 13,382	\$ 77,299
Change in assumptions	237,058	68,734	35,161	39,970	380,923
Total	<u>\$ 268,513</u>	<u>\$ 90,708</u>	<u>\$ 45,649</u>	<u>\$ 53,352</u>	<u>\$ 458,222</u>

Deferred Inflows of Resources					
	Power	Water	Wastewater	Broadband	Total
Experience gain	\$ 208,729	\$ 20,897	\$ 23,406	\$ 31,426	\$ 284,458
Change in assumptions	171,794	32,884	59,526	64,831	329,035
Total	<u>\$ 380,523</u>	<u>\$ 53,781</u>	<u>\$ 82,932</u>	<u>\$ 96,257</u>	<u>\$ 613,493</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Power	Water	Wastewater	Broadband	Total
Year ended June 30:					
2026	\$ (23,751)	\$ 14,311	\$ (6,231)	\$ (9,623)	\$ (25,294)
2027	(22,691)	13,516	(6,231)	(9,623)	(25,029)
2028	(24,425)	14,040	(6,201)	(9,623)	(26,209)
2029	(14,427)	(4,940)	(6,190)	(9,430)	(34,987)
2030	(5,747)	-	(7,820)	(5,480)	(19,047)
Thereafter	(20,969)	-	(4,610)	874	(24,705)
Total	<u>\$ (112,010)</u>	<u>\$ 36,927</u>	<u>\$ (37,283)</u>	<u>\$ (42,905)</u>	<u>\$ (155,271)</u>

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 10. PENSION PLANS

State Retirement System

Plan Description

Employees of the City are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at:

<https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided

Tennessee Code Annotated, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 10. PENSION PLANS (CONTINUED)

State Retirement System (Continued)

Employees Covered by Benefit Terms

At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	180
Inactive Employees Entitled but not yet Receiving Benefits	157
Active Employees	<u>280</u>
Total Employees	<u>617</u>

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contributions for the City were \$2,821,254 based on a rate of 15.17% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2024, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability as of June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 percent

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 10. PENSION PLANS (CONTINUED)

State Retirement System (Continued)

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

Actuarial assumptions used in the June 30, 2024, actuarial valuation was based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. The best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Equity	4.88%	31%
Developed Market International Equity	5.37%	14%
Emerging Market International Equity	6.09%	4%
Private Equity and Strategic Lending	6.57%	20%
U.S. Fixed Income	1.20%	20%
Real Estate	4.38%	10%
Short-term Securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the City will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 10. PENSION PLANS (CONTINUED)

State Retirement System (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/2023	\$ 97,466,961	\$ 92,043,487	\$ 5,423,474
Changes for the year:			
Service cost	1,524,917	-	1,524,917
Interest	6,520,826	-	6,520,826
Differences between expected and actual experience	2,434,439	-	2,434,439
Contributions - employer	-	2,731,078	(2,731,078)
Contributions - employee	-	900,321	(900,321)
Net investment income	-	8,928,131	(8,928,131)
Benefit payments, including refunds of employee contributions	(4,774,088)	(4,774,088)	-
Administrative expense	-	(34,935)	34,935
Net changes	5,706,094	7,750,507	(2,044,413)
Balances at 6/30/2024	\$ 103,173,055	\$ 99,793,994	\$ 3,379,061

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	\$ 17,228,230	\$ 3,379,061	\$ (8,063,362)

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 10. PENSION PLANS (CONTINUED)

State Retirement System (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, the City recognized pension expense of \$1,580,402. For the year ended June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,950,676	\$ 412,698
Net difference between projected and actual earnings on pension plan investments	-	1,057,189
Changes in assumptions	2,504,632	-
Contributions subsequent to the measurement date	2,821,254	-
Total	<u>\$ 8,276,562</u>	<u>\$ 1,469,887</u>

City contributions subsequent to the measurement date of June 30, 2024, will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2026	\$ 68,287
2027	2,724,642
2028	771,585
2029	15,172
2030	<u>405,735</u>
Total	<u>\$ 3,985,421</u>

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2025, the City reported a payable of \$122,658 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2025.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 11. MORRISTOWN UTILITIES COMMISSION'S RETIREMENT PLAN

The Systems share in a defined contribution retirement plan, Morristown Utilities Retiree Benefit Plan (the Retirement Plan), covering substantially all employees. The Commission is the administrator of the Retirement Plan and is responsible for establishing or amending the Retirement Plan provisions and contribution requirements.

<u>System</u>	<u>Total Payroll</u>	<u>Covered Payroll</u>	<u>Employer Contributions</u>	<u>% of Covered Payroll</u>	<u>Employee Contributions</u>	<u>% of Covered Payroll</u>
Power	\$ 8,129,024	\$ 7,603,597	\$ 1,139,122	15%	\$ 560,589	7%
Water	1,923,325	1,844,166	264,887	14%	149,708	8%
Wastewater	2,879,327	2,747,175	407,099	15%	227,609	8%
Broadband	2,234,142	2,155,374	321,750	15%	96,197	5%

Under the Retirement Plan terms, the Systems will match participant contributions up to 3% of the participant's salary and may also contribute an additional amount to the Plan at its discretion. During 2025, the discretionary contribution amounted to 12% of the participants' salary. Participants are not required but may contribute up to a total of 75% of their salary subject to IRS limitations. All employees who have completed six months of service as defined by the Retirement Plan and who have attained the age of 21 are eligible to participate in the Retirement Plan. Participants are 100% vested in the employer contributions when they are made.

NOTE 12. LEASES

Lessor

The City of Morristown is a lessor for noncancellable leases of land and airport hangers. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 12. LEASES (CONTINUED)

Lessor (Continued)

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The City, as a lessor, has entered into several lease agreements involving land and airport hangers. The City has a lease receivable of \$1,468,928 and a deferred inflow of resources of \$1,916,020 as of June 30, 2025. The deferred inflow of resources was initially \$679,250 higher than the lease receivable as a result of lease payments made in advance. This amount had previously been recorded as unearned revenue. The deferred inflows related to leases will be recognized as a revenue using the straight-line method over the life of each lease term. A reduction of the lease receivable of \$666,924, including a termination of \$531,919, and interest revenue of \$99,836 was recognized during the year ended June 30, 2025. The portion of deferred inflows amortized during 2024 was \$695,407.

<u>Lease*</u>	<u>Contract Date</u>	<u>Maturity Date</u>
Phillip Carlyle	4/1/2019	3/1/2044
Henrikson Aviation	3/15/2015	3/15/2039
Med-Trans Lifestar*	12/1/2006	11/2/2026
Charter Central	11/20/2013	10/20/2038
Southeast Industrial	10/22/2020	10/22/2049
Angelo Sorce	3/1/2024	2/1/2049
Southern Flyers	1/1/2025	12/1/2049
Covenant Health	7/2/2023	6/2/2048
Charter Central CPI Increase	12/1/2023	11/1/2028
Phillip Carlyle CPI Increase	4/1/2024	3/1/2029

* Contract includes option years that are reflected in maturity date.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 13. COMMITMENTS AND CONTINGENCIES

Commitments and Contingencies

The City has contractual commitments for various construction projects totaling approximately \$4,305,237 at June 30, 2025.

Contingent Liabilities

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Concentration of Credit Risk

The Morristown Utilities Commission provides electric, power, water, wastewater, and broadband service to customers in the City of Morristown and Hamblen County, Tennessee. Customers include residential, commercial, and heavy industrial users. Residential customers for the power and broadband systems are required to place deposits that approximate one month's account balance. Loss experience has not been significant to the Systems' operations.

Litigation

During the ordinary course of business, the City is subject to various disputes and claims and there could be uncertainty relating to the resolution of these matters. Management believes any successful claims will be covered by insurance.

NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for risks of loss. There have been no significant reductions in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The City is self-insured for employee medical benefits which are administered by Blue Cross Blue Shield of Tennessee, Inc. The rate of the premiums paid into the fund is based on prior experience and insurance company recommendations. Claims in excess of a self-insured aggregate limit of \$6,029,113 and specific underlying coverage of \$120,000 per employee are covered through a stop loss coverage agreement with Berkshire Hathaway Specialty Insurance. The stop loss arrangement provides for 100% reimbursement of claims exceeding \$6,029,113, subject to contract provisions, up to a maximum aggregate reimbursement of \$1,000,000 per policy year.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 14. RISK MANAGEMENT (CONTINUED)

Liabilities of the internal service fund for self-insurance are reported when it is probably that a loss has occurred, and the amount of the loss can be reasonably estimated. The self-insurance fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been incurred but not paid. The process used to compute claims liabilities do not necessarily result in an exact amount. At June 30, 2025, the estimated liability for claims incurred but not paid was \$249,035. Activity in the estimated liability for claims incurred but not paid were as follows for the years ended June 30, 2025 and 2024:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year- End</u>
2023-2024	\$ 270,804	\$ 5,125,621	\$ (5,066,291)	\$ 330,134
2024-2025	330,134	5,704,891	(5,785,990)	249,035

NOTE 15. ACCOUNTING CHANGES AND ERROR CORRECTIONS

Changes to or within the Financial Reporting Entity

Change in funds (column A)

During the current year, the City consolidated the Employee Benefits Fund into the General Fund as this fund no longer qualifies as fiduciary under GASB Statement No. 84. *Fiduciary Activities*, and therefore should not be reported in a custodial fund.

Correction of an Error in Previously Issued Financial Statements (column B)

During the current year, the City implemented a new Enterprise Asset Management (EAM) system and determined there were significant amounts of inventory on hand in the Public Works department. Prior to the EAM implementation, the City was only formally tracking and recording high-value, specific items as inventory, while all other material inventory items were expensed upon purchase. A restatement of beginning fund balance was required to properly state the City's inventory asset account.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 15. ACCOUNTING CHANGES AND ERROR CORRECTIONS (CONTINUED)

	Net position/fund balance 6/30/2024 as previously reported	Adjustment - Employee Benefits Fund consolidated into General Fund (a)	Restatement - error correction (b)	Net position/fund balance 6/30/2024 as restated/adjusted
Government-wide				
Governmental activities	\$ 117,592,542	\$ 20,732	\$ 1,135,320	\$ 118,748,594
Business-type activities	175,907,696	-	-	175,907,696
Total government-wide	<u>\$ 293,500,238</u>	<u>\$ 20,732</u>	<u>\$ 1,135,320</u>	<u>\$ 294,656,290</u>
Governmental funds				
Major funds:				
General fund	\$ 46,923,300	\$ 20,732	\$ 1,135,320	\$ 48,079,352
Solid waste fund	3,072,626	-	-	3,072,626
Capital projects fund	8,380,094	-	-	8,380,094
Nonmajor funds	965,645	-	-	965,645
Total governmental funds	<u>\$ 59,341,665</u>	<u>\$ 20,732</u>	<u>\$ 1,135,320</u>	<u>\$ 60,497,717</u>
Proprietary funds				
Enterprise funds				
Major funds:				
Wastewater system	\$ 40,289,781	\$ -	\$ -	\$ 40,289,781
Power system	81,169,890	-	-	81,169,890
Water system	37,067,759	-	-	37,067,759
Broadband system	11,093,044	-	-	11,093,044
Nonmajor fund - Stormwater	6,287,222	-	-	6,287,222
Total enterprise funds	<u>\$ 175,907,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,907,696</u>
Internal service fund	<u>\$ 4,679,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,679,849</u>
Fiduciary funds				
Post-Employment benefits trust	\$ 1,612,979	\$ -	\$ -	\$ 1,612,979
Custodial funds:				
LAMPTO fund	309,226	-	-	309,226
Employee benefits fund	20,732	(20,732)	-	-
Total fiduciary funds	<u>\$ 1,942,937</u>	<u>\$ (20,732)</u>	<u>\$ -</u>	<u>\$ 1,922,205</u>

NOTE 16. SUBSEQUENT EVENTS

On August 29, 2025, the City issued Series 2025 general obligation refunding bonds in the amount of \$6,050,000. The debt has an interest rate of 3.95% and matures on August 1, 2035.

On August 29, 2025, the City issued Series 2025 general obligation capital outlay note in the amount of \$590,000 for the purpose of capital expenditure needs of the Hamblen-Morristown Solid Waste System. The debt has an interest rate of 3.95% and matures on August 12, 2032.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF MORRISTOWN, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND
RELATED RATIOS BASED ON PARTICIPATION IN THE
PUBLIC EMPLOYEE PENSION PLAN OF THE TCRS
PLAN YEAR ENDED JUNE 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ 1,046,764	\$ 1,047,579	\$ 1,133,722	\$ 1,154,404	\$ 1,193,785	\$ 1,233,197	\$ 1,228,347	\$ 1,410,502	\$ 1,378,360	\$ 1,524,917
Interest	4,991,380	5,091,070	5,262,280	5,329,715	5,593,373	5,741,445	5,975,256	6,073,982	6,256,320	6,520,826
Change in Benefit Terms	-	-	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(1,019,195)	(164,027)	(943,037)	1,198,233	(307,533)	969,693	(860,447)	237,372	962,518	2,434,439
Change in Assumptions	-	-	1,860,136	-	-	-	5,844,140	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(3,650,880)	(3,730,258)	(3,825,670)	(4,142,751)	(4,027,396)	(4,925,924)	(4,503,084)	(5,100,618)	(4,876,206)	(4,774,088)
Net Change in Total Pension Liability	1,368,069	2,244,364	3,487,431	3,539,601	2,452,229	3,018,411	7,684,212	2,621,238	3,720,992	5,706,094
Total Pension Liability - Beginning	67,330,414	68,698,483	70,942,847	74,430,278	77,969,879	80,422,108	83,440,519	91,124,731	93,745,969	97,466,961
Total Pension Liability - Ending (a)	\$ 68,698,483	\$ 70,942,847	\$ 74,430,278	\$ 77,969,879	\$ 80,422,108	\$ 83,440,519	\$ 91,124,731	\$ 93,745,969	\$ 97,466,961	\$ 103,173,055
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,999,102	\$ 2,123,622	\$ 2,087,774	\$ 2,114,084	\$ 2,166,600	\$ 2,266,133	\$ 2,291,487	\$ 2,336,933	\$ 2,477,008	\$ 2,731,078
Contributions - Employee	652,910	694,124	703,035	712,166	729,818	747,745	755,427	794,707	816,652	900,321
Net Investment Income	1,794,350	1,569,650	6,759,639	5,404,804	5,157,698	3,614,865	19,292,061	(3,532,489)	5,848,109	8,928,131
Benefit Payments, Including Refunds of Employee Contributions	(3,650,880)	(3,730,258)	(3,825,670)	(4,142,751)	(4,027,396)	(4,925,924)	(4,503,084)	(5,100,618)	(4,876,206)	(4,774,088)
Administrative Expense	(14,221)	(21,456)	(24,114)	(26,895)	(25,546)	(25,495)	(25,177)	(27,270)	(29,175)	(34,935)
Net Change in Plan Fiduciary Net Position	781,261	635,682	5,700,664	4,061,408	4,001,174	1,677,324	17,810,714	(5,528,737)	4,236,388	7,750,507
Plan Fiduciary Net Position - Beginning	58,667,609	59,448,870	60,084,552	65,785,216	69,846,624	73,847,798	75,525,122	93,335,836	87,807,099	92,043,487
Plan Fiduciary Net Position - Ending (b)	\$ 59,448,870	\$ 60,084,552	\$ 65,785,216	\$ 69,846,624	\$ 73,847,798	\$ 75,525,122	\$ 93,335,836	\$ 87,807,099	\$ 92,043,487	\$ 99,793,994
Net Pension Liability (Asset) - Ending (a) - (b)	\$ 9,249,613	\$ 10,858,295	\$ 8,645,062	\$ 8,123,255	\$ 6,574,310	\$ 7,915,397	\$ (2,211,105)	\$ 5,938,870	\$ 5,423,474	\$ 3,379,061
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.54%	84.69%	88.39%	89.58%	91.83%	90.51%	102.43%	93.66%	94.44%	96.72%
Covered Payroll	\$ 13,452,906	\$ 14,185,234	\$ 14,049,621	\$ 14,226,673	\$ 14,580,077	\$ 14,938,250	\$ 15,105,383	\$ 15,404,963	\$ 16,332,833	\$ 18,003,151
Net Pension Liability (Asset) as a Percentage of Covered Payroll	68.76%	76.55%	61.53%	57.10%	45.09%	52.99%	-14.64%	38.55%	33.21%	18.77%

Changes of assumptions. In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

CITY OF MORRISTOWN, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION IN
THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
PLAN YEAR ENDED JUNE 30

	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 2,123,622	\$ 2,087,774	\$ 2,114,084	\$ 2,159,424	\$ 2,266,133
Contributions in Relation to the					
Actuarially Determined Contribution	<u>2,123,622</u>	<u>2,087,774</u>	<u>2,114,084</u>	<u>2,159,424</u>	<u>2,266,133</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 14,185,234	\$ 14,049,621	\$ 14,226,673	\$ 14,580,077	\$ 14,938,250
Contributions as a Percentage of					
Covered Payroll	14.97%	14.86%	14.86%	14.81%	15.17%
	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 2,291,487	\$ 2,336,933	\$ 2,477,008	\$ 2,731,078	\$ 2,821,254
Contributions in Relation to the					
Actuarially Determined Contribution	<u>2,291,487</u>	<u>2,336,933</u>	<u>2,477,008</u>	<u>2,731,078</u>	<u>2,821,254</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 15,105,383	\$ 15,404,963	\$ 16,332,833	\$ 18,003,151	\$ 18,594,618
Contributions as a Percentage of					
Covered Payroll	15.17%	15.17%	15.17%	15.17%	15.17%

CITY OF MORRISTOWN, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS -
BASED ON PARTICIPATION IN THE CITY OF MORRISTOWN OPEB PLAN
PLAN YEAR ENDED JUNE 30

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability									
Service Cost	\$ 122,297	\$ 125,354	\$ 205,890	\$ 227,524	\$ 163,335	\$ 175,374	\$ 162,505	\$ 162,692	\$ 155,924
Interest	333,893	335,358	500,435	507,372	431,446	433,426	386,027	396,448	523,820
Change in Benefit Terms	-	-	1,605,545	-	-	-	-	-	-
Difference Between Expected and Actual Experience	-	11,546	362,379	-	(533,857)	-	(1,001,071)	-	172,433
Change in Assumptions	-	-	511,478	(111,512)	(731,630)	-	102,836	-	1,389,093
Benefit Payments, Including Refunds of Employee Contributions	(414,252)	(463,208)	(428,784)	(499,076)	(450,068)	(510,183)	(432,325)	(457,066)	(556,460)
Net Change in Total OPEB Liability	41,938	9,050	2,756,943	124,308	(1,120,774)	98,617	(782,028)	102,074	1,684,810
Total OPEB Liability - Beginning	4,851,222	4,893,160	4,902,210	7,659,153	7,783,461	6,662,687	6,761,304	5,979,276	6,081,350
Total OPEB Liability - Ending (a)	<u>\$ 4,893,160</u>	<u>\$ 4,902,210</u>	<u>\$ 7,659,153</u>	<u>\$ 7,783,461</u>	<u>\$ 6,662,687</u>	<u>\$ 6,761,304</u>	<u>\$ 5,979,276</u>	<u>\$ 6,081,350</u>	<u>\$ 7,766,160</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ 514,252	\$ 563,208	\$ 528,784	\$ 599,076	\$ 550,068	\$ 610,183	\$ 532,325	\$ 557,066	\$ 656,460
Net Investment Income	29,896	31,073	56,012	(7,218)	297,986	(184,560)	105,572	138,708	136,243
Benefit payments	(414,252)	(463,208)	(428,784)	(499,076)	(450,068)	(510,183)	(432,325)	(457,066)	(556,460)
Net Change in Plan Fiduciary Net Position	129,896	131,073	156,012	92,782	397,986	(84,560)	205,572	238,708	236,243
Plan Fiduciary Net Position - Beginning	345,510	475,406	606,479	762,491	855,273	1,253,259	1,168,699	1,374,271	1,612,979
Plan Fiduciary Net Position - Ending (b)	<u>\$ 475,406</u>	<u>\$ 606,479</u>	<u>\$ 762,491</u>	<u>\$ 855,273</u>	<u>\$ 1,253,259</u>	<u>\$ 1,168,699</u>	<u>\$ 1,374,271</u>	<u>\$ 1,612,979</u>	<u>\$ 1,849,222</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 4,417,754</u>	<u>\$ 4,295,731</u>	<u>\$ 6,896,662</u>	<u>\$ 6,928,188</u>	<u>\$ 5,409,428</u>	<u>\$ 5,592,605</u>	<u>\$ 4,605,005</u>	<u>\$ 4,468,371</u>	<u>\$ 5,916,938</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	9.72%	12.37%	9.96%	10.99%	18.81%	17.29%	22.98%	26.52%	23.81%
Covered Payroll	\$ 12,217,165	\$ 12,522,594	\$ 12,564,399	\$ 12,878,509	\$ 12,942,046	\$ 13,265,597	\$ 13,504,663	\$ 13,977,326	\$ 15,599,222
Net OPEB Liability as a Percentage of Covered Payroll	36.16%	34.30%	54.89%	53.80%	41.80%	42.16%	34.10%	31.97%	37.93%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Changes of assumptions . In 2019, amounts reported as changes of assumptions resulted from changes to the discount rate, from 6.64% in 2019 to 6.81% in 2020. In 2021, amounts reported as changes of assumptions resulted from changes to the discount rate, from 6.81% in 2020 to 6.58% in 2021. In 2023 changes of assumptions related to healthcare trend updated to 7.0% grading down to 5.0% by 2026. In 2025 changes of assumptions related to discount rate increase from 6.58% to 6.70%, healthcare cost trend rates were updated, mortality table was updated, and demographic assumptions were updated.

CITY OF MORRISTOWN, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS -
MORRISTOWN UTILITIES RETIREE BENEFIT PLAN
PLAN YEAR ENDED JUNE 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB Liability (Asset)								
Service Cost	\$ 159,163	\$ 156,987	\$ 176,287	\$ 213,360	\$ 153,844	\$ 127,332	\$ 145,703	\$ 142,554
Interest	64,374	74,345	66,096	48,405	47,082	73,159	93,256	103,206
Change in Benefit Terms	-	-	(52,328)	-	-	-	42,779	-
Difference Between Expected and Actual Experience	-	-	(164,865)	-	(25,358)	-	(180,706)	-
Change in Assumptions	(27,201)	36,980	107,229	5,014	(266,868)	(14,245)	472,378	(212,856)
Benefit Payments, Including Refunds of Employee Contributions	(58,468)	(84,282)	(92,391)	(106,605)	(102,174)	(115,551)	(81,784)	(152,203)
Net Change in Total OPEB Liability (Asset)	<u>137,868</u>	<u>184,030</u>	<u>40,028</u>	<u>160,174</u>	<u>(193,474)</u>	<u>70,695</u>	<u>491,626</u>	<u>(119,299)</u>
Total OPEB Liability (Asset) - beginning	<u>1,667,976</u>	<u>1,805,844</u>	<u>1,989,874</u>	<u>2,029,902</u>	<u>2,190,076</u>	<u>1,996,602</u>	<u>2,067,297</u>	<u>2,558,923</u>
Total OPEB Liability (Asset) - ending	<u>\$ 1,805,844</u>	<u>\$ 1,989,874</u>	<u>\$ 2,029,902</u>	<u>\$ 2,190,076</u>	<u>\$ 1,996,602</u>	<u>\$ 2,067,297</u>	<u>\$ 2,558,923</u>	<u>\$ 2,439,624</u>
Covered-Employee Payroll	\$ 10,060,328	\$ 10,311,836	\$ 11,372,375	\$ 11,656,684	\$ 10,878,774	\$ 11,150,743	\$ 11,668,384	\$ 11,960,093
Total OPEB Liability (Asset) as a % of Covered-Employee Payroll	17.95%	19.30%	17.85%	18.79%	18.35%	18.54%	21.93%	20.40%

Change in benefit terms. In 2024, amounts reported as changes in benefit terms resulted from changes to retiree medical premiums, from 95% to 100% of retiree medical premiums, if the retiree completes a wellness program.

Change in benefit terms. In 2020, amounts reported as changes in benefit terms resulted from changes to retiree medical premiums, from 100% of retiree medical premiums to either 90% or 95%, if the retiree completes a wellness program.

Changes of assumptions. In 2021, amounts reported as changes of assumptions resulted from changes to the healthcare trend rate, from 7.5% to 4.5% decreasing to 7.0% to 4.5%.

Note: This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Note: There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

CITY OF MORRISTOWN, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB TRUST INVESTMENT RETURNS
THE CITY OF MORRISTOWN OPEB PLAN
PLAN YEAR ENDED JUNE 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Annual money-weighted rate of return, net of investment expenses for the City's Plan	0.77%	6.53%	8.12%	8.50%	32.47%	-14.07%	8.57%	7.66%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively.

CITY OF MORRISTOWN, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS BASED ON PARTICIPATION IN
THE CITY OF MORRISTOWN OPEB PLAN
PLAN YEAR ENDED JUNE 30

	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 559,489	\$ 654,371	\$ 661,596	\$ 546,015	\$ 535,577
Contributions in Relation to the					
Actuarially Determined Contribution	563,489	528,784	599,784	550,068	610,183
Contribution Deficiency (Excess)	<u>\$ (4,000)</u>	<u>\$ 125,587</u>	<u>\$ 61,812</u>	<u>\$ (4,053)</u>	<u>\$ (74,606)</u>
Covered-employee Payroll	\$ 12,217,165	\$ 12,522,594	\$ 12,564,399	\$ 12,878,509	\$ 12,942,046
Contributions as a Percentage of					
Covered-employee Payroll	4.61%	4.22%	4.77%	4.27%	4.71%
	2023	2024	2025		
Actuarially Determined Contribution	\$ 474,641	\$ 493,457	\$ 567,310		
Contributions in Relation to the					
Actuarially Determined Contribution	532,325	554,066	656,460		
Contribution Deficiency (Excess)	<u>\$ (57,684)</u>	<u>\$ (60,609)</u>	<u>\$ (89,150)</u>		
Covered-employee Payroll	\$ 13,504,663	\$ 13,977,326	\$ 15,599,222		
Contributions as a Percentage of					
Covered-employee Payroll	3.94%	3.96%	4.21%		

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively.

CITY OF MORRISTOWN, TENNESSEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Last Fiscal Year Ending June 30

Notes to Schedule for TCRS Plan

Valuation Date:

Actuarially determined contribution rates for fiscal year 2025 were calculated based on the June 30, 2023, actuarial valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed (Not to exceed 20 years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-year smoothed within a 20% corridor to market value
Inflation	2.25%
Salary Increases	Graded salary ranges from 8.72% to 3.44% based upon age, including inflation, averaging 4.00%
Investment Rate of Return	6.75%, net of investment expense, including inflation
Retirement Age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including projections of mortality improvement using Scale MP-2021
Cost of Living Adjustments	2.125%

Changes of assumptions:

In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Capital Project Funds

Capital project funds are used to account for financial resources to be used for the construction of major capital facilities, other than those financed by proprietary funds.

Community Center Capital Projects – This fund is used to account for financial resources to be used for the construction of capital facilities related to the City's community center.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

American Rescue Plan Act (ARPA) – This fund is used to account for funds received under the America Rescue Plan Act, and the Tennessee Department of Environment and Conservation.

Narcotics – This fund is used to account for fines and forfeitures collected and used to support the City police department's drug investigations and enforcement programs.

E-Citation – This fund is used to account for electronic citation fees associated with each conviction from law enforcement citations.

Morristown Landing Operations – This fund is used to account for activity related to the operations of the Morristown Landing facility.

CITY OF MORRISTOWN, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Community Center Capital Projects	American Rescue Plan Act (ARPA)	Narcotics	E-Citation	Morristown Landing Operations	Totals
ASSETS						
Cash and cash equivalents	\$ -	\$ 1,584,751	\$ 239,463	\$ 2,283	\$ 259,805	\$ 2,086,302
Due from other governments	-	321,770	33,397	8	-	355,175
Restricted cash	1,312,612	-	-	-	-	1,312,612
Total Assets	<u>\$ 1,312,612</u>	<u>\$ 1,906,521</u>	<u>\$ 272,860</u>	<u>\$ 2,291</u>	<u>\$ 259,805</u>	<u>\$ 3,754,089</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Accounts payable and accrued expenditures	\$ 266	\$ -	\$ 650	\$ -	\$ -	\$ 916
Due to other funds	-	733,324	-	-	-	733,324
Unearned revenue	-	33,262	110,093	-	-	143,355
Total Liabilities	<u>266</u>	<u>766,586</u>	<u>110,743</u>	<u>-</u>	<u>-</u>	<u>877,595</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - intergovernmental	-	321,770	-	-	-	321,770
Total Deferred Inflows of Resources	<u>-</u>	<u>321,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321,770</u>
FUND BALANCES						
Restricted	1,312,346	-	162,117	2,291	259,805	1,736,559
Assigned	-	818,165	-	-	-	818,165
Unrestricted	-	-	-	-	-	-
Total Fund Balances	<u>1,312,346</u>	<u>818,165</u>	<u>162,117</u>	<u>2,291</u>	<u>259,805</u>	<u>2,554,724</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,312,612</u>	<u>\$ 1,906,521</u>	<u>\$ 272,860</u>	<u>\$ 2,291</u>	<u>\$ 259,805</u>	<u>\$ 3,754,089</u>

CITY OF MORRISTOWN, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Community Center Capital Projects	American Rescue Plan Act (ARPA)	Narcotics	E-Citation	Morristown Landing Operations	Total Nonmajor Governmental Funds
REVENUES						
Fines, forfeitures and penalties	\$ -	\$ -	\$ 67,434	\$ 347	\$ -	\$ 67,781
Intergovernmental	-	3,450,205	96,233	-	-	3,546,438
Interest income	66,360	-	-	-	-	66,360
Charges for services	-	-	-	-	71,153	71,153
Other	-	60,719	-	-	-	60,719
Total Revenues	<u>66,360</u>	<u>3,510,924</u>	<u>163,667</u>	<u>347</u>	<u>71,153</u>	<u>3,812,451</u>
EXPENDITURES						
Current						
General government	124,441	471	-	-	-	124,912
Public safety	-	-	62,341	-	-	62,341
Culture and recreation	-	-	-	-	1,040,389	1,040,389
Total Expenditures	<u>124,441</u>	<u>471</u>	<u>62,341</u>	<u>-</u>	<u>1,040,389</u>	<u>1,227,642</u>
Excess (Deficiency) of Revenues over Expenditures	(58,081)	3,510,453	101,326	347	(969,236)	2,584,809
OTHER FINANCING SOURCES (USES)						
Transfers in	-	4,000,000	-	-	850,000	4,850,000
Transfers out	-	(5,845,730)	-	-	-	(5,845,730)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,845,730)</u>	<u>-</u>	<u>-</u>	<u>850,000</u>	<u>(995,730)</u>
Net Change in Fund Balances	(58,081)	1,664,723	101,326	347	(119,236)	1,589,079
Fund Balance (Deficit) - Beginning	<u>1,370,427</u>	<u>(846,558)</u>	<u>60,791</u>	<u>1,944</u>	<u>379,041</u>	<u>965,645</u>
Fund Balance - Ending	<u>\$ 1,312,346</u>	<u>\$ 818,165</u>	<u>\$ 162,117</u>	<u>\$ 2,291</u>	<u>\$ 259,805</u>	<u>\$ 2,554,724</u>

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT (ARPA) FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Over (Under)
REVENUES				
Intergovernmental	\$ 4,000,000	\$ 4,000,000	\$ 3,450,205	\$ (549,795)
Other	10,000	10,000	60,719	50,719
Total revenues	<u>4,010,000</u>	<u>4,010,000</u>	<u>3,510,924</u>	<u>(499,076)</u>
EXPENDITURES				
Current:				
General government	<u>4,000,000</u>	<u>4,000,000</u>	<u>471</u>	<u>3,999,529</u>
Total expenditures	<u>4,000,000</u>	<u>4,000,000</u>	<u>471</u>	<u>3,999,529</u>
Excess of revenues over expenditures	10,000	10,000	3,510,453	3,500,453
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000,000	4,000,000	4,000,000	-
Transfers out	<u>(2,010,000)</u>	<u>(4,010,000)</u>	<u>(5,845,730)</u>	<u>(1,835,730)</u>
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(1,845,730)</u>	<u>(1,835,730)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,664,723	<u>\$ 1,664,723</u>
Fund balance (deficit) at beginning of year			<u>(846,558)</u>	
Fund balance at end of year			<u>\$ 818,165</u>	

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NARCOTICS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Over (Under)
REVENUES				
Fines, forfeitures and penalties	\$ 4,000	\$ 4,000	\$ 67,434	\$ 63,434
Intergovernmental	42,000	42,000	96,233	54,233
Total revenues	<u>46,000</u>	<u>46,000</u>	<u>163,667</u>	<u>117,667</u>
EXPENDITURES				
Current:				
Public safety	105,300	105,300	62,341	42,959
Total expenditures	<u>105,300</u>	<u>105,300</u>	<u>62,341</u>	<u>42,959</u>
Net change in fund balances	<u>\$ (59,300)</u>	<u>\$ (59,300)</u>	101,326	<u>\$ 160,626</u>
Fund balance at beginning of year			60,791	
Fund balance at end of year			<u>\$ 162,117</u>	

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
E-CITATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 347	\$ 347
Total revenues	-	-	347	347
EXPENDITURES				
Current:				
Public safety	1,500	1,500	-	1,500
Total expenditures	1,500	1,500	-	1,500
 Net change in fund balances	 \$ (1,500)	 \$ (1,500)	 347	 \$ 1,847
 Fund balance at beginning of year			 1,944	
 Fund balance at end of year			 \$ 2,291	

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
MORRISTOWN LANDING OPERATIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	over (under)
REVENUES				
Charges for services	\$ 65,680	\$ 65,680	\$ 71,153	\$ 5,473
Total revenues	<u>65,680</u>	<u>65,680</u>	<u>71,153</u>	<u>5,473</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>600,000</u>	<u>850,000</u>	<u>1,040,389</u>	<u>(190,389)</u>
Total expenditures	<u>600,000</u>	<u>850,000</u>	<u>1,040,389</u>	<u>(190,389)</u>
Deficiency of revenues over expenditures	(534,320)	(784,320)	(969,236)	(184,916)
OTHER FINANCING SOURCES				
Transfers in	<u>600,000</u>	<u>850,000</u>	<u>850,000</u>	<u>-</u>
Total other financing sources	<u>600,000</u>	<u>850,000</u>	<u>850,000</u>	<u>-</u>
Net change in fund balances	<u>\$ 65,680</u>	<u>\$ 65,680</u>	(119,236)	<u>\$ (184,916)</u>
Fund balance at beginning of year			<u>379,041</u>	
Fund balance at end of year			<u>\$ 259,805</u>	

Fiduciary Funds

Fiduciary funds are used to account for monies held by the City in a trustee capacity or as an agent or custodian for others.

LAMPTO Fund – This fund is used to account for the City's role of fiscal agent of the Lakeway Area Metropolitan Transportation Planning Organization (LAMPTO).

CITY OF MORRISTOWN, TENNESSEE
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
June 30, 2025

	LAMTPO	(Previously separate fund) Employee Benefits	
	Fund	Fund	Total
ASSETS			
Cash and cash equivalents	\$ 239,633	\$ -	\$ 239,633
Receivables	21,465	-	21,465
Total Assets	261,098	-	261,098
LIABILITIES AND NET POSITION			
LIABILITIES			
Accounts payable and accrued expenses	1,605	-	1,605
Total Liabilities	1,605	-	1,605
NET POSITION			
Restricted for:			
Organizations	259,493	-	259,493
Individuals	-	-	-
Total Net Position	259,493	-	259,493
Total Liabilities and Net Position	\$ 261,098	\$ -	\$ 261,098

CITY OF MORRISTOWN, TENNESSEE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	LAMTPO	(Previously separate fund) Employee Benefits	
	Fund	Fund	Total
ADDITIONS			
Intergovernmental	\$ 99,118	\$ -	\$ 99,118
Total Additions	<u>99,118</u>	<u>-</u>	<u>99,118</u>
DEDUCTIONS			
Benefits	8,951	-	8,951
Administrative expenses	3,225	-	3,225
Medical, dental, and life insurance for retirees	15,827	-	15,827
Payroll	64,605	-	64,605
Other contracted services	56,243	-	56,243
Total Deductions	<u>148,851</u>	<u>-</u>	<u>148,851</u>
Change in Net Position	(49,733)	-	(49,733)
Fund Balance - July 1	309,226	20,732	329,958
Adjustment - Change in reporting entity	<u>-</u>	<u>(20,732)</u>	<u>(20,732)</u>
Fund Balance - July 1, as adjusted	309,226	-	309,226
Fund Balance - Ending	<u>\$ 259,493</u>	<u>\$ -</u>	<u>\$ 259,493</u>

**OTHER SUPPLEMENTARY
INFORMATION**

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Amount Issued</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Last Maturity Date</u>	<u>Outstanding July 1, 2024</u>	<u>Issued During Period</u>	<u>Paid During Period</u>	<u>Refunded During Period</u>	<u>Outstanding June 30, 2025</u>
GOVERNMENTAL ACTIVITIES:									
GENERAL FUND									
General Obligation Bonds Payable:									
Series 2017 General Obligation Bonds	\$ 9,710,000	3.00-3.75%	3/30/2017	2042	\$ 7,575,000	\$ -	\$ 320,000	\$ -	\$ 7,255,000
Series 2018 General Obligation Bonds	19,190,000	3.00-5.00%	10/24/2018	2042	12,365,000	-	1,390,000	-	10,975,000
Series 2019B General Obligation Bonds	37,250,000	5.00%	12/2/2019	2049	33,510,000	-	1,055,000	-	32,455,000
Series 2022 General Obligation Bonds	4,500,000	4.00-5.00%	12/1/2022	2037	4,265,000	-	250,000	-	4,015,000
\$5,000,000 Local Government Loan Program Bond, Series 2009	2,848,203	Variable	12/21/2009	2034	1,509,045	-	118,552	1,390,493	-
Series 2023 General Obligation Bonds	9,700,000	4.00-5.00%	10/6/2023	2043	9,350,000	-	495,000	-	8,855,000
Series 2024 General Obligation Bonds Refunding	1,059,830	4.15%	12/20/2024	2035	-	1,059,830	-	-	1,059,830
Total payable through general fund					<u>68,574,045</u>	<u>1,059,830</u>	<u>3,628,552</u>	<u>1,390,493</u>	<u>64,614,830</u>
SOLID WASTE FUND									
General Obligation Bonds Payable:									
\$5,000,000 Local Government Loan Program Bond, Series 2009	162,919	Variable	12/21/2009	2034	86,255	-	6,718	79,537	-
Total payable through solid waste fund					<u>86,255</u>	<u>-</u>	<u>6,718</u>	<u>79,537</u>	<u>-</u>
Total payable governmental activities					<u>68,660,300</u>	<u>1,059,830</u>	<u>3,635,270</u>	<u>1,470,030</u>	<u>64,614,830</u>
BUSINESS-TYPE ACTIVITIES:									
POWER SYSTEM									
General Obligation Bonds Payable:									
Series 2018 General Obligation Bonds	4,375,000	3.00-5.00%	10/24/2018	2038	3,445,000	-	190,000	-	3,255,000
Series 2018 General Obligation Bonds Refunding	16,410,000	3.00-5.00%	10/24/2018	2035	10,490,000	-	1,155,000	-	9,335,000
Series 2024 General Obligation Bonds	9,910,000	3.76%	8/30/2024	2044	-	9,910,000	415,000	-	9,495,000
Total payable through power system					<u>13,935,000</u>	<u>9,910,000</u>	<u>1,760,000</u>	<u>-</u>	<u>22,085,000</u>
WATER SYSTEM									
General Obligation Bonds Payable:									
Series 2021A General Obligation Bonds Refunding	3,590,000	2.00%	9/10/2021	2032	1,580,000	-	640,000	-	940,000
Series 2021B General Obligation Bonds	3,590,000	2.00%	9/10/2021	2041	3,115,000	-	185,000	-	2,930,000
Notes Payable:									
2009 Promissory Note	7,500,000	2.52%	12/21/2009	2030	2,805,000	-	430,000	-	2,375,000
Total payable through water system					<u>7,500,000</u>	<u>-</u>	<u>1,255,000</u>	<u>-</u>	<u>6,245,000</u>

continued

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2024	Issued During Period	Paid During Period	Refunded During Period	Outstanding June 30, 2025
WASTEWATER SYSTEM:									
General Obligation Bonds Payable:									
Series 2018 General Obligation Bonds	10,060,000	3.00-4.00%	10/24/2018	2037	\$ 10,060,000	\$ -	\$ -	\$ -	\$ 10,060,000
Series 2018 General Obligation Bonds Refunding	10,480,000	4.00-5.00%	10/24/2018	2028	4,800,000	-	1,115,000	-	3,685,000
Series 2019 General Obligation Bonds Refunding	12,775,000	3.00-5.00%	6/28/2019	2034	9,205,000	-	915,000	-	8,290,000
Series 2021A General Obligation Bonds Refunding	21,740,000	2.00%	9/10/2021	2037	18,010,000	-	1,625,000	-	16,385,000
Series 2021B General Obligation Bonds	3,395,000	2.00%	9/10/2021	2041	3,290,000	-	125,000	-	3,165,000
Series 2024 General Obligation Bonds	4,970,000	3.76%	8/30/2024	2044	-	4,970,000	-	-	4,970,000
Series 2024 General Obligation Bonds Refunding	940,170	4.15%	12/20/2024	2035	-	940,170	-	-	940,170
Notes Payable:									
2013 CWSRF Promissory Note	5,000,000	1.51%	3/27/2013	2036	3,118,469	-	244,392	-	2,874,077
2009 Promissory Note	5,000,000	2.91%	12/21/2009	2035	1,010,584	-	79,382	931,202	-
2015 Promissory Note	10,000,000	2.74%	8/31/2015	2036	6,956,000	-	474,000	-	6,482,000
2016 Promissory Note	15,000,000	2.27%	12/23/2016	2037	586,000	-	586,000	-	-
Total payable through wastewater system					<u>57,036,053</u>	<u>5,910,170</u>	<u>5,163,774</u>	<u>931,202</u>	<u>56,851,247</u>
BROADBAND SYSTEM:									
General Obligation Bonds Payable:									
Series 2018 General Obligation Bonds Refunding	3,810,000	3.00-5.00%	10/24/2018	2035	2,770,000	-	205,000	-	2,565,000
Notes Payable:									
Interfund loan from the Power System	7,000,000	0.25%	7/5/2005	2025	201,000	-	201,000	-	-
Finance purchase obligation	293,664	5.47%	5/1/2019	2025	41,963	-	41,963	-	-
Total payable through broadband system					<u>3,012,963</u>	<u>-</u>	<u>447,963</u>	<u>-</u>	<u>2,565,000</u>
STORMWATER SYSTEM:									
General Obligation Bonds Payable:									
\$5,000,000 Local Government Loan Program Bond, Series 2009	81,459	Variable	12/21/2009	2034	43,146	-	3,378	39,768	-
Series 2021A General Obligation Bonds Refunding	2,990,000	2.00%	9/10/2021	2037	2,450,000	-	230,000	-	2,220,000
Series 2024 General Obligation Bonds Refunding	2,480,000	3.76%	8/30/2024	2044	-	2,480,000	105,000	-	2,375,000
Total payable through stormwater system					<u>2,493,146</u>	<u>2,480,000</u>	<u>338,378</u>	<u>39,768</u>	<u>4,595,000</u>
Total payable business-type activities					<u>83,977,162</u>	<u>18,300,170</u>	<u>8,965,115</u>	<u>970,970</u>	<u>92,341,247</u>
Total City Debt					<u>\$ 152,637,462</u>	<u>\$ 19,360,000</u>	<u>\$ 12,600,385</u>	<u>\$ 2,441,000</u>	<u>\$ 156,956,077</u>

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS -
GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

General Fund															
Refunding General Obligation Bonds												Total			
Fiscal Year Ending June 30	General Obligation Bonds Series 2017		General Obligation Bonds Series 2018		General Obligation Bonds Series 2019B		General Obligation Bonds Series 2022		General Obligation Bonds Series 2023		General Obligation Bonds Series 2024		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2026	\$ 330,000	\$ 240,263	\$ 1,475,000	\$ 430,350	\$ 1,110,000	\$ 1,066,988	\$ 260,000	\$ 168,850	\$ 495,000	\$ 386,175	\$ 118,140	\$ 41,532	\$ 3,788,140	\$ 2,334,158	
2027	340,000	230,363	1,565,000	356,600	1,165,000	1,011,488	275,000	155,850	495,000	366,375	123,140	36,525	3,963,140	2,157,201	
2028	350,000	220,163	1,645,000	294,000	1,220,000	953,238	290,000	142,100	495,000	341,625	128,360	31,306	4,128,360	1,982,432	
2029	360,000	209,663	405,000	228,200	1,280,000	892,238	300,000	127,600	490,000	316,875	133,800	25,867	2,968,800	1,800,443	
2030	375,000	198,863	365,000	216,050	1,345,000	828,238	315,000	115,600	490,000	292,375	139,470	20,196	3,029,470	1,671,322	
2031	385,000	187,613	380,000	205,100	1,390,000	774,438	325,000	103,000	490,000	267,875	145,380	14,286	3,115,380	1,552,312	
2032	395,000	176,063	390,000	193,225	1,390,000	718,838	340,000	90,000	490,000	243,375	151,540	8,134	3,156,540	1,429,635	
2033	410,000	164,213	400,000	180,550	1,390,000	685,825	355,000	76,400	490,000	218,875	120,000	2,490	3,165,000	1,328,353	
2034	420,000	151,193	415,000	167,550	1,390,000	651,075	365,000	62,200	490,000	199,275	-	-	3,080,000	1,231,293	
2035	430,000	139,313	430,000	153,025	1,385,000	616,325	380,000	47,600	490,000	179,675	-	-	3,115,000	1,135,938	
2036	445,000	126,413	445,000	137,975	1,385,000	574,775	395,000	32,400	490,000	160,075	-	-	3,160,000	1,031,638	
2037	460,000	113,063	460,000	122,400	1,385,000	533,225	415,000	16,600	490,000	140,475	-	-	3,210,000	925,763	
2038	475,000	95,813	480,000	104,000	1,385,000	491,675	-	-	490,000	120,875	-	-	2,830,000	812,363	
2039	495,000	78,000	500,000	84,800	1,385,000	450,125	-	-	490,000	101,275	-	-	2,870,000	714,200	
2040	510,000	59,438	520,000	64,800	1,385,000	412,038	-	-	490,000	81,675	-	-	2,905,000	617,951	
2041	530,000	40,313	540,000	44,000	1,385,000	373,950	-	-	490,000	61,463	-	-	2,945,000	519,726	
2042	545,000	20,438	560,000	22,400	1,385,000	332,400	-	-	500,000	41,250	-	-	2,990,000	416,488	
2043	-	-	-	-	1,385,000	290,850	-	-	500,000	20,625	-	-	1,885,000	311,475	
2044	-	-	-	-	1,385,000	249,300	-	-	-	-	-	-	1,385,000	249,300	
2045	-	-	-	-	1,385,000	207,750	-	-	-	-	-	-	1,385,000	207,750	
2046	-	-	-	-	1,385,000	166,200	-	-	-	-	-	-	1,385,000	166,200	
2047	-	-	-	-	1,385,000	124,650	-	-	-	-	-	-	1,385,000	124,650	
2048	-	-	-	-	1,385,000	83,100	-	-	-	-	-	-	1,385,000	83,100	
2049	-	-	-	-	1,385,000	41,550	-	-	-	-	-	-	1,385,000	41,550	
	\$ 7,255,000	\$ 2,451,188	\$ 10,975,000	\$ 3,005,025	\$ 32,455,000	\$ 12,530,279	\$ 4,015,000	\$ 1,138,200	\$ 8,855,000	\$ 3,540,213	\$ 1,059,830	\$ 180,336	\$ 64,614,830	\$ 22,845,241	

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION DEBT TO BE REPAYED FROM BUSINESS-TYPE ACTIVITIES -
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Stormwater Fund						
Fiscal Year Ending June 30	General Obligation Bonds - Refundings 2021A		General Obligation Bonds Series 2024		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 220,000	\$ 44,400	\$ 125,000	\$ 95,000	\$ 345,000	\$ 139,400
2027	215,000	40,000	125,000	90,000	340,000	130,000
2028	210,000	35,700	125,000	85,000	335,000	120,700
2029	205,000	31,500	125,000	80,000	330,000	111,500
2030	195,000	27,400	125,000	75,000	320,000	102,400
2031	195,000	23,500	125,000	70,000	320,000	93,500
2032	185,000	19,600	125,000	65,000	310,000	84,600
2033	180,000	15,900	125,000	60,000	305,000	75,900
2034	170,000	12,300	125,000	55,000	295,000	67,300
2035	160,000	8,900	125,000	50,000	285,000	58,900
2036	145,000	5,700	125,000	45,000	270,000	50,700
2037	140,000	2,800	125,000	40,000	265,000	42,800
2038	-	-	125,000	35,000	125,000	35,000
2039	-	-	125,000	30,000	125,000	30,000
2040	-	-	125,000	25,000	125,000	25,000
2041	-	-	125,000	20,000	125,000	20,000
2042	-	-	125,000	15,000	125,000	15,000
2043	-	-	125,000	10,000	125,000	10,000
2044	-	-	125,000	5,000	125,000	5,000
	<u>\$ 2,220,000</u>	<u>\$ 267,700</u>	<u>\$ 2,375,000</u>	<u>\$ 950,000</u>	<u>\$ 4,595,000</u>	<u>\$ 1,217,700</u>

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS -
GENERAL OBLIGATION DEBT TO BE REPAYED FROM BUSINESS-TYPE ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Power System								
Fiscal Year Ending June 30	General Obligation Bonds Series 2018		General Obligation Bonds - Refundings 2018		Refunding General Obligation Bonds Series 2024		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 200,000	\$ 117,625	\$ 1,205,000	\$ 343,363	\$ 500,000	\$ 379,800	\$ 1,905,000	\$ 840,788
2027	210,000	107,625	1,260,000	283,113	500,000	359,800	1,970,000	750,538
2028	220,000	99,225	1,305,000	232,713	500,000	339,800	2,025,000	671,738
2029	225,000	90,425	725,000	180,513	500,000	319,800	1,450,000	590,738
2030	235,000	83,675	745,000	158,763	500,000	299,800	1,480,000	542,238
2031	240,000	76,625	770,000	136,413	500,000	279,800	1,510,000	492,838
2032	245,000	69,125	790,000	112,350	500,000	259,800	1,535,000	441,275
2033	255,000	61,163	820,000	86,675	500,000	239,800	1,575,000	387,638
2034	265,000	52,875	845,000	60,025	500,000	219,800	1,610,000	332,700
2035	275,000	43,600	870,000	30,450	500,000	199,800	1,645,000	273,850
2036	285,000	33,975	-	-	500,000	179,800	785,000	213,775
2037	295,000	24,000	-	-	500,000	159,800	795,000	183,800
2038	305,000	12,200	-	-	500,000	139,800	805,000	152,000
2039	-	-	-	-	500,000	119,800	500,000	119,800
2040	-	-	-	-	500,000	99,800	500,000	99,800
2041	-	-	-	-	500,000	79,800	500,000	79,800
2042	-	-	-	-	500,000	59,800	500,000	59,800
2043	-	-	-	-	500,000	39,800	500,000	39,800
2044	-	-	-	-	495,000	19,800	495,000	19,800
	<u>\$ 3,255,000</u>	<u>\$ 872,138</u>	<u>\$ 9,335,000</u>	<u>\$ 1,624,378</u>	<u>\$ 9,495,000</u>	<u>\$ 3,796,200</u>	<u>\$ 22,085,000</u>	<u>\$ 6,292,716</u>

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS -
GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM BUSINESS-TYPE ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Water System								
Fiscal Year Ending June 30	Promissory Note 2009		General Obligation Bonds - Refundings 2021A		General Obligation Bonds - Refundings 2021B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 445,000	\$ 54,243	\$ 565,000	\$ 18,800	\$ 160,000	\$ 58,600	\$ 1,170,000	\$ 131,643
2027	460,000	42,840	70,000	7,500	160,000	55,400	690,000	105,740
2028	475,000	31,059	70,000	6,100	160,000	52,200	705,000	89,359
2029	490,000	18,900	70,000	4,700	165,000	49,000	725,000	72,600
2030	505,000	6,363	70,000	3,300	170,000	45,700	745,000	55,363
2031	-	-	50,000	1,900	175,000	42,300	225,000	44,200
2032	-	-	45,000	900	180,000	38,800	225,000	39,700
2033	-	-	-	-	180,000	35,200	180,000	35,200
2034	-	-	-	-	185,000	31,600	185,000	31,600
2035	-	-	-	-	190,000	27,900	190,000	27,900
2036	-	-	-	-	195,000	24,100	195,000	24,100
2037	-	-	-	-	195,000	20,200	195,000	20,200
2038	-	-	-	-	200,000	16,300	200,000	16,300
2039	-	-	-	-	200,000	12,300	200,000	12,300
2040	-	-	-	-	205,000	8,300	205,000	8,300
2041	-	-	-	-	210,000	4,200	210,000	4,200
	<u>\$ 2,375,000</u>	<u>\$ 153,405</u>	<u>\$ 940,000</u>	<u>\$ 43,200</u>	<u>\$ 2,930,000</u>	<u>\$ 522,100</u>	<u>\$ 6,245,000</u>	<u>\$ 718,705</u>

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS -
GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM BUSINESS-TYPE
ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Broadband					
Fiscal Year Ending June 30	General Obligation Bonds Series 2018		Total		
	Principal	Interest	Principal	Interest	
2026	\$ 215,000	\$ 88,450	\$ 215,000	\$ 88,450	
2027	225,000	79,700	225,000	79,700	
2028	235,000	70,700	235,000	70,700	
2029	245,000	61,300	245,000	61,300	
2030	255,000	53,950	255,000	53,950	
2031	260,000	46,300	260,000	46,300	
2032	270,000	38,175	270,000	38,175	
2033	280,000	29,400	280,000	29,400	
2034	285,000	20,300	285,000	20,300	
2035	295,000	10,325	295,000	10,325	
	<u>\$ 2,565,000</u>	<u>\$ 498,600</u>	<u>\$ 2,565,000</u>	<u>\$ 498,600</u>	

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM BUSINESS-TYPE ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Wastewater System

Fiscal Year Ending June 30	CWSRF Promissory Note 2013		Promissory Note 2015		General Obligation Bonds Series 2018		General Obligation Bonds - Refundings 2018		General Obligation Bonds - Refundings 2019	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 248,112	\$ 41,681	\$ 487,000	\$ 167,340	\$ -	\$ 339,069	\$ 1,170,000	\$ 159,100	\$ 925,000	\$ 281,475
2027	251,880	37,909	501,000	153,487	-	339,069	1,230,000	100,600	935,000	234,975
2028	255,720	34,079	514,000	139,655	-	339,069	1,285,000	51,400	935,000	192,900
2029	259,608	30,191	529,000	124,645	985,000	339,069	-	-	935,000	155,500
2030	263,556	26,243	543,000	109,628	1,015,000	309,519	-	-	930,000	122,850
2031	267,564	22,236	558,000	94,197	1,045,000	279,069	-	-	920,000	95,100
2032	271,632	18,167	573,000	78,565	1,075,000	246,413	-	-	910,000	67,650
2033	275,760	14,037	589,000	62,063	1,110,000	211,475	-	-	900,000	40,500
2034	279,948	9,844	605,000	45,333	1,145,000	175,400	-	-	900,000	13,500
2035	284,208	5,588	622,000	28,133	1,185,000	135,325	-	-	-	-
2036	216,089	1,362	961,000	2,311	1,230,000	93,850	-	-	-	-
2037	-	-	-	-	1,270,000	50,800	-	-	-	-
	<u>\$ 2,874,077</u>	<u>\$ 241,337</u>	<u>\$ 6,482,000</u>	<u>\$ 1,005,357</u>	<u>\$ 10,060,000</u>	<u>\$ 2,858,127</u>	<u>\$ 3,685,000</u>	<u>\$ 311,100</u>	<u>\$ 8,290,000</u>	<u>\$ 1,204,450</u>

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM BUSINESS-TYPE ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Wastewater System

Fiscal Year Ending June 30	General Obligation Bonds - Refundings 2021A		General Obligation Bonds Series 2021B		General Obligation Bonds Series 2024		General Obligation Bonds - Refunding 2024		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,890,000	\$ 327,700	\$ 165,000	\$ 63,300	\$ -	\$ 198,800	\$ 77,860	\$ 37,401	\$ 4,962,972	\$ 1,615,866
2027	1,740,000	289,900	170,000	60,000	100,000	198,800	80,860	34,108	5,008,740	1,448,848
2028	1,715,000	255,100	170,000	56,600	205,000	194,800	83,640	30,695	5,163,360	1,294,298
2029	1,695,000	220,800	175,000	53,200	215,000	186,600	87,200	27,150	4,880,808	1,137,155
2030	1,675,000	186,900	180,000	49,700	225,000	178,000	91,530	23,441	4,923,086	1,006,281
2031	1,620,000	153,400	185,000	46,100	230,000	169,000	95,620	19,558	4,921,184	878,660
2032	1,275,000	121,000	190,000	42,400	240,000	159,800	99,460	15,510	4,634,092	749,505
2033	1,000,000	95,500	195,000	38,600	250,000	150,200	104,000	11,288	4,423,760	623,663
2034	870,000	75,500	200,000	34,700	260,000	140,200	108,000	6,889	4,367,948	501,366
2035	980,000	58,100	205,000	30,700	270,000	129,800	112,000	2,324	3,658,208	389,970
2036	970,000	38,500	210,000	26,600	280,000	119,000	-	-	3,867,089	281,623
2037	955,000	19,100	215,000	22,400	295,000	107,800	-	-	2,735,000	200,100
2038	-	-	220,000	18,100	305,000	96,000	-	-	525,000	114,100
2039	-	-	220,000	13,700	315,000	83,800	-	-	535,000	97,500
2040	-	-	230,000	9,300	330,000	71,200	-	-	560,000	80,500
2041	-	-	235,000	4,700	340,000	58,000	-	-	575,000	62,700
2042	-	-	-	-	355,000	44,400	-	-	355,000	44,400
2043	-	-	-	-	370,000	30,200	-	-	370,000	30,200
2044	-	-	-	-	385,000	15,400	-	-	385,000	15,400
	<u>\$ 16,385,000</u>	<u>\$ 1,841,500</u>	<u>\$ 3,165,000</u>	<u>\$ 570,100</u>	<u>\$ 4,970,000</u>	<u>\$ 2,331,800</u>	<u>\$ 940,170</u>	<u>\$ 208,364</u>	<u>\$ 56,851,247</u>	<u>\$ 10,572,135</u>

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
STATE STREET AID FUND WITHIN GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,157,383	\$ 1,157,383	\$ 1,120,141	\$ (37,242)
Total revenues	<u>1,157,383</u>	<u>1,157,383</u>	<u>1,120,141</u>	<u>(37,242)</u>
EXPENDITURES				
Street Improvement	<u>2,500,000</u>	<u>2,500,000</u>	<u>1,531,183</u>	<u>968,817</u>
Total expenditures	<u>2,500,000</u>	<u>2,500,000</u>	<u>1,531,183</u>	<u>968,817</u>
Deficiency of revenues over expenditures	(1,342,617)	(1,342,617)	(411,042)	931,575
OTHER FINANCING SOURCES				
Transfers in	-	-	385,282	385,282
Total other financing sources	<u>-</u>	<u>-</u>	<u>385,282</u>	<u>385,282</u>
Net change in fund balances	<u>\$ (1,342,617)</u>	<u>\$ (1,342,617)</u>	(25,760)	<u>\$ 1,316,857</u>
Fund balance at beginning of year			<u>140,218</u>	
Fund balance at end of year			<u>\$ 114,458</u>	

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF INTERFUND TRANSFERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>Transfers to:</u>	<u>Transfers from:</u>	<u>Amount</u>
General Fund	Stormwater Fund	\$ 87,679
General Fund	Nonmajor Governmental Funds	3,000,000
General Fund	Power System Fund	1,382,404
General Fund	Water System Fund	36,120
		<u>4,506,203</u>
Capital Projects Fund	General Fund	<u>\$ 2,268,011</u>
Nonmajor Governmental Funds	General Fund	<u>\$ 4,850,000</u>
Water System Fund	Nonmajor Governmental Funds	<u>\$ 2,845,730</u>



CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>Due to:</u>	<u>Due from:</u>	<u>Amount</u>
Water System Fund	Nonmajor Governmental Funds	<u>\$ 733,324</u>
Stormwater Fund	Power System Fund	<u>\$ 159,302</u>
Solid Waste Fund	Power System Fund	<u>\$ 254,324</u>

STATISTICAL SECTION

This part of the City of Morristown's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Contents

Financial Trends	121 – 126
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	127 – 136
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	137 – 139
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	140 and 141
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	142 – 144
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

TABLE 1

CITY OF MORRISTOWN, TENNESSEE

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024 - restated	6/30/2025
Governmental activities:										
Net investment in capital assets	\$ 40,495,228	\$ 43,572,086	\$ 44,366,928	\$ 44,112,071	\$ 49,242,104	\$ 53,742,337	\$ 61,020,377	\$ 60,267,299	\$ 68,627,397	\$ 69,438,806
Restricted	1,671,349	652,846	609,400	16,055,663	4,551,306	3,791,241	2,933,840	3,417,319	5,390,294	5,902,557
Unrestricted	17,464,209	17,454,074	17,815,244	7,753,047	18,110,178	23,101,156	35,089,903	47,196,406	44,730,903	46,799,990
Total governmental activities net position	<u>\$ 59,630,786</u>	<u>\$ 61,679,006</u>	<u>\$ 62,791,572</u>	<u>\$ 67,920,781</u>	<u>\$ 71,903,588</u>	<u>\$ 80,634,734</u>	<u>\$ 99,044,120</u>	<u>\$ 110,881,024</u>	<u>\$ 118,748,594</u>	<u>\$ 122,141,353</u>
Business-type activities:										
Net investment in capital assets	\$ 100,428,103	\$ 104,788,569	\$ 110,725,993	\$ 111,985,630	\$ 118,518,543	\$ 121,125,559	\$ 126,401,943	\$ 135,491,702	\$ 147,114,452	\$ 157,160,444
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	22,443,531	23,637,244	22,555,484	25,876,369	24,225,605	27,046,835	29,117,906	29,308,834	28,793,244	33,381,185
Total business-type net position	<u>\$ 122,871,634</u>	<u>\$ 128,425,813</u>	<u>\$ 133,281,477</u>	<u>\$ 137,861,999</u>	<u>\$ 142,744,148</u>	<u>\$ 148,172,394</u>	<u>\$ 155,519,849</u>	<u>\$ 164,800,536</u>	<u>\$ 175,907,696</u>	<u>\$ 190,541,629</u>
Primary government:										
Net investment in capital assets	\$ 140,923,331	\$ 148,360,655	\$ 155,092,921	\$ 156,097,701	\$ 167,760,647	\$ 174,867,896	\$ 187,422,320	\$ 195,759,001	\$ 215,741,849	\$ 226,599,250
Restricted	1,671,349	652,846	609,400	16,055,663	4,551,306	3,791,241	2,933,840	3,417,319	5,390,294	5,902,557
Unrestricted	39,907,740	41,091,318	40,370,728	33,629,416	42,335,783	50,147,991	64,207,809	76,505,240	73,524,147	80,181,175
Total primary government	<u>\$ 182,502,420</u>	<u>\$ 190,104,819</u>	<u>\$ 196,073,049</u>	<u>\$ 205,782,780</u>	<u>\$ 214,647,736</u>	<u>\$ 228,807,128</u>	<u>\$ 254,563,969</u>	<u>\$ 275,681,560</u>	<u>\$ 294,656,290</u>	<u>\$ 312,682,982</u>

Note: GASB Statement No. 75 was adopted in fiscal year 2018. Information for previous years presented is unavailable.

Note: 6/30/2024 net position was restated due to error correction and change in reporting entity.

TABLE 2

CITY OF MORRISTOWN, TENNESSEE

**CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>
Expenses										
Governmental activities:										
General government	\$ 4,399,314	\$ 2,623,688	\$ 5,565,353	\$ 5,724,079	\$ 8,523,594	\$ 5,023,218	\$ 6,983,503	\$ 7,529,239	\$ 8,183,693	\$ 12,592,904
Public safety	14,408,187	16,205,149	15,198,313	16,306,668	16,712,969	17,247,169	14,057,920	17,591,248	21,347,968	15,845,094
Public works	10,389,418	11,598,260	9,749,660	10,736,232	11,044,754	11,264,215	12,980,348	13,264,829	13,971,662	14,784,821
Culture and recreation	2,057,170	3,817,269	2,196,230	2,055,250	1,315,038	2,254,193	2,437,166	2,453,563	5,099,998	5,888,790
Civic support	1,936,921	1,994,024	1,565,036	1,622,080	1,746,265	1,642,185	1,763,877	1,882,049	1,883,218	1,979,201
Economic development	303,006	-	-	-	-	-	-	-	-	-
Retiree benefits	389,559	366,337	-	-	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Interest on debt	279,047	-	643,818	1,135,318	1,770,299	2,209,706	2,092,628	1,470,865	2,202,442	2,257,633
Other	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>34,162,622</u>	<u>36,604,727</u>	<u>34,918,410</u>	<u>37,579,627</u>	<u>41,112,919</u>	<u>39,640,686</u>	<u>40,315,442</u>	<u>44,191,793</u>	<u>52,688,981</u>	<u>53,348,443</u>
Business-type activities:										
Water	6,396,446	6,676,177	6,791,455	6,776,689	6,977,206	7,472,802	7,496,219	7,501,455	7,975,933	8,639,765
Wastewater	10,464,615	12,035,984	12,957,929	14,297,200	14,221,715	15,101,255	15,136,768	15,113,884	15,301,414	15,960,824
Stormwater	1,319,920	7,018,332	1,078,566	1,164,915	1,321,479	1,482,648	8,515,188	1,443,842	1,531,530	1,413,311
Power	73,769,967	813,226	76,594,389	77,796,499	72,585,833	70,548,813	1,535,845	84,404,068	83,265,571	92,448,724
Broadband system	7,059,706	76,497,573	7,653,604	8,580,326	8,872,846	8,563,862	76,976,906	8,506,590	8,803,845	8,869,257
Total business-type expenses	<u>99,010,654</u>	<u>103,041,292</u>	<u>105,075,943</u>	<u>108,615,629</u>	<u>103,979,079</u>	<u>103,169,380</u>	<u>109,660,926</u>	<u>116,969,839</u>	<u>116,878,293</u>	<u>127,331,881</u>
Total primary government expenses	<u>133,173,276</u>	<u>139,646,019</u>	<u>139,994,353</u>	<u>146,195,256</u>	<u>145,091,998</u>	<u>142,810,066</u>	<u>149,976,368</u>	<u>161,161,632</u>	<u>169,567,274</u>	<u>180,680,324</u>

(Continued)

TABLE 2

CITY OF MORRISTOWN, TENNESSEE

**CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>
Expenses (Continued)										
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 966,744	\$ 603,535	\$ 650,780	\$ 730,749	\$ 635,530	\$ 632,062	\$ 1,013,817	\$ 1,083,599	\$ 1,044,595	\$ 1,013,574
Public safety	660,840	513,404	571,333	415,954	184,349	216,378	157,462	148,339	112,464	110,596
Public works	1,407,639	1,406,844	1,438,504	2,132,234	2,124,274	2,146,382	2,187,094	2,253,410	3,201,618	3,332,578
Culture and recreation	124,077	110,620	115,340	122,973	74,476	51,573	117,140	150,546	68,283	141,822
Operating grants and contributions	466,292	128,336	191,531	175,368	203,610	192,356	4,304,395	4,498,612	1,838,461	2,148,991
Capital grants and contributions	4,102,716	1,668,274	701,821	347,471	431,610	434,798	760,757	126,590	3,639,264	3,155,709
Total governmental activities program revenues	<u>7,728,308</u>	<u>4,431,013</u>	<u>3,669,309</u>	<u>3,924,749</u>	<u>3,653,849</u>	<u>3,673,549</u>	<u>8,540,665</u>	<u>8,261,096</u>	<u>9,904,685</u>	<u>9,903,270</u>
Business-type activities:										
Charge for services:										
Water	6,378,731	6,616,395	7,005,669	7,227,168	7,437,738	7,611,410	8,387,183	8,522,838	8,650,462	8,775,481
Wastewater	12,852,808	13,781,869	14,128,788	14,415,596	14,238,435	16,159,332	16,185,720	17,150,184	17,948,641	19,174,464
Power	74,026,335	77,244,198	78,262,760	79,519,049	75,488,051	74,974,451	80,716,809	87,034,521	84,336,492	2,011,250
Broadband system	8,509,233	8,602,426	1,345,299	8,281,370	8,249,700	8,609,151	9,058,198	9,176,493	9,239,742	94,515,451
Stormwater	1,080,408	1,353,476	8,360,510	1,617,918	1,404,622	1,376,972	1,251,795	1,473,193	1,455,285	9,421,732
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	422,950	230,150	263,600	266,000	185,380	372,610	648,050	430,385	642,200	501,550
Total business-type activities program revenue	<u>103,270,465</u>	<u>107,828,514</u>	<u>109,366,626</u>	<u>111,327,101</u>	<u>107,003,926</u>	<u>109,103,926</u>	<u>116,247,755</u>	<u>123,787,614</u>	<u>122,272,822</u>	<u>134,399,928</u>
Total primary government program revenue	<u>\$ 110,998,773</u>	<u>\$ 112,259,527</u>	<u>\$ 113,035,935</u>	<u>\$ 115,251,850</u>	<u>\$ 110,657,775</u>	<u>\$ 112,777,475</u>	<u>\$ 124,788,420</u>	<u>\$ 132,048,710</u>	<u>\$ 132,177,507</u>	<u>\$ 144,303,198</u>

(Continued)

TABLE 2

CITY OF MORRISTOWN, TENNESSEE

**CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Expenses (Continued)										
Net (expense) revenue:										
Governmental activities	\$ (26,434,314)	\$ (32,173,714)	\$ (31,249,101)	\$ (33,654,878)	\$ (37,459,070)	\$ (35,967,137)	\$ (31,774,777)	\$ (35,930,697)	\$ (42,784,296)	\$ (43,445,173)
Business-type activities	4,259,811	4,787,222	4,290,683	2,711,472	3,024,847	5,934,546	6,586,829	6,817,775	5,394,529	7,068,047
Total primary government program expense	<u>\$ (22,174,503)</u>	<u>\$ (27,386,492)</u>	<u>\$ (26,958,418)</u>	<u>\$ (30,943,406)</u>	<u>\$ (34,434,223)</u>	<u>\$ (30,032,591)</u>	<u>\$ (25,187,948)</u>	<u>\$ (29,112,922)</u>	<u>\$ (37,389,767)</u>	<u>\$ (36,377,126)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 10,895,994	\$ 11,026,905	\$ 11,133,574	\$ 11,786,494	\$ 14,377,982	\$ 14,554,286	\$ 15,131,519	\$ 14,401,352	\$ 15,228,871	\$ 14,846,154
Local sales tax	11,743,470	12,280,106	12,405,158	13,389,122	13,543,093	15,120,224	16,599,588	18,118,802	18,917,279	19,818,242
Other local taxes	2,631,490	2,680,673	2,832,219	2,791,745	3,016,443	2,766,855	3,352,673	3,559,977	3,377,134	3,077,635
Business and gross receipts tax	1,049,900	1,061,806	1,091,623	1,113,149	1,159,672	1,225,928	1,445,788	1,657,738	1,699,172	1,720,169
Intergovernmental revenue unrestricted	5,318,624	4,747,970	6,074,849	6,105,485	5,702,751	7,570,005	5,163,954	5,019,423	5,587,568	5,315,201
Investment earnings	-	-	-	-	-	-	-	1,588,065	2,428,069	1,987,904
Other	1,766,013	489,811	811,649	1,561,606	1,383,478	1,018,593	5,979,867	1,337,307	2,022,808	1,412,154
Transfers	1,797,999	1,934,663	1,928,844	2,036,486	2,258,458	2,442,392	2,510,774	2,084,937	234,913	(1,339,527)
Total governmental activities	<u>35,203,490</u>	<u>34,221,934</u>	<u>36,277,916</u>	<u>38,784,087</u>	<u>41,441,877</u>	<u>44,698,283</u>	<u>50,184,163</u>	<u>47,767,601</u>	<u>49,495,814</u>	<u>46,837,932</u>
Business-type activities:										
Investment earnings	51,870	75,541	186,200	596,817	407,078	39,876	70,914	1,392,395	1,890,849	2,409,720
Other	2,833,685	2,626,079	3,008,322	3,308,719	3,708,682	3,522,030	3,200,486	3,155,454	4,056,695	3,816,639
Transfers	(1,797,999)	(1,934,663)	(1,928,844)	(2,036,486)	(2,258,458)	(2,442,392)	(2,510,774)	(2,084,937)	(234,913)	1,339,527
Total business-type activities	<u>1,087,556</u>	<u>766,957</u>	<u>1,265,678</u>	<u>1,869,050</u>	<u>1,857,302</u>	<u>1,119,514</u>	<u>760,626</u>	<u>2,462,912</u>	<u>5,712,631</u>	<u>7,565,886</u>
Total primary government	<u>\$ 36,291,046</u>	<u>\$ 34,988,891</u>	<u>\$ 37,543,594</u>	<u>\$ 40,653,137</u>	<u>\$ 43,299,179</u>	<u>\$ 45,817,797</u>	<u>\$ 50,944,789</u>	<u>\$ 50,230,513</u>	<u>\$ 55,208,445</u>	<u>\$ 54,403,818</u>
Changes in Net Position										
Governmental activities	\$ 8,769,176	\$ 2,048,220	\$ 5,028,815	\$ 5,129,209	\$ 3,982,807	\$ 8,731,146	\$ 18,409,386	\$ 11,836,904	\$ 6,711,518	\$ 3,392,759
Business-type activities	5,347,367	5,554,179	5,556,361	4,580,522	4,882,149	7,054,060	7,347,455	9,280,687	11,107,160	14,633,933
Total primary government	<u>\$ 14,116,543</u>	<u>\$ 7,602,399</u>	<u>\$ 10,585,176</u>	<u>\$ 9,709,731</u>	<u>\$ 8,864,956</u>	<u>\$ 15,785,206</u>	<u>\$ 25,756,841</u>	<u>\$ 21,117,591</u>	<u>\$ 17,818,678</u>	<u>\$ 18,026,692</u>

TABLE 3

CITY OF MORRISTOWN, TENNESSEE

**FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024 - restated	2025
Post-GASB 54 Implementation:										
General Fund										
Nondisposable	\$ 8,857,981	\$ 8,853,869	\$ 9,587,862	\$ 9,145,379	\$ 7,283,183	\$ 9,056,749	\$ 8,997,683	\$ 9,034,651	\$ 10,141,408	\$ 10,026,302
Restricted	1,578,637	73,571	133,457	690,825	826,400	1,478,396	726,971	4,619,637	2,469,083	4,424,605
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	6,713,983	6,397,453	7,699,910	6,110,594	7,709,773	7,924,393	8,092,887	12,510,538	12,833,441	11,494,618
Unassigned	8,350,230	7,902,354	7,482,374	5,721,167	8,724,598	14,592,210	21,250,417	18,020,018	22,635,420	20,074,876
Total general fund	<u>\$ 25,500,831</u>	<u>\$ 23,227,247</u>	<u>\$ 24,903,603</u>	<u>\$ 21,667,965</u>	<u>\$ 24,543,954</u>	<u>\$ 33,051,748</u>	<u>\$ 39,067,958</u>	<u>\$ 44,184,844</u>	<u>\$ 48,079,352</u>	<u>\$ 46,020,401</u>
All other governmental funds										
Nondisposable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,859	\$ 250,000	\$ 250,000	\$ -
Restricted	529,089	8,864,668	5,639,588	15,364,838	42,033,648	28,589,591	13,384,766	4,410,958	4,765,474	8,874,655
Committed	1,375,000	1,899,728	2,859,940	659,444	906,098	2,128,821	1,346,706	-	8,249,449	1,560,224
Assigned	-	-	-	-	-	-	-	5,726,554	-	818,165
Unassigned	-	-	-	-	-	-	-	-	(846,558)	-
Total all other governmental funds	<u>\$ 1,904,089</u>	<u>\$ 10,764,396</u>	<u>\$ 8,499,528</u>	<u>\$ 16,024,282</u>	<u>\$ 42,939,746</u>	<u>\$ 30,718,412</u>	<u>\$ 14,900,331</u>	<u>\$ 10,387,512</u>	<u>\$ 12,418,365</u>	<u>\$ 11,253,044</u>

Note: 2011 was the first year of implementing GASB54 which revised fund balance classifications.

Note: 6/30/2024 net position was restated due to error correction and change in reporting entity.

TABLE 4

CITY OF MORRISTOWN, TENNESSEE

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Revenues:										
Taxes	\$ 25,426,851	\$ 27,005,685	\$ 27,538,575	\$ 29,330,294	\$ 31,670,979	\$ 34,006,382	\$ 36,878,038	\$ 37,814,556	\$ 39,517,554	\$ 39,645,463
Licenses, permits and fines	645,551	299,544	529,149	426,202	366,065	564,045	888,352	1,230,953	1,154,624	1,122,785
Use of money and property	-	-	-	-	-	-	-	-	-	-
Service charges and fees	2,513,749	2,334,859	2,246,808	770,519	493,886	2,482,350	2,587,161	2,404,941	3,272,336	3,475,785
Other	1,766,013	489,811	811,649	901,819	886,480	1,018,593	2,203,844	2,925,372	4,450,877	3,400,058
Intergovernmental	9,533,778	6,544,580	6,968,201	5,430,323	5,690,936	8,197,159	10,229,106	9,644,625	9,716,673	11,249,994
Total revenues	39,885,942	36,674,479	38,094,382	36,859,157	39,108,346	46,268,529	52,786,501	54,020,447	58,112,064	58,894,085
Expenditures:										
General government	4,283,426	6,559,447	5,315,372	4,542,957	5,757,474	17,001,236	23,247,255	18,490,522	9,581,190	11,493,807
Public safety	15,712,924	17,581,344	17,975,611	16,645,427	17,063,214	17,376,723	18,611,745	19,174,617	23,997,451	22,489,158
Public works	12,436,344	9,997,726	8,494,267	6,863,299	7,112,936	8,989,997	13,103,929	11,634,526	17,112,698	13,100,307
Parks and recreation	2,296,653	3,924,041	2,393,220	2,068,403	2,243,483	2,119,994	2,779,299	3,848,293	4,233,414	4,564,795
Civic support	1,679,921	1,994,024	3,655,908	1,622,080	1,746,265	1,642,185	1,763,877	1,882,049	1,883,218	1,979,201
Library	257,000	-	-	-	-	-	-	-	-	-
Economic development	303,006	-	-	-	-	-	-	-	-	-
Retiree benefits	389,559	370,885	463,208	536,776	499,080	524,572	474,804	432,325	432,325	410,235
Capital Outlay	-	-	-	-	-	-	-	-	-	3,304
Debt service:										
Principal	1,211,528	1,248,061	1,655,663	1,648,742	1,736,591	2,696,407	2,819,418	3,066,868	3,816,534	5,237,621
Interest	165,996	342,634	658,489	1,147,625	1,824,272	2,416,424	2,298,819	2,292,456	2,531,024	2,560,232
Debt expense	92,982	-	-	-	-	-	-	-	-	-
Total expenditures	38,829,339	42,018,162	40,611,738	35,075,309	37,983,315	52,767,538	65,099,146	60,821,656	63,587,854	61,838,660
Deficiency of revenue over expenditures	1,056,603	(5,343,683)	(2,517,356)	1,783,848	1,125,031	(6,499,009)	(12,312,645)	(6,801,209)	(5,475,790)	(2,944,575)
Other financing sources (uses):										
Transfers in	4,244,692	6,004,663	3,730,510	2,036,486	2,258,458	3,760,476	3,378,254	9,024,267	4,917,221	11,624,214
Transfers out	(2,446,693)	(4,070,000)	(1,801,666)	(7,189,100)	(507,500)	(1,318,084)	(867,480)	(6,939,330)	(4,682,308)	(12,963,741)
Initiation of subscription liability	-	-	-	-	-	-	-	702,848	10,980	-
Bonds issued	-	9,995,743	-	9,940,000	-	-	-	4,500,000	9,700,000	1,059,830
Payments to Refunded Bond Escrow	-	-	-	(11,092,095)	-	-	-	-	-	-
Premium on Debt Issuance	-	-	-	1,285,223	-	-	-	117,491	299,206	-
Total other financing sources (uses)	1,797,999	11,930,406	1,928,844	(5,019,486)	1,750,958	2,442,392	2,510,774	7,405,276	10,245,099	(279,697)
Net change in fund balance	\$ 2,854,602	\$ 6,586,723	\$ (588,512)	\$ (3,235,638)	\$ 2,875,989	\$ (4,056,617)	\$ (9,801,871)	\$ 604,067	\$ 4,769,309	\$ (3,224,272)
Debt service as a percentage of noncapital governmental expenditures	4.08%	4.54%	6.69%	11.82%	15.00%	12.75%	12.17%	12.01%	12.66%	14.98%

TABLE 5

CITY OF MORRISTOWN, TENNESSEE

**GOVERNMENTAL ACTIVITIES REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	Property Tax	In-lieu Tax	Franchise Tax	Local Sales Tax	Alcohol Beverage Tax	Business and Gross Receipts Tax	Licenses, Permits, and Fines	Hotel/ Motel Tax	Litigation Tax	Use of Money and Property	Other	Inter- Governmental	Transfers	Total
2016	\$ 10,895,994	\$ -	\$ 598,717	\$ 11,743,470	\$ 1,338,486	\$ 1,049,900	\$ -	\$ 622,095	\$ 72,192	\$ 3,159,300	\$ 1,766,013	\$ 9,887,632	\$ 1,797,999	\$ 42,931,798
2017	11,026,905	-	603,791	12,280,106	1,334,354	1,061,806	-	675,088	67,440	2,634,403	489,811	6,544,580	1,934,663	38,652,947
2018	11,133,574	-	708,339	12,405,158	1,330,498	1,091,623	-	745,950	47,432	2,775,957	811,649	6,968,201	1,928,844	39,947,225
2019	11,786,494	-	712,126	13,389,122	1,260,568	1,113,149	-	767,588	51,463	3,401,910	1,561,606	6,105,485	2,036,486	42,185,997
2020	14,377,982	-	638,180	13,543,093	1,682,295	1,159,672	-	651,258	44,710	3,653,849	1,383,478	5,702,751	2,258,458	45,095,726
2021	14,893,375	-	600,615	15,120,224	1,387,455	1,225,928	445,903	737,761	41,024	3,617,444	851,834	7,346,966	3,760,476	50,029,005
2022	15,479,989	-	684,452	16,599,588	1,565,406	1,445,788	888,352	1,069,570	33,245	2,587,161	2,203,844	10,229,106	3,378,254	56,164,755
2023	14,275,276	126,076	723,138	18,118,802	1,602,017	1,657,738	1,230,953	1,173,704	61,118	1,588,065	3,742,248	9,644,625	2,084,937	56,028,697
2024	15,084,275	144,596	520,980	19,314,036	1,611,527	1,699,172	1,154,624	1,180,019	64,608	2,428,069	5,295,144	10,668,536	234,913	59,400,499
2025	14,739,518	106,636	439,968	19,818,242	1,550,320	1,720,169	1,122,785	1,028,646	58,701	1,987,904	4,257,846	11,249,994	1,339,527	59,420,256

TABLE 6

CITY OF MORRISTOWN, TENNESSEE

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Tax Year	Residential Property	Commercial Property	Public Utility Property	Other	Industrial Property	Public Utility Property	Total Assessment Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2015	\$ 241,973,025	\$ 346,673,196	\$ 695,695	\$ 4,832,500	\$ 257,178,659	\$ 9,735	\$ 851,362,810	1.1140	\$ 2,665,051,327	31.95 %
2016	242,706,000	360,519,034	695,695	4,777,775	282,378,782	6,753	891,084,039	1.2000	2,791,909,491	31.92
2017	243,508,725	368,288,320	695,695	4,824,475	290,189,983	9,111	907,516,309	1.2000	2,879,128,380	31.52
2018	244,715,150	376,170,327	695,695	4,647,200	298,679,525	-	924,907,897	1.2000	2,934,086,480	31.52
2019	246,406,625	385,853,750	695,695	4,703,875	305,384,722	-	943,044,667	1.2500	2,999,344,651	31.44
2020	283,235,750	419,337,636	377,630	5,358,750	303,539,923	-	1,011,849,689	1.5000	3,279,367,845	30.86
2021	288,118,350	426,114,323	377,630	4,952,525	317,980,983	-	1,037,543,811	1.3958	3,268,980,991	31.74
2022	295,314,150	432,253,338	377,630	4,895,825	268,091,255	-	1,000,932,198	1.4000	3,339,881,284	29.97
2023	308,518,175	464,456,159	377,630	4,218,375	286,596,325	-	1,064,166,664	1.4000	3,561,998,169	29.88
2024	584,031,650	654,062,339	470,140	5,637,650	374,178,378	-	1,618,380,157	0.9424	5,212,214,314	31.05

TABLE 7

CITY OF MORRISTOWN, TENNESSEE

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2025			2016		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed
			Value			Value
JTEKT(Toyoda-TRW)	\$ 18,949,005	1	1.17%	\$ 30,375,612	2	3.41%
MAHLE	18,330,555	2	1.13%	35,605,125	1	4.00%
OTICS	15,293,707	3	0.95%	14,760,732	5	1.66%
Colgate	14,377,354	4	0.89%	17,201,152	3	1.93%
Tuff Torq Corp	13,458,015	5	0.83%	12,377,191	7	1.39%
Interplast (formerly Vifan)	13,015,969	6	0.80%	15,528,570	4	1.74%
Colortech	12,745,412	7		-		
Koch Foods	10,285,866	8	0.64%			
Iactric	8,683,812	9		-		-
Iconex	7,856,780	10		-		-
Meritor/Rockwell	0			13,011,970	6	1.46%
Time Equities (formerly CBL)	0			10,419,240	8	1.17%
Team Technologies	0			9,932,357	9	1.11%
Lear	-			9,144,225	10	1.03%
	<u>\$ 132,996,475</u>		<u>6.41%</u>	<u>\$ 168,356,174</u>		<u>18.90%</u>

Source: City of Morristown, Tennessee Finance Department

TABLE 8

CITY OF MORRISTOWN, TENNESSEE

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 9,760,920	\$ 9,545,656	97.79 %	\$ 203,214	\$ 9,748,870	99.88 %
2017	10,996,539	10,355,811	94.17	625,636	10,981,447	99.86
2018	11,111,279	10,636,075	95.72	458,210	11,094,285	99.85
2019	11,873,642	11,086,237	93.37	775,830	11,862,067	99.90
2020	13,701,894	13,169,235	96.11	366,100	13,535,335	98.78
2021	14,758,894	14,059,696	95.26	678,865	14,738,561	99.86
2022	14,331,075	13,971,947	97.49	310,658	14,282,605	99.66
2023	14,341,035	13,792,861	96.18	261,618	14,054,479	98.00
2024	15,239,623	14,592,979	95.76	461,307	15,054,286	98.78
2025	14,994,928	14,170,479	94.50	-	14,170,479	94.50

Source: City of Morristown, Tennessee Finance Department

TABLE 9

CITY OF MORRISTOWN, TENNESSEE

WASTEWATER UTILITY RATES AND NUMBER OF CUSTOMERS
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Wastewater rate										
Inside	\$ 10.50	\$ 11.50	\$ 11.50	\$ 11.50	\$ 11.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50
Outside	21.00	23.00	23.00	23.00	23.00	25.00	25.00	25.00	25.00	25.00
Customers										
Inside	10,605	10,594	10,685	10,719	10,753	10,874	11,021	11,087	11,212	11,403
Outside	9	9	9	9	9	9	8	8	8	9
Commodity charge (per 1,000 gallons)										
Inside	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00
Outside	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	12.00

Source: Morristown Utility Commission (2025-2016)

City of Morristown Finance Department (2025-2016)

TABLE 10

CITY OF MORRISTOWN, TENNESSEE

POWER RATES
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential										
Customer charge per month	\$ 17.00	\$ 20.27	\$ 23.27	\$ 25.27	\$ 25.27	\$ 26.27	\$ 26.27	\$ 26.27	\$ 27.33	\$ 29.33
Energy charge:										
First 2,000 kWh	0.09104	0.09454	0.09528	0.09584	0.09248	0.00948	0.10511	0.10223	0.10100	0.11316
Additional kWh per month	0.09104	0.09454	0.09528	0.09584	0.09248	0.00948	0.10511	0.10223	0.10100	0.11316
Commercial, Industrial, Governmental, and Institutional										
GSA – 1 (demand of up to 50 kW)										
Customer charge per month	\$20 or \$37	\$21 or \$39	\$25 or \$42	\$27 or \$44	\$27 or \$44	\$28 or \$45	\$28 or \$45	\$28 or \$45	\$29 or \$46	\$31 or \$46
Energy charge per kWh per month	0.10289	0.10648	0.10735	0.10852	1.1052	0.10784	0.11804	0.11519	0.11464	0.12789
GSA – 2 (demand of 51 to 1,000 kW)										
Customer charge per month	135.00	135.50	135.50	135.50	135.50	135.50	135.50	135.50	135.50	150.00
Demand charge:										
First 50 kW per month										
Excess over 50 kW per month	12.88	13.12	13.36	13.66	13.66	13.66	13.66	13.66	14.40	14.99
Energy charge:										
First 15,000 kWh per month	0.09766	0.10126	0.10148	0.10266	0.09934	0.10252	0.11272	0.10987	0.10992	0.12360
Additional kWh per month	0.06236	0.06515	0.06459	0.06479	0.06151	0.06465	0.07472	0.07191	0.06956	0.08119
GSA – 3 (demand of 1,001 to 5,000 kW)										
Customer charge per month	275.08	275.08	275.08	275.08	275.08	275.08	275.08	275.08	275.08	300.00
Demand charge:										
First 1,000 kW per month	13.06	13.32	13.58	13.91	13.91	13.91	13.91	13.91	14.70	15.34
Excess over 1,000 kW per month	15.00	15.32	15.64	16.04	16.04	16.04	16.04	16.04	17.01	17.79
Energy charge:										
Per kWh per month	0.0623	0.06508	0.06451	0.0647	0.06142	0.06456	0.07463	0.07182	0.06942	0.08122

(Continued)

TABLE 10

CITY OF MORRISTOWN, TENNESSEE

POWER RATES
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Commercial, Industrial, Governmental, and Institutional (Continued)										
MSB										
Demand Charge:										
On Peak	\$ -	\$ -	\$ -	\$ -	\$ 10.24	\$ 10.24	\$ 10.24	\$ 10.24	\$ 10.70	\$ 11.27
Excess off Peak	-	-	-	-	2.26	2.26	2.26	2.26	2.29	2.33
Excess over contract					10.24	10.24	10.24	10.24	10.70	11.27
Energy Charge:										
On Peak	-	-	-	-	0.07016	0.07403	0.08483	0.08139	0.07850	0.08975
Off Peak (200 hours)	-	-	-	-	0.04516	0.04903	0.05893	0.05639	0.05237	0.06225
Off Peak (next 200 hours)	-	-	-	-	0.01547	0.01934	0.02929	0.02670	0.02135	0.02961
Off Peak (additional kWh)	-	-	-	-	0.12920	0.01679	0.02682	0.02415	0.01869	0.02684
TDMSA										
Demand charge:										
On peak	9.52	9.74	9.97	11.00	-	-	-	-	-	-
Excess off peak	3.36	3.40	4.24	4.62	-	-	-	-	-	-
Excess over contract	9.52	9.74	9.97	11.00	-	-	-	-	-	-
Energy charge:										
On peak	0.06940	0.07197	0.07152	0.08102	-	-	-	-	-	-
Off peak (first 425 kWh)	-	0.04819	0.04718	0.05182	-	-	-	-	-	-
Off peak (next 195 kWh)	-	0.02209	0.02126	0.02229	-	-	-	-	-	-
Off peak (additional kWh)	-	0.01966	0.01878	0.01974	-	-	-	-	-	-
GSB (demand of 5,001 to 15,000 kW)										
Customer charge per month	-	-	-	-	-	-	-	-	-	-
Demand charge:										
Per kWh per month	-	-	-	-	-	-	-	-	-	-
Energy charge:										
First 620 kWh per Kw per month	-	-	-	-	-	-	-	-	-	-
Additional kWh per month	-	-	-	-	-	-	-	-	-	-

(Continued)

TABLE 10

CITY OF MORRISTOWN, TENNESSEE

POWER RATES
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Commercial, Industrial, Governmental, and Institutional (Continued)										
GSB (non-manufacturing)										
(demand of 15,001 to 25,000 kW)										
Customer charge per month	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand charge:										
Per kWh per month	-	-	-	-	-	-	-	-	-	-
Energy charge:										
First 620 kWh per Kw per month	-	-	-	-	-	-	-	-	-	-
Additional kWh per month	-	-	-	-	-	-	-	-	-	-
Part F (demand greater than 25,000 kW)										
Customer charge per month	-	-	-	-	-	-	-	-	-	-
Demand charge:										
Per kWh per month	-	-	-	-	-	-	-	-	-	-
Energy charge:										
Per kWh per month	-	-	-	-	-	-	-	-	-	-
Active Service (number of customers)										
Residential	11,862	11,995	12,133	12,198	12,296	12,460	12,934	13,180	13,352	13,579
Commercial	2,160	2,163	2,191	2,239	2,231	2,252	2,282	2,307	2,319	2,353
Industrial	446	458	448	439	446	428	434	444	440	458
Street and athletic	75	76	79	79	79	82	82	83	84	84
Outdoor lighting	33	34	35	77	79	145	143	161	165	156
Total active service	14,576	14,726	14,886	15,032	15,131	15,367	15,875	16,175	16,360	16,630

Source: Morristown Utility Commission

TABLE 11

CITY OF MORRISTOWN, TENNESSEE

WATER RATES AND NUMBER OF CUSTOMERS
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Inside City Rate:										
Customer charge per month	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65
Commodity charge (per 1,000 gallons)										
First 50,000 gallons	2.05	2.20	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35
Next 50,000 gallons	1.80	1.95	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
Over 100,000	1.60	1.75	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Minimum Bill:										
5/8" meter	8.75	9.05	9.35	9.35	9.35	9.35	11.35	11.35	11.35	11.35
3/4" meter	9.25	9.55	9.85	9.85	9.85	9.85	14.76	14.76	14.76	14.76
1" meter	10.00	10.30	10.60	10.60	10.60	10.60	22.13	22.13	22.13	22.13
1 1/2" meter	11.50	11.80	12.10	12.10	12.10	12.10	38.59	38.59	38.59	38.59
2" meter	16.00	16.30	16.60	16.60	16.90	16.60	61.86	61.86	61.86	61.86
3" meter	61.00	61.30	61.60	61.60	61.90	61.60	147.55	147.55	147.55	147.55
4" meter	71.00	71.30	71.60	71.60	71.60	71.60	221.33	221.33	221.33	221.33
6" meter	101.00	101.30	101.60	101.60	101.60	101.60	402.93	402.93	402.93	402.93
8" meter	114.30	114.60	114.90	114.90	114.90	114.90	607.23	607.23	607.23	607.23
Outside City Rates:										
Customer charge per month	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65
Commodity charge (per 1,000 gallons)										
First 50,000 gallons	4.10	4.40	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Next 50,000 gallons	3.60	3.90	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
Over 100,000 gallons	3.20	3.50	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Minimum Bill:										
5/8" meter	12.85	13.45	14.05	14.05	14.05	14.05	16.05	16.05	16.05	16.05
3/4" meter	13.35	13.95	14.55	14.55	14.55	14.55	20.87	20.87	20.87	20.87
1" meter	14.10	14.70	15.30	15.30	15.30	15.30	31.30	31.30	31.30	31.30
1 1/2" meter	15.60	16.20	16.80	16.80	16.80	16.80	54.57	54.57	54.57	54.57
2" meter	20.10	20.70	21.30	21.30	21.30	21.30	87.47	87.47	87.47	87.47
3" meter	65.10	65.70	66.30	66.30	66.30	66.30	208.65	208.65	208.65	208.65
4" meter	75.10	75.70	76.30	76.30	76.30	76.30	312.98	312.98	312.98	312.98
6" meter	105.10	105.70	106.30	106.30	106.30	106.30	569.78	569.78	569.78	569.78
8" meter	118.40	119.00	119.60	119.60	119.60	119.60	858.68	858.68	858.68	858.68
Monthly Fire Protection Service Charge:										
4"	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
6"	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
8"	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
10"	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
12"	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
Number of Customers										
Total active service	12,649	12,671	12,758	12,804	12,877	12,981	13,154	13,250	13,408	13,677

Source: Morristown Utility Commission

TABLE 12

CITY OF MORRISTOWN, TENNESSEE

MONTHLY BROADBAND RATES
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Standard Cable:										
Expanded basic	\$ 56.95	\$ 60.95	\$ 60.95	\$ 60.95	\$ 60.95	\$ 60.95	\$ 60.95	\$ 60.95	\$ 60.95	\$ 60.95
Digital basic	68.95	72.95	72.95	72.95	72.95	72.95	72.95	72.95	72.95	72.95
Digital basic + 1	78.75	82.95	87.90	87.90	87.90	87.90	87.90	87.90	87.90	87.90
Digital basic + 2	86.95	90.95	99.90	99.90	99.90	99.90	99.90	99.90	99.90	99.90
Digital basic + 4	99.95	103.95	119.90	119.90	119.90	119.90	119.90	119.00	119.00	119.00
Premium channels	11.95-16.35	11.95-16.35	14.95-46.95	14.95-46.95	14.95-46.95	14.95-46.95	14.95-46.95	14.95-46.95	14.95-46.95	14.95-46.95
Internet:										
Residential										
Tier 1	34.95	34.95	39.95	39.95	39.95	44.95	49.95	49.95	49.95	49.95
Tier 2	39.95	39.95	59.95	59.95	59.95	64.95	69.95	69.95	69.95	69.95
Tier 3	74.95	74.95	74.95	74.95	74.95	79.95	84.95	-	-	-
Tier 4	99.95	99.95	99.96	99.95	99.95	104.95	109.95	-	-	-
Commercial										
Tier 1	49.95	49.95	49.95	49.95	49.95	54.95	59.95	59.95	59.95	59.95
Tier 2	79.95	79.95	79.95	79.95	79.95	84.95	89.95	89.95	89.95	89.95
Tier 3	104.95	104.95	104.95	104.95	104.95	109.95	114.95	114.95	114.95	114.95
Tier 4	154.95	154.95	154.90	154.95	154.95	159.95	164.95	164.95	164.95	164.95
Tier 5	199.95	199.95	-	-	-	-	-	-	-	-
Telephone:										
Residential										
Basic Pack	22.95	22.95	28.65	32.95	32.95	32.95	32.95	32.95	32.95	32.95
Preferred Pack	25.00	25.00	28.65	48.95	48.95	48.95	48.95	48.95	48.95	32.95
Additional services	3.79-11.95	3.79-11.95	3.95-17.95	3.75-17.95	3.75-17.95	3.75-17.95	3.75-17.95	3.75-17.95	3.75-17.95	3.75-17.95
Long distance per minute	0.05	0.05	0.05	-	-	-	-	-	-	-
Commercial:										
Access line	25.95	25.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95
Business local telephone service	36.95	36.95	36.95	36.95	36.95	36.95	36.95	36.95	36.95	29.95
Additional services	7.95-27.95	7.95-27.95	3.75-36.95	3.75-36.95	3.75-36.95	3.75-36.95	3.75-36.95	3.75-36.95	3.75-36.95	3.75-36.95
Long distance rate per minute	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05

Note: The Broadband System began operations in 2006.

Source: Morristown Utility Commission

**DEBT CAPACITY INFORMATION -
RATIOS OF OUTSTANDING DEBT TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Per Capita Income	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
			Notes Payable	Subscription Payable	General Obligation Bonds	Subscription Payable	Revenue Bonded Debt	Contractual Obligations	Financed Purchase Obligation			
2016	29,478	30,846	\$ 2,660,000	\$ -	\$ 17,852,950	-	\$ 114,160,479	\$ 2,450,153	\$ 45,087	\$ 137,168,669	2.25%	4,653
2017	29,663	28,930	2,325,000	-	26,620,225	-	114,284,913	2,294,695	28,133	145,552,966	1.99%	4,907
2018	29,771	31,259	1,990,000	-	24,953,248	-	114,645,160	2,134,530	10,282	143,733,220	2.17%	4,828
2019	29,926	33,597	1,655,000	-	32,707,643	-	122,762,242	2,067,810	281,018	159,473,713	2.11%	5,329
2020	30,193	32,386	1,320,000	-	69,275,650	-	116,390,228	1,979,439	238,661	189,203,978	1.71%	6,266
2021	30,431	32,193	900,000	-	67,702,256	-	107,672,336	1,872,443	193,349	178,340,384	1.81%	5,860
2022	30,777	33,511	660,000	50,158	64,685,850	-	104,761,581	1,773,052	145,496	172,076,137	1.95%	5,591
2023	31,425	36,495	330,000	629,169	65,208,719	-	96,264,978	1,641,636	95,093	164,169,595	2.22%	5,224
2024	32,393	39,547	-	495,259	71,537,699	763,270	85,942,566	1,542,245	41,963	160,323,002	2.47%	4,949
2025	32,994	26,785	-	362,938	67,179,420	604,644	94,560,724	1,442,855	-	164,150,581	1.63%	4,975

Source: U.S. Census Bureau
census.gov/quickfacts

TABLE 14

CITY OF MORRISTOWN, TENNESSEE

**DEBT CAPACITY INFORMATION -
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Actual Value of Taxable Property	General Bonded Debt	Percent of General Obligation Debt to Actual Value	Net Bonded Debt Per Capita
2016	29,478	\$ 2,665,051,327	\$ 17,852,950	0.67	\$ 606
2017	29,663	2,791,909,491	26,620,225	0.95	897
2018	29,771	2,879,128,380	24,953,248	0.87	838
2019	29,926	2,934,086,480	32,707,643	1.11	1,093
2020	30,193	2,999,344,651	69,275,650	2.31	2,294
2021	30,431	3,279,367,845	67,702,256	2.06	2,225
2022	30,777	3,268,980,991	64,685,850	1.98	2,102
2023	31,425	3,336,249,634	65,208,719	1.95	2,075
2024	32,393	3,561,998,169	71,537,699	2.01	2,208
2025	32,994	5,212,214,314	67,179,420	1.29	2,036

TABLE 15

CITY OF MORRISTOWN, TENNESSEE

**GENERAL BONDED DEBT WITH TOTAL ASSESSMENT AND
EXPENDITURE RATIO
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt (1)	Total Assessment	Ratio of Bonded Debt to Total Assessment	Total Expenditures	Ratio of Bonded Debt to Total Expenditures
2016	\$ 17,852,950	\$ 851,362,810	.020 to 1	\$ 38,829,339	0.46 to 1
2017	26,620,225	891,084,039	.030 to 1	42,018,162	0.63 to 1
2018	24,953,248	907,516,309	.027 to 1	40,611,738	0.61 to 1
2019	32,707,643	924,907,897	.035 to 1	35,075,309	0.93 to 1
2020	69,275,650	943,044,667	.068 to 1	37,983,315	1.82 to 1
2021	66,712,256	1,011,870,089	.064 to 1	52,767,538	1.26 to 1
2022	64,685,850	1,037,543,811	.061 to 1	65,099,146	0.99 to 1
2023	65,208,719	1,059,843,174	.062 to 1	60,821,656	1.07 to 1
2024	71,537,699	1,064,166,664	.067 to 1	63,587,854	1.13 to 1
2025	67,179,420	1,618,380,157	.041 to 1	61,838,660	1.08 to 1

(1) This is total bonded debt for governmental activities only

TABLE 16

CITY OF MORRISTOWN, TENNESSEE

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age (1)	Education Level In Years of Formal Schooling (1)	School Enrollment (3)	Unemployment Rate (2) %
2016	29,478	\$ 909,278,388	\$ 30,846	36.30	14.0	11,970	5.40
2017	29,663	872,982,090	29,430	39.40	14.0	13,583	4.40
2018	29,771	930,611,689	31,259	39.90	14.0	16,900	4.40
2019	29,926	1,005,423,822	33,597	36.80	14.0	16,900	4.50
2020	30,193	977,830,498	32,386	37.40	14.0	15,850	9.40
2021	30,431	979,665,183	32,193	37.80	14.0	17,470	5.40
2022	30,777	1,031,368,047	33,511	37.80	14.0	17,268	4.40
2023	31,425	1,146,855,375	36,495	37.40	14.0	17,268	4.10
2024	32,393	1,281,045,971	39,547	37.60	14.0	16,489	3.90
2025	32,994	883,744,290	26,785	37.50	14.0	16,834	4.20

(1) Population is based on figures available from U.S. Census Bureau

(2) Source: U.S. Bureau of Labor and Statistics

(3) nces.ed.gov (National Center for Education Statistics)

TABLE 17

CITY OF MORRISTOWN, TENNESSEE

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2025			2016		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Hamblen County Dept. of Education	1,786	1	3%	1,284	1	10%
Koch Foods	951	2	2%	1,100	2	9%
MAHLE	851	3	2%	1,000	3	8%
Arconic (f/k/a Howmet)	896	4	2%	560	8	4%
Team Technologies	853	5	2%	500	9	4%
Wal-Mart	749	6	1%	757	5	6%
Morristown Hamblen Healthcare	716	7	1%	716	7	6%
JTEKT Automotive	730	8	1%	843	4	7%
Walters State Community College	650	9	1%	743	6	6%
Rich Products	680	10	1%			0%
Lear Corporation	-		0%	455	10	4%
	<u>8,862</u>		<u>17%</u>	<u>7,958</u>		<u>64%</u>

Source: Morristown Area Chamber of Commerce

TABLE 18

CITY OF MORRISTOWN, TENNESSEE

CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function/Program										
General Government:										
Mayor and Council	7	7	7	7	7	7	7	7	7	7
City Administration and Staff	4	6	6	6	6	6	6	6	6	6
Finance	7	6	7	7	6	6	6	6	7	7
Purchasing	1	1	1	1	1	1	1	1	1	1
Information technology	1	1	1	1	1	1	1	1	1	1
Human Resources	3	2	2	1	1	1	1	1	1	1
Risk Management	-	-	-	2	2	2	2	2	2	2
Legal services	2	2	2	1	-	-	-	-	-	-
Court Administration	-	-	-	2	2	2	2	2	1	1
Planning	4	4	4	4	4	4	4	4	4	4
GIS	2	2	2	2	2	2	2	2	2	2
Engineering	2	3	2	2	2	2	2	2	2	2
Inspections	5	5	5	5	5	5	5	5	5	5
LAMTPO	1	1	1	1	1	1	1	1	1	1
CDBG	1	1	1	-	1	1	1	1	1	1
Police:										
Administration	6	6	6	6	6	6	6	6	6	6
Support	-	-	-	12	13	13	13	13	13	10
Liter Crew	-	-	-	1	1	1	1	1	1	1
Patrol	64	64	63	52	51	51	51	51	51	54
Investigations	15	14	15	13	13	13	13	13	13	13
Codes Enforcement	2	2	2	2	2	2	2	2	2	2
Narcotics and Vice	6	7	7	7	7	7	7	7	7	7
Fire:										
Administration	6	6	6	6	6	6	6	6	6	6
Firefighting	79	79	79	79	78	78	78	78	78	78
Prevention and inspection	1	1	1	1	2	2	2	2	2	2
Public works:										
Administration	3	3	4	3	3	3	3	3	3	3
Facilities Maintenance	3	3	3	3	3	3	4	4	4	4
Fleet Maintenance	7	7	7	7	7	7	7	7	7	7
Repairs and maintenance	15	13	15	15	15	15	17	17	17	17
Street lights and signs	1	1	1	1	1	1	1	1	1	1
Brush and Bulk	11	15	13	11	11	11	11	11	11	11
Communication shop	2	2	2	2	2	2	2	2	2	2
Park and recreation	17	17	17	17	17	17	17	17	18	18
Natural Resource Maintenance	-	-	-	3	3	3	3	3	3	3
Stormwater	4.20	4	4	6	8	8	8	8	8	8
Solid waste	13.5	13	13	13	10	10	7	7	7	7
	<u>294</u>	<u>297</u>	<u>299</u>	<u>302</u>	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>	<u>301</u>	<u>301</u>

Source: City of Morristown, Tennessee Finance Department

TABLE 19

CITY OF MORRISTOWN, TENNESSEE

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
Police:										
Physical arrests	4,378	4,339	3,639	3,412	3,277	2,376	2,695	2,720	2,941	2,942
Parking violations	117	251	42	50	48	36	41	31	-	-
Citation Charges	-	-	-	-	-	-	3,688	7,398	9,136	8,708
Fire:										
Number of calls answered	4,742	3,916	3,184	4,077	3,476	3,317	4,188	4,278	4,280	4,946
Inspections	2,663	2,635	2,498	2,726	703	1,516	1,206	1,250	1,359	1,184
Highway and streets:										
Street maintenance/resurfacing (miles)	5.60	11.50	3.85	23.16	4.50	4.75	5.30	14.00	18.00	11.40
Sanitation:										
Brush collected (annual)	2,649	3,620	3,141	3,304	3,438	3,239	2,753	2,651	2,474	1,883
Refuse collected	9,358	9,405	12,856	10,737	13,333	11,103	10,726	10,691	10,012	8,873

Source: Various Department of the City of Morristown

TABLE 20

CITY OF MORRISTOWN, TENNESSEE

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	48	48	48	48	48	48	51	51	51	54
Fire stations	6	6	6	6	6	6	6	6	6	6
Sanitation										
Collection trucks	4	4	4	4	4	4	4	4	4	4
Highways and streets										
Street (miles)	210	210	210	212	214	215	216	216	218	218
Culture and recreation										
Parks acreage	264	264	264	276	328	328	378.3	378.3	378.3	378.3
Parks	16	16	16	16	17	17	18	18	18	18

Source: Various Department of the City of Morristown

**INTERNAL CONTROL AND
COMPLIANCE SECTION**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**The Honorable Mayor and Members
of the City Council of the
City of Morristown, Tennessee**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Morristown, Tennessee (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 17, 2025. Our report includes a reference to other auditors who audited the financial statements of the Morristown Utilities Commission, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

Report on Compliance and Other Matters

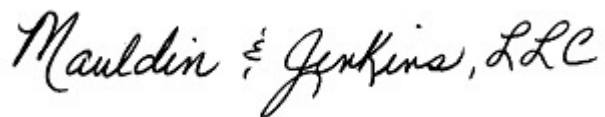
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Chattanooga, Tennessee
December 17, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**The Honorable Mayor and Members
of the City Council of the
City of Morristown, Tennessee**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Morristown, Tennessee's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

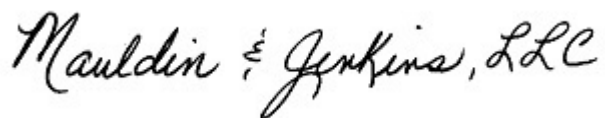
Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Chattanooga, Tennessee

December 17, 2025

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Agency/Pass-through Agency/ Program or Cluster Title	Assistance Listing	Pass-through entity Identifying Number	Expenditures
<u>FEDERAL AWARDS</u>			
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Direct Program:			
<i>CDBG Entitlement Grants Cluster:</i>			
Community Development Block Grant	14.218	B-22-MC-47-0013	\$ 33,802
Community Development Block Grant	14.218	B-23-MC-47-0013	178,500
Community Development Block Grant	14.218	B-24-MC-47-0013	74,813
<i>Total CDBG Entitlement Grants Cluster</i>			<u>287,115</u>
Passed through Tennessee Housing Development Agency:			
THDA HOME Grant	14.239	31620-00570	<u>322,688</u>
Total U.S. Department of Housing and Urban Development			<u>609,803</u>
U.S. DEPARTMENT OF JUSTICE:			
Direct Program:			
Bulletproof Vest Program	16.607	2023-DJ-BX-0701	<u>6,113</u>
Total U.S. Department of Justice			<u>6,113</u>
U.S. DEPARTMENT OF TRANSPORTATION:			
Passed through Tennessee Department of Transportation:			
Airport Layout Plan	20.106	32-555-0172-22	65,558
Apron Rehab - Prelim Design	20.106	32-555-0780-24	62,461
Apron Rehab - Final Design	20.106	32-555-0183-25	74,873
FAA American Rescue Plan Act (ARPA)	20.106	32-555-0173-22	15,387
Airport Runway Lighting Design	20.106	32-555-0179-24	155,099
Land Acquisition Taxiway Relocation	20.106	32-555-0177-23	34,324
Total Airport Improvement Program			<u>407,702</u>
Passed through Tennessee Emergency Management Agency			
Hazardous Materials Emergency Planning	20.703	78847-45901	<u>13,601</u>
Direct Program:			
<i>Highway Planning and Construction</i>			
Highway Planning and Construction	20.205	STP-M-9113(24)	8,268
Highway Planning and Construction	20.205	STP-M-5930(10)	16,996
Metropolitan Transportation Planning	20.205	SPR-PL-9M (420)	79,295
<i>Total Highway Planning and Construction</i>			<u>104,559</u>
Total U.S. Department of Transportation			<u>525,862</u>
U.S. DEPARTMENT OF TREASURY:			
Passed through Tennessee Department of Environment and Conservation:			
ARPA - TDEC	21.027	N/A	1,976,907
Direct Program:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	569,028
Total U.S. Department of the Treasury			<u>2,545,935</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 3,687,713</u></u>

CITY OF MORRISTOWN, TENNESSEE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Morristown, Tennessee under programs of the federal government for the fiscal year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule represents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the costs principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE C: INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF MORRISTOWN, TENNESSEE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Grantor Agency/Program	Contract Number	Expenditures
TN Law Enforcement Hiring, Training & Recruitment Program	33501-2425180	\$ 7,000
Airport Maintenance Grant	32-555-0782-25	20,000
Apron Rehab - Preliminary Design	32-555-0780-24	62,461
2021 MultiModal	32LPLM-S3-071	30,768
TOTAL STATE AWARDS		\$ 120,229

CITY OF MORRISTOWN, TENNESSEE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**SECTION I
SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued on whether financial
statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for
major programs Unmodified

Any audit findings disclosed that are required to
be reported in accordance with Section 2 CFR
200.516(a)? yes X no

Identification of major programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19: Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

CITY OF MORRISTOWN, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION II FINANCIAL STATEMENT FINDINGS

2025-001 Inventory Tracking

Criteria: Generally Accepted Accounting Principles require that material inventory items acquired by a governmental entity be initially recognized as a financial resource (asset) upon acquisition and subsequently reported as an expenditure when consumed or used, ensuring proper matching of costs.

Condition: During the implementation of the new Enterprise Asset Management (EAM) system in Fiscal Year 2025, the City determined there were significant amounts of inventory on hand in the Public Works department. Prior to the EAM implementation, the City was only formally tracking and recording high-value and high-quantity, specific items (e.g., tires and filters) as inventory, while all other material inventory items were immediately expensed upon purchase, rather than being recognized as an asset, despite being stored in the department's warehouse for future use.

Context/Cause: The underlying cause of the misstatement was the lack of comprehensive policies and controls for tracking and recording all material inventory items across various departments. During the implementation of the new EAM, management noted there were significant amounts of expensed items which were not being used but rather stored as inventory at the City. This disconnect in the accounting and the practice, led to the understatement of the City's inventory balance as compared to actual inventory on hand.

Effect: The failure to properly capitalize and track inventory necessitated a material financial adjustment to correct the beginning balances. A restatement of June 30, 2024 fund balance of approximately \$1,135,000 was required to properly state the City's inventory asset account. This adjustment was prepared and proposed by management during the EAM implementation and was necessary to align the financial records with GAAP and resulted in a restatement of the beginning fund balance to correct the prior period misstatement.

Recommendation: We recommend management continue to review and update policies and procedures surrounding the tracking and recording of inventory to ensure all material inventory items are tracked and recorded in compliance with GAAP.

Views of Responsible Officials and Planned Corrective Action: Management concurs with the finding. The City has already implemented the new EAM system and has begun performing periodic physical inventory counts to ensure all inventory is being tracked and recorded correctly in compliance with GAAP.

CITY OF MORRISTOWN, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION II FINANCIAL STATEMENT FINDINGS (continued)

2025-002 Cash Reconciliations

Criteria: Effective internal controls over financial reporting require that all bank and book balances for pooled cash accounts be subject to a complete and accurate monthly reconciliation. All differences identified during the reconciliation process must be thoroughly investigated, documented, and promptly resolved to ensure the reliability of the reported cash balances.

Condition: The monthly reconciliations sporadically exhibited unidentified, unreconciled differences between the bank and general ledger balances. Since January 2025, these unidentified differences have accumulated to an approximate total of \$10,000.

Context/Cause: During the monthly reconciliations there were numerous batch entries (both receipts and deposits) which required extensive time from management to reconcile and ultimately, instead of reconciling all the posted activity, the accumulated unreconciled variances are being reconciled through a separate general ledger account.

Effect: The unidentified outage of approximately \$10,000 represents transactions that are unaccounted for, which poses a risk of financial loss and directly impairs the reliability and accuracy of the City's financial statements.

Recommendation: We recommend management properly reconcile each month to zero unreconciled variances and to continue to investigate the pooled cash reconciliations from January 2025 forward to conclusively identify and resolve the \$10,000 accumulated difference. If internal efforts fail to resolve the issue, consider engaging a third party to assist with the reconciliation and identify the root cause of the recurring variances.

Views of Responsible Officials and Planned Corrective Action: Management concurs with the finding. The City commits to and has already contracted a third party to immediately ensure the pooled cash reconciliations are reperformed and finalized correctly to identify and clear all outstanding differences.

CITY OF MORRISTOWN, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION II FINANCIAL STATEMENT FINDINGS (continued)

2025-003 Equity/Fund Balance

Criteria: Effective internal controls over financial reporting require that all entries posted to fund balance/equity accounts be evaluated for accuracy.

Condition: During the reconciling of beginning fund balances, it was noted several entries posted to fund balance general ledger accounts, which would signify potential restatements. Upon further investigation, it was noted the entries were improperly posted to fund balance.

Context/Cause: Audit adjustments were required to properly report the City's beginning fund balance accounts as follows:

- An adjustment to decrease Stormwater's fund balance by approximately \$334,000 was required which related to the new Enterprise Asset Management implementation improperly posting entries to fund balance.
- An adjustment to increase General Fund's fund balance by approximately \$4,500,000 was required which related to the note receivable between the City and the Hamblen County-Morristown Solid Waste Authority. When payments were received from the Authority, the City was recording revenues incorrectly. This adjustment recorded a note receivable which will be reduced when payments are received.

Effect: Audit adjustments totaling approximately \$4,885,000 were required to correctly report the City's beginning fund balances and net positions.

Recommendation: We recommend management carefully review all entries that are posted to fund balance general ledger accounts to ensure they are properly recorded. Further, management should perform a fund balance and net position reconciliation each year and evaluate any differences

Views of Responsible Officials and Planned Corrective Action: Management concurs with the finding. The City commits to reviewing entries posted to fund balance accounts to ensure proper recording as well as performing a reconciliation each year.

CITY OF MORRISTOWN, TENNESSEE

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2024-001 Revenue Recognition and Related Receivables

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they are earned for exchange transactions and when the eligibility requirements of non-exchange transactions have been met, and funds are measurable and available.

Condition: During fiscal year 2024, several audit adjustments were required to correct the timing of the recognition of certain revenues.

Status: Resolved

The City of Morristown

Finance Department



MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2025

2025-001 Inventory Tracking

Contact Person Responsible for the Corrective Action Plan: Michelle Woods, Finance Director

Signature: Michelle Woods

Corrective Action Plan: The City has already implemented the new Enterprise Asset Management (EAM) system and has begun performing periodic physical inventory counts to ensure all inventory is being tracked and recorded correctly in compliance with GAAP.

Anticipated Completion Date: June 30, 2026

2025-002 Cash Reconciliations

Contact Person Responsible for the Corrective Action Plan: Michelle Woods, Finance Director

Signature: Michelle Woods

Corrective Action Plan: The City commits to and is in the process of contracting a third party to immediately ensure the pooled cash reconciliations are reperfomed and finalized correctly to identify and clear all outstanding differences.

Anticipated Completion Date: June 30, 2026

2025-003 Equity/Fund Balance

Contact Person Responsible for the Corrective Action Plan: Michelle Woods, Finance Director

Signature: Michelle Woods

Corrective Action Plan: The City commits to reviewing entries posted to fund balance accounts to ensure proper recording as well as performing a reconciliation each year.

Anticipated Completion Date: June 30, 2026