



City of Knoxville

Budget Retreat 2004



Today's Discussion

- Administration Policy
 - Mission Statement
 - Objectives
- Understanding the Budget
 - Structure of the Budget (Funds)
 - Fund Types
 - Interfund Transfers/Charges



Today's Discussion

- The General Fund
 - Where the Money Comes From
 - Where The Money Goes
 - Fund Balance
 - Cash Flow
- Debt Service
- The Budget Process
 - Budget Timetable
- Six Month Report (Where We Stand Now)
- 2005 Budgetary Issues



Mission Statement

- Our mission is to make Knoxville America's premier city in which to live, work and raise a family. This will be accomplished by providing superior services and cultural amenities to all citizens in an efficient and fiscally responsible manner; by encouraging, promoting and facilitating economic growth; and by treating all citizens with dignity and respect.



Administration Goals

- Stronger and safer neighborhoods
- More and better jobs
- Embrace cultural diversity
- Efficient, accountable and responsive government



Structure of the Budget

- Fund Types
 - Governmental
 - General Fund
 - Special Revenue
 - Debt Service
 - Capital Projects
 - Proprietary
 - Enterprise
 - Internal Service



Fund Types

- General Fund - The general fund is the chief operating fund of the City. Used "to account for all financial resources except those required to be accounted for in another fund."
- Special revenue funds - account for revenue sources that are set-aside for a specific purpose. (i.e., grant proceeds).
- Debt service funds - account for resources set aside in order to meet current and future debt service requirements on long-term debt.



Fund Types

- Capital projects funds - account for the resources used for the acquisition or construction of major capital facilities.
- Enterprise funds provide services and operate like a business
- Internal Service Funds- allocate the cost of certain services (i.e., fleet services) among other departments within the government.

The FY 03/04 Budget

Adopted Budget and Net Budget

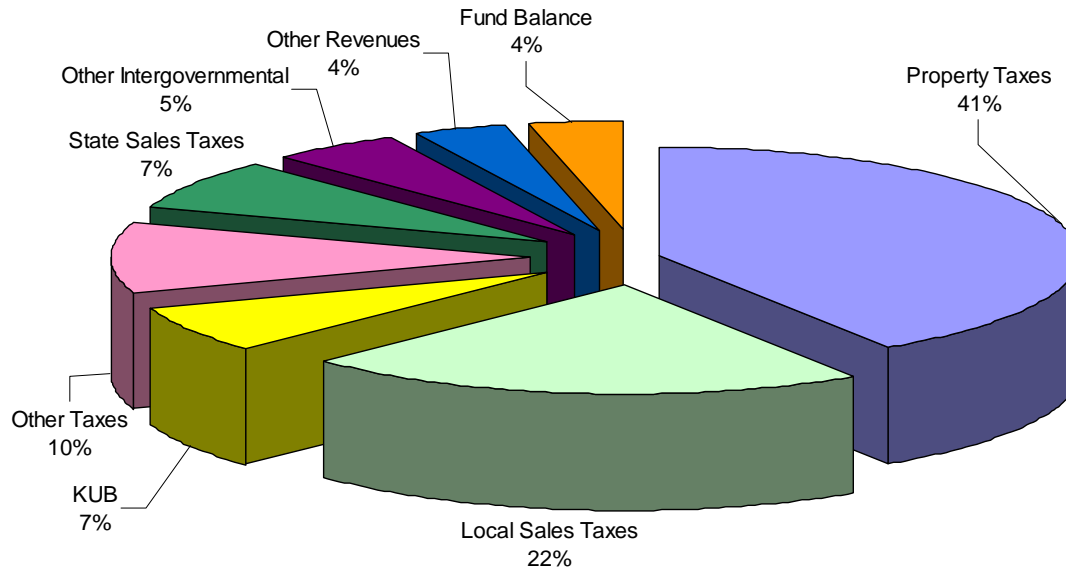
Fund No.	Fund Name	Adopted FY 03/04 Budget	Less Interfund Transfers Out	Less Interfund Charges In	Net Budget
100	General Fund	133,196,180	(27,858,200)	0	105,337,980
201	State Street Aid	4,880,400	(2,280,400)	0	2,600,000
209	Abandoned Vehicles	454,150	0	0	454,150
213	City Court	3,057,000	(2,435,270)	0	621,730
216	City Inspections	1,681,020	0	0	1,681,020
220	Stormwater	1,661,440	0	0	1,661,440
230	Solid Waste	9,360,810	0	0	9,360,810
240	Miscellaneous Special Revenue	1,018,500	0	0	1,018,500
264	Home Grants	2,758,610	(147,310)	0	2,611,300
269	Emergency Shelter Grants	86,000	0	0	86,000
270	Empowerment Zone	1,987,000	0	0	1,987,000
290	Community Development Block Grant	3,364,310	0	0	3,364,310
305	Debt Services	21,868,980	(5,413,540)	0	16,455,440
401	Capital Projects	26,300,200	0	0	26,300,200
451	Chilhowee Park	1,500,000	0	0	1,500,000
503	Civic Auditorium/Coliseum/KCEC	3,577,670	0	0	3,577,670
504	Metro Parking	709,520	0	0	709,520
506	Convention Center	21,645,030	0	0	21,645,030
507	Mass Transportation	12,012,490	0	0	12,012,490
701	Office Services	439,580	0	(439,580)	0
702	Fleet Services	9,029,550	0	(9,029,550)	0
704	Risk Management	6,573,990	0	(5,896,910)	677,080
705	Health Care	12,847,220	0	(8,323,590)	4,523,630
706	Equipment Replacement	1,797,270	0	(1,901,600)	(104,330)
706	Equipment Replacement	1,360,900	0	(1,335,900)	25,000
Grand Total		283,167,820	(38,134,720)	(26,927,130)	218,105,970



General Fund Budget

Department	Adopted Budget FY 03/04
Administration	1,816,320
Finance	3,067,050
Law	1,383,030
Information Systems	2,814,130
Legislative	774,290
Civil Service	915,650
Elections	200,000
Police	36,622,330
Fire	24,598,140
Emergency Management	313,120
Public Services	15,486,290
Engineering	4,527,310
Development Services	784,170
Empowerment Zone	60,860
Recreation	5,900,440
Metropolitan Planning Commission	692,650
Knoxville Zoo	855,000
Community Agency Grants	1,512,950
Community Development/Waterfront	448,960
Community Action Committee	437,950
Mass Transit Grant Match	750,260
Reserve	1,350,000
Transfers	27,885,280
GRAND TOTAL	133,196,180

Where the Money Comes From (General Fund)





Property Values

Real Property

Calendar Year	Residential Property	Commercial Property	Industrial Property	Public Utility Property	Total Real Property	Personal Property	Public Utilities
1983	428,493,925	589,171,580	64,327,892	173,883	1,082,167,280	67,770,971	105,429,104
1984	433,248,520	583,918,096	62,271,652	188,816	1,079,627,084	77,145,411	97,515,150
1985	440,309,938	596,679,275	59,620,464	188,816	1,096,798,493	88,685,584	87,087,426
1986	447,306,464	595,624,827	58,896,276	188,816	1,102,016,383	98,407,484	111,100,000
1987	453,303,643	592,604,215	58,770,540	188,816	1,104,867,214	108,752,668	100,627,110
1988	459,974,229	604,577,083	58,001,896	188,816	1,122,742,024	112,676,654	104,899,443
1989	468,747,363	613,257,891	58,432,460	173,883	1,140,611,597	132,423,393	95,316,739
1990	471,352,244	646,132,484	55,232,876	173,883	1,172,891,487	143,085,759	101,472,718
1991	478,367,758	678,137,624	55,350,408	173,883	1,212,029,673	135,710,493	98,142,916
1992	495,017,546	684,271,796	58,783,480	121,655	1,238,194,477	132,547,101	96,552,849
1993	639,673,600	895,933,760	78,274,960	143,990	1,614,026,310	* 163,270,996	111,997,273
1994	652,154,025	882,844,520	79,128,560	143,990	1,614,271,095	177,150,854	119,230,340
1995	655,009,584	883,770,024	79,474,960	143,990	1,618,398,558	177,681,038	112,540,638
1996	678,123,025	877,125,920	68,266,600	143,990	1,623,659,535	184,552,898	115,766,135
1997	823,219,200	982,021,520	73,403,120	157,520	1,878,801,360	* 218,591,024	126,746,927
1998	846,364,125	1,015,344,840	72,424,400	157,520	1,934,290,885	242,537,032	128,589,318
1999	862,491,925	1,049,385,040	70,135,280	157,520	1,982,169,765	258,297,182	139,643,315
2000	875,950,125	1,083,494,120	68,987,080	157,520	2,028,588,845	260,949,460	136,081,340
2001	1,021,262,550	1,286,490,000	75,882,080	172,535	2,383,807,165	* 296,305,803	180,021,560
2002	1,044,054,475	1,317,962,960	75,824,840	172,535	2,438,014,810	304,602,014	174,625,693
2003	1,056,445,750	1,349,524,480	74,413,640	172,535	2,480,556,405	309,107,232	148,941,273

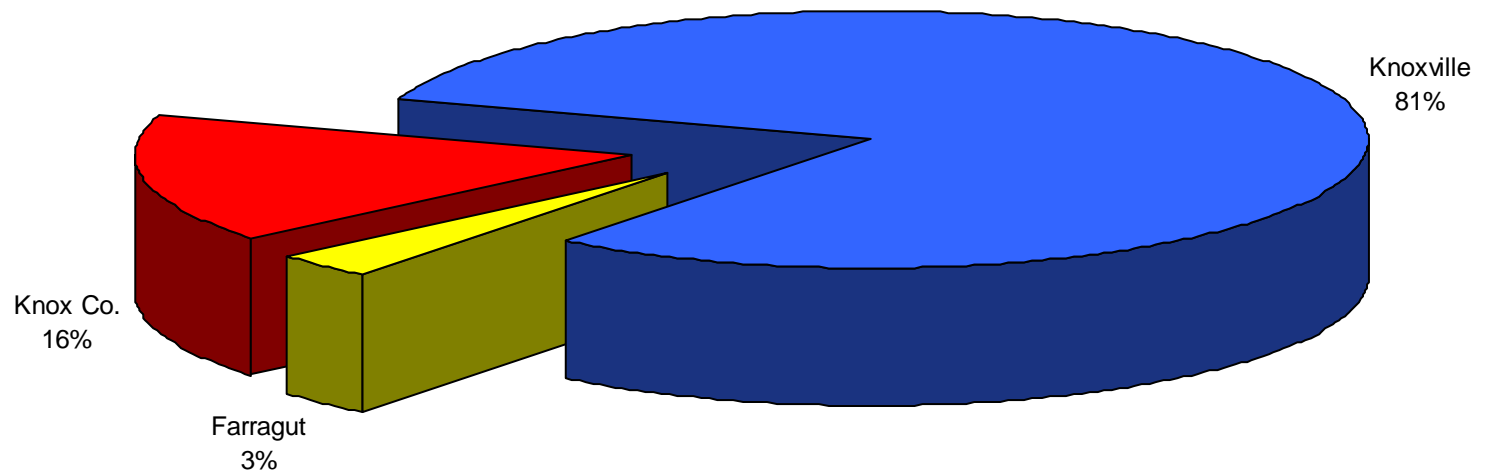


Local Option Sales Tax

	Knox Co.	Knoxville	Farragut
Local Government	0.625	0.625	1.125
Knox County Schools	<u>1.625</u>	<u>1.625</u>	<u>1.125</u>
Total	<u><u>2.250</u></u>	<u><u>2.250</u></u>	<u><u>2.250</u></u>

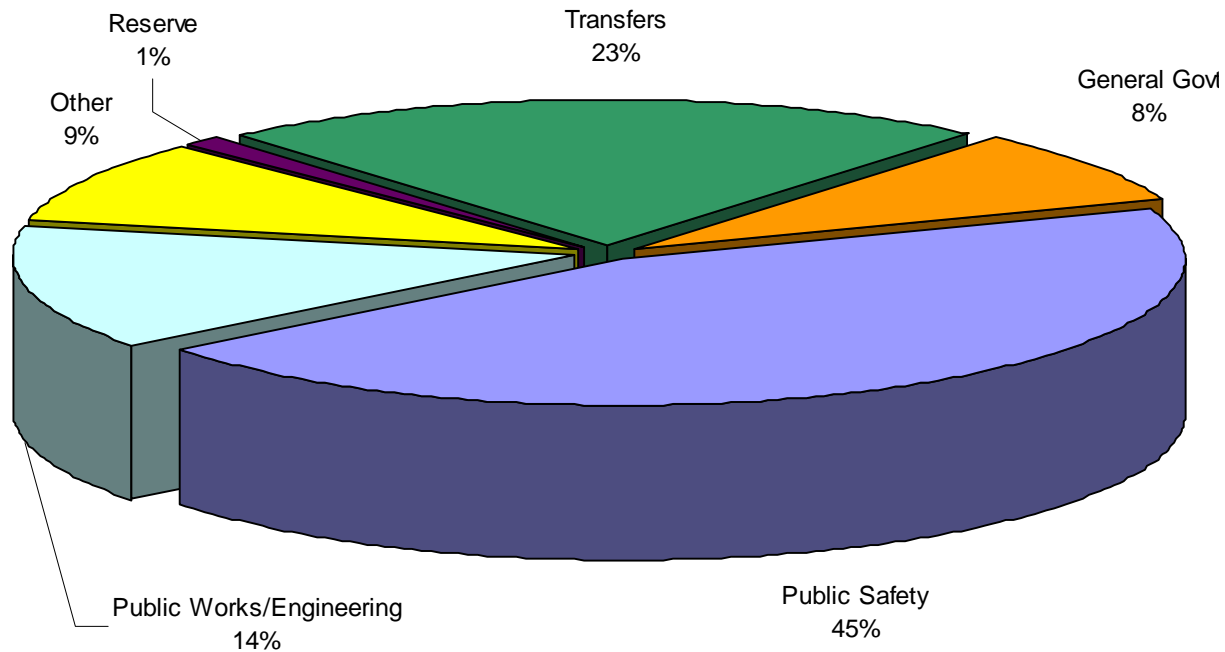


Local Option Sales Tax Distribution



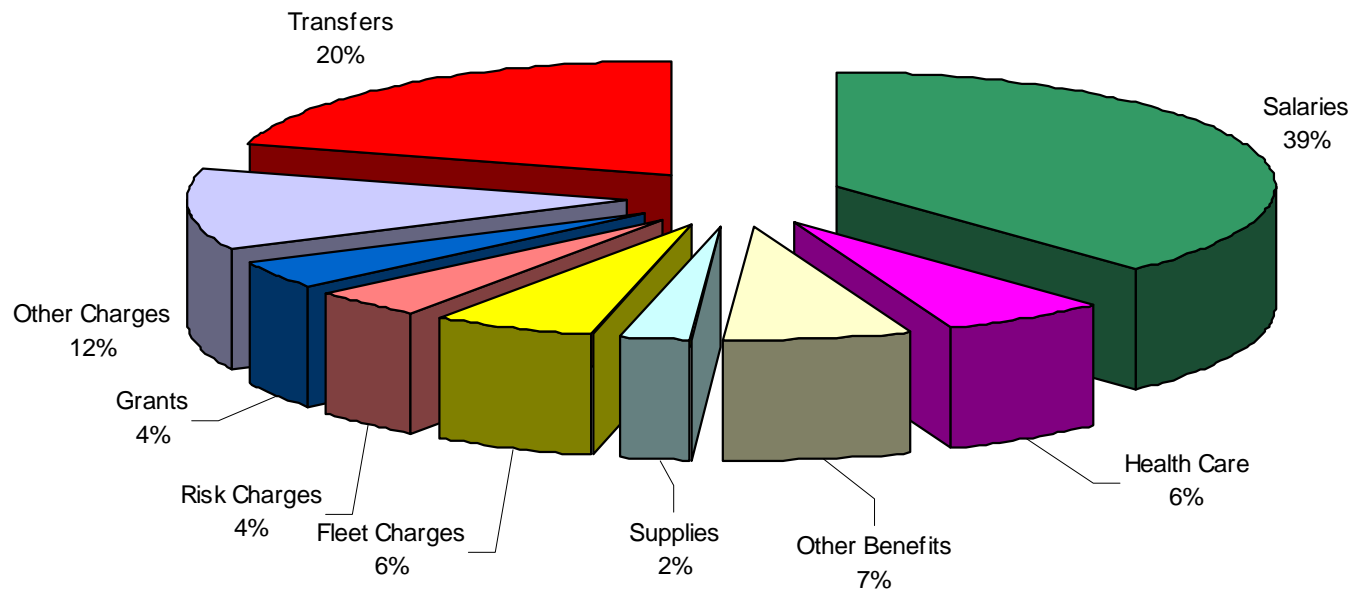
Where The Money Goes

General Fund Expenditures Including Transfers



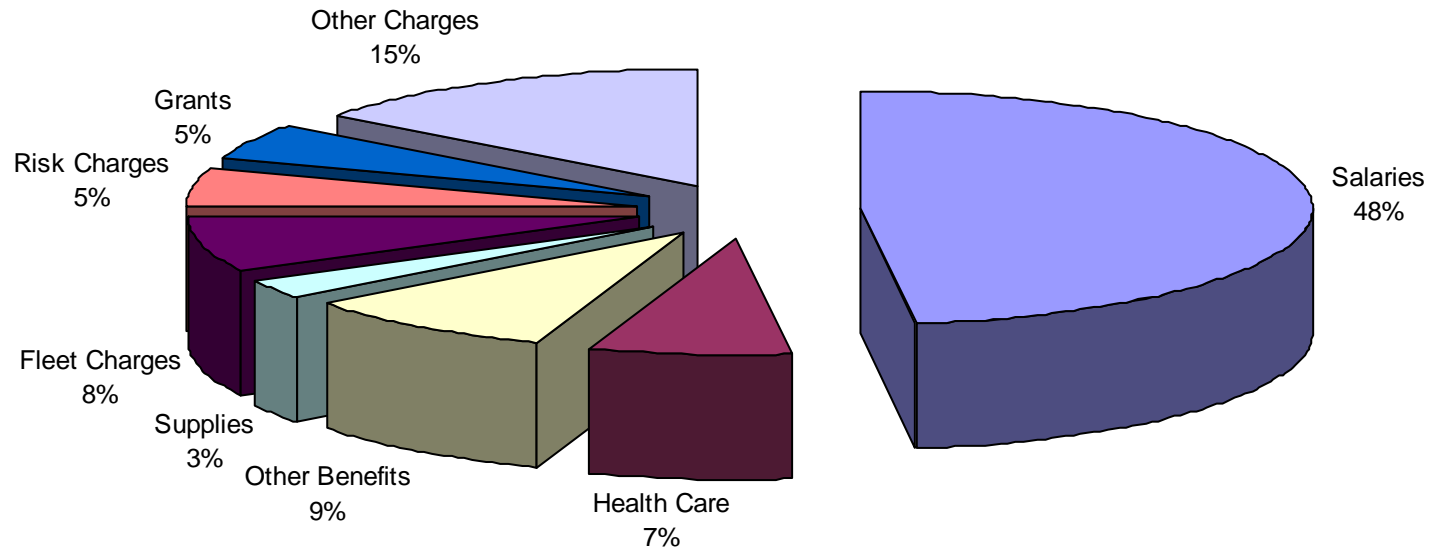
Where The Money Goes

General Fund Expenditures Including Transfers



Where The Money Goes

General Fund Less Transfers





Where The Money Goes

General Fund - Agency Grants

- 43 Outside Agencies receive operating funds
- 4 agencies receive capital grants
- \$1 Million Capital Grant to TN Theatre
- \$1.5 Million to Outside Agencies
- Grants to 3 Governmental Agencies
- \$2.0 Million to Governmental Agencies



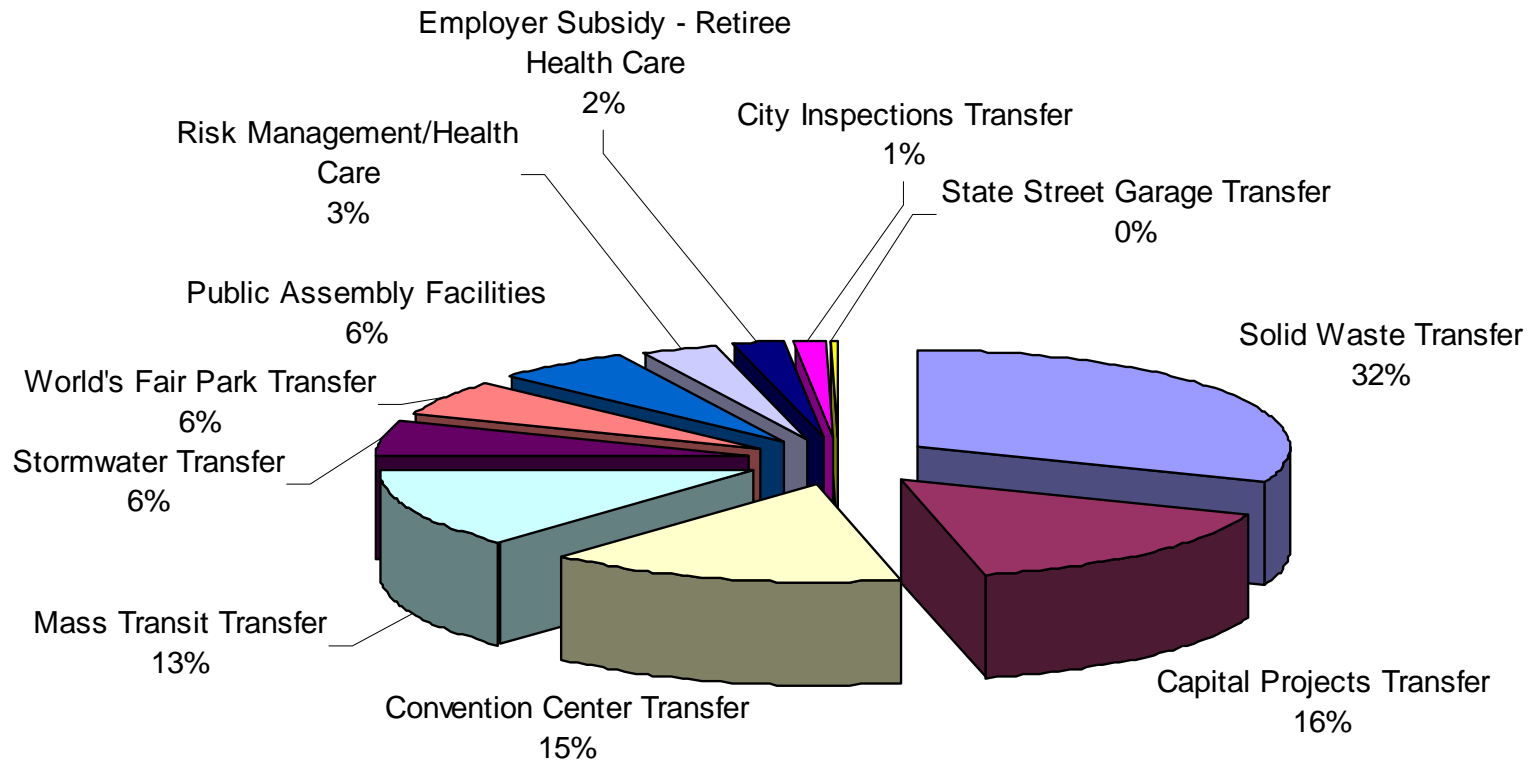
Where The Money Goes

General Fund Transfers

Capital Projects Transfer	4,325,200
World's Fair Park Transfer	1,622,310
Chilhowee Park Transfer	652,150
Auditorium/Coliseum Transfer	946,020
State Street Garage Transfer	101,420
Convention Center Transfer	4,273,880
Trolley Transfer	394,030
Mass Transit Transfer	3,310,630
Stormwater Transfer	1,661,440
Risk Management Transfer	602,080
Health Care Transfer	329,470
City Inspections Transfer	337,290
Solid Waste Transfer	8,625,810
Employer Subsidy - Retiree Health Care	676,470
	<u>27,858,200</u>

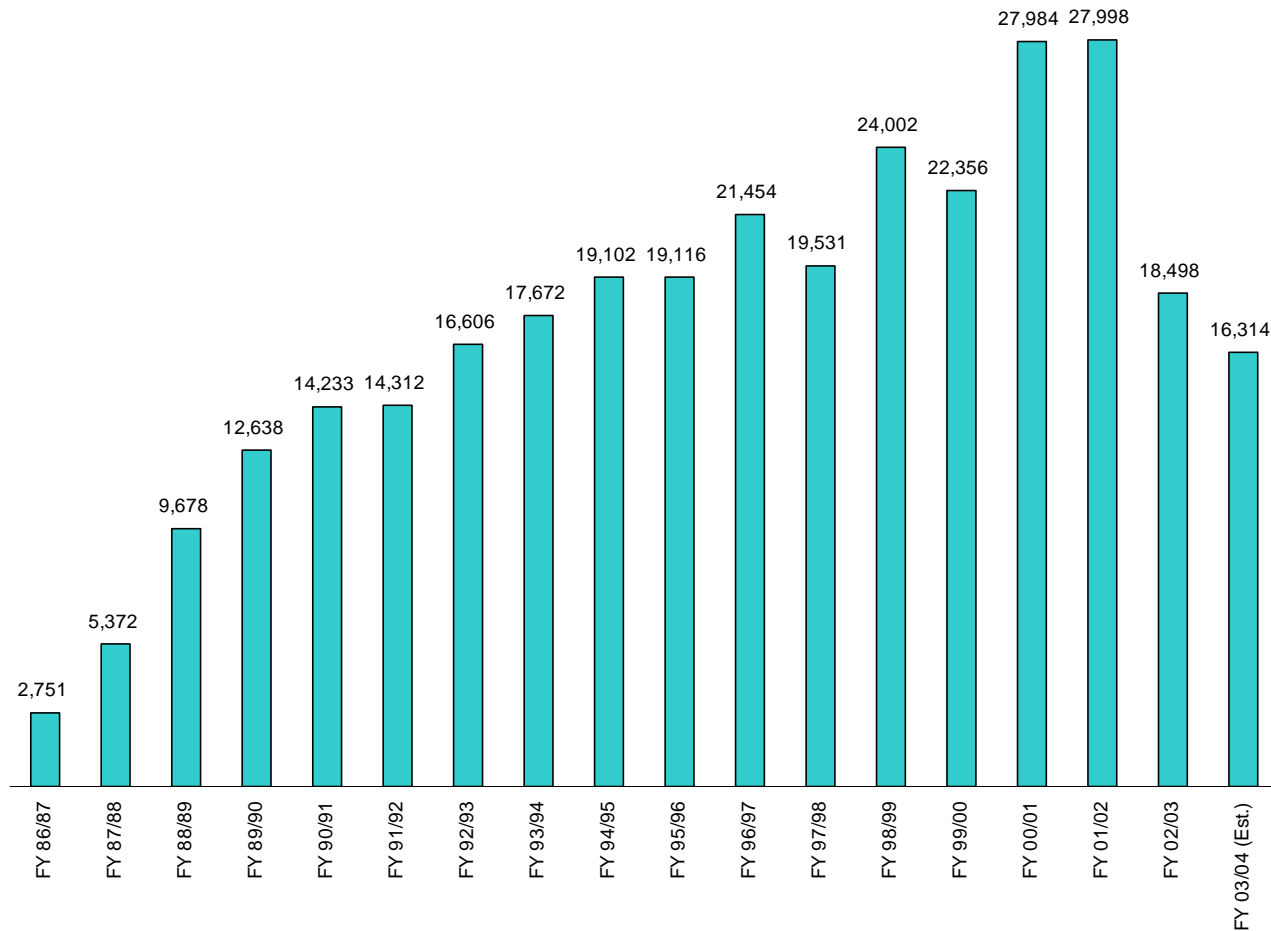
Where The Money Goes

General Fund-Transfers

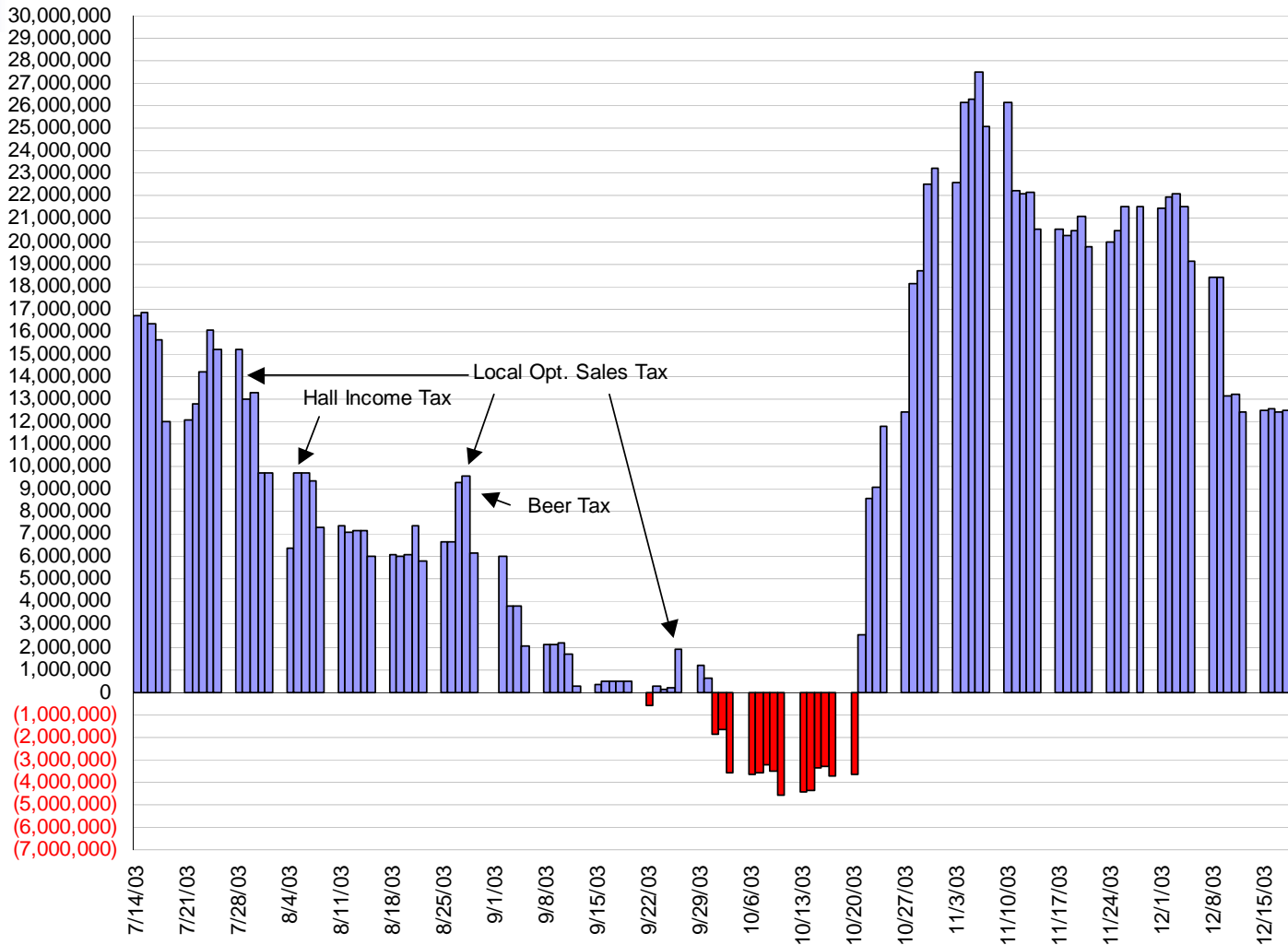




General Fund Fund Balance



General Fund Cash and Investments





Where The Money Goes

(Salaries)

- 1,622 Budgeted Full Time Employees
- 62 Budgeted Part Time Employees
- Numerous Event Workers, Athletic Officials, etc.
- Budgeted Payroll of \$58.3 Million



Where The Money Goes

(Employee Benefits)

- \$18.9 Million Budgeted for Benefits
 - \$8.3 Million for Health Care
 - \$4.3 Million for Social Security/Medicare
 - \$1.6 Million for Longevity
 - \$1.6 Million for Retirement
 - \$264 Thousand for Long Term Disability
 - \$246 Thousand for Group Life



Where The Money Goes

(Buildings)

- 250 Buildings
- \$160 Million in Value (Excludes Con. Ctr.)
- Partial Ownership of City/County Bldg.
- \$1.0 Million for City/County Bldg. Maintenance
- \$160 Million Convention Center Project



Where The Money Goes

(Buildings)

- City/County building
- Car pound
- Chilhowee Park
- Auditorium/Coliseum
- Elm Street (Sign/Signal)
- Loraine Street (city garage and shop)
- Jack Sharp Blvd. shop
- City Hall at the Mall
- Fire headquarters
- Fire stations (18)
- Safety Building
- Fifth Avenue
- Swimming pools (2)
- Golf courses (2)
- Recreation centers (20)
- Parking Garages (3)



Where The Money Goes

(Fleet)

- The city has over 1,500 vehicles in the fleet with a total value of about \$35 million
- The fleet vehicles range from golf carts to fire aerial ladder trucks

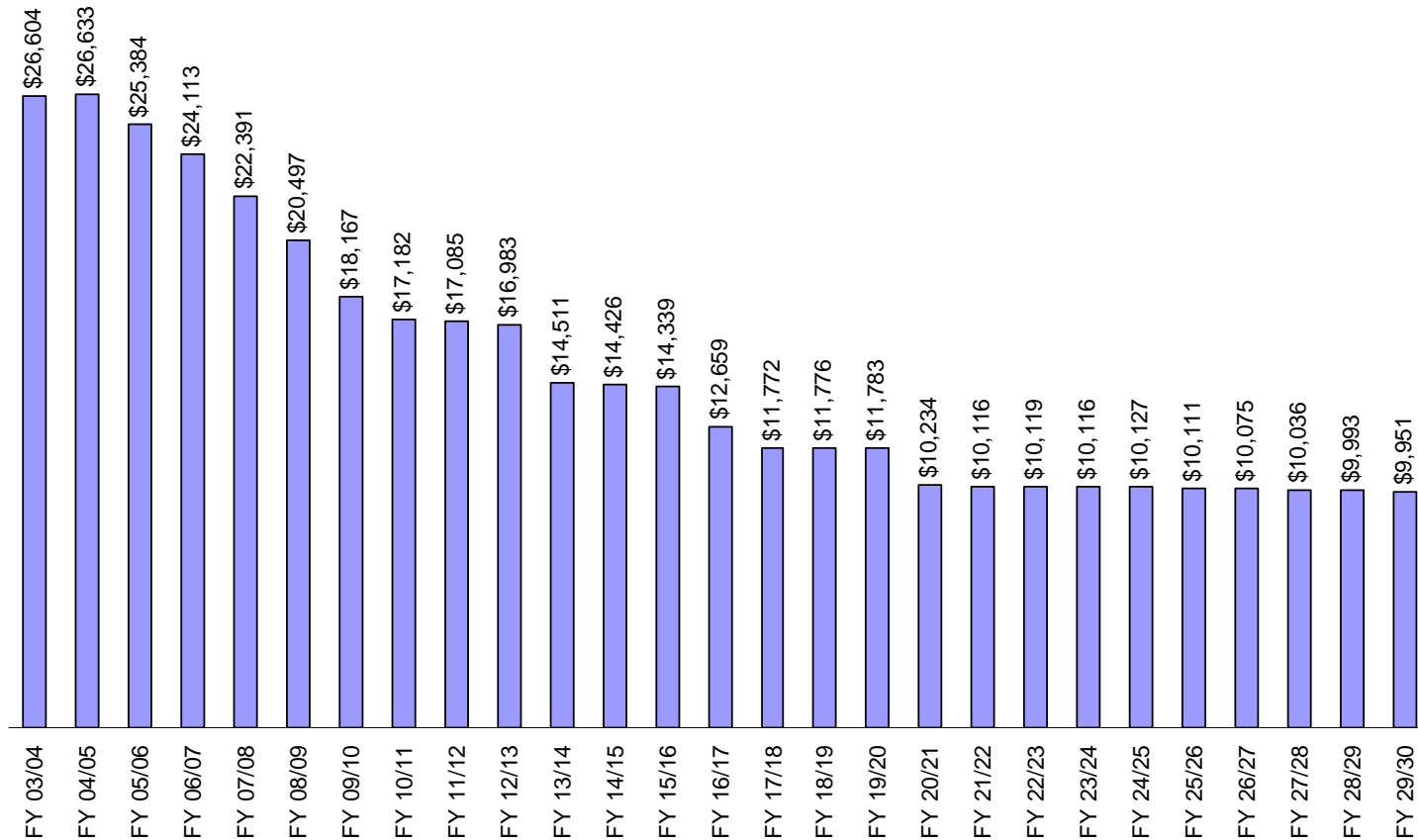


Debt Service

- Principal Outstanding (6/30/04) = \$242 Million
- Approximately \$26 Million Per Year for Debt Payments

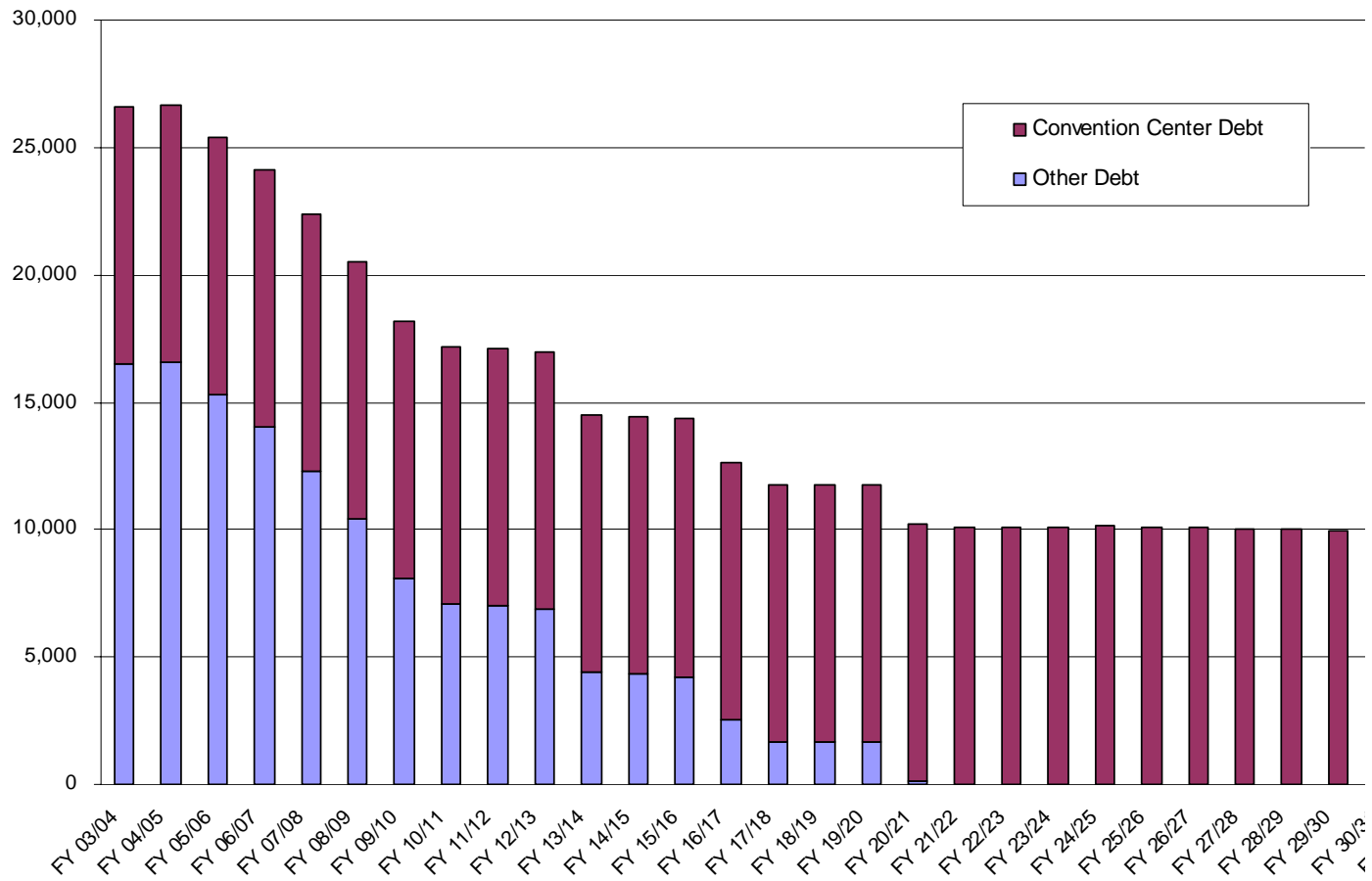


Debt Payments



All numbers are in \$1,000's.

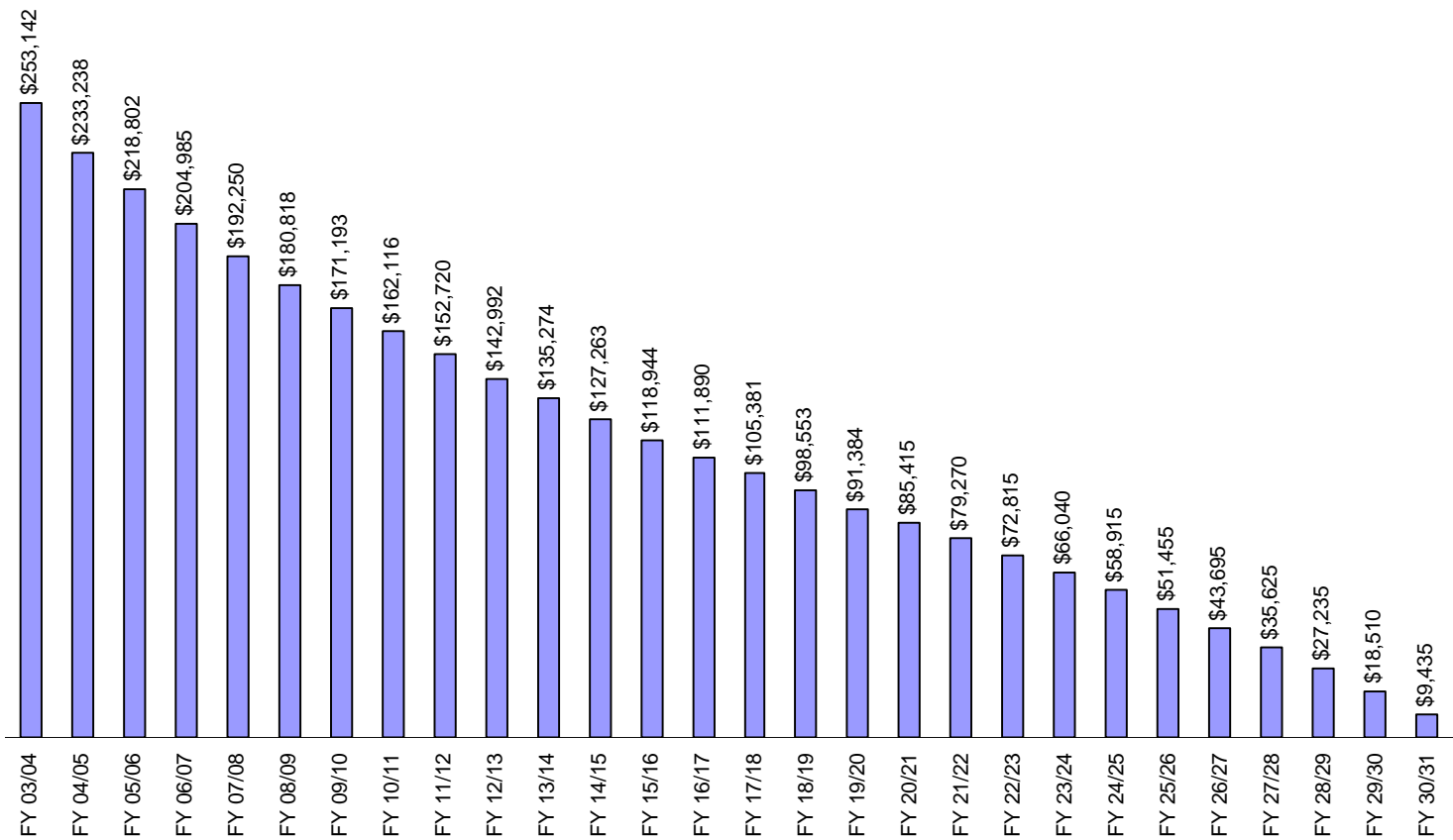
Debt Payments



All numbers in \$1,000's



Remaining Debt Balances



All numbers are in \$1,000's.



The Budget Timetable

- February 19 – Budget Retreat
- Feb. – March – Departments submit budget requests, base numbers calculated, capital budget prepared
- Early April – Mayoral hearings held
- April 29 – Mayor's budget submitted
- May 11 – First reading of budget and tax ordinances
- May 19, May 20 – Council Workshops, Public Hearing
- May 25 – Second reading of budget and tax ordinances



2005 Budgetary Issues

- Health Care
- Pension Costs
- Worker's Compensation
- Salary Increases
- Previous Commitments