



**CITY OF KNOXVILLE**  
BILL HASLAM, MAYOR

*Making Knoxville America's Premier City*  
IN WHICH TO LIVE, WORK AND RAISE A FAMILY



# **FY 2010/2011 PROPOSED OPERATING BUDGET**

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KNOXVILLE, TENNESSEE  
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**FISCAL YEAR 2010-2011  
PROPOSED ANNUAL OPERATING BUDGET  
CITY OF KNOXVILLE, TENNESSEE**

**MAYOR**  
Bill Haslam

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James York

**OFFICE OF MANAGEMENT AND BUDGET**  
Boe Cole, Comptroller  
John Harold, Financial Analyst, Sr.  
Blake Young, Financial Analyst

A special thank you to all the departments that contributed to this document.  
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**City of Knoxville**  
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## Executive Summary

The purpose of this section is to provide an overview, a snapshot as it were, of some of the major initiatives of the FY 10/11 budget. Also discussed are some of the factors that have impacted the preparation of this budget, and some of the significant changes between this budget and the prior year budget. More detailed explanations of these changes are found later in the document.

The FY 10/11 budget, like all budgets, serves as a vision for the future. It is a means by which one establishes priorities and provides a mechanism for delivering on those priorities. The decisions that shape this budget have a lasting impact. Good decisions result in increased investment and future positive returns while poor decisions limit future flexibility and may result in unanticipated consequences and problems.

The budget is always constrained in the sense that demands exceed available resources. The FY 10/11 budget is even more constrained given the state of the economy. The economic downturn has reduced sales tax revenues, business taxes, interest earnings, and inspection fees/charges. These losses have been offset in part by anticipated gains in property taxes, albeit at a much lower growth rate than in the recent past. The focus of this budget is thus continuing to meet administrative goals while emphasizing fundamental principles and core competencies.

### General Overview

One principle is to work as efficiently as possible and minimize the demands upon the taxpayers. As such, the proposed property tax rate for FY 10/11 is \$2.46 per hundred dollars of assessed value, unchanged from the prior year. Of this amount \$0.66 goes to the Debt Service fund to pay for bonded debt costs. When adjusted for the impact of inflation and countywide reappraisals, the proposed tax rate is actually lower than it was ten years ago.

The total operating budget in fiscal year 2010/11 is \$337,787,410. The net budget, i.e., excluding interfund transfers and charges, which are effectively double counted within the

budget, is \$249,201,820. The budget for the General Fund, which is the main operating fund of the city, equals \$164,689,240.

The total budget is reduced by \$14,466,210 (4.11%) when compared to the FY 09/10 budget. The net budget declines by \$10,105,850 (3.90%). The General Fund budget declines by \$653,720 (0.40%).

A second principle is to judiciously manage personnel levels, thus avoiding an unsustainable level in future years. Budgeted personnel for FY 10/11 total 1,592 full-time positions and 35 part-time positions. This represents a drop of twelve (12) full-time positions and three (3) part-time positions when compared to the FY 09/10 budget. In addition the budget contemplates a rigorous review process prior to filling any future authorized vacancies and a directive to evaluate all staffing to find more efficient procedures.

At the same time our goal is to ensure that personnel are paid competitively. In FY 07/08 the City conducted, utilizing Mercer Consulting, a comprehensive compensation study. The recommendations contained in that study were to be fully implemented over a three year period. The first two years have been fully implemented, but financial constraints do not allow for full funding of the third year. Instead, the budget proposes to phase the implementation over the next two years. At the same time the budget includes a salary increase of 2.5% for all employees, other than directors under the direction of the Mayor.

In addition to the salary adjustments mentioned above, the budget includes an approximate \$1.5 million increase to the pension plan. This enables the plan to remain actuarially sound. Total budgeted contributions to the plan are just over \$9.55 million.

Adherence to conservative financial principles does not mean lack of vision. The budget is shaped by the goals of the Haslam administration. Priorities become even more focused when the times are harder.

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**Executive Summary**

**Administrative Goals**

At the beginning of his administration the Mayor outlined four major goals. The FY 10/11 budget is guided by these goals. These goals are:

- Stronger, safer neighborhoods
- City services you can count on at a competitive price
- An energized downtown; everybody's neighborhood
- More and better jobs

**Stronger, Safer Neighborhoods**

As in the past, the largest portion of the budget is devoted to the operations of the Police and Fire Departments. The proposed budget includes approximately \$966 thousand in new capital funding for the Police Department, for items ranging from improvements at Safety City to the development of computer systems designed to help officers better perform their duties. Within the Fire Department additional funding is provided for improvements to various stations throughout the city.

Stronger safer neighborhoods are, however, more than quality police and fire protection. It is important that these neighborhoods have quality infrastructure and are free from blight. This budget again provides \$250,000 to address chronic problem properties, and another \$250,000 for blighted property acquisition. The budget includes \$100,000 for a commercial façade improvement program, as well as \$50,000 for sidewalk improvements in areas utilizing the façade improvement grant program. Of major note, the budget includes a second contribution of \$800,000 to assist KCDC in the development of a new Hope 6 program in the Five Points/Park City area. This is part of a multi-year commitment to this project. The budget grants \$20,000 to Knox Heritage to help them promote historic restoration throughout the City.

Two years ago the budget included funding for a Neighborhood Coordinator, tasked with

working with various neighborhood groups to help them improve the quality of their areas. In FY 08/09 \$30,000 was provided for a neighborhood small grants program. This program, targeted for low to moderate income neighborhood groups, provides grants to strengthen neighborhoods and the capacity of neighborhood organizations to implement successful projects. Both of these are continued in FY 10/11.

The City has an on-going program to pave and maintain streets on a regular basis. Our schedule seeks to pave arterial streets at least once every ten years, collector streets every fifteen years and residential streets at least once every twenty years. To maintain this schedule the budget includes \$5.25 million for the City's paving program. The budget also includes \$200,000 for alley-paving.

The budget continues annual funding of \$650,000 for the bridge replacement program. Funding is specifically designated for continued improvements to traffic signals. Also included is match money for various SAFETEA-LU projects. Funding of an additional \$300,000 is budgeted for Millertown Pike road improvements.

This budget includes \$200,000 for ballpark and tennis court improvements in parks throughout the City. Funding of \$200,000 is also allocated greenway maintenance and improvements.

The budget includes \$300,000 to complete phase 2 of the West Hills Tennis Facility and also includes \$362,500 to acquire additional land for park expansion.

A total of \$250,000 is provided for sidewalk repair and maintenance and \$450,000 is included for the sidewalk safety program, i.e., sidewalks within school parental responsibility zones. Additionally, \$600,000 is funded for new sidewalk construction, one of the most requested improvements cited in the citywide survey, and \$400,000 is designated for the Middlebrook sidewalk project. Another \$250,000 is provided for ADA sidewalk enhancements.

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**Executive Summary**

The budget provides an array of funding to address drainage problems in the neighborhoods. A total of \$400,000 is allocated for completion of drainage work in the Cross Park area, as well as \$250,000 to complete drainage improvements in the MLK Avenue area. In addition, \$400,000 is budgeted to continue the neighborhood drainage program.

**City Services at a Competitive Price**

As mentioned earlier, one of the primary objectives of this budget is to increase efficiency. In the short term, this requires some operating and capital investment which will generate savings and improved operations later.

The budget continues to replace old and outdated computer systems. In FY 10/11 we will begin a program to automatically image various documents. This should allow for future savings in terms of records retrieval and space utilization. Funding is also provided for a new agenda automation system. The City will also continue its efforts to produce savings through the use of lower energy demand lights and other equipment.

**An Energized Downtown**

The Mayor has called the downtown area "everybody's neighborhood", and the budget continues to address the development of the area. Specifically the budget provides \$50,000 for various downtown improvements, and \$100,000 for downtown streetscapes including new wayfinding signs.

The downtown renovation is also moving into other areas, particularly north and southward. The FY 10/11 budget allocates \$440,000 for projects in the Downtown North area.

**More and Better Jobs**

A solid economy is essential for any city. Recent successes, such as the relocation and expansion of the Sysco Corporation have shown promise in this area. This budget seeks to capitalize on this base and further enhance it. To aid in this effort the budget includes \$248,000 for further improvements to the I-275 business park.

The Knoxville Zoo is one of the most visited attractions in the East Tennessee area and the budget contains \$625,000 to be used for renovation of existing facilities and add facilities to the Kid's Cove area. This is the final phase of a multi-year contribution for this project.

The budget also continues the financial commitment to the Tourism and Sports Development Corporation, which serves as the city's marketing arm, to help promote tourism efforts and to attract visitors to the new Convention Center. Enhancing cultural opportunities also affects economic development. Operating contributions are made to the Knoxville Symphony, the Art Museum, and several other arts and cultural groups.

Job creation is a key objective of this administration. The adopted budget includes \$400,000 for the Innovation Valley campaign, the successor to "Jobs Now" organization, as well as other funding to aid the Chamber Partnership in their economic development efforts.

**CONCLUSION**

The remainder of this budget includes additional summary material, and a more detailed discussion of revenue and expenditure trends. It is hoped that these materials will provide the reader with a more thorough understanding of the adopted operating budget.

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## BUDGET COMPARISON - ALL FUNDS

Fiscal Year 2010/11

| Fund No. | Fund Name                         | Adopted<br>FY 09/10<br>Budget | Proposed<br>FY 10/11<br>Budget | Dollar<br>Change<br>FY 09/10 - 10/11 | Percentage<br>Change<br>FY 09/10 - 10/11 |
|----------|-----------------------------------|-------------------------------|--------------------------------|--------------------------------------|--|
| 100      | <b>General Fund</b>               | <u>\$ 165,342,960</u>         | <u>\$ 164,689,240</u>          | <u>\$ (653,720)</u>                  | <u>(0.40%)</u>                           |
|          | <b>Special Revenue Funds</b>      |                               |                                |                                      |  |
| 201      | State Street Aid                  | 4,445,000                     | 4,481,000                      | 36,000                               | 0.81%                                    |
| 202      | Community Improvement             | 80,000                        | 80,000                         | 0                                    | 0.00%                                    |
| 209      | Abandoned Vehicles                | 828,990                       | 857,440                        | 28,450                               | 3.43%                                    |
| 211      | Animal Control                    | 55,000                        | 47,500                         | (7,500)                              | (13.64%)                                 |
| 213      | City Court                        | 5,420,800                     | 5,148,200                      | (272,600)                            | (5.03%)                                  |
| 216      | City Inspections                  | 2,326,230                     | 2,254,750                      | (71,480)                             | (3.07%)                                  |
| 220      | Stormwater                        | 2,563,900                     | 2,541,520                      | (22,380)                             | (0.87%)                                  |
| 230      | Solid Waste                       | 10,357,620                    | 10,419,540                     | 61,920                               | 0.60%                                    |
| 240      | Miscellaneous Special Revenue     | 4,580,600                     | 3,542,120                      | (1,038,480)                          | (22.67%)                                 |
| 250      | Senior Aides                      | 510,230                       | 583,650                        | 73,420                               | 14.39%                                   |
| 264      | Home Grants                       | 2,249,720                     | 2,241,990                      | (7,730)                              | (0.34%)                                  |
| 269      | Emergency Shelter Grants          | 82,740                        | 82,580                         | (160)                                | (0.19%)                                  |
| 270      | Empowerment Zone                  | 6,209,300                     | 0                              | (6,209,300)                          | (100.00%)                                |
| 290      | Community Development Block Grant | 1,979,840                     | 2,262,570                      | 282,730                              | 14.28%                                   |
|          | Subtotal - Special Revenue Funds  | <u>41,689,970</u>             | <u>34,542,860</u>              | <u>(7,147,110)</u>                   | <u>(17.14%)</u>                          |
|          | <b>Debt Service Funds</b>         |                               |                                |                                      |  |
| 305      | Debt Services                     | 27,648,740                    | 27,596,390                     | (52,350)                             | (0.19%)                                  |
| 306      | Tax Increment                     | 806,000                       | 832,820                        | 26,820                               | 3.33%                                    |
|          | Subtotal - Debt Service Funds     | <u>28,454,740</u>             | <u>28,429,210</u>              | <u>(25,530)</u>                      | <u>(0.09%)</u>                           |
|          | <b>Capital Projects Funds</b>     |                               |                                |                                      |  |
| 401      | Capital Projects                  | 27,159,610                    | 21,733,060                     | (5,426,550)                          | (19.98%)                                 |
|          | Subtotal - Capital Projects Funds | <u>27,159,610</u>             | <u>21,733,060</u>              | <u>(5,426,550)</u>                   | <u>(19.98%)</u>                          |
|          | <b>Enterprise Funds</b>           |                               |                                |                                      |  |
| 503      | Public Assembly Facilities        | 5,642,530                     | 5,825,430                      | 182,900                              | 3.24%                                    |
| 504      | Metro Parking                     | 3,345,350                     | 1,418,680                      | (1,926,670)                          | (57.59%)                                 |
| 506      | Convention Center                 | 20,165,400                    | 19,474,660                     | (690,740)                            | (3.43%)                                  |
| 507      | Mass Transportation               | 20,431,500                    | 21,368,900                     | 937,400                              | 4.59%                                    |
| 508      | Municipal Golf Course             | 1,557,660                     | 1,488,570                      | (69,090)                             | (4.44%)                                  |
|          | Subtotal - Enterprise Funds       | <u>51,142,440</u>             | <u>49,576,240</u>              | <u>(1,566,200)</u>                   | <u>(3.06%)</u>                           |
|          | <b>Internal Service Funds</b>     |                               |                                |                                      |  |
| 702      | Fleet Services                    | 10,820,420                    | 11,839,530                     | 1,019,110                            | 9.42%                                    |
| 704      | Risk Management                   | 7,261,280                     | 7,292,550                      | 31,270                               | 0.43%                                    |
| 705      | Health Care                       | 16,287,390                    | 16,188,070                     | (99,320)                             | (0.61%)                                  |
| 706      | Equipment Replacement             | 2,534,080                     | 1,936,410                      | (597,670)                            | (23.59%)                                 |
| 707      | City Building                     | 1,560,730                     | 1,560,240                      | (490)                                | (0.03%)                                  |
|          | Subtotal - Internal Service Funds | <u>38,463,900</u>             | <u>38,816,800</u>              | <u>352,900</u>                       | <u>0.92%</u>                             |
|          | <b>Grand Total</b>                | <u>\$ 352,253,620</u>         | <u>\$ 337,787,410</u>          | <u>\$ (14,466,210)</u>               | <u>(4.11%)</u>                           |

## TOTAL EXPENDITURES BY DEPARTMENT

Fiscal Year 2010/11

| Department                             | General Fund         | Special Revenue Funds | Debt Service Funds  | Capital Projects Funds | Enterprise Funds    | Internal Service Funds | Grand Total          |
|--|----------------------|-----------------------|---------------------|------------------------|---------------------|------------------------|----------------------|
| Administration                         | \$2,372,800          | \$156,800             | \$0                 | \$1,940,000            | \$0                 | \$0                    | \$4,469,700          |
| Finance                                | 3,539,460            | 0                     | 50,000              | 873,900                | 0                   | 23,643,040             | 28,106,400           |
| Information Systems                    | 4,077,990            | 0                     | 0                   | 200,000                | 0                   | 885,690                | 5,183,680            |
| Community Development                  | 1,090,230            | 4,901,150             | 0                   | 800,000                | 0                   | 0                      | 6,791,380            |
| Fleet Services                         | 0                    | 798,380               | 0                   | 59,080                 | 0                   | 11,476,530             | 12,333,970           |
| South Knoxville Waterfront             | 225,590              | 0                     | 0                   | 2,793,260              | 0                   | 0                      | 3,018,850            |
| Public Services                        | 20,372,640           | 10,887,290            | 0                   | 430,000                | 0                   | 233,400                | 31,923,330           |
| Engineering                            | 5,673,040            | 5,956,770             | 0                   | 11,067,840             | 0                   | 150,870                | 22,850,520           |
| Inspections                            | 0                    | 2,254,750             | 0                   | 0                      | 0                   | 0                      | 2,254,750            |
| Recreation                             | 6,743,630            | 822,650               | 0                   | 1,562,500              | 1,488,570           | 27,850                 | 10,645,200           |
| Knoxville Area Transit (KAT)           | 912,950              | 0                     | 0                   | 0                      | 21,368,900          | 0                      | 22,281,850           |
| Law                                    | 1,764,930            | 0                     | 0                   | 45,000                 | 0                   | 0                      | 1,809,930            |
| Police                                 | 45,958,920           | 2,008,980             | 0                   | 966,480                | 0                   | 699,360                | 49,633,740           |
| Emergency Management                   | 316,940              | 0                     | 0                   | 0                      | 0                   | 0                      | 316,940              |
| Fire                                   | 32,322,580           | 0                     | 0                   | 120,000                | 0                   | 49,490                 | 32,492,070           |
| Legislative                            | 915,560              | 90,000                | 0                   | 0                      | 0                   | 0                      | 1,005,560            |
| City Court                             | 0                    | 849,100               | 0                   | 0                      | 0                   | 0                      | 849,100              |
| Civil Service                          | 991,330              | 0                     | 0                   | 0                      | 0                   | 0                      | 991,330              |
| Convention Center                      | 0                    | 0                     | 0                   | 0                      | 12,032,540          | 0                      | 12,032,540           |
| Public Assembly Facilities             | 0                    | 0                     | 0                   | 0                      | 5,825,430           | 330                    | 5,825,760            |
| Nondepartmental                        | 0                    | 0                     | 0                   | 0                      | 1,418,680           | 1,560,240              | 2,978,920            |
| City Buildings                         | 0                    | 0                     | 0                   | 0                      | 0                   | 0                      | 651,300              |
| Knoxville Partnership                  | 651,300              | 0                     | 0                   | 0                      | 0                   | 0                      | 905,000              |
| Metropolitan Planning Commission (MPC) | 905,000              | 0                     | 0                   | 0                      | 0                   | 0                      | 1,531,660            |
| Knoxville Zoological Park              | 906,660              | 0                     | 0                   | 625,000                | 0                   | 0                      | 1,752,840            |
| Agency Grants                          | 876,500              | 0                     | 0                   | 0                      | 876,340             | 0                      | 628,090              |
| Waterfront                             | 528,090              | 0                     | 0                   | 0                      | 0                   | 0                      | 817,650              |
| Community Action Committee (CAC)       | 567,650              | 0                     | 0                   | 250,000                | 0                   | 0                      | 15,937,820           |
| Debt Service                           | 0                    | 0                     | 9,372,040           | 0                      | 6,565,780           | 0                      | 1,650,000            |
| Reserve                                | 1,650,000            | 0                     | 0                   | 0                      | 0                   | 0                      | 56,237,530           |
| Transfers                              | 31,325,450           | 5,814,910             | 19,007,170          | 0                      | 0                   | 90,000                 | 82,990,810           |
| Subtotal - Nondepartmental             | 37,410,650           | 5,814,910             | 28,379,210          | 875,000                | 8,860,800           | 1,650,240              |                      |
| <b>GRAND TOTAL</b>                     | <b>\$164,689,240</b> | <b>\$34,542,860</b>   | <b>\$28,429,210</b> | <b>\$21,733,060</b>    | <b>\$49,576,240</b> | <b>\$38,816,800</b>    | <b>\$337,787,410</b> |

NET BUDGET

Fiscal Year 2010/11

| Fund No. | Fund Name                         | Proposed<br>FY 10/11<br>Budget | Less Interfund<br>Transfers<br>Out | Less Interfund<br>Charges<br>In | Net<br>Budget         |
|----------|-----------------------------------|--------------------------------|------------------------------------|---------------------------------|-----------------------|
| 100      | General Fund                      | \$164,689,240                  | (\$31,325,450)                     | \$0                             | \$ 133,363,790        |
| 201      | State Street Aid                  | 4,481,000                      | (596,000)                          | 0                               | 3,885,000             |
| 202      | Community Improvement             | 80,000                         | 0                                  | 0                               | 80,000                |
| 209      | Abandoned Vehicles                | 857,440                        | (59,080)                           | 0                               | 798,360               |
| 211      | Animal Control                    | 47,500                         | 0                                  | 0                               | 47,500                |
| 213      | City Court                        | 5,148,200                      | (4,299,100)                        | 0                               | 849,100               |
| 216      | City Inspections                  | 2,254,750                      | 0                                  | 0                               | 2,254,750             |
| 220      | Stormwater                        | 2,541,520                      | 0                                  | 0                               | 2,541,520             |
| 230      | Solid Waste                       | 10,419,540                     | 0                                  | 0                               | 10,419,540            |
| 240      | Miscellaneous Special Revenue     | 3,542,120                      | (860,730)                          | 0                               | 2,681,390             |
| 250      | Senior Aides                      | 583,650                        | 0                                  | 0                               | 583,650               |
| 264      | Home Grants                       | 2,241,990                      | 0                                  | 0                               | 2,241,990             |
| 269      | Emergency Shelter Grants          | 82,580                         | 0                                  | 0                               | 82,580                |
| 290      | Community Development Block Grant | 2,262,570                      | 0                                  | 0                               | 2,262,570             |
| 305      | Debt Services                     | 27,596,390                     | (19,007,170)                       | 0                               | 8,589,220             |
| 306      | Tax Increment                     | 832,820                        | 0                                  | 0                               | 832,820               |
| 401      | Capital Projects                  | 21,733,060                     | 0                                  | 0                               | 21,733,060            |
| 503      | Public Assembly Facilities        | 5,825,430                      | 0                                  | 0                               | 5,825,430             |
| 504      | Metro Parking                     | 1,418,680                      | 0                                  | 0                               | 1,418,680             |
| 506      | Convention Center                 | 19,474,660                     | 0                                  | 0                               | 19,474,660            |
| 507      | Mass Transportation               | 21,368,900                     | 0                                  | 0                               | 21,368,900            |
| 508      | Municipal Golf Course             | 1,488,570                      | 0                                  | 0                               | 1,488,570             |
| 702      | Fleet Services                    | 11,839,530                     | 0                                  | (12,281,890)                    | (442,360)             |
| 704      | Risk Management                   | 7,292,550                      | 0                                  | (6,697,200)                     | 595,350               |
| 705      | Health Care                       | 16,188,070                     | 0                                  | (9,785,840)                     | 6,402,230             |
| 706      | Equipment Replacement             | 1,936,410                      | (90,000)                           | (2,078,910)                     | (232,500)             |
| 707      | City Building                     | 1,560,240                      | 0                                  | (1,504,220)                     | 56,020                |
|          | Grand Total                       | <u>\$ 337,787,410</u>          | <u>\$ (56,237,530)</u>             | <u>\$ (32,348,060)</u>          | <u>\$ 249,201,820</u> |

NET REVENUES BY TYPE - ALL FUNDS

Fiscal Year 2010/11

| Fund No. | Fund Name                         | Taxes         | Licenses & Permits | Intergovt. Revenue | Charges For Serv. | Fines & Forfeits | Miscellaneous Revenue |
|----------|-----------------------------------|---------------|--------------------|--------------------|-------------------|------------------|-----------------------|
| 100      | General Fund                      | \$135,462,900 | \$310,500          | \$18,090,870       | \$1,352,750       | \$2,307,800      | \$1,215,320           |
| 201      | State Street Aid                  | 0             | 0                  | 4,475,000          | 0                 | 0                | 6,000                 |
| 202      | Community Improvement             | 0             | 0                  | 0                  | 0                 | 0                | 0                     |
| 209      | Abandoned Vehicles                | 0             | 0                  | 0                  | 440,000           | 0                | 417,440               |
| 211      | Animal Control                    | 0             | 45,000             | 0                  | 0                 | 0                | 2,500                 |
| 213      | City Court                        | 0             | 0                  | 0                  | 0                 | 5,136,100        | 12,100                |
| 216      | City Inspections                  | 0             | 1,425,480          | 0                  | 0                 | 0                | 2,700                 |
| 220      | Stormwater                        | 0             | 130,200            | 0                  | 0                 | 0                | 15,000                |
| 230      | Solid Waste                       | 0             | 0                  | 96,800             | 965,000           | 0                | 230,000               |
| 240      | Miscellaneous Special Revenue     | 0             | 0                  | 380,000            | 328,700           | 2,143,440        | 295,400               |
| 250      | Senior Aides                      | 0             | 0                  | 516,010            | 0                 | 0                | 0                     |
| 264      | Home Grants                       | 0             | 0                  | 1,391,990          | 0                 | 0                | 350,000               |
| 269      | Emergency Shelter Grants          | 0             | 0                  | 82,580             | 0                 | 0                | 0                     |
| 270      | Empowerment Zone                  | 0             | 0                  | 0                  | 0                 | 0                | 0                     |
| 290      | Community Development Block Grant | 0             | 0                  | 2,032,570          | 0                 | 0                | 130,000               |
| 305      | Debt Services                     | 26,532,600    | 0                  | 0                  | 0                 | 0                | 1,063,790             |
| 306      | Tax Increment                     | 0             | 0                  | 0                  | 0                 | 0                | 0                     |
| 401      | Capital Projects                  | 0             | 0                  | 3,452,980          | 0                 | 0                | 200,000               |
| 503      | Civic Auditorium/Coliseum/KCEC    | 0             | 0                  | 0                  | 1,618,350         | 0                | 25,000                |
| 504      | Metro Parking                     | 0             | 0                  | 0                  | 1,660,800         | 0                | 8,000                 |
| 506      | Convention Center                 | 4,581,100     | 0                  | 5,091,330          | 3,457,430         | 0                | 272,290               |
| 507      | Mass Transportation               | 0             | 0                  | 2,050,750          | 7,231,460         | 0                | 0                     |
| 508      | Municipal Golf Course             | 0             | 0                  | 0                  | 1,170,000         | 0                | 83,520                |
| 702      | Fleet Services                    | 0             | 0                  | 0                  | 5,000             | 0                | 157,000               |
| 704      | Risk Management                   | 0             | 0                  | 0                  | 45,000            | 0                | 125,500               |
| 705      | Health Care                       | 0             | 0                  | 0                  | 4,585,670         | 0                | 50,000                |
| 706      | Equipment Replacement             | 0             | 0                  | 0                  | 0                 | 0                | 35,000                |
| 707      | City Building                     | 0             | 0                  | 0                  | 0                 | 0                | 58,020                |
|          | Grand Total                       | \$166,576,600 | \$1,911,180        | \$37,660,880       | \$22,860,160      | \$9,587,340      | \$4,752,580           |

Percent of Net Revs. 66.84% 0.77% 15.11% 9.17% 3.85% 1.91%

| Fund No. | Fund Name                         | Other Financing Sources | Use Off (Addition To) Fund Balance | Net Revenues  | Interfund Charges In | Interfund Transfers In | Total Revenues |
|----------|-----------------------------------|-------------------------|------------------------------------|---------------|----------------------|------------------------|----------------|
| 100      | General Fund                      | \$0                     | \$1,650,000                        | \$160,390,140 | \$0                  | \$4,299,100            | \$164,689,240  |
| 201      | State Street Aid                  | 0                       | 0                                  | 4,481,000     | 0                    | 0                      | 4,481,000      |
| 202      | Community Improvement             | 0                       | 0                                  | 0             | 0                    | 80,000                 | 80,000         |
| 209      | Abandoned Vehicles                | 0                       | 0                                  | 857,440       | 0                    | 0                      | 857,440        |
| 211      | Animal Control                    | 0                       | 0                                  | 47,500        | 0                    | 0                      | 47,500         |
| 213      | City Court                        | 0                       | 0                                  | 5,148,200     | 0                    | 0                      | 5,148,200      |
| 216      | City Inspections                  | 0                       | 0                                  | 1,428,180     | 0                    | 826,570                | 2,254,750      |
| 220      | Stormwater                        | 0                       | 0                                  | 145,200       | 0                    | 2,396,320              | 2,541,520      |
| 230      | Solid Waste                       | 0                       | (265,000)                          | 1,026,800     | 0                    | 9,392,740              | 10,418,540     |
| 240      | Miscellaneous Special Revenue     | 0                       | 50,670                             | 3,198,210     | 0                    | 343,910                | 3,542,120      |
| 250      | Senior Aides                      | 0                       | 0                                  | 516,010       | 0                    | 67,640                 | 583,650        |
| 264      | Home Grants                       | 0                       | 500,000                            | 2,241,990     | 0                    | 0                      | 2,241,990      |
| 269      | Emergency Shelter Grants          | 0                       | 0                                  | 82,580        | 0                    | 0                      | 82,580         |
| 270      | Empowerment Zone                  | 0                       | 0                                  | 0             | 0                    | 0                      | 0              |
| 290      | Community Development Block Grant | 0                       | 100,000                            | 2,262,570     | 0                    | 0                      | 2,262,570      |
| 305      | Debt Services                     | 0                       | 0                                  | 27,596,390    | 0                    | 0                      | 27,596,390     |
| 306      | Tax Increment                     | 0                       | 0                                  | 0             | 0                    | 832,820                | 832,820        |
| 401      | Capital Projects                  | 0                       | 0                                  | 3,652,980     | 0                    | 18,080,080             | 21,733,060     |
| 503      | Civic Auditorium/Coliseum/KCEC    | 0                       | 772,730                            | 2,416,080     | 0                    | 3,409,360              | 5,825,430      |
| 504      | Metro Parking                     | 0                       | (250,120)                          | 1,418,680     | 0                    | 0                      | 1,418,680      |
| 506      | Convention Center                 | 307,190                 | 1,026,390                          | 14,735,730    | 0                    | 4,738,930              | 19,474,660     |
| 507      | Mass Transportation               | 0                       | 3,113,830                          | 12,396,040    | 0                    | 8,972,860              | 21,368,900     |
| 508      | Municipal Golf Course             | 22,000                  | 90,250                             | 1,365,770     | 0                    | 122,800                | 1,488,570      |
| 702      | Fleet Services                    | 0                       | (1,087,360)                        | (925,360)     | 12,281,890           | 483,000                | 11,839,530     |
| 704      | Risk Management                   | 0                       | 0                                  | 170,500       | 6,697,200            | 424,850                | 7,292,550      |
| 705      | Health Care                       | 0                       | 0                                  | 4,635,670     | 9,785,840            | 1,766,560              | 16,188,070     |
| 706      | Equipment Replacement             | 0                       | (177,500)                          | (142,500)     | 2,078,910            | 0                      | 1,836,410      |
| 707      | City Building                     | 0                       | 0                                  | 56,020        | 1,504,220            | 0                      | 1,560,240      |
|          | Grand Total                       | \$329,190               | \$5,523,890                        | \$249,201,820 | \$32,348,060         | \$56,237,530           | \$337,787,410  |

Percent of Net Revs. 0.13% 2.22% 100.00%

NET EXPENDITURES BY TYPE - ALL FUNDS

Fiscal Year 2010/11

| Fund No. | Fund Name                         | Personal Services    | Supplies            | Other Expenses      | Debt Service        | Capital             |
|----------|-----------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| 100      | General Fund                      | \$77,911,100         | \$3,802,300         | \$22,589,640        | \$0                 | \$0                 |
| 201      | State Street Aid                  | 0                    | 0                   | 3,885,000           | 0                   | 0                   |
| 202      | Community Improvement             | 0                    | 0                   | 80,000              | 0                   | 0                   |
| 209      | Abandoned Vehicles                | 353,000              | 14,710              | 358,400             | 0                   | 0                   |
| 211      | Animal Control                    | 0                    | 27,500              | 20,000              | 0                   | 0                   |
| 213      | City Court                        | 634,130              | 8,510               | 113,670             | 0                   | 0                   |
| 216      | City Inspections                  | 1,630,860            | 15,360              | 109,620             | 0                   | 0                   |
| 220      | Stormwater                        | 1,917,030            | 59,350              | 109,800             | 0                   | 0                   |
| 230      | Solid Waste                       | 513,740              | 30,620              | 9,384,530           | 0                   | 0                   |
| 240      | Miscellaneous Special Revenue     | 498,420              | 761,380             | 1,334,050           | 0                   | 0                   |
| 250      | Senior Aides                      | 557,810              | 950                 | 13,200              | 0                   | 0                   |
| 263      | House Grants                      | 0                    | 0                   | 0                   | 0                   | 0                   |
| 264      | Home Grants                       | 138,540              | 0                   | 2,075,190           | 0                   | 0                   |
| 269      | Emergency Shelter Grants          | 0                    | 0                   | 82,580              | 0                   | 0                   |
| 270      | Empowerment Zone                  | 0                    | 0                   | (7,700)             | 0                   | 0                   |
| 290      | Community Development Block Grant | 615,570              | 10,500              | 1,437,990           | 0                   | 0                   |
| 305      | Debt Services                     | 0                    | 0                   | 50,000              | 8,539,220           | 0                   |
| 306      | Tax Increment                     | 0                    | 0                   | 0                   | 832,820             | 0                   |
| 401      | Capital Projects                  | 0                    | 0                   | 0                   | 0                   | 21,733,060          |
| 503      | Public Assembly Facilities        | 2,069,230            | 133,140             | 2,108,450           | 0                   | 1,014,250           |
| 504      | Metro Parking                     | 0                    | 0                   | 1,405,460           | 0                   | 0                   |
| 506      | Convention Center                 | 0                    | 0                   | 12,473,580          | 6,565,780           | 15,000              |
| 507      | Mass Transportation               | 13,495,610           | 2,147,420           | 5,718,380           | 0                   | 0                   |
| 508      | Municipal Golf Course             | 0                    | 0                   | 1,457,380           | 9,000               | 0                   |
| 702      | Fleet Services                    | 1,916,230            | 3,579,650           | 5,250,520           | 0                   | 483,000             |
| 704      | Risk Management                   | 323,890              | 7,810               | 6,915,400           | 0                   | 0                   |
| 705      | Health Care                       | 182,290              | 9,600               | 15,935,740          | 0                   | 0                   |
| 706      | Equipment Replacement             | 0                    | 0                   | 1,846,410           | 0                   | 0                   |
| 707      | City Building                     | 0                    | 0                   | 1,555,860           | 0                   | 0                   |
|          | <b>Grand Total</b>                | <b>\$102,757,550</b> | <b>\$10,808,800</b> | <b>\$98,314,150</b> | <b>\$15,946,820</b> | <b>\$23,245,310</b> |
|          | Percent of Net Exps.              | 41.23%               | 4.26%               | 38.65%              | 6.40%               | 9.33%               |

| Fund No. | Fund Name                         | Other Uses of Funds | Net Expenditures     | Interfund Charges Out | Interfund Transfers Out | Total Expenditures   |
|----------|-----------------------------------|---------------------|----------------------|-----------------------|-------------------------|----------------------|
| 100      | General Fund                      | \$0                 | \$104,313,040        | \$29,050,750          | \$31,325,450            | \$164,689,240        |
| 201      | State Street Aid                  | 0                   | 3,885,000            | 0                     | 596,000                 | 4,481,000            |
| 202      | Community Improvement             | 0                   | 80,000               | 0                     | 0                       | 80,000               |
| 209      | Abandoned Vehicles                | 0                   | 727,110              | 71,250                | 59,080                  | 857,440              |
| 211      | Animal Control                    | 0                   | 47,500               | 0                     | 0                       | 47,500               |
| 213      | City Court                        | 0                   | 756,310              | 92,790                | 4,299,100               | 5,148,200            |
| 216      | City Inspections                  | 0                   | 1,755,840            | 498,910               | 0                       | 2,254,750            |
| 220      | Stormwater                        | 0                   | 2,086,180            | 455,340               | 0                       | 2,541,520            |
| 230      | Solid Waste                       | 0                   | 9,928,890            | 490,650               | 0                       | 10,419,540           |
| 240      | Miscellaneous Special Revenue     | 0                   | 2,593,850            | 87,540                | 860,730                 | 3,542,120            |
| 250      | Senior Aides                      | 0                   | 571,960              | 11,690                | 0                       | 583,650              |
| 263      | House Grants                      | 0                   | 0                    | 0                     | 0                       | 0                    |
| 264      | Home Grants                       | 0                   | 2,213,730            | 28,260                | 0                       | 2,241,990            |
| 269      | Emergency Shelter Grants          | 0                   | 82,580               | 0                     | 0                       | 82,580               |
| 270      | Empowerment Zone                  | 0                   | (7,700)              | 7,700                 | 0                       | 0                    |
| 290      | Community Development Block Grant | 0                   | 2,064,060            | 198,510               | 0                       | 2,262,570            |
| 305      | Debt Services                     | 0                   | 8,589,220            | 0                     | 19,007,170              | 27,596,390           |
| 306      | Tax Increment                     | 0                   | 832,820              | 0                     | 0                       | 832,820              |
| 401      | Capital Projects                  | 0                   | 21,733,060           | 0                     | 0                       | 21,733,060           |
| 503      | Public Assembly Facilities        | 0                   | 5,325,070            | 500,360               | 0                       | 5,825,430            |
| 504      | Metro Parking                     | 0                   | 1,405,460            | 13,220                | 0                       | 1,418,680            |
| 506      | Convention Center                 | 307,190             | 18,361,550           | 113,110               | 0                       | 19,474,680           |
| 507      | Mass Transportation               | 0                   | 21,361,410           | 7,490                 | 0                       | 21,368,900           |
| 508      | Municipal Golf Course             | 22,000              | 1,488,380            | 190                   | 0                       | 1,488,570            |
| 702      | Fleet Services                    | 0                   | 11,229,400           | 610,130               | 0                       | 11,839,530           |
| 704      | Risk Management                   | 0                   | 7,247,200            | 45,350                | 0                       | 7,292,550            |
| 705      | Health Care                       | 0                   | 16,127,630           | 60,440                | 0                       | 16,188,070           |
| 706      | Equipment Replacement             | 0                   | 1,846,410            | 0                     | 90,000                  | 1,936,410            |
| 707      | City Building                     | 0                   | 1,555,860            | 4,380                 | 0                       | 1,560,240            |
|          | <b>Grand Total</b>                | <b>\$329,190</b>    | <b>\$249,201,820</b> | <b>\$32,348,080</b>   | <b>\$56,237,530</b>     | <b>\$337,787,410</b> |
|          | Percent of Net Exps.              | 0.13%               | 100.00%              |                       |                         |                      |

## SUMMARY OF INTERFUND CHARGES

Fiscal Year 2010/11

| From (Fund Name)                  | Fund No. | To Fleet Services Fund 702 | To Risk Management Fund 704 | To Health Care Fund 705 | To Equipment Replacement Fund 706 | To City Building Fund 707 | Grand Total         |
|-----------------------------------|----------|----------------------------|-----------------------------|-------------------------|-----------------------------------|---------------------------|---------------------|
| General Fund                      | 100      | \$11,458,890               | \$6,013,900                 | \$8,441,450             | \$1,907,970                       | \$1,228,540               | \$29,050,750        |
| Abandoned Vehicles                | 209      | 0                          | 13,400                      | 57,850                  | 0                                 | 0                         | 71,250              |
| City Court                        | 213      | 0                          | 12,110                      | 75,310                  | 5,370                             | 0                         | 92,790              |
| City Inspections                  | 216      | 116,590                    | 75,330                      | 185,000                 | 24,030                            | 97,960                    | 498,910             |
| Stormwater                        | 220      | 86,120                     | 88,420                      | 207,510                 | 43,040                            | 50,250                    | 455,340             |
| Solid Waste                       | 230      | 326,400                    | 40,340                      | 73,420                  | 50,490                            | 0                         | 490,650             |
| Miscellaneous Special Revenue     | 240      | 0                          | 10,030                      | 70,590                  | 960                               | 5,960                     | 87,540              |
| Senior Aides                      | 250      | 0                          | 1,350                       | 10,340                  | 0                                 | 0                         | 11,690              |
| Home Grants                       | 264      | 0                          | 4,790                       | 23,470                  | 0                                 | 0                         | 28,260              |
| Empowerment Zone                  | 270      | 0                          | 0                           | 0                       | 0                                 | 7,700                     | 7,700               |
| Community Development Block Grant | 290      | 30,720                     | 19,810                      | 94,980                  | 0                                 | 53,000                    | 198,510             |
| Public Assembly Facilities        | 503      | 136,650                    | 143,530                     | 212,710                 | 7,470                             | 0                         | 500,360             |
| Metro Parking                     | 504      | 0                          | 13,220                      | 0                       | 0                                 | 0                         | 13,220              |
| Convention Center                 | 508      | 14,440                     | 79,960                      | 0                       | 18,710                            | 0                         | 113,110             |
| Mass Transportation               | 507      | 0                          | 1,690                       | 0                       | 5,800                             | 0                         | 7,490               |
| Municipal Golf Course             | 508      | 0                          | 190                         | 0                       | 0                                 | 0                         | 190                 |
| Fleet Services                    | 702      | 132,080                    | 171,640                     | 279,710                 | 10,010                            | 16,690                    | 610,130             |
| Risk Management                   | 704      | 0                          | 0                           | 24,480                  | 5,060                             | 15,810                    | 45,350              |
| Health Care                       | 705      | 0                          | 3,110                       | 29,020                  | 0                                 | 28,310                    | 60,440              |
| City Building                     | 707      | 0                          | 4,380                       | 0                       | 0                                 | 0                         | 4,380               |
| Grand Total                       |          | <u>\$12,281,890</u>        | <u>\$6,697,200</u>          | <u>\$9,785,840</u>      | <u>\$2,078,910</u>                | <u>\$1,504,220</u>        | <u>\$32,348,060</u> |

SUMMARY OF INTERFUND TRANSFERS

Fiscal Year 2010/11

| To (Fund Name)                | Fund No. | From General Fund (Fund 100) | From State Street Aid Fund (Fund 201) | From Aban. Veh. Fund (Fund 209) | From City Court Fund (Fund 213) | From Misc. Spec. Rev. Fund (Fund 240) | From Debt Service Fund (Fund 305) | From Equip. Placement Fund (Fund 706) | Grand Total         |
|-------------------------------|----------|------------------------------|---------------------------------------|---------------------------------|---------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|---------------------|
| General Fund                  | 100      | \$0                          | \$0                                   | \$0                             | \$4,299,100                     | \$0                                   | \$0                               | \$0                                   | \$4,299,100         |
| Community Improvement         | 202      | 80,000                       | 0                                     | 0                               | 0                               | 0                                     | 0                                 | 0                                     | 80,000              |
| City Inspections              | 216      | 826,570                      | 0                                     | 0                               | 0                               | 0                                     | 0                                 | 0                                     | 826,570             |
| Stormwater                    | 220      | 2,396,320                    | 0                                     | 0                               | 0                               | 0                                     | 0                                 | 0                                     | 2,396,320           |
| Solid Waste                   | 230      | 9,392,740                    | 0                                     | 0                               | 0                               | 0                                     | 0                                 | 0                                     | 9,392,740           |
| Miscellaneous Special Revenue | 240      | 343,910                      | 0                                     | 0                               | 0                               | 0                                     | 0                                 | 0                                     | 343,910             |
| Miscellaneous Grant Funds     | 250      | 67,640                       | 0                                     | 0                               | 0                               | 0                                     | 0                                 | 0                                     | 67,640              |
| Tax Increment                 | 306      | 832,820                      | 0                                     | 0                               | 0                               | 0                                     | 0                                 | 0                                     | 832,820             |
| Capital Projects              | 401      | 0                            | 596,000                               | 59,080                          | 0                               | 716,480                               | 16,618,520                        | 90,000                                | 18,080,080          |
| Coliseum/KCEC                 | 503      | 2,395,100                    | 0                                     | 0                               | 0                               | 144,250                               | 870,000                           | 0                                     | 3,409,350           |
| Convention Center             | 506      | 3,703,280                    | 0                                     | 0                               | 0                               | 0                                     | 1,035,650                         | 0                                     | 4,738,930           |
| Mass Transportation           | 507      | 8,972,860                    | 0                                     | 0                               | 0                               | 0                                     | 0                                 | 0                                     | 8,972,860           |
| Municipal Golf                | 508      | 122,800                      | 0                                     | 0                               | 0                               | 0                                     | 0                                 | 0                                     | 122,800             |
| Fleet Services                | 702      | 0                            | 0                                     | 0                               | 0                               | 0                                     | 483,000                           | 0                                     | 483,000             |
| Risk Management               | 704      | 424,850                      | 0                                     | 0                               | 0                               | 0                                     | 0                                 | 0                                     | 424,850             |
| Health Care                   | 705      | 1,766,560                    | 0                                     | 0                               | 0                               | 0                                     | 0                                 | 0                                     | 1,766,560           |
| <b>Grand Total</b>            |          | <b>\$31,325,450</b>          | <b>\$596,000</b>                      | <b>\$59,080</b>                 | <b>\$4,299,100</b>              | <b>\$880,730</b>                      | <b>\$19,007,170</b>               | <b>\$90,000</b>                       | <b>\$56,237,530</b> |

## Authorized Full Time Positions by Department

Fiscal Year 2010/11

| Department                 | General Fund | Special Revenue Funds | Enterprise Funds | Internal Service Funds | Grand Total  |
|----------------------------|--------------|-----------------------|------------------|------------------------|--------------|
| Administration             | 24           | 1                     | 0                | 0                      | 25           |
| Finance                    | 42           | 0                     | 0                | 9                      | 51           |
| Information Systems        | 30           | 0                     | 0                | 0                      | 30           |
| Community Development      | 4            | 21                    | 0                | 0                      | 25           |
| Fleet Services             | 0            | 10                    | 0                | 45                     | 55           |
| South Knoxville Waterfront | 1            | 0                     | 0                | 0                      | 1            |
| Public Services            | 282          | 23                    | 0                | 0                      | 305          |
| Engineering                | 58           | 29                    | 0                | 0                      | 87           |
| Inspections                | 0            | 29                    | 0                | 0                      | 29           |
| Recreation                 | 46           | 1                     | 0                | 0                      | 47           |
| Law                        | 13           | 0                     | 0                | 0                      | 13           |
| Police                     | 516          | 5                     | 0                | 0                      | 521          |
| Emergency Management       | 3            | 0                     | 0                | 0                      | 3            |
| Fire                       | 337          | 0                     | 0                | 0                      | 337          |
| Legislative                | 3            | 0                     | 0                | 0                      | 3            |
| City Court                 | 0            | 13                    | 0                | 0                      | 13           |
| Civil Service              | 12           | 0                     | 0                | 0                      | 12           |
| Public Assembly Facilities | 0            | 0                     | 35               | 0                      | 35           |
| Total - Full Time          | <u>1,371</u> | <u>132</u>            | <u>35</u>        | <u>54</u>              | <u>1,592</u> |

## Full Time Positions by Department

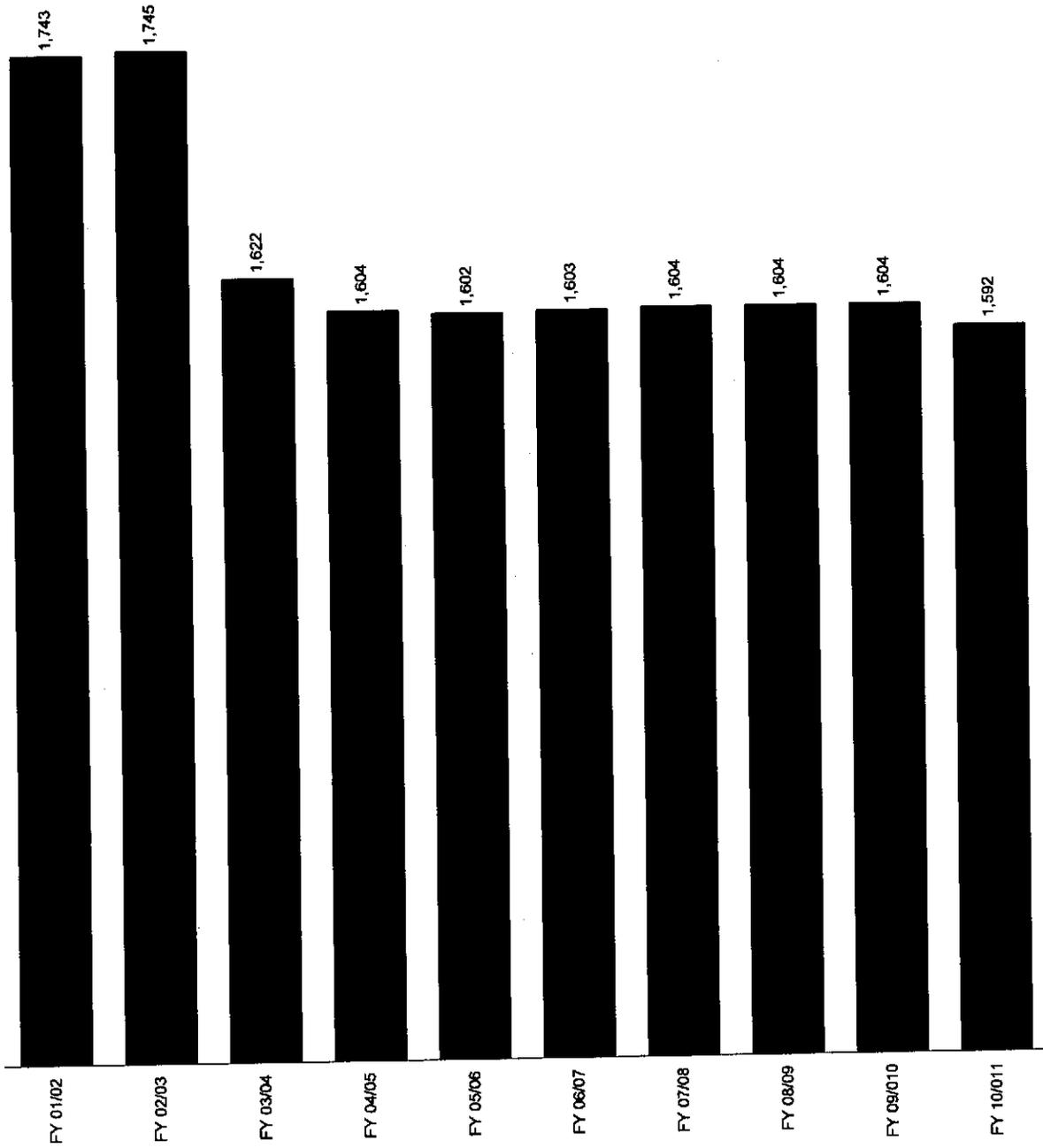
Fiscal Years 2006/07 - 2010/11

| Department                 | FY<br>06/07  | FY<br>07/08  | FY<br>08/09  | FY<br>09/10  | FY<br>10/11  | Difference<br>09/10 - 10/11 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|-----------------------------|
| Administration             | 24           | 24           | 26           | 26           | 25           | (1)                         |
| Finance                    | 54           | 54           | 52           | 52           | 51           | (1)                         |
| Information Systems        | 30           | 30           | 30           | 30           | 30           | 0                           |
| Community Development      | 23           | 24           | 25           | 25           | 25           | 0                           |
| Fleet Services             | 57           | 56           | 56           | 56           | 55           | (1)                         |
| South Knoxville Waterfront | 0            | 2            | 2            | 2            | 1            | (1)                         |
| Public Services            | 307          | 307          | 306          | 305          | 305          | 0                           |
| Engineering                | 89           | 88           | 87           | 88           | 87           | (1)                         |
| Inspections                | 31           | 31           | 31           | 31           | 29           | (2)                         |
| Recreation                 | 51           | 51           | 50           | 49           | 47           | (2)                         |
| Law                        | 13           | 13           | 13           | 14           | 13           | (1)                         |
| Police                     | 518          | 520          | 522          | 522          | 521          | (1)                         |
| Emergency Management       | 3            | 3            | 3            | 3            | 3            | 0                           |
| Fire                       | 338          | 338          | 338          | 338          | 337          | (1)                         |
| Legislative                | 3            | 3            | 3            | 3            | 3            | 0                           |
| City Court                 | 13           | 13           | 13           | 13           | 13           | 0                           |
| Civil Service              | 14           | 13           | 13           | 13           | 12           | (1)                         |
| Public Assembly Facilities | 35           | 34           | 34           | 34           | 35           | 1                           |
| <b>GRAND TOTAL</b>         | <b>1,603</b> | <b>1,604</b> | <b>1,604</b> | <b>1,604</b> | <b>1,592</b> | <b>(12)</b>                 |

City of Knoxville

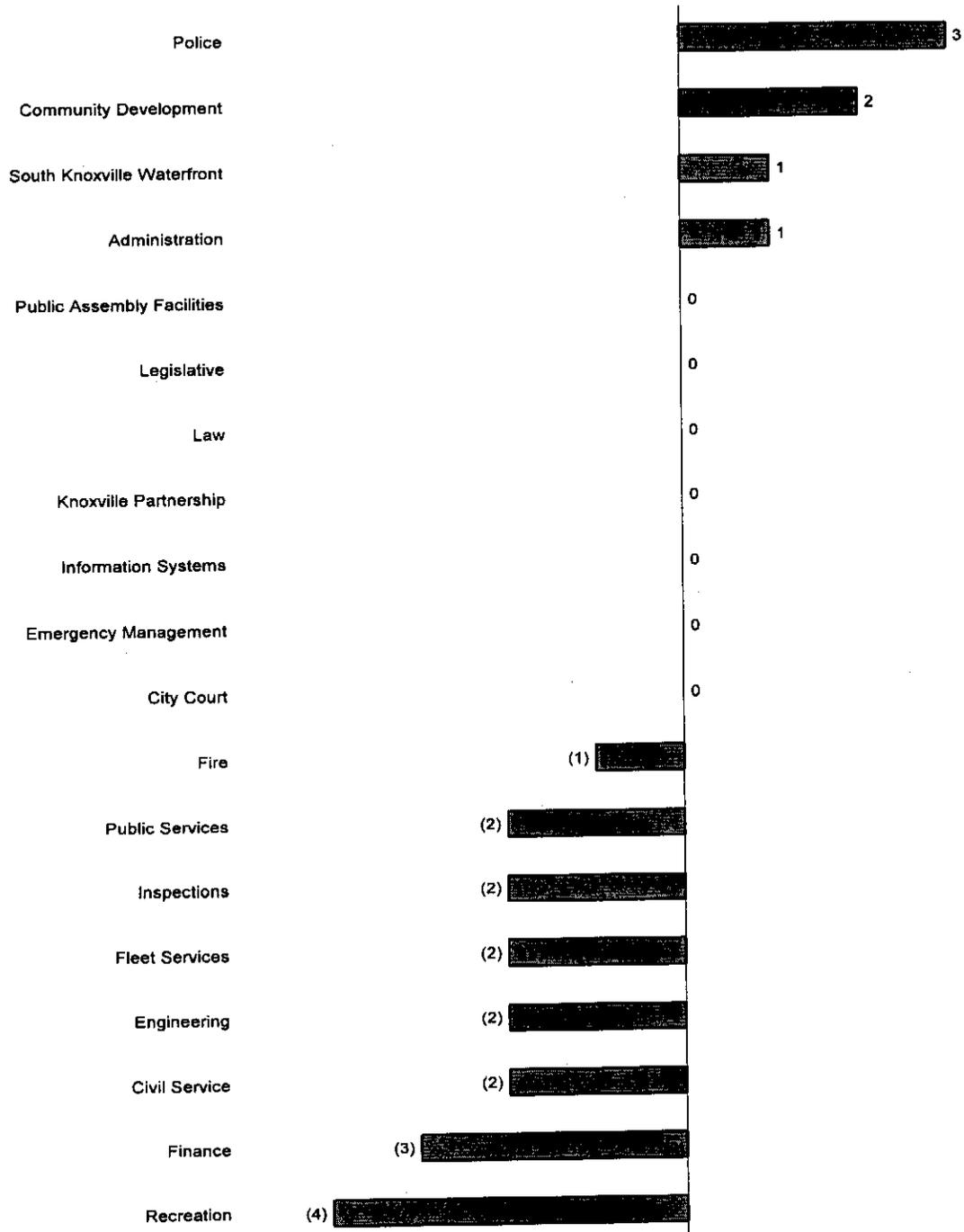
Authorized Full Time Personnel

Fiscal Years 2001/02 – 2010/11



Changes in Full Time Budgeted Personnel

Fiscal Years 2006/07 – 2010/11



Authorized Part Time Positions by Department

Fiscal Year 2010/11

| Department                 | General Fund | Special Revenue Funds | Enterprise Funds | Internal Service Funds | Grand Total |
|----------------------------|--------------|-----------------------|------------------|------------------------|-------------|
| Administration             | 3            | 0                     | 0                | 0                      | 3           |
| Community Development      | 0            | 1                     | 0                | 0                      | 1           |
| Engineering                | 1            | 0                     | 0                | 0                      | 1           |
| Recreation                 | 13           | 1                     | 0                | 0                      | 14          |
| Police                     | 3            | 1                     | 0                | 0                      | 4           |
| Legislative                | 9            | 0                     | 0                | 0                      | 9           |
| City Court                 | 0            | 1                     | 0                | 0                      | 1           |
| Public Assembly Facilities | 0            | 0                     | 2                | 0                      | 2           |
| <b>Total - Part Time</b>   | <b>29</b>    | <b>4</b>              | <b>2</b>         | <b>0</b>               | <b>35</b>   |

## Part Time Positions by Department

Fiscal Years 2006/07 - 2010/11

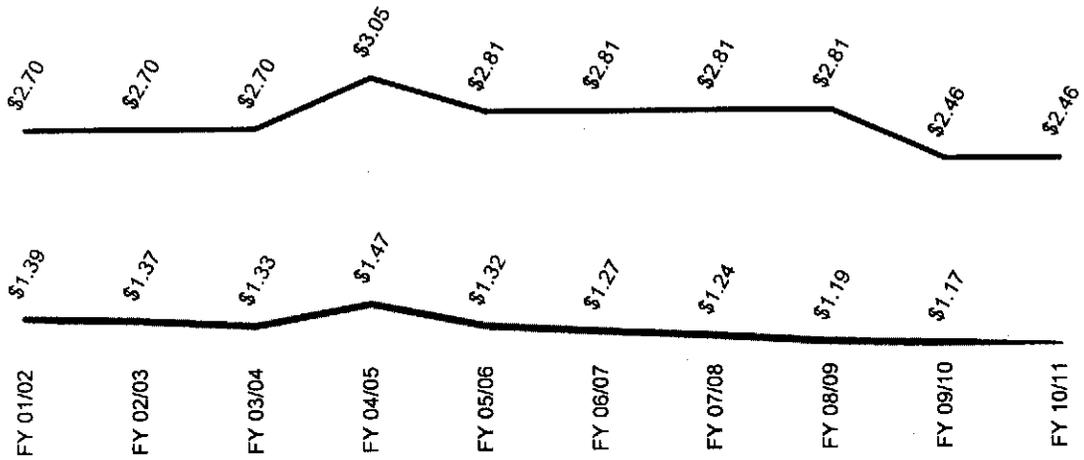
| Department                 | FY<br>06/07 | FY<br>07/08 | FY<br>08/09 | FY<br>09/10 | FY<br>10/11 | Difference<br>09/10 - 10/11 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-----------------------------|
| Administration             | 1           | 2           | 2           | 3           | 3           | 0                           |
| Finance                    | 1           | 1           | 1           | 1           | 0           | (1)                         |
| Community Development      | 1           | 1           | 1           | 1           | 1           | 0                           |
| Engineering                | 2           | 1           | 1           | 1           | 1           | 0                           |
| Recreation                 | 16          | 16          | 16          | 15          | 14          | (1)                         |
| Police                     | 29          | 3 *         | 4           | 4           | 4           | 0                           |
| Legislative                | 9           | 9           | 9           | 9           | 9           | 0                           |
| City Court                 | 1           | 1           | 1           | 1           | 1           | 0                           |
| Civil Service              | 1           | 0           | 0           | 0           | 0           | 0                           |
| Public Assembly Facilities | 1           | 3           | 3           | 3           | 2           | (1)                         |
| <b>GRAND TOTAL</b>         | <b>62</b>   | <b>37</b>   | <b>38</b>   | <b>38</b>   | <b>35</b>   | <b>(3)</b>                  |

\* School Crossing Guards were formerly included in the Part-Time personnel count. They are now budgeted as event personnel and thus not included. School crossing guards are still included in the budget but not shown in this table. There is no other change in the Police Department.

City of Knoxville

ADJUSTED/EQUALIZED TAX RATE

Fiscal Years 2001/02 – 2009/10



The above chart presents a ten year comparison of the actual (nominal) tax rate to the effective tax rate, that is, the tax rate after it has been adjusted for the effects of reappraisal by the Knox County Property Assessor and the impact of inflation. As can

be seen by the lower line, the effective tax rate has declined from \$1.39 in Fiscal Year 2001/02 to \$1.16 in Fiscal Year 2010/11. This means that the change in the tax rate has been less than the rate of inflation and equalization

**City of Knoxville**

**CITY AND COUNTY PROPERTY TAX RATES**

FY 87/88 - FY 10/11

| Fiscal<br>Year | City<br>Rate | County<br>Rate | City<br>Combined<br>Rate |
|----------------|--------------|----------------|--------------------------|
| FY 87/88       | \$3.40       | 2.76           | \$6.16                   |
| FY 88/89       | \$3.24       | 2.91           | \$6.15                   |
| FY 89/90       | \$3.24       | 2.85           | \$6.09                   |
| FY 90/91       | \$3.24       | 2.85           | \$6.09                   |
| FY 91/92       | \$3.24       | 3.07           | \$6.31                   |
| FY 92/93       | \$3.51       | 3.25           | \$6.76                   |
| FY 93/94       | \$2.73 *     | 2.91 *         | \$5.64                   |
| FY 94/95       | \$2.87       | 2.91           | \$5.78                   |
| FY 95/96       | \$2.87       | 3.16           | \$6.03                   |
| FY 96/97       | \$2.87       | 3.16           | \$6.03                   |
| FY 97/98       | \$2.58 *     | 2.77 *         | \$5.35                   |
| FY 98/99       | \$2.85       | 2.77           | \$5.62                   |
| FY 99/00       | \$2.85       | 3.32           | \$6.17                   |
| FY 00/01       | \$3.04       | 3.32           | \$6.36                   |
| FY 01/02       | \$2.70 *     | 2.96 *         | \$5.66                   |
| FY 02/03       | \$2.70       | 2.96           | \$5.66                   |
| FY 03/04       | \$2.70       | 2.96           | \$5.66                   |
| FY 04/05       | \$3.05       | 2.96           | \$6.01                   |
| FY 05/06       | \$2.81 *     | 2.69 *         | \$5.50                   |
| FY 06/07       | \$2.81       | 2.69           | \$5.50                   |
| FY 07/08       | \$2.81       | 2.69           | \$5.50                   |
| FY 08/09       | \$2.81       | 2.69           | \$5.50                   |
| FY 09/10       | \$2.46       | 2.36           | \$4.82                   |
| FY 10/11       | \$2.46       | 2.36           | \$4.82                   |

\* The Property Assessor is required by law to undertake a complete reappraisal of property at least every four years. This reappraisal was last completed in 2009. Whenever a property reappraisal occurs, cities and counties are required to adopt a "Certified Tax Rate". This is the rate that would generate the same amount of tax revenue as before reappraisal. The "Certified Tax Rate" in FY 09/10 for the City was \$2.46 and for the County \$2.36. This rate in effect discounts the increases in value resulting from reappraisal.

Note that taxes are levied per \$100 of assessed value.

**City of Knoxville**  
**ASSESSED VALUES - ALL PROPERTY**

Fiscal Years 1983/84 - 2010/11

| Calendar Year | Total Real Property | Personal Property | Public Utilities | Total Assessments |
|---------------|---------------------|-------------------|------------------|-------------------|
| 1983          | 1,082,167,280       | 67,770,971        | 105,429,104      | 1,255,367,355     |
| 1984          | 1,079,627,084       | 77,145,411        | 97,515,150       | 1,254,287,645     |
| 1985          | 1,096,798,493       | 88,685,584        | 87,087,426       | 1,272,571,503     |
| 1986          | 1,102,016,383       | 98,407,484        | 111,100,000      | 1,311,523,867     |
| 1987          | 1,104,867,214       | 108,752,668       | 100,627,110      | 1,314,246,992     |
| 1988          | 1,122,742,024       | 112,676,654       | 104,899,443      | 1,340,318,121     |
| 1989          | 1,140,611,597       | 132,423,393       | 95,316,739       | 1,368,351,729     |
| 1990          | 1,172,891,487       | 143,085,759       | 101,472,718      | 1,417,449,964     |
| 1991          | 1,212,029,673       | 135,710,493       | 98,142,916       | 1,445,883,082     |
| 1992          | 1,238,194,477       | 132,547,101       | 96,552,849       | 1,467,294,427     |
| 1993          | 1,614,026,310 *     | 163,270,996       | 111,997,273      | 1,889,294,579     |
| 1994          | 1,614,271,095       | 177,150,854       | 119,230,340      | 1,910,652,289     |
| 1995          | 1,618,398,558       | 177,681,038       | 112,540,638      | 1,908,620,234     |
| 1996          | 1,623,659,535       | 184,552,898       | 115,766,135      | 1,923,978,568     |
| 1997          | 1,878,801,360 *     | 218,591,024       | 126,746,927      | 2,224,139,311     |
| 1998          | 1,934,290,885       | 242,537,032       | 128,589,318      | 2,305,417,235     |
| 1999          | 1,982,169,765       | 258,297,182       | 139,643,315      | 2,380,110,262     |
| 2000          | 2,028,588,845       | 260,949,460       | 136,081,340      | 2,425,619,645     |
| 2001          | 2,383,807,165 *     | 296,305,803       | 180,021,560      | 2,860,134,528     |
| 2002          | 2,438,014,810       | 304,602,014       | 174,625,693      | 2,917,242,517     |
| 2003          | 2,476,436,718       | 293,852,253       | 150,264,579      | 2,920,553,550     |
| 2004          | 2,525,476,515       | 302,687,562       | 157,887,475      | 2,986,051,552     |
| 2005          | 2,862,056,080 *     | 315,752,361       | 161,363,916      | 3,339,172,357     |
| 2006          | 2,920,636,035       | 329,685,195       | 145,503,340      | 3,395,824,570     |
| 2007          | 3,039,973,875       | 307,480,409       | 148,366,486      | 3,495,820,770     |
| 2008          | 3,156,234,335       | 305,025,792       | 146,017,169      | 3,607,277,296     |
| 2009          | 3,678,211,900       | 334,781,946       | 167,422,239      | 4,180,416,085     |
| 2010 (Est.)   | 3,706,919,260       | 331,299,250       | 167,422,239      | 4,205,640,749     |

\* The Property Assessor is required by law to undertake a complete reappraisal of property at least every four years. These reappraisals were completed in 1993, 1997, 2001, 2005 and 2009.

Note that the assessments for each calendar year are reflected in the budget for the following year. For example the 2010 assessments are used in the FY 10/11 budget. Residential property is assessed at 25% of the appraised value. Commercial/Industrial property is assessed at 40% of the appraised value and public utility property is assessed at 55% of the appraised value. The majority of public utility property is appraised by the Tennessee Public Service Commission. Personal property is assessed at 30% of the appraised value.

**GENERAL FUND REVENUES**

Total General Fund budgeted revenues for FY 10/11 equal \$164,689,240. This represents approximately a 0.4% decrease when compared to the budgeted FY 09/10 revenues of \$165,342,960. Operating revenue equals \$163,039,240, which is \$2,303,720 or 1.4% below FY 09/10 budgeted operating revenue. Non-operating revenues are budgeted at \$1,650,000 for FY 10/11. Revenues are projected to be relatively flat, decreasing by \$460,710 or 0.28%, when compared to estimated actual revenues in FY 09/10. Property tax revenues are forecast to be up, but the gains are more than offset by expected declines in the more elastic revenues such as sales taxes and business taxes.

**TAXES**

The largest single category of revenue to the General Fund is taxes. This one category equals \$135,462,900 or approximately 85.3% of the total operating revenue to this fund.

**Property Taxes**

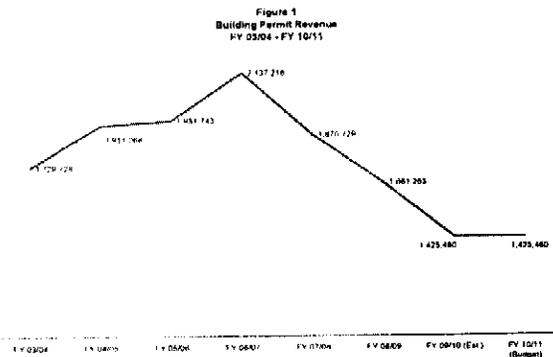
The largest revenue source within this category is property taxes. Property taxes are, in turn, divided into three types: taxes on real property, taxes on personal property, and taxes on public utilities.

There are four factors that determine revenues from property taxes:

- 1) The assessed value of property;
- 2) The state equalization rate;
- 3) The collection rate on property taxes;
- 4) The tax rate itself.

*Assessed Value and Equalization Rate:* During the past twenty five years, the average growth in real property values has fluctuated widely. Growth was almost non-existent in the years between 1985 and 1988. This changed in the early 1990's with increases in the two to three percent ranges. The mid to late 1990's and 2000's have been characterized, with the exception of reappraisal years, by

this same fairly moderate growth. Growth rates since the 2005 reappraisal have ranged between 2.05% and 4.09%. The last two years have seen a sharp decline from those numbers. In FY 09/10 we had forecast a modest gain of 1.3% and were very close to that amount, after adjusting for reappraisals. For FY 10/11 we think that the growth in assessed values will be even lower. Given the great decline in building permit revenue in the past two years (See Figure 1) we have forecast an increase of only 0.8% in real property values.



Given the dramatic fall off in construction activity the forecast for property tax growth during the next few years is for very small to nearly flat growth. For FY 10/11 the projected assessed value of real property is \$3,706,919,260. The projected amounts for FY 10/11 are based upon the latest available data from the Assessor's Office.

The Property Assessor is unable to supply final estimates on the assessed value of personal property until after the adoption of the budget. Personal property tax growth rates have shown much more volatility than real property. In the 1980's the annual growth rate of this revenue source was frequently in the mid-teens. A change in state law, implemented a new accelerated depreciation schedule, and made other changes in the calculation of this tax. This change essentially halted the growth of this revenue source for several years. As a result of increased audits, an upward trend began in 1998, but this has leveled off

and occasionally been negative in more recent years. For the upcoming year we forecast the growth in assessed value to be down by 1.0%. As with real property, we did not have final numbers from the Property Assessor's Office until after passage of the budget. The actual tax roll was lower than we had projected, which explains the decrease in forecasted FY 09/10 revenues from the FY 09/10 budget.

The third set of property tax revenues comes from taxes on public utilities, which are assessed by the Division of State Assessed Properties under the Office of the State Comptroller. These values are not supplied until January or February of the subsequent year and have typically varied little unless affected by a change in the equalization rate. Recent trends, however, have been negative, the result of many successful appeals of the state appraisals. We expect assessments to remain flat however going into the FY 10/11 fiscal year.

*Collection Rate:* In recent years, the City has collected an average of 94.7% of real property taxes, 91.9% of personal property taxes, and 95.0% of the taxes upon public utilities in the year in which they are levied. We utilize these averages in making our forecasts. The most notable change in these rates has been an increase in the collection rate for real property, a decrease in the collection rate for personal property, and a slight decrease in the collection rate for public utility property.

*Tax Rate:*

In FY 10/11 the budget is based upon a total tax rate of \$2.46 per hundred dollars of assessed value, which is the same rate as in FY 09/10. The tax rate is apportioned between the Debt Service Fund and the General Fund. In FY 10/11, \$0.66 of the tax rate goes directly to the Debt Service Fund, unchanged from FY 09/10. The portion of the tax rate used for General Fund purposes is \$1.80. Combining all factors yields the budgeted revenue from property taxes as illustrated in Table 1.

When compared to the FY 09/10 budget, current projected property tax revenues are up by \$478,700 in the General Fund, or approximately 0.67%.

## **Tax Discounts**

The City offers a one percent discount on property taxes paid before the end of October. For FY 10/11 the anticipated discount in the General Fund is \$385,450, which is \$4,870 more than the FY 09/10 budgeted amount. The greater amount is due to the anticipated growth in real property, as we do not believe the percentage of individuals receiving a discount will deviate much from the current year.

This discount represents a reduction in the amount of revenues available to the General Fund. The discount allows the City to better manage cash flow, avoid the need to issue tax anticipation notes, and increase interest earnings.

## **Payments In Lieu Of Taxes**

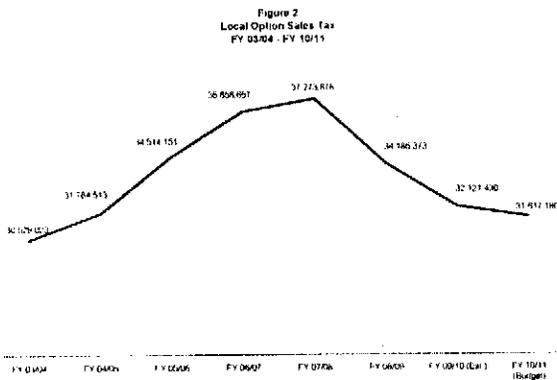
Other revenues within the tax category include the payment in lieu of taxes from the Knoxville Utilities Board (KUB) and Knoxville's Community Development Corporation (KCDC). The payment from KUB is based upon two components, one being the estimated property value owned by KUB and the second being an average of overall revenues. In FY 10/11 the KUB payment is expected to be \$12,667,900 which is \$255,700 or 2.06% above the budget for FY 09/10. This change is based upon modest growth in property held by KUB, and anticipated growth in average revenues. The payment from KCDC is projected at \$80,000, which is \$43,900 above the amount budgeted in FY 09/10. The forecast numbers in FY 09/10 for this source are somewhat deceptive in that they represent two years of payment rather than one. This accounts for the drop between the FY 09/10 forecast and the FY 10/11 budget.

There are several other entities now making payments in lieu of taxes. These payments are part of the redevelopment strategy of the City. The largest of these payments comes from the Knoxville News-Sentinel and is budgeted at \$238,920. Other payments in lieu of taxes are expected to yield \$105,210.

## **Sales Taxes**

The City imposes, as the result of local referenda, a 2.25% local option sales tax on all sales within the city limits. Approximately 72% of the proceeds

from the tax go to the Knox County School District, with the balance flowing to the City's General Fund. The revenues from this source comprise the second largest source of revenue within the tax category. In FY 10/11, local option sales tax revenues are expected to equal \$31,617,180 or 19.4% of total General Fund operating revenues. Until FY 08/09 we had seen extraordinary growth in this revenue source in recent years. This is due to overall statewide growth in spending as well as the development of the Turkey Creek shopping area, which has captured sales from other areas of the region. However the nationwide economic situation has affected this revenue greatly. (See Figure 2)



Our current forecast for FY 09/10 has revenues from this source \$1,162,630 or 3.5% below the FY 09/10 budgeted amount. The rate of decline has lessened in recent months but we still expect the decline to continue into the new fiscal year. We are forecasting a decrease of three percent (3.0%) from adjusted FY 09/10 collections. At this time we expect he next year totals to be below those of FY 04/05.

### Other Taxes

Revenues from the beer tax, mixed drink tax, and the alcoholic beverage tax grew at a rapid pace throughout the 1990's, but the rate of growth has slowed and even reversed itself in recent years. In the past two years we have seen reasonable growth in beer taxes, but, based upon our latest forecasts for FY 09/10, we expect the trend to weaken in the upcoming year. Revenues from beer taxes are expected to decrease by \$276,140 or 3.97% when compared to the FY 09/10 budget. Total revenues from the beer tax are forecast at \$6,686,700. Alcoholic beverage taxes have also been relatively flat the past two years, a trend we

expect to continue during the upcoming year. Revenues from this source are expected to generate \$2,425,730 in FY 10/11. This is \$5,330 less than the amount budgeted in FY 09/10. Mixed drink taxes are now forecast to decline from budgeted levels in FY 09/10, but are forecast to remain static in the upcoming year. We are now estimating this revenue at \$1,325,150 in FY 10/11, which is \$10,720 less than budgeted in FY 09/10.

The slowdown in the economy has resulted in significant negative growth in business tax collections. We currently expect to end FY 09/10 down by \$616,910 from the budgeted amount. For FY 10/11 we are now projecting zero growth from expected FY 09/10 collections. Projected revenue from this source in FY 10/11 is \$4,004,940.

Cable television franchise taxes from Comcast and Knology are projected to be flat when compared to the FY 09/10 budgeted level. We expect only modest growth in the new fiscal year. These revenues are now forecast at \$1,651,380, which is \$1,000 or 0.6% less than the amount budgeted in FY 09/10.

## INTERGOVERNMENTAL REVENUE

The second largest revenue category of the General Fund is intergovernmental revenue, i.e., revenue that comes from another governmental unit, primarily the State of Tennessee. This category of revenue accounts for \$18,090,870 or 11.4% of total operating revenue. Overall, we expect this category of revenue to be down by \$315,860 or 1.7% when compared to the budget for FY 09/10.

The largest single revenue within this grouping is the state shared sales tax. Current year revenues from this source are now forecast to fall significantly below budgeted revenues for this year, and are expected to continue to decline by an additional three percent (3%) in FY 10/11. The total estimated amount in FY 10/11 from this source is \$10,271,590. This is \$672,070 or 6.14% less than the amount budgeted in FY 09/10.

The second largest revenue in this category is the city's portion of the Hall Income Tax. In FY 10/11 we are expecting revenue from this source to generate \$3,215,900, which is the same as the FY 09/10 budget. The actual collections in FY 07/08 appear to be an aberration and are not expected

to continue. Even if there is some inherent growth, it is expected to be offset by a reduction in dividend payments to individuals in the upcoming year.

The City also receives a number of other state-shared revenues. Revenue from alcoholic beverage tax is expected to be down slightly from the amount budgeted in FY 09/10, at a total of \$70,040. Revenues from beer taxes are also expected to be down slightly from FY 09/10 at a total of \$86,720.

Revenue from the state excise tax, a tax upon the net earnings of state and national banks chartered in Tennessee, is, on the other hand, revised upward from FY 09/10. For FY 10/11 this is expected to generate \$683,750 or \$166,970 more than budgeted in FY 09/10. This is still expected to drop by five percent (5%) when compared to estimated collections in FY 09/10.

Revenue from the special petroleum products tax is expected to increase slightly. This revenue is budgeted at \$361,840 or \$730 more than in FY 09/10. The City's share of TVA gross receipts is forecast to be up when compared to FY 09/10. The expected amount from this source FY 09/10 is up from budgeted levels and, consequently, we have revised our FY 10/11 projections upward. The result is an anticipated increase of \$245,170 or 14.38% when compared to the FY 09/10 budget.

The City has, in the past, received money from the federal government to help offset the cost of several police department positions. This money is listed as federal contribution. This estimate shown here represents funding to pay overtime of officers working in the KCDC housing areas. The total amount budgeted for FY 10/11 is \$837,500 which is \$43,100 less than in the FY 09/10 budget.

The State of Tennessee has provided supplemental pay for police officers and firefighters in past years, and is listed under the category of state contribution in the tables following this narrative. The City has served merely as conduit to pay this supplement. The amount budgeted totals \$409,200 and is exactly equal to planned expenditures in the Police and Fire Department budgets.

The City's Emergency Management Department is funded in part by a contribution from the U.S. government under the Federal Emergency Management Act (FEMA). The contracted amount for the upcoming year is projected to be \$136,000. Knox County partially funds the balance of the department's budget. The Knox County share is estimated at \$53,000.

### OTHER REVENUE

There are four other categories of operating revenue to the General Fund, these being licenses and permits, charges for services, fines and forfeits, and miscellaneous revenue. The combined total from these sources is \$5,186,370, or 3.18% of the total operating revenues to the General Fund. A breakdown of these revenues for FY 09/10 and FY 10/11 is shown in Table 2.

|                    | FY 09/10<br>Budget | FY 09/10<br>Est.<br>Actual | FY 10/11<br>Projected<br>Revenues |
|--------------------|--------------------|----------------------------|-----------------------------------|
| Licenses & Permits | \$300,590          | \$310,500                  | \$310,500                         |
| Charges            | \$1,173,450        | \$1,260,370                | \$1,352,750                       |
| Fines & Forfeits   | \$1,737,460        | \$2,426,390                | \$2,307,800                       |
| Misc. Revenue      | \$1,849,470        | \$1,059,470                | \$1,215,320                       |
| <b>TOTAL</b>       | <b>\$5,060,970</b> | <b>\$5,057,270</b>         | <b>\$5,186,370</b>                |

Overall, the category of licenses and permits is up by \$9,910 or 3.3% when compared to the budget for FY 09/10. Slightly more than half of the numbers of accounts within this category are expected to be up as down when compared to the FY 09/10 budget. The largest expected increase is in beer application fees, which are forecast to total \$27,230, an increase of \$8,660. This is partially offset by expected lower amounts from various other charges. For example, Liquor by the ounce fees and tank installation fees are expected to increase by \$3,240 and \$2,280 respectively.

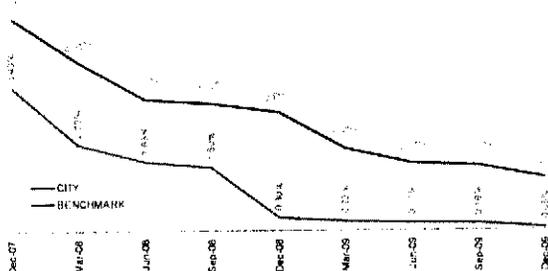
The amount expected to come from charges for services is projected at \$1,352,750, which is

\$179,300 or 15.3% more than the budgeted amount for FY 09/10. This increase is primarily due to increases in attorney fees, officer costs, team registration fees, and reimbursements from the state for work done on state highways. These are offset, in part, by decreased expected revenue from accident reports, and miscellaneous park fees.

The category of fines and forfeits represent a portion of fines that are rebated from the county court. Revenues from this source are expected to yield \$146,730 from General Sessions costs, and \$152,230 from Criminal Court fines. Revenues from red light violations are up, this being attributable to full year implementation at more sites. Overall this category of revenue is expected to yield \$2,307,800, which is \$570,340 more than budgeted in FY 09/10.

The category entitled miscellaneous revenue is projected at \$1,215,320, which is \$634,150 less than the amount budgeted in FY 09/10. The drop in this category comes mainly from interest earnings. Yields on the types of investments appropriate for government (see Figure 3)

Figure 3  
Return Rates on Investments  
December, 2007 - December 2009



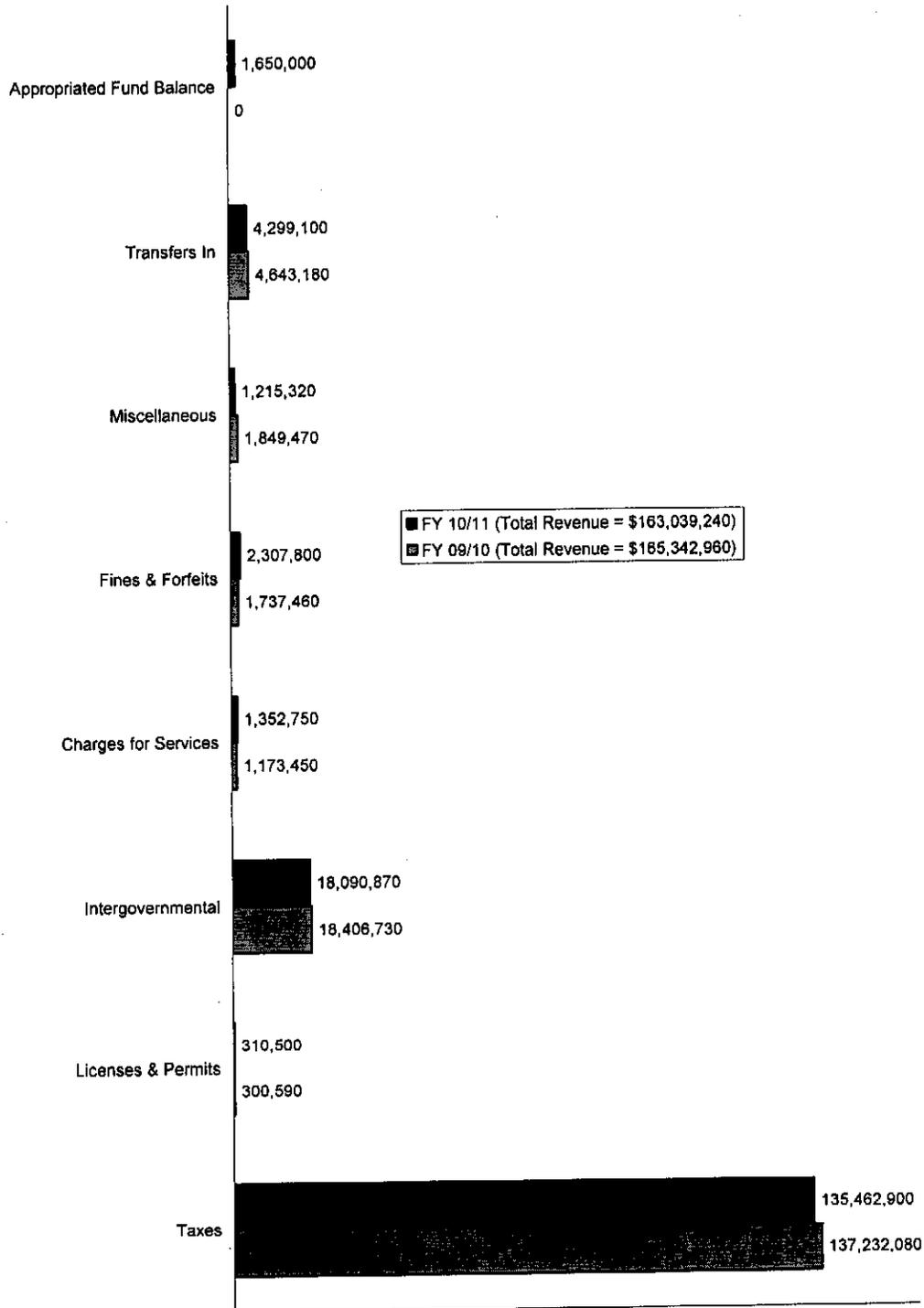
have decreased significantly over the past year. Interest earnings are expected to generate \$625,000 in FY 10/11, this being \$775,000 less than the budget for FY 09/10.

The trend for parking meter revenue has recovered and is expected to be up slightly for the year. We are forecasting this revenue source to generate \$332,260 in FY 10/11, which is up by \$48,260 or 17% when compared to the FY 09/10 budget. A change in the manner in which used equipment is sold had generated increased revenue from this source. In FY 10/11 equipment sales are forecast at \$180,700 which is \$85,630 more than the FY 09/10 budget.

### Transfers In

The revenue budgeted under transfers is the amount of revenue in excess of expenditures that is generated by the Municipal Court. Fines and costs collected by the Municipal Court have decreased during the past year. Consequently we expect revenue from this source to decline in the upcoming fiscal year. Excess City Court fees are now forecast at \$4,299,100 or \$344,080 lower than the amount budgeted in FY 09/10.

General Fund Revenue Comparison  
FY 2009/10– 2010/11



## GENERAL FUND REVENUE

Fiscal Year 2010/11

| Account Code | Revenue Source                  | FY 07/08<br>Actual | FY 08/09<br>Actual | FY 09/10<br>Budget | FY 09/10<br>Forecast | FY 10/11<br>Budget |
|--------------|---------------------------------|--------------------|--------------------|--------------------|----------------------|--------------------|
| 5111         | Property Tax Real - Current     | \$ 59,843,445      | \$ 61,889,291      | \$ 62,390,000      | \$ 62,566,380        | \$ 63,188,100      |
| 5112         | Property Tax Real - Prior       | 1,760,329          | 1,937,188          | 1,947,550          | 1,923,740            | 1,923,740          |
| 5113         | Personal Property Tax - Current | 5,927,444          | 5,866,497          | 5,760,500          | 5,537,960            | 5,480,400          |
| 5114         | Personal Property Tax - Prior   | 115,797            | 181,791            | 159,620            | 95,500               | 95,500             |
| 5115         | Public Utilities - Current      | 2,982,161          | 3,025,512          | 2,807,800          | 2,862,900            | 2,768,500          |
| 5116         | Public Utilities - Prior        | 14,948             | 17,595             | 25,460             | 2,000                | 2,000              |
| 5117         | Discount                        | (517,195)          | (337,788)          | (380,580)          | (350,100)            | (385,450)          |
| 5131         | K U B                           | 11,628,456         | 12,043,900         | 12,412,200         | 12,367,150           | 12,667,900         |
| 5132         | K C D C                         | 36,093             | 0                  | 36,100             | 197,040              | 80,000             |
| 5134         | Downtown                        | 82,375             | 84,724             | 82,370             | 83,710               | 83,710             |
| 5135         | News-Sentinel                   | 133,425            | 129,131            | 203,750            | 203,750              | 238,920            |
| 5136         | Other PILOTS                    | 158,575            | 161,324            | 156,500            | 155,180              | 21,500             |
| 5141         | Local Shared Sales Tax          | 37,273,878         | 34,186,373         | 33,284,060         | 32,121,430           | 31,617,180         |
| 5151         | Beer Tax                        | 6,726,320          | 6,714,110          | 6,962,840          | 6,555,590            | 6,686,700          |
| 5152         | Mixed Drink Tax                 | 1,359,136          | 1,316,540          | 1,335,870          | 1,325,150            | 1,325,150          |
| 5153         | Alcoholic Beverage Tax          | 2,385,182          | 2,440,075          | 2,431,060          | 2,425,730            | 2,425,730          |
| 5161         | Business Tax                    | 20,013             | 21,913             | 28,130             | 15,750               | 11,810             |
| 5163         | Business License Fees           | 0                  | 0                  | 0                  | 3,800                | 3,800              |
| 5165         | Tax Sale Publication Fees       | 63,673             | 76,925             | 66,950             | 40,320               | 40,320             |
| 5166         | Business Tax 2003               | 5,137,137          | 5,027,529          | 4,621,850          | 4,004,940            | 4,004,940          |
| 5171         | Interest & Penalties-Current    | 171,832            | 137,516            | 150,000            | 150,000              | 150,000            |
| 5172         | Interest & Penalties-Prior      | 1,143,921          | 951,887            | 999,890            | 1,297,060            | 1,297,060          |
| 5173         | Interest & Penalties-Business   | 1,374              | 13,291             | 11,640             | 22,980               | 22,980             |
| 5174         | Interest & Penalties-License    | 4,443              | 544                | 570                | 580                  | 580                |
| 5175         | Interest & Penalties CBID       | 4,353              | 4,790              | 4,400              | 3,330                | 3,330              |
| 5176         | Interest-New Btx                | 12,293             | 12,671             | 11,330             | 7,030                | 7,030              |
| 5177         | Penalty-New Btx                 | 59,590             | 61,999             | 59,640             | 43,190               | 43,190             |
| 5178         | Interest - Bankruptcy Court     | 10,752             | 14,374             | 10,200             | 6,900                | 6,900              |
| 5193         | Cable TV Franchise Tax          | 1,621,527          | 1,659,123          | 1,652,380          | 1,643,160            | 1,651,380          |
|              | Subtotal - Taxes                | 138,161,275        | 137,638,825        | 137,232,080        | 135,312,130          | 135,462,900        |
| 5201         | Blasting Permits                | 3,400              | 3,200              | 2,090              | 1,630                | 1,630              |
| 5202         | Fire Reports                    | 1,945              | 525                | 690                | 0                    | 0                  |
| 5203         | Fireworks Permit                | 4,430              | 3,850              | 4,300              | 4,120                | 4,120              |
| 5204         | Tank Abandonment                | 0                  | 0                  | 0                  | 650                  | 650                |
| 5205         | Tank Installation Fees          | 17,680             | 18,065             | 15,940             | 12,700               | 12,700             |
| 5211         | Merchant & General Privilege    | 100                | 175                | 130                | 300                  | 300                |
| 5212         | Liquor By Ounce                 | 166,420            | 167,920            | 176,820            | 174,540              | 174,540            |
| 5215         | Alcoholic Beverage License      | 6,500              | 7,000              | 6,000              | 6,000                | 6,000              |
| 5251         | Beer Application Fees           | 29,100             | 21,150             | 18,570             | 27,230               | 27,230             |
| 5252         | Beer Privilege Tax              | 57,009             | 56,453             | 57,980             | 61,650               | 61,650             |
| 5253         | Beer Permit Publications        | 2,919              | 2,250              | 1,980              | 2,930                | 2,930              |
| 5254         | Beer Permit Records Check       | 9,000              | 8,150              | 7,520              | 8,970                | 8,970              |
| 5255         | Duplicate Beer Permits          | 1,005              | 335                | 270                | 410                  | 410                |
| 5291         | Solicitation                    | 5,200              | 5,425              | 5,230              | 5,660                | 5,660              |
| 5293         | Street Vendor                   | 3,300              | 3,025              | 3,070              | 3,710                | 3,710              |
| 5296         | Background Check Fees           | 5,904              | 14,587             | 0                  | 0                    | 0                  |
|              | Subtotal - Licenses & Permits   | 313,912            | 312,110            | 300,590            | 310,500              | 310,500            |
| 5313         | Emer. Mgmt. - Federal Share     | 85,021             | 136,000            | 136,000            | 136,000              | 136,000            |
| 5319         | Federal Grants                  | 875,018            | 706,354            | 880,600            | 837,500              | 837,500            |
| 5321         | Sales Tax                       | 12,459,094         | 11,386,849         | 10,943,660         | 10,589,270           | 10,271,590         |
| 5322         | Income Tax                      | 7,077,807          | 5,028,617          | 3,215,900          | 3,215,900            | 3,215,900          |
| 5323         | Beer Tax                        | 95,115             | 90,702             | 90,370             | 86,720               | 86,720             |
| 5324         | Alcoholic Beverage Tax          | 133,355            | 118,553            | 70,980             | 70,040               | 70,040             |
| 5326         | Streets & Transportation Gas    | 378,906            | 373,595            | 361,090            | 373,030              | 361,840            |
| 5327         | Excise Tax                      | 477,421            | 543,971            | 516,780            | 719,740              | 683,750            |
| 5328         | TVA - Gross Receipts            | 1,851,826          | 1,705,060          | 1,705,330          | 1,950,500            | 1,950,500          |
| 5329         | State Contribution              | 607,800            | 409,200            | 409,200            | 399,300              | 409,200            |
| 5332         | Telecommunications Sales Tax    | 22,710             | 20,284             | 23,820             | 14,830               | 14,830             |
| 5341         | Emer. Mgmt. - County Share      | 53,000             | 53,000             | 53,000             | 53,000               | 53,000             |
| 5350         | State Grants                    | 100,000            | 0                  | 0                  | 0                    | 0                  |

## GENERAL FUND REVENUE

Fiscal Year 2010/11

| Account Code                         | Revenue Source                              | FY 07/08<br>Actual    | FY 08/09<br>Actual    | FY 09/10<br>Budget    | FY 09/10<br>Forecast  | FY 10/11<br>Budget    |
|--------------------------------------|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Subtotal - Intergovernmental Revenue |   | <u>24,017,073</u>     | <u>20,572,185</u>     | <u>18,406,730</u>     | <u>18,445,830</u>     | <u>18,090,870</u>     |
| 5410                                 | Market Square Rental                        | 0                     | 1,885                 | 1,650                 | 1,050                 | 1,050                 |
| 5412                                 | Atty. Cost - Taxes                          | 345,671               | 254,292               | 245,050               | 345,110               | 345,110               |
| 5413                                 | Recording & Collection                      | 44,316                | 43,716                | 43,570                | 38,170                | 38,170                |
| 5421                                 | Towing & Impoundment                        | 0                     | 825                   | 0                     | 0                     | 0                     |
| 5423                                 | Accident Reports                            | 200,111               | 179,288               | 168,450               | 116,880               | 116,880               |
| 5425                                 | Officer Costs                               | 26,233                | 23,971                | 12,700                | 40,750                | 40,750                |
| 5434                                 | Codes Enforcement                           | 188,498               | 189,320               | 239,430               | 229,820               | 229,820               |
| 5435                                 | State Reimb./Streets, Signs                 | 102,236               | 16,498                | 125,000               | 157,510               | 187,510               |
| 5441                                 | Recreation Program Fees                     | 29,366                | 36,312                | 19,780                | 25,500                | 25,500                |
| 5442                                 | Inskip Pool Gate                            | 46,594                | 40,020                | 42,320                | 39,470                | 39,470                |
| 5443                                 | Ed Cothren Pool Gate                        | 6,850                 | 7,432                 | 4,900                 | 5,050                 | 5,050                 |
| 5444                                 | Indoor Pool Fees and Rentals                | 15,193                | 19,080                | 17,560                | 13,260                | 13,260                |
| 5445                                 | Team Registration Fees                      | 53,158                | 55,453                | 40,010                | 62,670                | 62,670                |
| 5447                                 | Vending Concessions                         | 11,698                | 4,847                 | 4,780                 | 250                   | 250                   |
| 5449                                 | Summer Program Registration Fee             | 17,888                | 14,710                | 12,200                | 14,700                | 14,700                |
| 5450                                 | Tennis Revenue                              | 7,845                 | 11,411                | 9,200                 | 7,500                 | 7,500                 |
| 5451                                 | Building and Shelter Revenues               | 41,386                | 52,826                | 37,850                | 58,020                | 58,020                |
| 5452                                 | Parks and Field Rental Fees                 | 17,455                | 10,765                | 8,600                 | 14,730                | 14,730                |
| 5453                                 | Lease of SKCC                               | 54,145                | 42,098                | 32,000                | 0                     | 39,030                |
| 5459                                 | Parks and Recreation - Miscellaneous Fees   | 13,795                | 15,081                | 6,000                 | 0                     | 0                     |
| 5461                                 | Caswell Park League Concessions             | 37,204                | 27,584                | 38,000                | 52,280                | 52,280                |
| 5464                                 | Caswell Park Gate Fee                       | 28,366                | 26,572                | 28,600                | 25,000                | 25,000                |
| 5466                                 | Inskip Pool Concessions                     | 13,720                | 20,796                | 27,000                | 8,950                 | 27,000                |
| 5467                                 | Ed Cothren Pool Concessions                 | 5,354                 | 8,528                 | 9,000                 | 3,700                 | 9,000                 |
| Subtotal - Charges for Services      |   | <u>1,305,082</u>      | <u>1,103,310</u>      | <u>1,173,450</u>      | <u>1,260,370</u>      | <u>1,352,750</u>      |
| 5512                                 | County Court Costs                          | 182,243               | 161,108               | 168,900               | 146,730               | 146,730               |
| 5528                                 | KPD - Automated Information                 | 125,928               | 136,711               | 143,960               | 142,550               | 142,550               |
| 5531                                 | Criminal Court Fines                        | 203,963               | 201,114               | 208,500               | 152,230               | 152,230               |
| 5532                                 | KPD - DARE                                  | 1,031                 | 1,142                 | 0                     | 0                     | 0                     |
| 5572                                 | False Alarm Citation                        | 76                    | 0                     | 0                     | 0                     | 0                     |
| 5580                                 | Red Light Camera Fines                      | 933,968               | 811,869               | 912,600               | 1,592,350             | 1,496,810             |
| 5581                                 | Red Light Camera Fines - Municipal Court    | 237,478               | 216,589               | 303,500               | 920                   | 0                     |
| 5582                                 | Red Light Camera Fines - Municipal Court LC | 0                     | 26,596                | 0                     | 392,150               | 369,480               |
| Subtotal - Fines & Forfeits          |   | <u>1,684,687</u>      | <u>1,555,129</u>      | <u>1,737,460</u>      | <u>2,426,930</u>      | <u>2,307,800</u>      |
| 5611                                 | Interest On Investments                     | 1,728,756             | 996,696               | 1,400,000             | 610,000               | 625,000               |
| 5616                                 | Interest on Loans and Notes                 | 3,832                 | 10,382                | 0                     | 0                     | 0                     |
| 5620                                 | Lease & Rental Income                       | 42,001                | 60,010                | 53,000                | 53,000                | 59,180                |
| 5627                                 | Parking Meters                              | 265,291               | 298,335               | 284,000               | 284,000               | 332,260               |
| 5642                                 | Equipment                                   | 74,433                | 126,661               | 95,070                | 95,070                | 180,700               |
| 5666                                 | Agency Contribution                         | 0                     | 4,980                 | 0                     | 0                     | 0                     |
| 5699                                 | Misc. Revenue                               | 358,192               | 29,161                | 17,400                | 17,400                | 18,180                |
| Subtotal - Misc. Revenue             |   | <u>2,470,505</u>      | <u>1,526,225</u>      | <u>1,849,470</u>      | <u>1,059,470</u>      | <u>1,215,320</u>      |
| Grand Total - Operating Revenue      |   | <u>167,952,534</u>    | <u>162,707,784</u>    | <u>160,699,780</u>    | <u>158,815,230</u>    | <u>158,740,140</u>    |
| 5905                                 | Transfer - Excess City Court Revenues       | 4,142,830             | 4,370,630             | 4,643,180             | 4,684,720             | 4,299,100             |
| 5919                                 | Misc. Special Revenue Transfer In           | 0                     | 200,000               | 0                     | 0                     | 0                     |
| 5970                                 | Residual Equity Transfers                   | 177,872               | 0                     | 0                     | 0                     | 0                     |
| Subtotal - Transfers In              |   | <u>4,320,702</u>      | <u>4,570,630</u>      | <u>4,643,180</u>      | <u>4,684,720</u>      | <u>4,299,100</u>      |
| Grand Total - Revenues               |   | <u>\$ 172,273,236</u> | <u>\$ 167,278,414</u> | <u>\$ 165,342,960</u> | <u>\$ 163,499,950</u> | <u>\$ 163,039,240</u> |
| 5998                                 | Appropriated Fund Balance                   | 0                     | 0                     | 0                     | 0                     | 1,650,000             |
| Grand Total - General Fund           |   | <u>\$172,273,236</u>  | <u>\$167,278,414</u>  | <u>\$165,342,960</u>  | <u>\$163,499,950</u>  | <u>\$164,689,240</u>  |

## GENERAL FUND EXPENDITURES

### General Fund Overview

Proposed General Fund expenditures for FY 10/11, including the reservation for contingencies, are \$164,689,240. This is 0.4% less than the FY 09/10 General Fund budget of \$165,342,960. Following are significant expenditure changes for the proposed budget. The purpose of this section is to provide a general overview of all expenditure categories.

**TABLE 1**

|                   | FY09/10               | FY10/11            | Change           |
|-------------------|-----------------------|--------------------|------------------|
| Personal Services | \$ 84,075,980         | 86,352,550         | 2,276,570        |
| Supplies          | 4,087,350             | 3,802,300          | (285,050)        |
| Other Charges     | 42,828,690            | 43,208,940         | 380,250          |
| Transfers Out     | 34,350,940            | 31,325,450         | (3,025,490)      |
| <b>Totals</b>     | <b>\$ 165,342,960</b> | <b>164,689,240</b> | <b>(653,720)</b> |

### Personal Services

Personal Services, which include salaries and benefits, increased by \$2,276,570 or 2.71% when compared to the FY 09/10 budget. Implementation of the 2.5% general salary increase for all non-probationary employees and a required increased pension contribution account for a large portion of the increase in personal services. The pension increase was \$1,139,540, an increase of 18% over FY10. These increases were partially offset by the elimination of nine full time General Fund positions saving approximately \$1.5 Million. Specific departmental budgets are discussed in more detail below, and in the executive summary.

### Supplies

The category of "Supplies" is used to pay for such things as office and operating supplies, repair and maintenance items (chemicals, road salt, etc.), and operating equipment not provided for in the equipment replacement funds or capital budget. The budget for supplies category decreases by \$285,050 (-6.97%). This is largely due to a

decrease in the Police Department budget for supplies.

### Other Charges

"Other Charges" include such expenditures as postage, professional services, equipment leases, internal service fund charges, and various miscellaneous items. The proposed budget reflects an increase of \$380,250 when compared to the previous fiscal year. An increase of \$372,800 in risk management charges accounts for most of the change.

### Transfers

Transfers reflect the movement of financial assets between City funds. Due to their significance in the operations of the General Fund, special emphasis is given here. The majority of the transfers are for subsidies to cover revenue shortfalls in various other funds. Budgeted transfers decreased by \$3,025,490 from the previous fiscal year to a total of \$31,325,450. The largest change was a reduction of \$4,470,000 in the Capital Projects transfer. General Fund's contribution reduction was partially offset by increases in other transfers by other funds. Among the larger increases were for the KAT operating subsidy (\$895,890) caused primarily by the opening of the new transit terminal, and Inspections (\$214,320) due to reduced construction. Other increases include the subsidies to Chilhowee Park and the Auditorium/Coliseum which are due to reduced activity at each venue.

### Administration

The proposed Administration budget decreased by \$80,030. This is due primarily to the elimination of one position. Supplies decreased by \$7,720 (-11.54%) but were offset by an increase \$5,650 (1.07%) in the other expenses category.

### Finance Division

The FY 10/11 budget for the department of Finance and Accountability increased by \$39,530 or 1.13%. Overall, personal services expenditures increase by \$34,530 as the result the proposed salary increase and pension contribution charges.

This increase was mitigated by the elimination of one part-time and one full-time position in the revenue section of finance. Supply costs decrease slightly by \$240. Other Charges increased by \$5,240.

#### **Information Systems Division**

Information Systems total budget increased by \$103,540 or 2.61%. There is a personal services increase of \$122,680 (5.05%) due to proposed salary increases and pension contributions. Supply costs decreased -\$7,600 (-10.73%) due to fewer dollars being budgeted for miscellaneous operating equipment. Other costs decrease by \$11,540 or (-0.78%).

#### **Community Development Division**

The proposed budget for Community Development (Economic Administration) is \$1,090,230, an increase of \$11,080 (1.03%) from prior year. Personal services accounted for most of the increase (\$12,330/3.70%) due to the proposed salary changes. Supplies remained the same as FY09/10 at \$17,790. Other charges went down \$1,250 or -0.17%.

#### **South Knoxville Waterfront**

The City has created a department to oversee the redevelopment of the City's South Knoxville Waterfront. The proposed operating FY10/11 budget for administration of our redevelopment effort is \$225,590 a decrease of \$73,400 over FY09/10. This is due to the elimination of one position. Actual projects are funded through the Capital Improvement Projects fund.

#### **Engineering Division**

The Engineering budget increased by \$78,100 (1.40%) from the prior fiscal year. Increases in personal services of \$87,280 due to the proposed salary increase were offset by small decreases in supplies and other charges.

#### **Public Service Division**

The proposed FY 10/11 budget for the Public Service Division is \$20,372,640, an increase of \$295,430 (1.47 %) from FY09/10. Personal service costs increase from \$12,186,000 to \$12,582,880 (\$396,880) due to salary and benefit increases. Supply costs increase by \$17,220 (1.57%) to \$1,117,140. Other expense costs decreased by \$118,670 (-1.75%) to \$6,672,620. Specific reduc-

tions in the other expenses category occurred in the various fleet charge accounts.

#### **Parks and Recreation Division**

The Parks and Recreation budget for FY 10/11 decreased by \$52,790 (-0.78%) to \$6,743,630. Personal service decreases by \$118,230 due to two positions being eliminated and a third being transferred to another department. Supply costs show a decrease of \$13,270, mostly from the operating supplies category. The 'Other Cost' category increases by \$78,710 due to increases in fleet charges, equipment leases and the professional services category.

#### **Mass Transit Division (Grant Match)**

The Mass Transit Grant Match for FY 10/11 decreases by \$56,250 to \$912,950. This funding is sufficient to meet the City's current grant match requirements.

#### **Law**

The Law Department budget decreased by \$57,910 (-3.18%). The decrease in Personal Services of \$60,930 was mainly due to the deletion of an attorney position.

#### **Police Department**

The FY10/11 budget for the Police Department is \$45,958,920, an increase of \$813,160 or 1.80%, over FY 09/10. Personal Services increase by \$1,167,980. The salary increase was partially offset by a decrease in supplies of \$274,400. Total departmental authorized strength is 521, including uniformed positions which remains at 416.

#### **Emergency Management Division**

The FY 10/11 budget for Emergency Management increases by \$18,500 from last year. The change in the budget is primarily due to higher personal service charges due to the proposed salary increase and the addition of new fleet lease charges.

#### **Fire**

The FY 10/11 proposed budget for the Fire Department is \$32,322,580 representing an increase of \$1,624,500 or (5.29%) over FY 09/10. Personal services increase \$784,830 due to the proposed salary increase.

Supplies remained level while other charges increase by \$839,810, largely due to higher fleet charges.

The authorized strength for the uniformed personnel decreases by one to 327. Total department strength is three hundred thirty-seven (337) including the 10 non-uniformed support personnel.

#### **Civil Service**

The Civil Service budget for FY 10/11 decreases by \$2,730 to \$991,330. Despite increases in salary and benefits, personal service costs decrease by \$4,180 due to the elimination of one budgeted position in Civil Service. Supply cost increases of \$3,130 were offset by a decrease of \$1,680 in the other costs category.

#### **Legislative**

The legislative budget remains flat at \$915,560 a decrease of \$920 resulting from individual changes in health care plans.

#### **Non-departmental**

##### **City Elections Division**

Pursuant to state law, all elections are managed by the Knox County Election Commission. The Commission charges the City for its proportionate share of any primary or general elections. The budget is decreased by \$280,000 since no elections are scheduled for this fiscal year.

### **OTHER FUNDS**

#### **State Street Aid (Fund 201)**

The State Street Aid budget increases by \$36,000 to \$4,481,000. The increase is due to an increase in the transfers for capital transportation related improvements and betterments.

#### **Abandoned Vehicles (Fund 209)**

The FY 10/11 budget for the Abandoned Vehicles Fund totals \$857,440, an increase of \$28,450 from FY 09/10. Funding for Capital Projects for improvements at the facility rose to \$59,080, an increase of \$45,080.

#### **City Court (Fund 213)**

The total budget for City Court is \$5,148,200. Actual budgeted expenditures are \$849,100. Projected excess fees collected in excess of operating court costs (\$4,299,100), are transferred to the General Fund. This is a decrease of \$344,080 from FY 09/10.

#### **City Inspections (Fund 216)**

Due to continuing lower revenues as a result of the nation wide downturn in the building industry, General Fund support for Inspections has been increased by \$214,320 to a total of \$826,570 for FY11. Overall personnel service and operating costs decreased by \$71,480 due the elimination of two positions and lower fleet and risk management charges.

#### **Stormwater (Fund 220)**

The proposed budget for FY 10/11 decreased by \$57,380. Personnel service costs increased by \$181,080 as the result of personnel being transferred from General Fund activities offset by operating cost savings of \$238,530 due primarily to savings in fleet and risk management charges.

#### **Solid Waste (Fund 230)**

The Public Service Division of the Public Works Department manages the Solid Waste Management Fund. The FY 10/11 budget for Solid Waste is \$10,319,540, a decrease of \$38,080 from the prior year. This is primarily due to a decrease in fleet service charges. For FY10-11 a new sub-fund has been created under (230001) to account for the new Curbside Recycling program. \$100,000 has been budgeted for the initial implementation with funding to come from anticipated savings in changes to our current solid waste collection practices.

#### **Safety City (Fund 240010)**

Funding for Safety City has decreased by \$58,560 due to anticipated reductions in City Court revenues allocated for this program. The revenue reduction is offset by anticipated savings in other operating costs.

#### **Housing Grants (Fund 260)**

The total for FY 010/11 housing grants is \$2,324,570 allocated between Home Grants

(\$2,241,990) and an Emergency Shelter Grant (\$82,580). The Home Grant funding decreases slightly this year by \$7,890.

#### **Empowerment Zone (Fund 270)**

The Empowerment Zone Federal-funded Program officially ends June 30, 2010 and is therefore not budgeted for FY11. The three positions have been moved to the Community Development Fund (290). The budget for Fund 270 for FY09-10 was \$6,209,300.

#### **Community Development (Fund 290)**

This budget is funded solely from the Federal Community Development Block Grant revenues. The proposed FY10/11 budget is \$2,262,570.00 is up from the \$1,979,840 budget for 09/10. Personal services are up from \$527,200 to \$710,550 mostly due to the transfer of 3 positions from Fund 270 (noted above.) The funding for the supplies category decreases from \$18,980 to \$10,500. The other expenses category increases from \$1,433,661 to \$1,541,520 due to increase in the grants and benevolences account.

#### **Public Assembly Facilities (Fund 503)**

The Public Assembly Facilities Fund includes operations at the Civic Coliseum/Auditorium and Chilhowee Park. The proposed FY10/11 budget increases by \$182,900 from FY 09/10. Personal services increased by \$99,460 due to the proposed salary and benefit increases. Supply costs decrease \$44,160 to \$133,140. Other charges (mainly due to less funding for depreciation) decrease by \$439,100.

#### **Metro Parking (Fund 504)**

The Metro Parking Fund accounts for the following City parking facilities: Jackson Avenue, Main Avenue Garage, Market Square Garage, Promeande Garage and the State Street Garage. These facilities are now contractually managed by the Public Building Authority for the city. The FY 10/11 budget decreases by \$1,926,670 due to a drop in depreciation and capital funding. There are no personnel service or supply costs in this fund.

#### **Knoxville Convention Center (Fund 506)**

This fund encompasses operations at the City's Convention Center and its accompanying Locust Street Garage, as well as debt service and depre-

ciation associated with these facilities. In prior years, the activities were consolidated within Fund 506. In order to increase accountability, understanding and control, the fund was broken down into a series of subfunds (506001 – 506005) but the overall purpose of the fund remains the same. The total budget for this fund is \$19,474,660 which represents a \$690,740 decrease from FY09/10. This decrease is mainly attributable to a reduction in depreciation expense.

#### **Mass Transportation (Fund 507)**

The FY 10/11 budget for Mass Transit operations is \$21,368,900. The budget includes all three divisions of KAT; Motor Buses, Trolleys, and Lift (paratransit) Services. The required General Fund subsidy to maintain existing service and fund operations at the new transit center increased by \$912,240 to \$8,972,860. \$2,655,040 of the \$3,398,360 increase in personal service costs was due to the reclassification of budgeted funds from other operating expenses for insurance costs. The balance of the increase was to cover increased salaries and benefit costs. This reclassification also masked the increase in operating costs of \$558,130 of which \$500,000 is to cover operating costs at the new transit center.

#### **Fleet Services (Fund 702)**

The Fleet Services Operating Fund decreased by \$33,470. Savings in the personal services portion of the budget (\$45,720) was due to the elimination of one position which was partially offset by other personnel cost increases.

#### **Risk Management (Fund 704)**

The Risk Management operation is a division of the Finance and Accountability Department. The budget for FY11 increased by \$31,270 to \$7,292,550. This is attributable mainly to an increase in personal service costs which increased from \$319,710 to \$348,470.

#### **Health Care (Fund 705)**

The FY11 budget for the Health Care services fund decreased by \$22,830 to \$16,264,560. Personal services costs increase by only \$230. The supplies category remains the same as FY09/10 at \$9,600. Various other expense costs (used to purchase external insurance and fund self insurance claims) decreased by \$23,060 to \$15,967,160.

## GENERAL FUND EXPENDITURES BY DEPARTMENT

Fiscal Year 2010/11

| Department                             | Actual<br>FY 07/08   | Actual<br>FY 08/09   | Adopted<br>Budget<br>FY 09/10 | Proposed<br>Budget<br>FY 10/11 | \$ Change<br>09/10 - 10/11 | % Change<br>08/09 - 10/11 |
|--|----------------------|----------------------|-------------------------------|--------------------------------|----------------------------|---------------------------|
| Administration                         | \$2,094,280          | \$2,318,268          | \$2,454,900                   | \$2,372,800                    | (\$82,100)                 | (3.34%)                   |
| Finance                                | 3,282,695            | 3,509,209            | 3,499,930                     | 3,539,460                      | 39,530                     | 1.13%                     |
| Information Systems                    | 3,289,183            | 3,769,840            | 3,974,450                     | 4,077,990                      | 103,540                    | 2.61%                     |
| Community Development                  | 668,793              | 950,650              | 1,079,150                     | 1,090,230                      | 11,080                     | 1.03%                     |
| South Knoxville Waterfront             | 254,515              | 285,147              | 298,990                       | 225,590                        | (73,400)                   | (24.55%)                  |
| Public Services                        | 18,633,525           | 19,919,968           | 20,077,210                    | 20,372,640                     | 295,430                    | 1.47%                     |
| Engineering                            | 5,546,934            | 5,362,636            | 5,594,940                     | 5,673,040                      | 78,100                     | 1.40%                     |
| Recreation                             | 6,350,045            | 6,668,667            | 6,796,420                     | 6,743,630                      | (52,790)                   | (0.78%)                   |
| Knoxville Area Transit (KAT)           | 830,000              | 850,000              | 969,200                       | 912,950                        | (56,250)                   | (5.80%)                   |
| Law                                    | 1,432,153            | 1,570,666            | 1,822,840                     | 1,764,930                      | (57,910)                   | (3.18%)                   |
| Police                                 | 42,862,215           | 44,161,134           | 45,145,760                    | 45,958,920                     | 813,160                    | 1.80%                     |
| Emergency Management                   | 296,659              | 269,828              | 298,440                       | 316,940                        | 18,500                     | 6.20%                     |
| Fire                                   | 29,913,427           | 30,887,097           | 30,698,080                    | 32,322,580                     | 1,624,500                  | 5.29%                     |
| Legislative                            | 826,861              | 1,017,398            | 916,480                       | 915,560                        | (920)                      | (0.10%)                   |
| Civil Service                          | 1,145,847            | 925,447              | 994,060                       | 991,330                        | (2,730)                    | (0.27%)                   |
| <b>Nondepartmental</b>                 |                      |                      |                               |                                |                            |                           |
| City Elections                         | 236,484              | 0                    | 280,000                       | 0                              | (280,000)                  | (100.00%)                 |
| Knoxville Partnership                  | 540,000              | 655,786              | 651,300                       | 651,300                        | 0                          | 0.00%                     |
| Metropolitan Planning Commission (MPC) | 713,430              | 763,430              | 800,000                       | 905,000                        | 105,000                    | 13.13%                    |
| Knoxville Zoological Park              | 909,920              | 907,100              | 906,250                       | 906,660                        | 410                        | 0.05%                     |
| Agency Grants                          | 1,513,400            | 1,166,200            | 996,700                       | 876,500                        | (120,200)                  | (12.06%)                  |
| Waterfront                             | 357,119              | 341,323              | 519,390                       | 528,090                        | 8,700                      | 1.68%                     |
| Community Action Committee (CAC)       | 468,950              | 517,370              | 542,530                       | 567,650                        | 25,120                     | 4.63%                     |
| Reserve                                | 0                    | 0                    | 1,675,000                     | 1,650,000                      | (25,000)                   | (1.49%)                   |
| Transfers                              | 47,118,325           | 37,677,985           | 34,350,940                    | 31,325,450                     | (3,025,490)                | (8.81%)                   |
| Subtotal - Nondepartmental             | 51,857,628           | 42,029,194           | 40,722,110                    | 37,410,650                     | (3,311,460)                | (8.13%)                   |
| <b>GRAND TOTAL</b>                     | <b>\$169,284,760</b> | <b>\$164,495,149</b> | <b>\$165,342,960</b>          | <b>\$164,689,240</b>           | <b>(\$653,720)</b>         | <b>(0.40%)</b>            |

## GENERAL FUND BUDGET BY DEPARTMENT

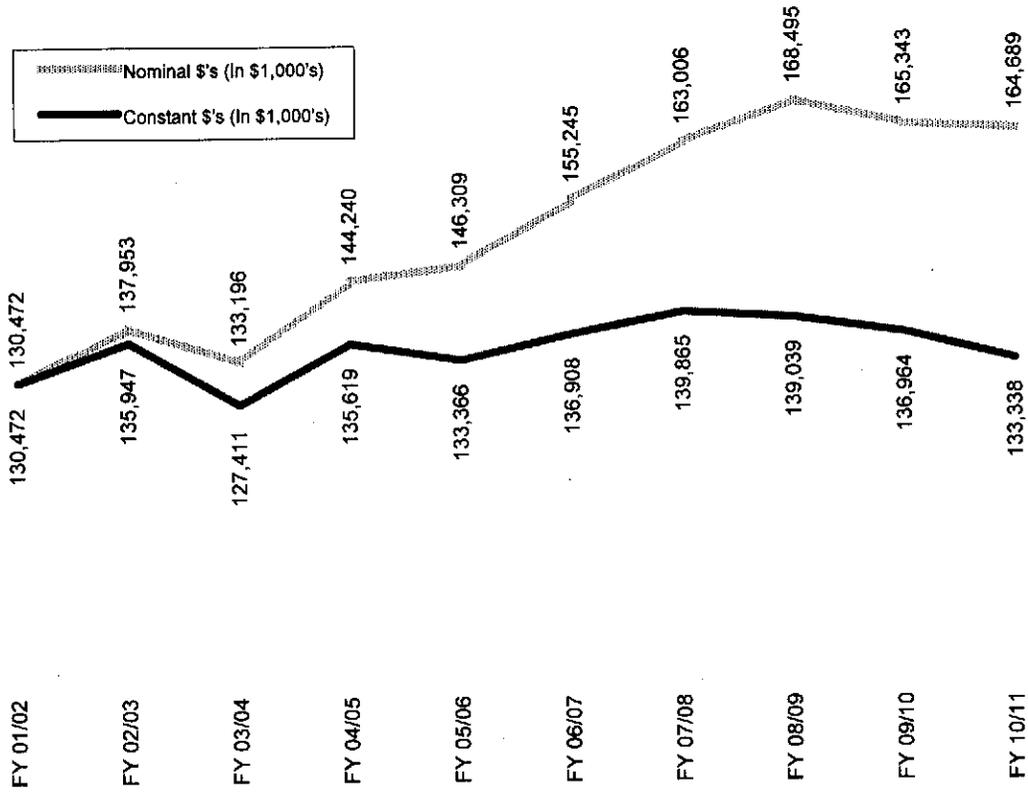
Fiscal Years 2006/07 - 2010/11

| Department                             | Adopted<br>Budget<br>FY 06/07 | Adopted<br>Budget<br>FY 07/08 | Adopted<br>Budget<br>FY 08/09 | Adopted<br>Budget<br>FY 09/10 | Proposed<br>Budget<br>FY 10/11 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Administration                         | \$2,169,830                   | \$2,233,330                   | \$2,378,100                   | \$2,454,900                   | \$2,372,800                    |
| Finance                                | 3,167,780                     | 3,287,000                     | 3,591,100                     | 3,499,930                     | 3,539,460                      |
| Information Systems                    | 3,391,170                     | 3,564,700                     | 4,028,340                     | 3,974,450                     | 4,077,990                      |
| Community Development                  | 736,090                       | 978,950                       | 1,050,680                     | 1,079,150                     | 1,090,230                      |
| South Knoxville Waterfront             | 0                             | 285,410                       | 292,280                       | 298,990                       | 225,590                        |
| Public Services                        | 18,627,940                    | 18,946,960                    | 20,005,860                    | 20,077,210                    | 20,372,640                     |
| Engineering                            | 5,325,990                     | 5,787,930                     | 5,706,950                     | 5,594,940                     | 5,673,040                      |
| Recreation                             | 5,862,910                     | 6,414,150                     | 6,744,380                     | 6,796,420                     | 6,743,630                      |
| Knoxville Area Transit (KAT)           | 830,000                       | 830,000                       | 850,000                       | 969,200                       | 912,950                        |
| Law                                    | 1,582,860                     | 1,673,140                     | 1,667,220                     | 1,822,840                     | 1,764,930                      |
| Police                                 | 40,825,150                    | 43,193,610                    | 44,730,920                    | 45,145,760                    | 45,958,920                     |
| Emergency Management                   | 284,650                       | 296,640                       | 292,970                       | 298,440                       | 316,940                        |
| Fire                                   | 28,032,920                    | 29,537,190                    | 31,068,220                    | 30,698,080                    | 32,322,580                     |
| Legislative                            | 861,660                       | 881,320                       | 906,490                       | 916,480                       | 915,560                        |
| Civil Service                          | 945,800                       | 943,680                       | 978,390                       | 994,060                       | 991,330                        |
| Nondepartmental                        |                               |                               |                               |                               |                                |
| City Elections                         | 40,000                        | 280,000                       | 30,000                        | 280,000                       | 0                              |
| Knoxville Partnership                  | 540,000                       | 540,000                       | 673,390                       | 651,300                       | 651,300                        |
| Metropolitan Planning Commission (MPC) | 713,430                       | 713,430                       | 763,430                       | 800,000                       | 905,000                        |
| Knoxville Zoological Park              | 863,420                       | 909,920                       | 907,100                       | 906,250                       | 906,660                        |
| Agency Grants                          | 1,870,400                     | 1,533,400                     | 1,130,200                     | 996,700                       | 876,500                        |
| Waterfront                             | 372,920                       | 469,390                       | 511,590                       | 519,390                       | 528,090                        |
| Community Action Committee (CAC)       | 444,550                       | 469,250                       | 517,370                       | 542,530                       | 567,650                        |
| Reserve                                | 1,952,410                     | 2,410,000                     | 2,450,000                     | 1,675,000                     | 1,650,000                      |
| Transfers                              | 35,803,020                    | 36,470,320                    | 37,219,800                    | 34,350,940                    | 31,325,450                     |
| Subtotal - Nondepartmental             | 42,600,150                    | 44,151,430                    | 44,202,880                    | 40,722,110                    | 37,410,650                     |
| GRAND TOTAL                            | \$155,244,900                 | \$163,005,440                 | \$168,494,780                 | \$165,342,960                 | \$164,689,240                  |

City of Knoxville

Equalized General Fund Budget

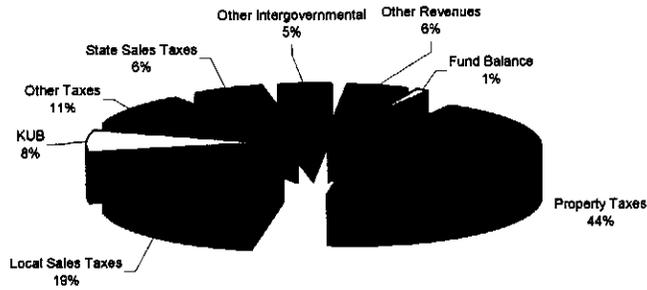
Fiscal Years 2001/02 – 2010/11



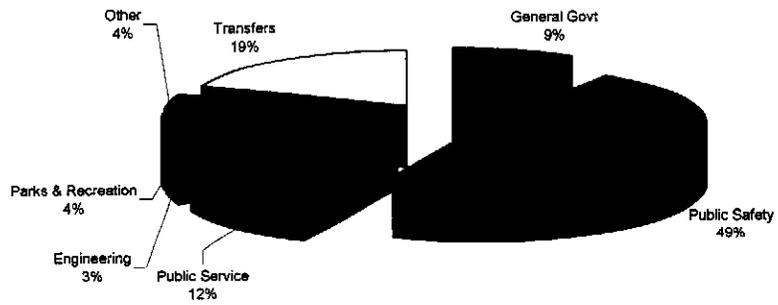
The chart above shows the actual adopted General Fund budget compared to the budget adjusted for the impacts of inflation. As can be seen the adjusted budget has fluctuated over the years. The proposed FY 10/11 budget, as adjusted, is up by \$2,865,000 compared to 10 years ago, and is down by \$3,626,000 when compared to FY 09/10.

General Fund Revenue and Expenditures  
FY 2010-11

Where the money comes from



Where the money goes



## Authorized Positions by Department

## Full and Part-Time General Fund

| Department                 | FY 08/09  |           | FY 09/10  |           | FY 10/11  |           | Total<br>Change<br>09/10 - 10/11 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------------|
|                            | Full Time | Part Time | Full Time | Part Time | Full Time | Part Time |                                  |
| Administration             | 25        | 2         | 25        | 3         | 24        | 3         | (1)                              |
| Finance                    | 43        | 1         | 43        | 1         | 42        | 0         | (2)                              |
| Information Systems        | 30        | 0         | 30        | 0         | 30        | 0         | 0                                |
| Community Development      | 4         | 0         | 4         | 0         | 4         | 0         | 0                                |
| South Knoxville Waterfront | 2         | 0         | 2         | 0         | 1         | 0         | (1)                              |
| Public Services            | 285       | 0         | 284       | 0         | 282       | 0         | (2)                              |
| Engineering                | 59        | 1         | 59        | 1         | 58        | 1         | (1)                              |
| Recreation                 | 49        | 15        | 48        | 14        | 46        | 13        | (3)                              |
| Law                        | 13        | 0         | 14        | 0         | 13        | 0         | (1)                              |
| Police                     | 517       | 3         | 517       | 3         | 516       | 3         | (1)                              |
| Emergency Management       | 3         | 0         | 3         | 0         | 3         | 0         | 0                                |
| Fire                       | 338       | 0         | 338       | 0         | 337       | 0         | (1)                              |
| Legislative                | 3         | 9         | 3         | 9         | 3         | 9         | 0                                |
| Civil Service              | 13        | 0         | 13        | 0         | 12        | 0         | (1)                              |
| Subtotal - Nondepartmental | 0         | 0         | 0         | 0         | 0         | 0         | 0                                |
| Total - Full Time          | 1,384     | 31        | 1,383     | 31        | 1,371     | 29        | (14)                             |

## Permanent Full Time Personnel

General Fund FY 06/07 - 10/11

| Department                 | FY 06/07<br>Full Time | FY 07/08<br>Full Time | FY 08/09<br>Full Time | FY 09/10<br>Full Time | FY 10/11<br>Full Time | Change<br>06/07 - 10/11 | Change<br>09/10 - 10/11 |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Administration             | 24                    | 24                    | 25                    | 25                    | 24                    | 0                       | (1)                     |
| Finance                    | 43                    | 43                    | 43                    | 43                    | 42                    | (1)                     | (1)                     |
| Information Systems        | 30                    | 30                    | 30                    | 30                    | 30                    | 0                       | 0                       |
| Development Services       | 4                     | 0                     | 0                     | 0                     | 0                     | (4)                     | 0                       |
| Community Development      | 0                     | 6                     | 4                     | 4                     | 4                     | 4                       | 0                       |
| South Knoxville Waterfront | 0                     | 2                     | 2                     | 2                     | 1                     | 1                       | (1)                     |
| Public Services            | 286                   | 286                   | 285                   | 284                   | 282                   | (4)                     | (2)                     |
| Engineering                | 62                    | 61                    | 59                    | 59                    | 58                    | (4)                     | (1)                     |
| Recreation                 | 50                    | 50                    | 49                    | 48                    | 46                    | (4)                     | (2)                     |
| Law                        | 13                    | 13                    | 13                    | 14                    | 13                    | 0                       | (1)                     |
| Police                     | 514                   | 516                   | 517                   | 517                   | 516                   | 2                       | (1)                     |
| Emergency Management       | 3                     | 3                     | 3                     | 3                     | 3                     | 0                       | 0                       |
| Fire                       | 338                   | 338                   | 338                   | 338                   | 337                   | (1)                     | (1)                     |
| Legislative                | 3                     | 3                     | 3                     | 3                     | 3                     | 0                       | 0                       |
| Civil Service              | 14                    | 13                    | 13                    | 13                    | 12                    | (2)                     | (1)                     |
| <b>Total - Full Time</b>   | <b>1,384</b>          | <b>1,388</b>          | <b>1,384</b>          | <b>1,383</b>          | <b>1,371</b>          | <b>(13)</b>             | <b>(12)</b>             |

City of Knoxville

GRANTS TO COMMUNITY AGENCIES

Fiscal Year 2010/11

| Description  | Actual<br>FY 07/08 | Actual<br>FY 08/09 | Adopted<br>FY 09/10 | Proposed<br>FY 10/11 | Dollar<br>Change | Percentage<br>Change |
|--|--------------------|--------------------|---------------------|----------------------|------------------|----------------------|
| <i>Operating Grants</i>                                  |                    |                    |                     |                      |                  |                      |
| Affordable Housing Demonstration Project                 | 323,000            | 0                  | 0                   | 0                    | 0                |                      |
| African American Appalachian Arts                        | 20,000             | 20,000             | 20,000              | 15,000               | (5,000)          | (25.00%)             |
| Arts and Cultural Alliance                               | 25,000             | 25,000             | 25,000              | 25,000               | 0                | 0.00%                |
| Beck Cultural Center                                     | 30,000             | 64,000             | 28,000              | 20,000               | (8,000)          | (28.57%)             |
| Bijou Theatre  | 20,000             | 22,500             | 22,500              | 20,000               | (2,500)          | (11.11%)             |
| Blount Mansion Association                               | 7,500              | 7,500              | 7,000               | 8,000                | 1,000            | 14.29%               |
| Boys/Girls Club  | 0                  | 0                  | 0                   | 3,000                | 3,000            |                      |
| Canvas Can Do Miracles                                   | 0                  | 0                  | 0                   | 1,000                | 1,000            |                      |
| Carpetbag Theatre  | 0                  | 0                  | 0                   | 2,500                | 2,500            |                      |
| Central Business Improvement District                    | 40,000             | 60,000             | 60,000              | 60,000               | 0                | 0.00%                |
| Cerebral Palsy Center                                    | 6,500              | 6,500              | 7,000               | 7,000                | 0                | 0.00%                |
| Child and Family Services                                | 42,000             | 42,000             | 40,000              | 38,000               | (2,000)          | (5.00%)              |
| Circle Modern Dance                                      | 0                  | 1,000              | 0                   | 0                    | 0                |                      |
| disABILITY Resource Center                               | 0                  | 0                  | 1,000               | 0                    | (1,000)          | (100.00%)            |
| East Tennessee Community Design Center                   | 0                  | 6,000              | 6,200               | 8,000                | 1,800            | 29.03%               |
| East Tennessee Discovery Center                          | 20,000             | 20,000             | 20,000              | 20,000               | 0                | 0.00%                |
| East Tennessee Historical Society                        | 7,500              | 0                  | 18,000              | 18,000               | 0                | 0.00%                |
| East Tennessee Technology Access Center                  | 0                  | 15,000             | 3,000               | 2,500                | (500)            | (16.67%)             |
| Emerald Youth Foundation                                 | 0                  | 0                  | 0                   | 1,500                | 1,500            |                      |
| Epilepsy Foundation                                      | 0                  | 0                  | 0                   | 1,000                | 1,000            |                      |
| Florence Crittenton Home                                 | 4,500              | 4,000              | 4,000               | 3,000                | (1,000)          | (25.00%)             |
| Fountain City Art Center                                 | 0                  | 0                  | 0                   | 1,000                | 1,000            |                      |
| Friends of the Knox County Library (Imagination Library) | 0                  | 3,200              | 5,000               | 6,500                | 1,500            | 30.00%               |
| Friends of Literacy                                      | 0                  | 0                  | 3,000               | 3,000                | 0                | 0.00%                |
| Great Schools Partnership                                | 0                  | 10,000             | 0                   | 0                    | 0                |                      |
| Hazen Historical Museum Foundation                       | 0                  | 0                  | 7,000               | 8,000                | 1,000            | 14.29%               |
| Helen Ross McNabb Center                                 | 5,500              | 5,500              | 5,500               | 4,500                | (1,000)          | (18.18%)             |
| Hola Hora Latina   | 0                  | 500                | 1,500               | 3,000                | 1,500            | 100.00%              |
| Hope Resource Center                                     | 0                  | 0                  | 0                   | 4,000                | 4,000            |                      |
| Interfaith Health Clinic                                 | 20,000             | 20,000             | 30,000              | 32,000               | 2,000            | 6.67%                |
| James White Fort Association                             | 7,000              | 7,000              | 7,000               | 8,000                | 1,000            | 14.29%               |
| Joy of Youth Music School                                | 0                  | 7,500              | 7,500               | 12,000               | 4,500            | 60.00%               |
| Keep Knoxville Beautiful                                 | 5,000              | 5,000              | 5,000               | 5,000                | 0                | 0.00%                |
| Knox Heritage  | 20,000             | 20,000             | 20,000              | 20,000               | 0                | 0.00%                |
| Knoxville Area Urban League                              | 46,000             | 46,000             | 45,000              | 45,000               | 0                | 0.00%                |
| Knoxville Botanical Gardens & Arboretum                  | 0                  | 0                  | 0                   | 3,000                | 3,000            |                      |
| Knoxville Choral Society                                 | 0                  | 0                  | 500                 | 1,500                | 1,000            | 200.00%              |
| Knoxville Museum of Art                                  | 125,000            | 115,000            | 100,000             | 90,000               | (10,000)         | (10.00%)             |
| Knoxville Opera Company                                  | 10,000             | 20,000             | 20,000              | 22,000               | 2,000            | 10.00%               |
| Knoxville Rescue Squad                                   | 41,500             | 0                  | 0                   | 0                    | 0                |                      |
| Knoxville Symphony Society                               | 45,000             | 47,500             | 47,500              | 50,000               | 2,500            | 5.28%                |
| Knoxville Writer's Guild                                 | 0                  | 500                | 0                   | 0                    | 0                |                      |
| Legal Aid of Tennessee                                   | 0                  | 0                  | 5,000               | 5,000                | 0                | 0.00%                |
| McClung Museum   | 3,000              | 0                  | 0                   | 0                    | 0                |                      |
| Metropolitan Drug Commission                             | 46,000             | 45,000             | 40,000              | 40,000               | 0                | 0.00%                |
| Positively Living  | 0                  | 0                  | 6,000               | 6,000                | 0                | 0.00%                |
| Safe Haven Center  | 12,500             | 10,000             | 12,000              | 12,000               | 0                | 0.00%                |
| Samaritan Ministry - CBC                                 | 0                  | 0                  | 0                   | 1,500                | 1,500            |                      |
| Second Harvest Food Bank                                 | 0                  | 0                  | 7,000               | 7,500                | 500              | 7.14%                |
| Senior Citizens Home Assistance                          | 23,000             | 20,000             | 20,000              | 20,000               | 0                | 0.00%                |
| Sertoma Center   | 22,500             | 22,500             | 22,500              | 22,000               | (500)            | (2.22%)              |
| Shora Foundation   | 0                  | 0                  | 0                   | 500                  | 500              |                      |
| Tennessee Children's Dance Ensemble                      | 1,400              | 1,000              | 1,500               | 3,000                | 1,500            | 100.00%              |
| Tennessee Stage Company                                  | 0                  | 0                  | 5,000               | 6,500                | 1,500            | 30.00%               |
| Tennessee Theatre Foundation                             | 46,000             | 46,500             | 46,500              | 45,000               | (1,500)          | (3.23%)              |
| Volunteer Ministry Center                                | 0                  | 0                  | 0                   | 3,000                | 3,000            |                      |
| WDVX   | 5,000              | 10,000             | 15,000              | 18,000               | 3,000            | 20.00%               |
| YMCA   | 0                  | 0                  | 5,000               | 5,000                | 0                | 0.00%                |
| YWCA   | 5,000              | 5,000              | 5,000               | 5,000                | 0                | 0.00%                |
| <b>Subtotal - Operating Grants</b>                       | <b>1,035,400</b>   | <b>781,200</b>     | <b>756,700</b>      | <b>772,000</b>       | <b>15,300</b>    | <b>2.02%</b>         |
| <i>Capital Grants</i>                                    |                    |                    |                     |                      |                  |                      |
| Boys/Girls Club Capital                                  | 200,000            | 150,000            | 0                   | 0                    | 0                |                      |
| Crutcher Memorial Youth Enrichment                       | 0                  | 0                  | 5,000               | 0                    | (5,000)          | (100.00%)            |
| disABILITY Resource Center Capital                       | 0                  | 0                  | 0                   | 3,000                | 3,000            |                      |
| East Tennessee Foundation                                | 0                  | 0                  | 0                   | 0                    | 0                |                      |
| East Tennessee Historical Museum Capital                 | 0                  | 20,000             | 0                   | 0                    | 0                |                      |
| Fountain City Lions Club Capital                         | 0                  | 15,000             | 0                   | 0                    | 0                |                      |
| Friends of YWAC Capital                                  | 0                  | 0                  | 0                   | 100,000              | 100,000          |                      |
| Helen Ross McNabb Capital                                | 60,000             | 0                  | 0                   | 0                    | 0                |                      |
| Knoxville Botanical Gardens and Arboretum                | 0                  | 75,000             | 75,000              | 0                    | (75,000)         | (100.00%)            |
| Lova Kitchen Capital                                     | 18,000             | 0                  | 10,000              | 0                    | (10,000)         | (100.00%)            |
| Metropolitan Drug Commission Capital                     | 0                  | 0                  | 25,000              | 0                    | (25,000)         | (100.00%)            |
| Nativity Pageant Capital                                 | 0                  | 0                  | 0                   | 1,500                | 1,500            |                      |
| Senior Citizen's Home Assistance Capital                 | 0                  | 125,000            | 125,000             | 0                    | (125,000)        | (100.00%)            |
| Transportation Planning Organization Capital             | 0                  | 20,000             | 0                   | 0                    | 0                |                      |
| YMCA Capital   | 200,000            | 0                  | 0                   | 0                    | 0                |                      |
| <b>Subtotal - Capital Grants</b>                         | <b>478,000</b>     | <b>405,000</b>     | <b>240,000</b>      | <b>104,500</b>       | <b>(135,500)</b> | <b>(56.46%)</b>      |
| <b>Grand Total</b>                                       | <b>1,513,400</b>   | <b>1,186,200</b>   | <b>996,700</b>      | <b>876,500</b>       | <b>(120,200)</b> | <b>(12.06%)</b>      |

City of Knoxville  
**GENERAL FUND TRANSFERS**  
 Fiscal Year 2010/11

| Account | Description                            | Budget<br>FY 09/10 | Proposed<br>FY 10/11 | Change<br>09/10 - 10/11 | Comment  |
|---------|--|--------------------|----------------------|-------------------------|--|
| 8950    | Community Improvement (202) Transfer   | 80,000             | 80,000               | 0                       | Transfer for community improvements (see Fund 202)                   |
| 9906    | City Inspections Transfer              | 612,250            | 826,570              | 214,320                 | Subsidy for City Inspections (see Fund 216)                          |
| 9907    | Stormwater Transfer                    | 2,418,700          | 2,396,320            | (22,380)                | Funding for Stormwater operations (see Fund 220)                     |
| 9908    | Solid Waste Transfer                   | 9,394,220          | 9,392,740            | (1,480)                 | Funding for Solid Waste operations (see Fund 230)                    |
| 9919    | Special Revenue Fund Transfer          | 785,280            | 411,550              | (373,730)               | Transfer for Senior Aides/Urban Growth/Others (see Fund 250 and 240) |
| 9922    | Tax Increment Transfer                 | 806,000            | 832,820              | 26,820                  | Tax Increment Subsidy (see Fund 306)                                 |
| 9926    | Capital Projects Transfer              | 4,470,000          | 0                    | (4,470,000)             | Capital Purchases (see Fund 401)                                     |
| 9936    | Chilhowee Park Transfer                | 816,980            | 1,046,720            | 229,740                 | Subsidy for Chilhowee Park operations (see Fund 503)                 |
| 9937    | Auditorium/Coliseum Transfer           | 1,088,380          | 1,348,380            | 260,000                 | Subsidy for Coliseum (see Fund 503)                                  |
| 9941    | Convention Center Transfer             | 2,119,440          | 2,253,510            | 134,070                 | Support for Convention Center Operations (see Fund 506)              |
| 9942    | World's Fair Park Transfer             | 1,611,620          | 1,449,770            | (161,850)               | Subsidy for WFP operations (see Fund 506)                            |
| 9943    | Mass Transit Transfer                  | 7,471,800          | 8,367,690            | 895,890                 | KAT operating subsidy (see Fund 507)                                 |
| 9944    | Trolley Transfer                       | 588,820            | 605,170              | 16,350                  | Trolley operating subsidy (see Fund 507)                             |
| 9945    | Golf Course Transfer                   | 23,190             | 122,800              | 99,610                  | Subsidy for Municipal Golf Course (see Fund 508)                     |
| 9953    | Risk Management Transfer               | 393,080            | 424,850              | 31,770                  | Support administration of Risk Fund (see Fund 704)                   |
| 9954    | Health Care Transfer                   | 1,105,810          | 1,291,380            | 185,570                 | Support administration of Health Care Fund (see Fund 705)            |
| 9955    | Employer Subsidy - Retiree Health Care | 565,370            | 475,180              | (90,190)                | Subsidy to offset a portion of retiree's health care costs           |
|         |  | <u>34,350,940</u>  | <u>31,325,450</u>    | <u>(3,025,490)</u>      |  |

**DEBT SERVICE**

The City of Knoxville, like other cities, occasionally needs to borrow money in order to complete various capital projects. In the past the city has issued debt for such items as road paving and construction, fire station construction, waterfront development, storm sewer improvements, land acquisition and improvements at the World's Fair site, auditorium improvements, fleet purchases, the new Convention Center, and various other projects. As of June 30, 2010, the long-term debt of the City, excluding revenue supported debt of the Knoxville Utilities Board (KUB) and the Metropolitan Knoxville Airport Authority (MCAA), is

category of debt, Enterprise Fund debt, debt attributable to the Convention Center, is, consistent with proper accounting procedures, budgeted within the appropriate enterprise fund. There is, however, a large transfer of funds from this fund to the Convention Center Fund to help pay principal and interest on that facility's debt.

The Other Debt category consists of a debt obligation to Knox County. The City and County have jointly funded construction of an animal welfare center. The costs were funded from bonds issued by Knox County. The amount listed under other debt is the City's share of the debt repayment for the animal welfare center.

The primary revenue to this fund comes from a property tax levy of 66¢. This levy is unchanged when compared to the FY 09/10. For FY 09/10, property tax is projected to yield approximately \$26.53 million. Also included are interest earnings of \$840,000. The Knoxville Community Development Corporation (KCDC) received a portion of the City's Series 2000-A bonds, and is committed to repay the debt service on that portion. In FY 10/11 that amount is \$223,790.

**Debt Limitations**

There are no limits on the amount of debt that can be issued by a municipality within the State of Tennessee (TCA 9-21-103). All notes and bonds must be approved by the state Director of Local Finance prior to issuance. We believe that the current debt of the City is within acceptable guidelines, as established by the State and the various rating agencies.

The following pages show a complete debt service schedule of principal and interest payments for FY 10/11, as well as a complete amortization schedule by year.

**TABLE 1**

| Type of Debt         | Principal Outstanding 6/30/10 | Principal Paid In FY 10/11 | Principal Outstanding 6/30/11 |
|----------------------|-------------------------------|----------------------------|-------------------------------|
| G.O. Bonds & Notes   | \$51,235,000                  | \$4,560,000                | \$46,675,000                  |
| Other Debt           | 1,017,340                     | 73,480                     | 943,860                       |
| Enterprise Fund Debt | <u>137,230,000</u>            | <u>3,735,000</u>           | <u>133,495,000</u>            |
| Total                | <u>\$189,482,340</u>          | <u>\$8,368,480</u>         | <u>\$181,113,860</u>          |

expected to be \$189,482,340. As KUB and MCAA are not a part of the City's operating budget the following analysis focuses only on the debt of the general government.

The debt of the City can be separated into three basic categories: general obligation bonds; other debt, i.e., debt that is not a general obligation of the City; and enterprise fund debt. A breakdown of general government debt by category is shown in Table 1.

The debt service on the general obligation bonds as well as the other category of debt is shown in Fund 305, the Debt Services Fund. The final

**City of Knoxville**  
**DEBT SERVICE SCHEDULE**  
**Fiscal Year 2010/11**

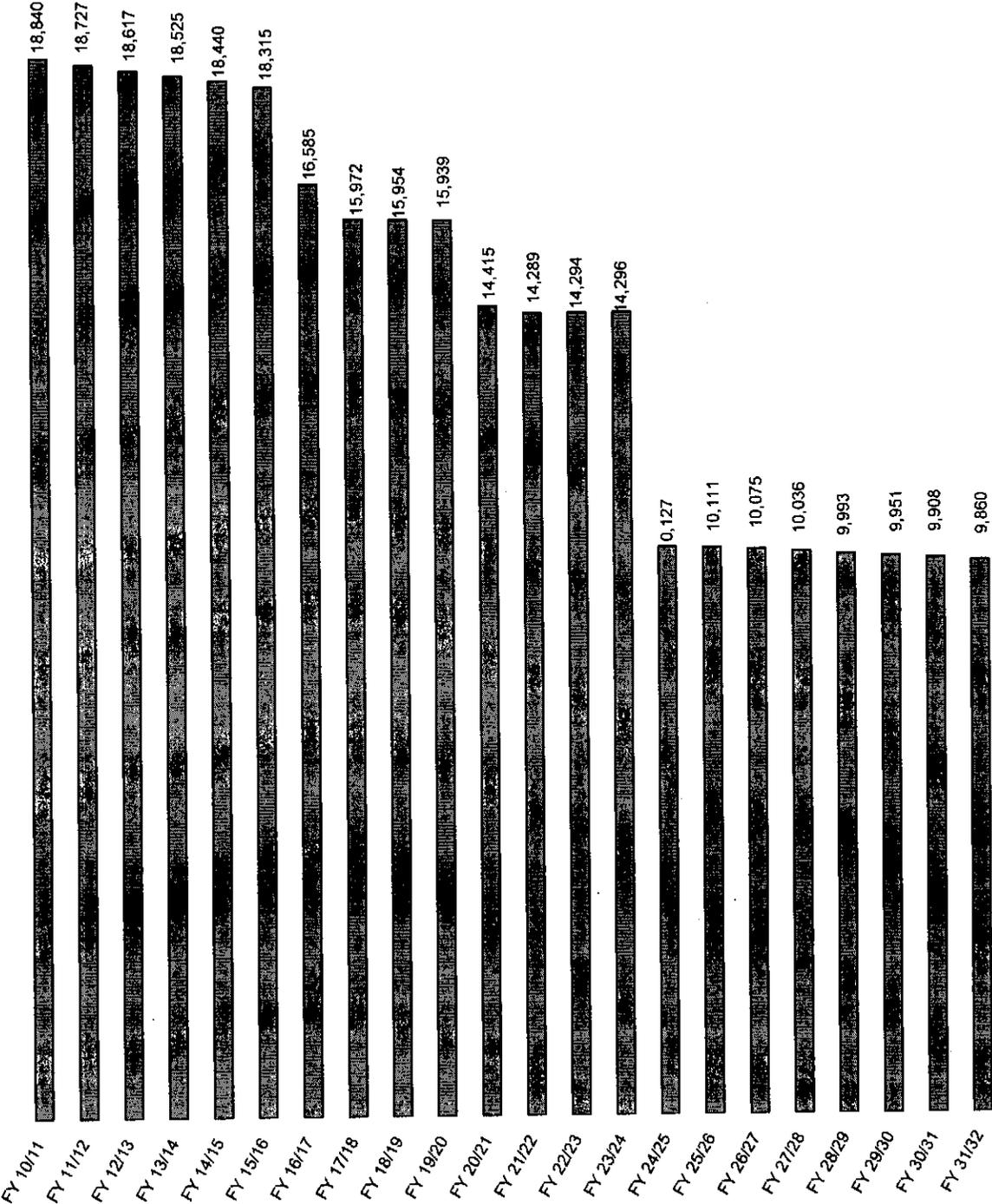
| Bond Issue                      | Final Maturity | Principal Balance 06/30/2010 | Principal Payable FY 10/11 | Interest Payable FY 10/11 | Total Payable FY 10/11 | Principal Balance 06/30/2011 |
|---------------------------------|----------------|------------------------------|----------------------------|---------------------------|------------------------|------------------------------|
| <b>General Obligation Bonds</b> |                |                              |                            |                           |                        |                              |
| G.O. Series 2004 A              | 05/24          | 26,010,000                   | 1,455,000                  | 1,043,440                 | 2,498,440              | 24,555,000                   |
| G.O. Refunding Series 2004 B    | 05/17          | 13,590,000                   | 2,155,000                  | 543,000                   | 2,698,000              | 11,435,000                   |
| G.O. Refunding Series 2005 A    | 05/20          | 11,635,000                   | 950,000                    | 549,120                   | 1,499,120              | 10,685,000                   |
| Subtotal - G.O. Bonds           |                | <u>51,235,000</u>            | <u>4,560,000</u>           | <u>2,135,560</u>          | <u>6,695,560</u>       | <u>46,675,000</u>            |
| <b>Other Debt</b>               |                |                              |                            |                           |                        |                              |
| Knox County - 2002              | 06/21          | 1,017,340                    | 73,480                     | 52,030                    | 125,510                | 943,860                      |
| Subtotal - Other Debt           |                | <u>1,017,340</u>             | <u>73,480</u>              | <u>52,030</u>             | <u>125,510</u>         | <u>943,860</u>               |
| Grand Total- Fund 305           |                | <u>52,252,340</u>            | <u>4,633,480</u>           | <u>2,187,590</u>          | <u>6,821,070</u>       | <u>47,618,860</u>            |
| <b>Enterprise Fund Debt</b>     |                |                              |                            |                           |                        |                              |
| TN Loan - 1999                  | 06/20          | 29,460,000                   | 2,390,000                  | 1,531,920                 | 3,921,920              | 27,070,000                   |
| G.O. Series 2002 A              | 06/25          | 47,800,000                   | 1,345,000                  | 2,335,210                 | 3,680,210              | 46,455,000                   |
| TN Loan Variable Rate - 2002    | 06/32          | 59,970,000                   | 0                          | 2,698,650                 | 2,698,650              | 59,970,000                   |
| Subtotal - Enterprise Fund      |                | <u>137,230,000</u>           | <u>3,735,000</u>           | <u>6,565,780</u>          | <u>10,300,780</u>      | <u>133,495,000</u>           |
|                                 |                | <u>189,482,340</u>           | <u>8,368,480</u>           | <u>8,753,370</u>          | <u>17,121,850</u>      | <u>181,113,860</u>           |

**Debt Amortization Schedule**

Fiscal Years 2010/11 - 2031/32

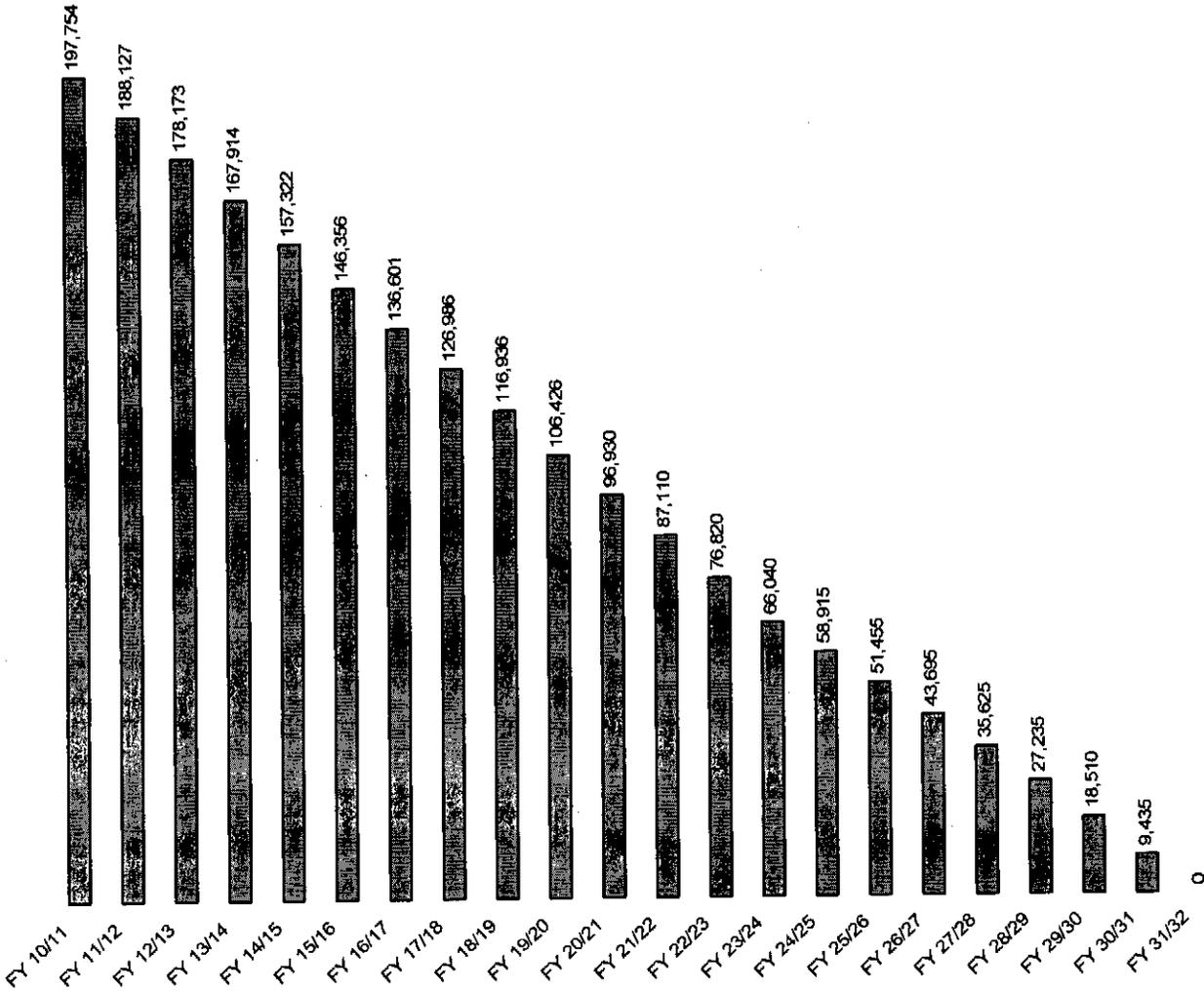
| Fiscal Year | G.O. Bonds<br>P & I | Other Debt<br>P & I | Enterprise<br>P & I | Total<br>P & I     | Principal<br>Balance<br>EOY |
|-------------|---------------------|---------------------|---------------------|--------------------|-----------------------------|
| 2011        | 8,413,710           | 125,510             | 10,300,780          | 18,840,000         | 197,753,860                 |
| 2012        | 8,316,210           | 124,510             | 10,286,020          | 18,726,740         | 188,127,340                 |
| 2013        | 8,221,990           | 123,620             | 10,271,520          | 18,617,130         | 178,172,500                 |
| 2014        | 8,150,160           | 122,950             | 10,251,710          | 18,524,820         | 167,914,140                 |
| 2015        | 8,081,440           | 122,280             | 10,236,120          | 18,439,840         | 157,322,070                 |
| 2016        | 7,973,440           | 121,920             | 10,219,290          | 18,314,650         | 146,356,010                 |
| 2017        | 6,262,420           | 121,730             | 10,200,560          | 16,584,710         | 136,600,580                 |
| 2018        | 5,670,160           | 121,520             | 10,180,170          | 15,971,850         | 126,985,590                 |
| 2019        | 5,673,590           | 121,370             | 10,158,880          | 15,953,840         | 116,935,750                 |
| 2020        | 5,677,240           | 121,360             | 10,140,300          | 15,938,900         | 106,425,680                 |
| 2021        | 4,175,260           | 121,470             | 10,118,650          | 14,415,380         | 96,930,000                  |
| 2022        | 4,173,540           | 0                   | 10,115,900          | 14,289,440         | 87,110,000                  |
| 2023        | 4,175,360           | 0                   | 10,118,650          | 14,294,010         | 76,820,000                  |
| 2024        | 4,180,340           | 0                   | 10,115,900          | 14,296,240         | 66,040,000                  |
| 2025        | 0                   | 0                   | 10,127,150          | 10,127,150         | 58,915,000                  |
| 2026        | 0                   | 0                   | 10,111,180          | 10,111,180         | 51,455,000                  |
| 2027        | 0                   | 0                   | 10,075,480          | 10,075,480         | 43,695,000                  |
| 2028        | 0                   | 0                   | 10,036,280          | 10,036,280         | 35,625,000                  |
| 2029        | 0                   | 0                   | 9,993,130           | 9,993,130          | 27,235,000                  |
| 2030        | 0                   | 0                   | 9,950,580           | 9,950,580          | 18,510,000                  |
| 2031        | 0                   | 0                   | 9,907,950           | 9,907,950          | 9,435,000                   |
| 2032        | 0                   | 0                   | 9,859,580           | 9,859,580          | 0                           |
|             | <u>89,144,860</u>   | <u>1,348,240</u>    | <u>222,775,780</u>  | <u>313,268,880</u> |                             |

Annual Debt Payments  
FY 2010/11– 2031/32



All numbers in \$1,000's.

Remaining Debt Outstanding (End of Year)  
FY 2010/11– 2031/32



All numbers in \$1,000's.

City of Knoxville  
Capital Improvements Budget  
FY 2010/11

| Project Name  | Proposed Funding  | Funding Source   |
|---|-------------------|--|
| <b>Administration</b>                                 |                   |  |
| Downtown North  | 440,000           | Debt Service Fund  |
| Downtown Improvement Fund                             | 50,000            | Debt Service Fund  |
| Downtown Streetscapes (Wayfinding)                    | 100,000           | Debt Service Fund  |
| 17th St. Safety Fund Request                          | 250,000           | State Grant  |
| Ft. Sanders Sidewalk/Shelters CMAQ Funding            | 250,000           | State Grant  |
| Bins for Community Curbside Recycling                 | 700,000           | State Grant  |
| 311 Software Upgrade                                  | 150,000           | Debt Service Fund (\$60,000), Equip. Replacement Fund (\$90,000) |
| Subtotal - Administration                             | <u>1,940,000</u>  |  |
| <b>Information Systems</b>                            |                   |  |
| Citywide Network Upgrade                              | 200,000           | Debt Service Fund  |
| Subtotal - Information Systems                        | <u>200,000</u>    |  |
| <b>Community Development</b>                          |                   |  |
| ADA/Access Improvements                               | 150,000           | Debt Service Fund  |
| Chronic Problem Properties                            | 250,000           | Debt Service Fund  |
| Blighted Property Acquisition                         | 250,000           | Debt Service Fund  |
| Facade Improvement Program                            | 100,000           | Debt Service Fund  |
| Sidewalk and Curb Repairs in Facade Improvement Areas | 50,000            | Debt Service Fund  |
| Subtotal - Community Development                      | <u>800,000</u>    |  |
| <b>Engineering</b>                                    |                   |  |
| Bridge Maintenance Program                            | 650,000           | State Street Aid Fund (\$421,000), Debt Service Fund (\$229,000) |
| ADA Curb Cut Program                                  | 250,000           | Debt Service Fund  |
| Sidewalk Safety Program                               | 450,000           | Debt Service Fund  |
| Citywide Resurfacing Program                          | 5,250,000         | Debt Service Fund  |
| SAFETEA-LU Match                                      | 650,000           | Debt Service Fund  |
| Neighborhood Drainage Improvements Program            | 400,000           | Debt Service Fund  |
| Citywide Traffic Calming                              | 20,000            | Debt Service Fund  |
| Traffic Signal Modernization                          | 175,000           | State Street Aid Fund  |
| Crosswalk Safety Program                              | 80,000            | Debt Service Fund  |
| Citywide Roadway Safety Program                       | 100,000           | Debt Service Fund  |
| Citywide New Sidewalk Construction                    | 600,000           | Debt Service Fund  |
| 2011 Alley Paving                                     | 200,000           | Debt Service Fund  |
| Water Quality Improvements                            | 350,000           | Debt Service Fund  |
| Cross Park Drive Drainage Improvements                | 400,000           | Debt Service Fund  |
| MLK-Williams Creek Watershed Drainage Improvements    | 250,000           | Debt Service Fund  |
| Millertown Pike Improvements - I-640 to City Limits   | 300,000           | Debt Service Fund  |
| I-275 Business Park Access Improvements Project       | 248,000           | Debt Service Fund  |
| Upper Second Creek Greenway                           | 54,840            | Debt Service Fund  |
| Cherokee Trail Safety Improvement                     | 50,000            | Debt Service Fund  |
| Jackson Avenue Roadway Stabilization                  | 50,000            | Debt Service Fund  |
| Middlebrook Sidewalk Project                          | 400,000           | Debt Service Fund  |
| Middlebrook Pike Channel Stabilization                | 90,000            | Debt Service Fund  |
| Transfer Station Water Quality; Phase II              | 50,000            | Debt Service Fund  |
| Subtotal - Engineering                                | <u>11,067,840</u> |  |
| <b>Public Service</b>                                 |                   |  |
| Public Works Complex                                  | 100,000           | Debt Service Fund  |
| Roof & HVAC Maintenance Program                       | 250,000           | Debt Service Fund  |
| LED Christmas Lights for Downtown                     | 20,000            | Debt Service Fund  |
| Snow/Ice Removal - Brine Mix Distribution System      | 60,000            | Debt Service Fund  |
| Subtotal - Public Service                             | <u>430,000</u>    |  |
| <b>Parks and Recreation</b>                           |                   |  |
| Ballfield, Tennis Court, Playground Improvements      | 200,000           | Debt Service Fund  |
| West Hills Tennis Facility, Phase II                  | 300,000           | Debt Service Fund (\$150,000), Donations (\$150,000)             |
| Greenways On-going Maintenance and Improvements       | 200,000           | Debt Service Fund  |
| Lakeshore Park demolition                             | 500,000           | Debt Service Fund  |
| Park Expansion/Acquisition (Victor Ashe Park)         | 250,000           | Debt Service Fund (\$200,000), Donations (\$50,000)              |
| Park Expansion/Acquisition (Burlington Park)          | 112,500           | Debt Service Fund  |
| Subtotal - Parks and Recreation                       | <u>1,562,500</u>  |  |
| <b>Law</b>  |                   |  |
| Agenda Automation Project                             | 45,000            | Debt Service Fund  |
| Subtotal - Law  | <u>45,000</u>     |  |
| <b>Police</b>   |                   |  |
| Digital Camera System Upgrade                         | 28,080            | Police Capital Fund  |
| Fan coil heat/air units                               | 64,800            | Police Capital Fund  |
| Real time X-Ray device                                | 60,000            | Police Capital Fund  |
| Photo Print Processing                                | 55,700            | Police Capital Fund  |
| Digital Radio Test Set                                | 33,400            | Police Capital Fund  |
| Learning Management/Document Tracking Software        | 39,950            | Police Capital Fund  |
| ATAC Software   | 20,130            | Police Capital Fund  |
| Video camera system                                   | 34,420            | Police Capital Fund  |
| Vehicle Replacement                                   | 80,000            | Treasury DAG Fund  |
| Safety City miniature cars                            | 50,000            | Safety City Fund   |
| Document Imaging                                      | 500,000           | Debt Service Fund (\$250,000), Police Capital Fund (\$250,000)   |
| Subtotal - Police                                     | <u>966,480</u>    |  |
| <b>Fire</b>   |                   |  |
| Station Remodeling 7, 4 & 6                           | 120,000           | Debt Service Fund  |
| Subtotal - Fire                                       | <u>120,000</u>    |  |

City of Knoxville  
**Capital Improvements Budget**  
**FY 2010/11**

| Project Name   | Proposed<br>Funding | Funding Source            |
|--|---------------------|---------------------------|
| <b>Fleet</b>   |                     |                           |
| Repair and paving Impound Lot, Phase II              | 59,080              | Abandoned Vehicle Fund    |
| Subtotal - Fleet                                     | <u>59,080</u>       |                           |
| <b>South Knoxville Waterfront Project</b>            |                     |                           |
| South Waterfront Pedestrian Bridge Design Grant      | 666,900             | Debt Service Fund         |
| South Knoxville Transportation Improvements          | 1,485,000           | Debt Service Fund         |
| SW TDOT Enhancement Grant Local Match                | 641,360             | Debt Service Fund         |
| Subtotal - South Waterfront                          | <u>2,793,260</u>    |                           |
| Total - Operations & Efficiency                      | <u>2,852,340</u>    |                           |
| <b>Ross Building Repair &amp; Stabilize Exterior</b> | 250,000             | Debt Service Fund         |
| Walter P. Taylor HOPE 6                              | 800,000             | Debt Service Fund         |
| Zoo renovations & improvements                       | 625,000             | Debt Service Fund         |
| KGIS Capital Acquisition                             | 73,900              | Debt Service Fund         |
| Total Other/Community Agencies                       | <u>1,748,900</u>    |                           |
| Grand Total - Fund 401                               | <u>21,733,060</u>   |                           |
| <b>Public Assembly Facilities</b>                    |                     |                           |
| Jacob Building Electrical Upgrades                   | 590,000             | Debt Service Fund         |
| Retaining Wall at south end of Chilhowee Park        | 80,000              | Debt Service Fund         |
| Chilhowee Park Land Acquisition                      | 200,000             | Debt Service Fund         |
| Recreational Vehicle Electrical Upgrade              | 96,250              | Coliseum Restoration Fund |
| Coliseum Scrubber Replacement                        | 48,000              | Coliseum Restoration Fund |
| Subtotal - Public Assembly Facilities                | <u>1,014,250</u>    |                           |
| Grand Total -Fund 503                                | <u>1,014,250</u>    |                           |
| <b>Convention Center</b>                             |                     |                           |
| Clinch Carpet - KCC                                  | 15,000              | Debt Service Fund         |
| Total - Convention Center                            | <u>15,000</u>       |                           |
| Grand Total Revenue - Fund 506                       | <u>15,000</u>       |                           |
| <b>Fleet</b>   |                     |                           |
| Heavy Shop Floor Refinishing                         | 120,000             | Debt Service Fund         |
| Subtotal - Fleet                                     | <u>120,000</u>      |                           |
| Grand Total - Fund 702                               | <u>120,000</u>      |                           |
| <b>Public Service</b>                                |                     |                           |
| Knuckleboom Truck                                    | 53,000              | Debt Service Fund         |
| Single Axle Dump Truck                               | 160,000             | Debt Service Fund         |
| Subtotal - Public Service                            | <u>213,000</u>      |                           |
| <b>Engineering</b>                                   |                     |                           |
| CCTV Inspection System                               | 130,000             | Debt Service Fund         |
| Subtotal - Engineering                               | <u>130,000</u>      |                           |
| <b>Parks and Recreation</b>                          |                     |                           |
| Gang Mower/Holston River Park                        | 20,000              | Debt Service Fund         |
| Subtotal - Parks and Recreation                      | <u>20,000</u>       |                           |
| Grand Total - Fund 702002                            | <u>363,000</u>      |                           |
| Grand Total - All Funds                              | <u>23,245,310</u>   |                           |