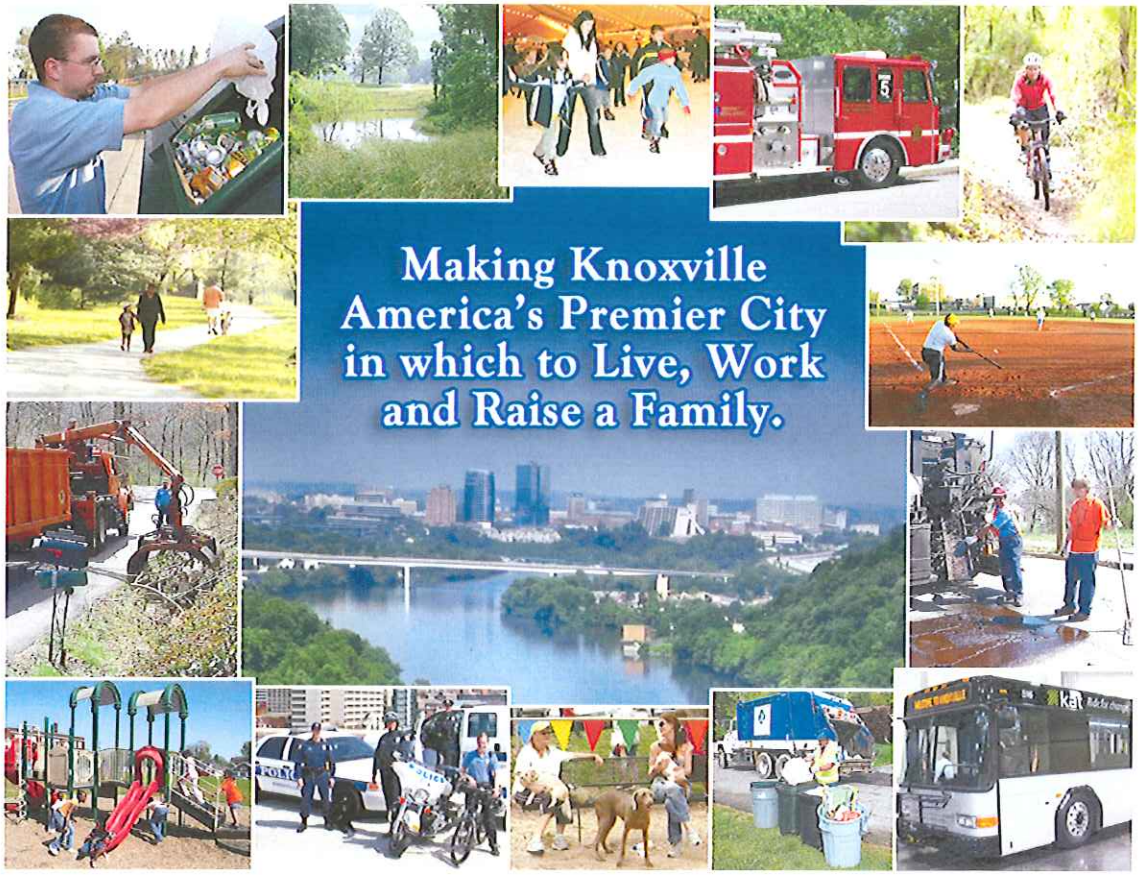
CITY OF KNOXVILLE

DANIEL T. BROWN, MAYOR



FY 2011 / 2012
PROPOSED OPERATING BUDGET

KNOXVILLE, TENNESSEE
WWW.CITYOFKNOXVILLE.ORG

FISCAL YEAR 2011-2012
PROPOSED ANNUAL OPERATING BUDGET
CITY OF KNOXVILLE, TENNESSEE

MAYOR
Daniel T. Brown

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District Two:	Duane Grieve
District Three	Brenda Palmer
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District Six:	Daniel T. Brown
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At-Large:	Marilyn Roddy
At-Large:	Chris Woodhull

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Larry B. Martin

FINANCE DIRECTOR
James York

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

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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 11/12 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 11/12 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 11/12 budget is even more constrained given the state of the economy. While sales tax revenues, and business taxes, have begun to rebound from their lows, property tax revenue is hindered by very low to negative growth rates. Overall property taxes are expected to decline as a very small growth in real property is more than offset by expected reductions in personal property and public utility taxes. Interest earnings, affected by extremely low yields also continue to show weakness. The low growth in property values is a significant factor in that it has a long term impact, affecting budgets several years into the future. Expenditures, on the other hand, continue to grow primarily as a result of salary and benefit adjustments, higher pension contributions, and the rapid escalation of fuel prices. Mayor Brown has asked that the focus of this budget be a continuation in meeting administrative goals while emphasizing fundamental principles and core competencies. At the same time primacy is to be given to leaving a strong financial base for future Mayors and Councils.

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 11/12 is $2.46 per hundred dollars of assessed value, unchanged from the prior year. Of this amount $0.60 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 2011/12 is $360,675,530. The net budget, i.e., excluding interfund transfers and charges, which are effectively double counted within the budget, is $271,104,200. The budget for the General Fund, which is the main operating fund of the city, equals $172,177,970.

The total budget increases by $22,888,120 (6.78%) when compared to the FY 10/11 budget, with over half of the increase in the capital project fund. The net budget increases by $21,902,380 (8.79%). The General Fund budget is up by $7,488,730 (4.55%).

A second principle is to judiciously manage personnel levels, thus avoiding an unsustainable level in future years. Budgeted personnel for FY 11/12 total 1,590 full-time positions and 34 part-time positions. This represents a drop of two (2) full-time positions and one (1) part-time position when compared to the FY 10/11 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 10/11 the City completed the implementation of the "Mercer Plan", a comprehensive compensation study. In order to remain current, the budget includes a salary increase of 2.5% for all employees.

In addition to the salary adjustments mentioned above, the budget includes an ap-

proximate $2.6 million increase to the pension plan. This enables the plan to remain actuarially sound. Total budgeted contributions to the plan are just under $12.2 million.

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

Administrative Goals

At the beginning of his administration former Mayor, now Governor, Haslam outlined four major goals. Mayor Brown has retained this emphasis, and the FY 11/12 budget is guided by these goals, which 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 $1.044 million in new capital funding for the Police Department, for items ranging from improvements at various police facilities, including Safety City, to a firearms storage management system. Funding is provided for on-going maintenance at various fire stations throughout the city, as well as some additional funding for the purchase of gear for fire personnel.

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. The budget includes the third 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 $21,000 to Knox Heritage to help them promote historic restoration throughout the City.

Three 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 11/12.

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 $5.45 million for the City's paving program. This is an increase of $200,000 when compared to the FY 10/11 budget and is intended to maintain the scope of the program given increased prices for asphalt. 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 $100,000 is budgeted for Cherokee Trail improvements, and $500,000 is allocated to address flooding issues in the Prosser Road area.

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

also allocated to greenway maintenance and improvements.

The budget includes $200,000 to complete the Lonsdale Recreation Center expansion and an additional $500,000 is appropriated for other recreation center improvements. A total of $200,000 is set aside for Fort Dickerson, and $50,000 is allocated for the development of additional trails in south Knoxville, specifically the east loop. A total of $100,000 is allocated for the development of a dog park in south Knoxville.

A total of $500,000 is included for the sidewalk safety program, i.e., sidewalks within school parental responsibility zones, an increase of $50,000 when compared to the budget for FY 10/11. Additionally, $400,000 is funded for new sidewalk construction, one of the most requested capital improvements, and $200,000 is designated for the Gallaher View sidewalk project. Another $500,000 is provided for ADA sidewalk enhancements, which is double the allocation in FY 10/11.

The budget provides various funding to address drainage problems in the neighborhoods. A total of $300,000 is allocated for water quality improvements. In addition, $500,000 is budgeted to continue the neighborhood drainage program.

The budget contains funding to begin a new residential curbside recycling program. A total of $400,000 is allocated to acquire additional recycling totes, and complete the purchase that was started in FY 10/11 with the aid of a federal grant. As a result of changing collection practices and negotiations of some existing contracts the curbside program can be done with no additional funding needed.

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 upgrade computer systems. In FY 11/12 funding is provided for an upgrade to the existing personnel system. This will significantly reduce paperwork, and will direct existing staff to other needed areas. Funding is provided for a new curtain system in the Civic Coliseum. It is anticipated this will allow the venue to book additional events given a more flexible seating configuration. Funding is also available to acquire various equipment such as a greenway paving machine. Such equipment will allow for some currently contracted work to be done in-house at a lower cost.

Preservation of existing assets is important to holding down costs. In addition to the on-going roof and HVAC maintenance program, funding is provided to renovate the bandstand in Chilhowee Park.

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 $200,000 for downtown sidewalks and $1.2 million to complete the downtown streetscapes (wayfinding) project. The latter is primarily funded with state and federal grants.

The downtown renovation is also moving into other areas, particularly north and westward. The FY 11/12 budget allocates $2.5 million for projects in the Downtown North area. Work to complete the redevelopment of Cumberland Avenue is budgeted at $13.45 million. Again this is primarily funded with state grants. The budget also increases the allocation to the Knoxville Transit Authority to implement changes to the trolley routes. The new routes will provide better access to north downtown and to the existing transit center.

More and Better Jobs

The Knoxville Zoo is one of the most visited attractions in the East Tennessee area and the budget contains $300,000 to be used for renovation of existing facilities. The allocation

for operating funds for the Zoo increases by $100,000.

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 goal 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.

BUDGET COMPARISON - ALL FUNDS

Fiscal Year 2011/12

Fund No.	Fund Name	Adopted FY 10/11 Budget	Proposed FY 11/12 Budget	Dollar Change FY 10/11 - 11/12	Percentage Change FY 10/11 - 11/12
100	**General Fund**	$ 164,689,240	$ 172,177,970	$ 7,488,730	4.55%
	Special Revenue Funds				
201	State Street Aid	4,481,000	4,631,000	150,000	3.35%
202	Community Improvement	80,000	85,000	5,000	6.25%
209	Abandoned Vehicles	857,440	866,810	9,370	1.09%
211	Animal Control	47,500	50,000	2,500	5.26%
213	City Court	5,148,200	4,618,890	(529,310)	(10.28%)
216	City Inspections	2,254,750	2,355,670	100,920	4.48%
220	Stormwater	2,541,520	2,712,750	171,230	6.74%
230	Solid Waste	10,419,540	10,437,920	18,380	0.18%
240	Miscellaneous Special Revenue	3,542,120	3,628,680	86,560	2.44%
250	Senior Aides	583,650	587,940	4,290	0.74%
264	Home Grants	2,241,990	1,574,950	(667,040)	(29.75%)
269	Emergency Shelter Grants	82,580	83,000	420	0.51%
290	Community Development Block Grant	2,262,570	2,157,360	(105,210)	(4.65%)
	Subtotal - Special Revenue Funds	34,542,860	33,789,970	(752,890)	(2.18%)
	Debt Service Funds				
305	Debt Services	27,596,390	28,891,980	1,295,590	4.69%
306	Tax Increment	832,820	774,990	(57,830)	(6.94%)
	Subtotal - Debt Service Funds	28,429,210	29,666,970	1,237,760	4.35%
	Capital Projects Funds				
401	Capital Projects	21,733,060	33,742,810	12,009,750	55.26%
	Subtotal - Capital Projects Funds	21,733,060	33,742,810	12,009,750	55.26%
	Enterprise Funds				
503	Public Assembly Facilities	5,825,430	5,340,970	(484,460)	(8.32%)
504	Metro Parking	1,418,680	1,613,110	194,430	13.70%
506	Convention Center	19,474,660	19,656,560	181,900	0.93%
507	Mass Transportation	21,368,900	22,722,700	1,353,800	6.34%
508	Municipal Golf Course	1,488,570	1,579,240	90,670	6.09%
	Subtotal - Enterprise Funds	49,576,240	50,912,580	1,336,340	2.70%
	Internal Service Funds				
702	Fleet Services	11,839,530	13,792,530	1,953,000	16.50%
704	Risk Management	7,292,550	7,302,590	10,040	0.14%
705	Health Care	16,188,070	15,747,640	(440,430)	(2.72%)
706	Equipment Replacement	1,936,410	2,212,100	275,690	14.24%
707	City Building	1,560,240	1,330,370	(229,870)	(14.73%)
	Subtotal - Internal Service Funds	38,816,800	40,385,230	1,568,430	4.04%
	Grand Total	$ 337,787,410	$ 360,675,530	$ 22,888,120	6.78%

TOTAL EXPENDITURES BY DEPARTMENT

Fiscal Year 2011/12

Department	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Grand Total
Administration	$2,683,300	$72,000	$0	$17,750,500	$0	$0	$20,505,800
Finance	3,672,480	0	10,000	800,000	0	23,197,520	27,680,000
Information Systems	4,208,220	0	0	0	0	1,007,880	5,216,100
Community Development	1,065,730	4,016,940	0	800,000	0	0	5,882,670
Fleet Services	0	866,810	0	0	0	13,472,530	14,339,340
South Knoxville Waterfront	236,270	0	0	0	0	0	236,270
Public Services	20,979,060	10,883,680	0	345,000	0	327,040	32,534,780
Engineering	5,876,230	6,151,990	0	11,075,000	0	17,280	23,120,500
Inspections	0	2,355,670	0	0	0	0	2,355,670
Recreation	6,799,330	824,940	0	1,500,000	1,579,240	7,140	10,710,650
Knoxville Area Transit (KAT)	951,230	0	0	0	22,722,700	0	23,673,930
Law	1,809,540	0	0	0	0	0	1,809,540
Police	47,931,560	1,883,140	0	1,043,910	0	981,380	51,839,990
Emergency Management	325,680	0	0	0	0	0	325,680
Fire	33,653,620	0	0	0	0	44,090	33,697,710
Legislative	945,160	95,000	0	0	0	0	1,040,160
City Court	0	861,430	0	0	0	0	861,430
Civil Service	1,024,640	0	0	93,400	0	0	1,118,040
Convention Center	0	0	0	0	12,275,340	0	12,275,340
Community Development	0	0	0	0	0	0	0
Public Assembly Facilities	0	183,000	0	0	5,340,970	0	5,523,970
Nondepartmental							
City Elections	280,000	0	0	0	0	0	280,000
City Buildings	0	0	0	0	1,613,110	1,330,370	2,943,480
Knoxville Partnership	642,970	0	0	0	0	0	642,970
Metropolitan Planning Commission (MPC)	905,000	0	0	0	0	0	905,000
Knoxville Zoological Park	1,009,570	0	0	300,000	0	0	1,309,570
Agency Grants	717,000	0	0	0	995,200	0	1,712,200
Waterfront	530,380	0	0	0	0	0	530,380
Community Action Committee (CAC)	565,640	0	0	35,000	0	0	600,640
Debt Service	0	0	11,560,450	0	6,386,020	0	17,946,470
Reserve	1,725,000	0	0	0	0	0	1,725,000
Other Non-departmental Expenses	1,115,200	0	0	0	0	0	1,115,200
Transfers	32,525,160	5,595,370	18,096,520	0	0	0	56,217,050
Subtotal - Nondepartmental	40,015,920	5,595,370	29,656,970	335,000	8,994,330	1,330,370	85,927,960
GRAND TOTAL	$172,177,970	$33,789,970	$29,666,970	$33,742,810	$50,912,580	$40,385,230	$360,675,530

NET BUDGET

Fiscal Year 2011/12

Fund No.	Fund Name	Adopted FY 11/12 Budget	Less Interfund Transfers Out	Less Interfund Charges In	Net Budget
100	**General Fund**	$172,177,970	($32,525,160)	$0	$139,652,810
	Special Revenue Funds				
201	State Street Aid	4,631,000	(746,000)	0	3,885,000
202	Community Improvement	85,000	0	0	85,000
209	Abandoned Vehicles	866,810	0	0	866,810
211	Animal Control	50,000	0	0	50,000
213	City Court	4,618,890	(3,757,460)	0	861,430
216	City Inspections	2,355,670	0	0	2,355,670
220	Stormwater	2,712,750	0	0	2,712,750
230	Solid Waste	10,437,920	0	0	10,437,920
240	Miscellaneous Special Revenue	3,628,680	(1,091,910)	0	2,536,770
250	Senior Aides	587,940	0	0	587,940
264	Home Grants	1,574,950	0	0	1,574,950
269	Emergency Shelter Grants	83,000	0	0	83,000
290	Community Development Block Grant	2,157,360	0	0	2,157,360
	Subtotal - Special Revenue Funds	33,789,970	(5,595,370)	0	28,194,600
	Debt Service Funds				
305	Debt Services	28,891,980	(18,096,520)	0	10,795,460
306	Tax Increment	774,990	0	0	774,990
	Subtotal - Debt Service Funds	29,666,970	(18,096,520)	0	11,570,450
	Capital Project Funds				
401	Capital Projects	33,742,810	0	0	33,742,810
	Subtotal - Capital Project Funds	33,742,810	0	0	33,742,810
	Enterprise Funds				
503	Public Assembly Facilities	5,340,970	0	0	5,340,970
504	Metro Parking	1,613,110	0	0	1,613,110
506	Convention Center	19,656,560	0	0	19,656,560
507	Mass Transportation	22,722,700	0	0	22,722,700
508	Municipal Golf Course	1,579,240	0	0	1,579,240
	Subtotal - Enterprise Funds	50,912,580	0	0	50,912,580
	Internal Service Funds				
702	Fleet Services	13,792,530	0	(13,744,610)	47,920
704	Risk Management	7,302,590	0	(6,697,150)	605,440
705	Health Care	15,747,640	0	(9,458,100)	6,289,540
706	Equipment Replacement	2,212,100	0	(2,196,600)	15,500
707	City Building	1,330,370	0	(1,257,820)	72,550
	Subtotal - Internal Service Funds	40,385,230	0	(33,354,280)	7,030,950
	Grand Total	$360,675,530	($56,217,050)	($33,354,280)	$271,104,200

NET REVENUES BY TYPE - ALL FUNDS

Fiscal Year 2011/12

Fund No.	Fund Name	Taxes	Licenses & Permits	Intergovt. Revenue	Charges For Serv.	Fines & Forfeits	Miscellaneous Revenue
100	General Fund	$141,811,290	$321,360	$19,935,100	$1,417,720	$2,233,650	$976,390
201	State Street Aid	0	0	4,625,000	0	0	6,000
202	Community Improvement	0	0	0	0	0	0
209	Abandoned Vehicles	0	0	0	481,490	0	385,320
211	Animal Control	0	47,750	0	0	0	2,250
213	City Court	0	0	0	0	4,603,790	15,100
216	City Inspections	0	1,394,170	0	0	0	600
220	Stormwater	0	100,200	0	0	0	15,000
230	Solid Waste	0	0	96,800	695,000	0	230,000
240	Miscellaneous Special Revenue	0	0	380,000	280,700	2,151,100	436,500
250	Senior Aides	0	0	520,300	0	0	0
264	Home Grants	0	0	1,224,950	0	0	350,000
269	Emergency Shelter Grants	0	0	83,000	0	0	0
270	Empowerment Zone	0	0	0	0	0	0
290	Community Development Block Grant	0	0	1,707,360	0	0	160,000
305	Debt Services	24,260,910	0	0	0	0	1,131,070
306	Tax Increment	0	0	0	0	0	0
401	Capital Projects	0	0	12,940,000	0	0	1,565,000
503	Civic Auditorium/Coliseum/KCEC	0	0	0	1,503,400	0	25,000
504	Metro Parking	0	0	0	1,589,580	0	8,980
506	Convention Center	5,418,000	0	5,207,000	3,559,280	0	241,820
507	Mass Transportation	0	0	2,074,750	7,165,300	0	0
508	Municipal Golf Course	0	0	0	1,194,000	0	83,520
702	Fleet Services	0	0	0	0	0	157,000
704	Risk Management	0	0	0	45,000	0	125,500
705	Health Care	0	0	0	0	0	35,000
706	Equipment Replacement	0	0	0	0	0	35,000
707	City Building	0	0	0	0	0	72,550
	Grand Total	$171,490,200	$1,863,480	$48,794,260	$17,931,470	$8,988,540	$6,057,600
	Percent of Net Revs.	63.26%	0.69%	18.00%	6.61%	3.32%	2.23%

Fund No.	Fund Name	Other Financing Sources	Use Of/ (Addition To) Fund Balance	Net Revenues	Interfund Charges In	Interfund Transfers In	Total Revenues
100	General Fund	$0	$1,725,000	$168,420,510	$0	$3,757,460	$172,177,970
201	State Street Aid	0	0	4,631,000	0	0	4,631,000
202	Community Improvement	0	0	0	0	85,000	85,000
209	Abandoned Vehicles	0	0	866,810	0	0	866,810
211	Animal Control	0	0	50,000	0	0	50,000
213	City Court	0	0	4,618,890	0	0	4,618,890
216	City Inspections	0	0	1,394,770	0	960,900	2,355,670
220	Stormwater	0	40,000	155,200	0	2,557,550	2,712,750
230	Solid Waste	0	0	1,021,800	0	9,416,120	10,437,920
240	Miscellaneous Special Revenue	0	178,750	3,427,050	0	201,630	3,628,680
250	Senior Aides	0	0	520,300	0	67,640	587,940
264	Home Grants	0	0	1,574,950	0	0	1,574,950
269	Emergency Shelter Grants	0	0	83,000	0	0	83,000
270	Empowerment Zone	0	0	0	0	0	0
290	Community Development Block Grant	0	290,000	2,157,360	0	0	2,157,360
305	Debt Services	0	3,500,000	28,891,980	0	0	28,891,980
306	Tax Increment	0	0	0	0	774,990	774,990
401	Capital Projects	0	0	14,505,000	0	19,237,810	33,742,810
503	Civic Auditorium/Coliseum/KCEC	0	1,126,880	2,655,280	0	2,685,690	5,340,970
504	Metro Parking	0	14,550	1,613,110	0	0	1,613,110
506	Convention Center	346,650	1,028,870	15,801,620	0	3,854,940	19,656,560
507	Mass Transportation	0	3,119,660	12,359,710	0	10,362,990	22,722,700
508	Municipal Golf Course	17,000	158,220	1,452,740	0	126,500	1,579,240
702	Fleet Services	5,000	(470,980)	(308,980)	13,744,610	356,900	13,792,530
704	Risk Management	0	0	170,500	6,697,150	434,940	7,302,590
705	Health Care	4,913,570	4,980	4,953,550	9,458,100	1,335,990	15,747,640
706	Equipment Replacement	0	(19,500)	15,500	2,196,600	0	2,212,100
707	City Building	0	0	72,550	1,257,820	0	1,330,370
	Grand Total	$5,282,220	$10,696,430	$271,104,200	$33,354,280	$56,217,050	$360,675,530
	Percent of Net Revs.	1.95%	3.95%	100.00%			

NET EXPENDITURES BY TYPE - ALL FUNDS

Fiscal Year 2011/12

Fund No.	Fund Name	Personal Services	Supplies	Other Expenses	Debt Service	Capital
100	General Fund	$81,318,860	$3,822,120	$23,309,500	$0	$0
201	State Street Aid	0	0	3,885,000	0	0
202	Community Improvement	0	0	85,000	0	0
209	Abandoned Vehicles	370,520	17,720	384,010	0	0
211	Animal Control	0	25,000	25,000	0	0
213	City Court	631,750	13,800	122,050	0	0
216	City Inspections	1,704,210	17,370	107,420	0	0
220	Stormwater	2,022,030	55,690	140,960	0	0
230	Solid Waste	544,890	70,620	9,330,260	0	0
240	Miscellaneous Special Revenue	366,040	1,035,380	1,077,510	0	0
250	Senior Aides	559,990	950	13,200	0	0
263	House Grants	0	0	0	0	0
264	Home Grants	148,400	0	1,399,310	0	0
269	Emergency Shelter Grants	0	0	83,000	0	0
270	Empowerment Zone	0	0	0	0	0
290	Community Development Block Grant	915,240	9,340	1,049,280	0	0
305	Debt Services	0	0	10,000	10,785,460	0
306	Tax Increment	0	0	0	774,990	0
401	Capital Projects	0	0	0	0	33,742,810
503	Public Assembly Facilities	2,133,140	133,900	2,465,340	0	162,700
504	Metro Parking	0	0	1,599,840	0	0
506	Convention Center	0	0	12,778,090	6,386,020	40,000
507	Mass Transportation	13,851,940	3,062,690	5,790,970	0	0
508	Municipal Golf Course	0	0	1,556,360	5,880	0
702	Fleet Services	2,007,340	5,018,650	5,837,940	0	356,900
704	Risk Management	313,140	7,810	6,914,850	0	0
705	Health Care	195,570	9,600	15,483,710	0	0
706	Equipment Replacement	0	0	2,212,100	0	0
707	City Building	0	0	1,326,190	0	0
	Grand Total	$107,083,060	$13,300,640	$96,986,890	$17,952,350	$34,302,410
	Percent of Net Exps.	39.50%	4.91%	35.77%	6.62%	12.65%

Fund No.	Fund Name	Other Uses of Funds	Net Expenditures	Interfund Charges Out	Interfund Transfers Out	Total Expenditures
100	General Fund	$1,115,200	$109,565,680	$30,087,130	$32,525,160	$172,177,970
201	State Street Aid	0	3,885,000	0	746,000	4,631,000
202	Community Improvement	0	85,000	0	0	85,000
209	Abandoned Vehicles	0	772,250	94,560	0	866,810
211	Animal Control	0	50,000	0	0	50,000
213	City Court	0	767,600	93,830	3,757,460	4,618,890
216	City Inspections	0	1,829,000	526,670	0	2,355,670
220	Stormwater	0	2,218,680	494,070	0	2,712,750
230	Solid Waste	0	9,945,770	492,150	0	10,437,920
240	Miscellaneous Special Revenue	0	2,478,930	57,840	1,091,910	3,628,680
250	Senior Aides	0	574,140	13,800	0	587,940
263	House Grants	0	0	0	0	0
264	Home Grants	0	1,547,710	27,240	0	1,574,950
269	Emergency Shelter Grants	0	83,000	0	0	83,000
270	Empowerment Zone	0	0	0	0	0
290	Community Development Block Grant	0	1,973,860	183,500	0	2,157,360
305	Debt Services	0	10,795,460	0	18,096,520	28,891,980
306	Tax Increment	0	774,990	0	0	774,990
401	Capital Projects	0	33,742,810	0	0	33,742,810
503	Public Assembly Facilities	0	4,895,080	445,890	0	5,340,970
504	Metro Parking	0	1,599,840	13,270	0	1,613,110
506	Convention Center	346,650	19,550,760	105,800	0	19,656,560
507	Mass Transportation	0	22,705,600	17,100	0	22,722,700
508	Municipal Golf Course	17,000	1,579,240	0	0	1,579,240
702	Fleet Services	0	13,220,830	571,700	0	13,792,530
704	Risk Management	0	7,235,800	66,790	0	7,302,590
705	Health Care	0	15,688,880	58,760	0	15,747,640
706	Equipment Replacement	0	2,212,100	0	0	2,212,100
707	City Building	0	1,326,190	4,180	0	1,330,370
	Grand Total	$1,478,850	$271,104,200	$33,354,280	$56,217,050	$360,676,530
	Percent of Net Exps.	0.55%	100.00%			

SUMMARY OF INTERFUND CHARGES

Fiscal Year 2011/12

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	$12,910,610	$6,009,220	$8,174,820	$2,011,190	$981,290	$30,087,130
Abandoned Vehicles	209	0	29,130	65,430	0	0	94,560
City Court	213	0	14,450	70,210	9,170	0	93,830
City Inspections	216	135,100	103,050	166,620	23,640	98,260	526,670
Stormwater	220	92,900	103,800	210,370	36,600	50,400	494,070
Solid Waste	230	350,600	47,720	85,410	8,420	0	492,150
Miscellaneous Special Revenue	240	0	8,690	42,220	960	5,970	57,840
Senior Aides	250	0	1,990	11,810	0	0	13,800
Home Grants	264	0	6,280	20,960	0	0	27,240
Community Development Block Grant	290	17,430	26,420	78,760	0	60,890	183,500
Public Assembly Facilities	503	106,470	126,630	206,510	6,280	0	445,890
Metro Parking	504	0	13,270	0	0	0	13,270
Convention Center	506	7,060	80,070	0	18,670	0	105,800
Mass Transportation	507	0	1,700	0	15,400	0	17,100
Fleet Services	702	124,440	102,240	267,060	61,210	16,750	571,700
Risk Management	704	0	13,600	32,270	5,060	15,860	66,790
Health Care	705	0	4,710	25,650	0	28,400	58,760
City Building	707	0	4,180	0	0	0	4,180
Grand Total		$13,744,610	$6,697,150	$9,458,100	$2,196,600	$1,257,820	$33,354,280

SUMMARY OF INTERFUND TRANSFERS

Fiscal Year 2011/12

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)	Grand Total
General Fund	100	$0	$0	$0	$3,757,460	$0	$0	$3,757,460
Community Improvement	202	85,000	0	0	0	0	0	85,000
City Inspections	216	960,900	0	0	0	0	0	960,900
Stormwater	220	2,557,550	0	0	0	0	0	2,557,550
Solid Waste	230	9,416,120	0	0	0	0	0	9,416,120
Miscellaneous Special Revenue	240	201,630	0	0	0	0	0	201,630
Miscellaneous Grant Funds	250	67,640	0	0	0	0	0	67,640
Tax Increment	306	774,990	0	0	0	0	0	774,990
Capital Projects	401	0	746,000	0	0	1,043,910	17,447,900	19,237,810
Coliseum/KCEC	503	2,522,990	0	0	0	48,000	114,700	2,685,690
Convention Center	506	3,677,920	0	0	0	0	177,020	3,854,940
Mass Transportation	507	10,362,990	0	0	0	0	0	10,362,990
Municipal Golf	508	126,500	0	0	0	0	0	126,500
Fleet Services	702	0	0	0	0	0	356,900	356,900
Risk Management	704	434,940	0	0	0	0	0	434,940
Health Care	705	1,335,990	0	0	0	0	0	1,335,990
Grand Total		$32,525,160	$746,000	$0	$3,757,460	$1,091,910	$18,096,520	$56,217,050

Authorized Full Time Positions by Department

Fiscal Year 2011/12

Department	General Fund	Special Revenue Funds	Enterprise Funds	Internal Service Funds	Grand Total
Administration	25	0	0	0	25
Finance	42	0	0	9	51
Information Systems	30	0	0	0	30
Community Development	4	19	0	0	23
Fleet Services	0	10	0	45	55
South Knoxville Waterfront	1	0	0	0	1
Public Services	282	23	0	0	305
Engineering	57	30	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	1,371	130	35	54	1,590

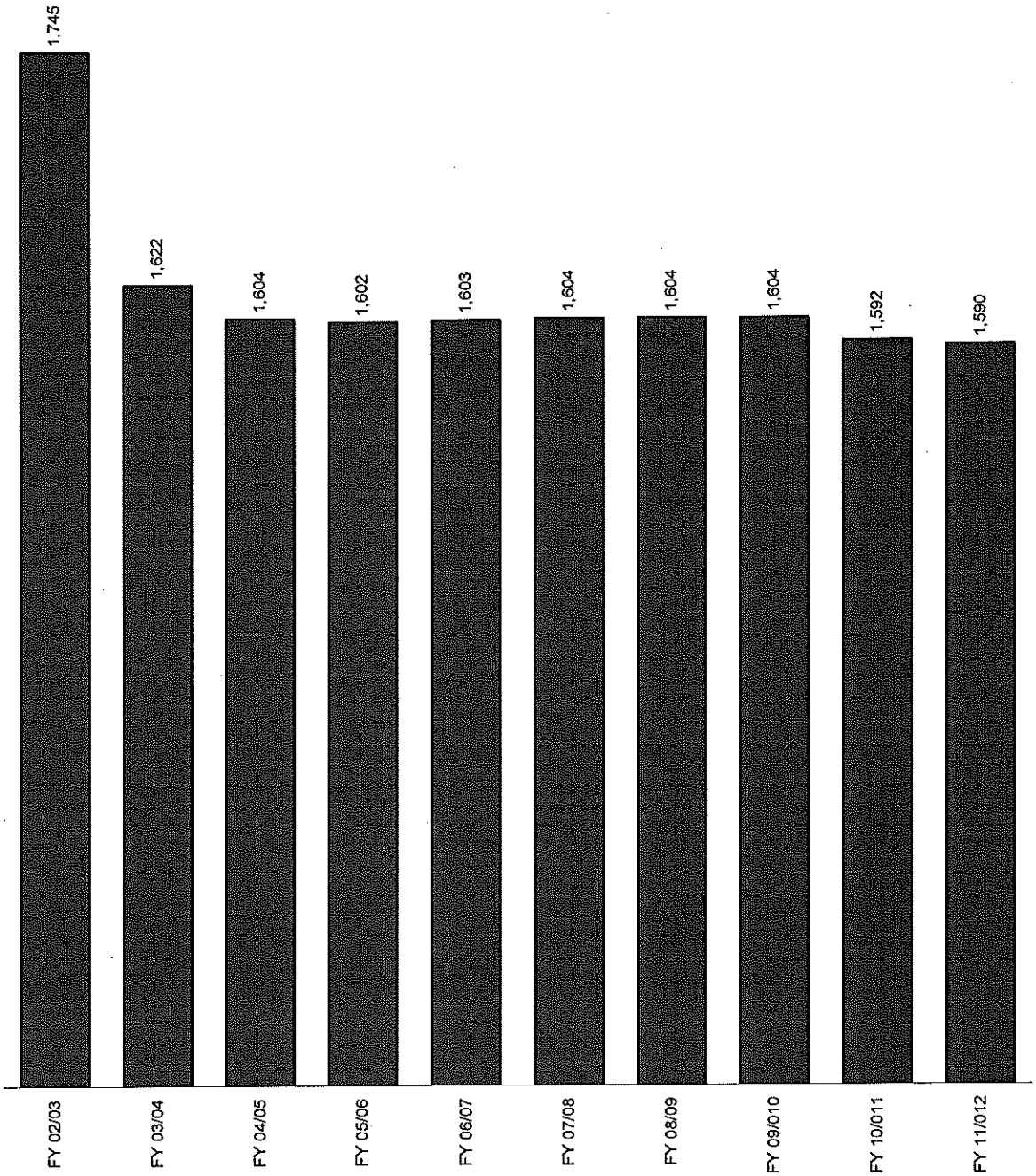
Full Time Positions by Department

Fiscal Years 2007/08 - 2011/12

Department	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	Difference 10/11 - 11/12
Administration	24	26	26	25	25	0
Finance	54	52	52	51	51	0
Information Systems	30	30	30	30	30	0
Community Development	24	25	25	25	23	(2)
Fleet Services	56	56	56	55	55	0
South Knoxville Waterfront	2	2	2	1	1	0
Public Services	307	306	305	305	305	0
Engineering	88	87	88	87	87	0
Inspections	31	31	31	29	29	0
Recreation	51	50	49	47	47	0
Law	13	13	14	13	13	0
Police	520	522	522	521	521	0
Emergency Management	3	3	3	3	3	0
Fire	338	338	338	337	337	0
Legislative	3	3	3	3	3	0
City Court	13	13	13	13	13	0
Civil Service	13	13	13	12	12	0
Public Assembly Facilities	34	34	34	35	35	0
GRAND TOTAL	1,604	1,604	1,604	1,592	1,590	(2)

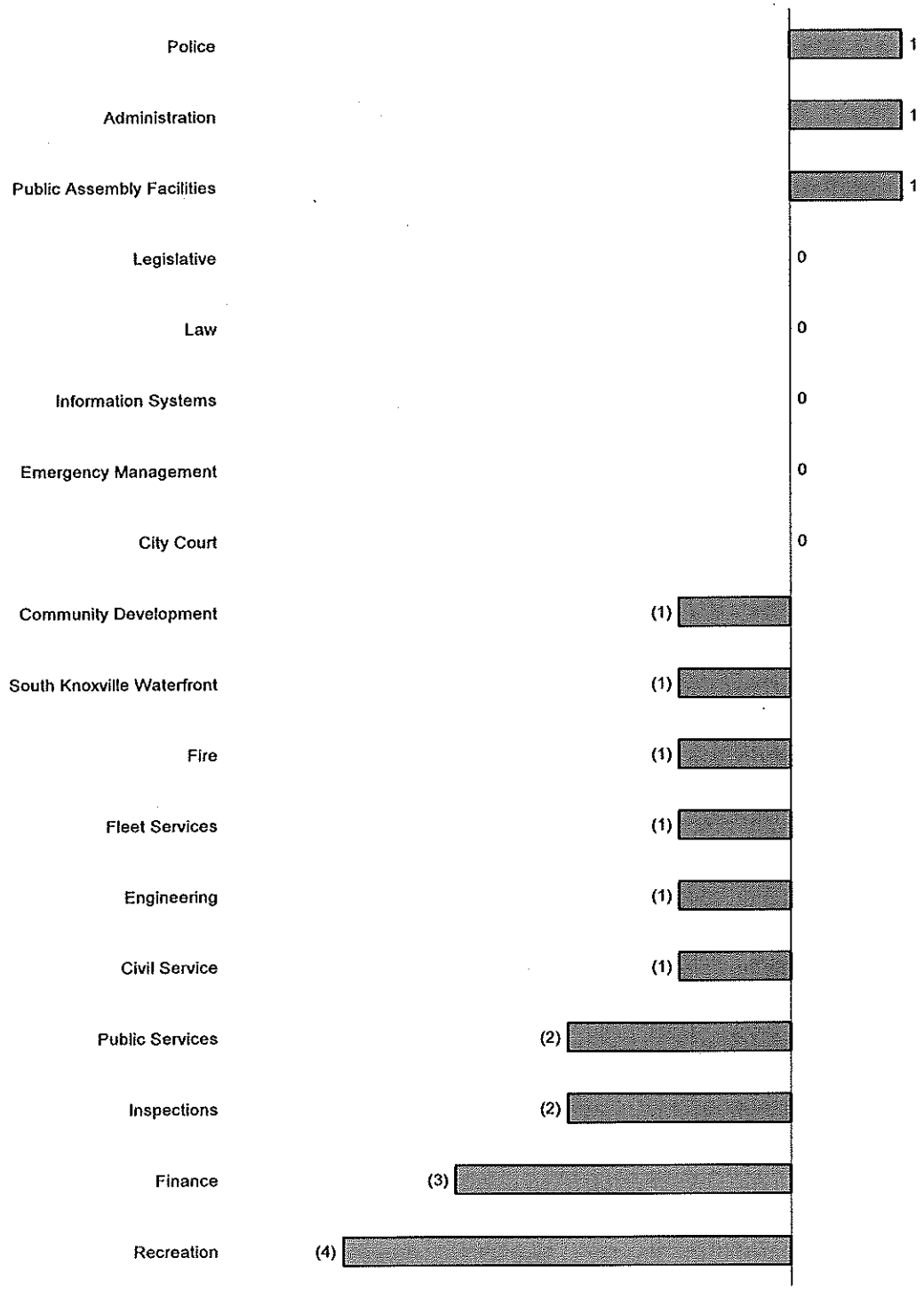
Authorized Full Time Personnel

Fiscal Years 2002/03 – 2011/12



Changes in Full Time Budgeted Personnel

Fiscal Years 2007/08 – 2011/12



Authorized Part Time Positions by Department

Fiscal Year 2011/12

Department	General Fund	Special Revenue Funds	Enterprise Funds	Internal Service Funds	Grand Total
Administration	2	0	0	0	2
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
Total - Part Time	28	4	2	0	34

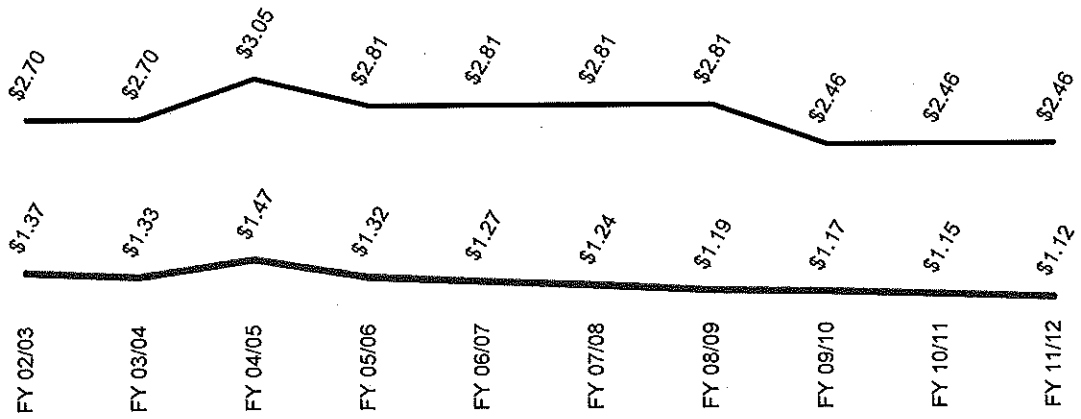
Part Time Positions by Department

Fiscal Years 2007/08 - 2011/12

Department	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	Difference 09/10 - 11/12
Administration	2	2	3	3	2	(1)
Finance	1	1	1	0	0	0
Community Development	1	1	1	1	1	0
Engineering	1	1	1	1	1	0
Recreation	16	16	15	14	14	0
Police	3	4	4	4	4	0
Legislative	9	9	9	9	9	0
City Court	1	1	1	1	1	0
Public Assembly Facilities	3	3	3	2	2	0
GRAND TOTAL	37	38	38	35	34	(1)

ADJUSTED/EQUALIZED TAX RATE

Fiscal Years 2002/03 – 2011/12



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 $1.37 in Fiscal Year 2002/03 to $1.12 in Fiscal Year 2011/12. 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 11/12

Fiscal Year	City Rate		County Rate		City Combined 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
FY 11/12	$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 - 2011/12

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	3,705,130,455		316,571,241	147,791,536	4,169,493,232
2011 (Est.)	3,727,900,960		302,881,620	147,791,536	4,178,574,116

* 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 Tennesse Public Service Commission. Personal property is assessed at 30% of the appraised value.

GENERAL FUND REVENUES

Total General Fund budgeted revenues for FY 11/12 equal $172,177,970. This represents approximately a 4.55% increase when compared to the budgeted FY 10/11 revenues of $164,689,240. Operating revenue equals $170,452,970, which is $7,413,730 or 4.55% above FY 10/11 budgeted operating revenue. Non-operating revenues are budgeted at $1,725,000 for FY 11/12. We have seen some rebound in the more elastic revenues such as local option sales taxes, state shared-sales taxes, and business taxes. This accounts for a portion of the growth.

TAXES

The largest single category of revenue to the General Fund is taxes. This one category equals $141,811,290 or approximately 85.1% of the total operating revenue to this fund.

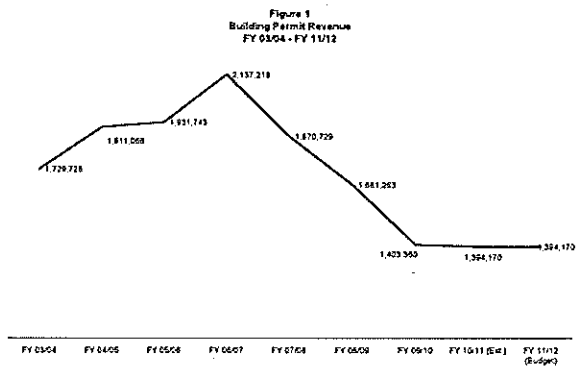
Property Taxes

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 10/11 we had forecast a modest gain of 0.8% and were very slightly below that amount. For FY 11/12 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 0.6% 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 11/12 the projected assessed value of real property is $3,727,900,960. The projected amounts for FY 11/12 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 4.3%. 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 10/11 revenues from the FY 10/11 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 be approximately 2.9% lower going into the FY 11/12 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 recent 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 11/12 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 10/11. The tax rate is apportioned between the Debt Service Fund and the General Fund. In FY 11/12, $0.60 of the tax rate goes directly to the Debt Service Fund, six cents less than in FY 10/11. The portion of the tax rate used for General Fund purposes is $1.86, a net shift of six cents. Combining all factors yields the budgeted revenue from property taxes as illustrated in Table 1.

TABLE 1

	Estimated Assessed Valuations	Est-Coll. Rate	Tax Rate per $100	FY 11/12 Budgeted Revenue
Real Property	$3,727,900,960	94.7%	$1.86	$65,664,000
Personal Property	302,881,620	91.9%	1.86	5,177,300
Public Utilities	143,509,320	95.0%	1.86	2,589,200
TOTAL	$4,174,291,900			$73,430,500

When compared to the FY 10/11 budget, current projected property tax revenues to the General Fund are up by $1,993,500 in the General Fund, due to the allocation shift.

Tax Discounts

The City offers a one percent discount on property taxes paid before the end of October. For FY 11/12 the anticipated discount in the General Fund is $400,550, which is $15,100 more than the FY 10/11 budgeted amount. The greater amount is due to the shift in the distribution of the tax rate, 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

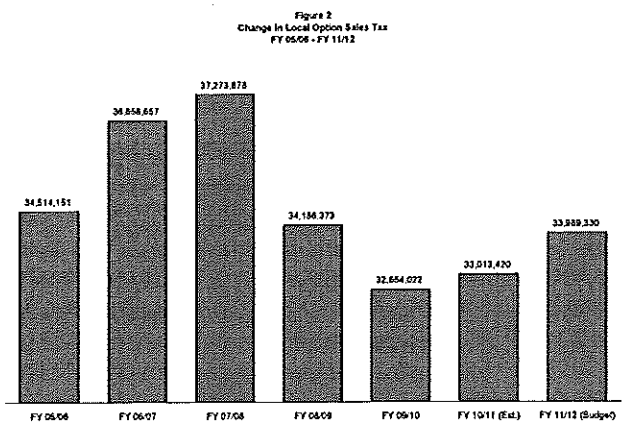
Other revenues within the tax category include the payment in lieu of taxes from the Knoxville Utilities Board (KUB) and Knoxville's Community Development Corporation (KCDC). The payment from KUB is based upon two components, one being the estimated property value owned by KUB and the second being an average of overall revenues. In FY 11/12 the KUB payment is expected to be $13,146,210 which is $478,310 or 3.78% above the budget for FY 10/11. This change is based upon modest growth in property held by KUB, and anticipated growth in average revenues. The pay-

ment from KCDC is projected at $170,740, which is $90,740.

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 11/12, local option sales tax revenues are expected to equal $33,989,330 or 19.9% of total General Fund operating revenues. We have seen the end of the downward trend in this revenue over the past two years. (See Figure 2) We now forecast FY 10/11 revenue from this source at $33,013,420. We think that FY 11/12 will show an upturn, but believe it will be small given continued economic weakness and the high costs of fuel which should dampen discretionary spending.



Our current forecast for FY 10/11 has revenues from this source $1,396,240 above the FY 10/11 budgeted amount. This represents a growth of 4.4% when compared to the FY 10/11 budget and a growth of 1.1% when compared to actual collections in FY 09/10. We are forecasting an increase of one and a half percent (1.5%) from adjusted FY 10/11 collections. At this time we still expect the FY 11/12 totals to be below those of FY 05/06.

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 10/11, we expect the trend to be relatively flat in the upcoming year. Revenues from beer taxes are expected to increase by $73,730 or 1.1% when compared to the FY 10/11 budget. Total revenues from the beer tax are forecast at $6,760,430. Alcoholic beverage taxes have also been relatively flat the past two years, but we now expect some growth during the upcoming year. Revenues from this source are expected to generate $2,532,630 in FY 11/12. This is $106,900 or 4.4% more than the amount budgeted in FY 10/11. Mixed drink taxes are forecast to remain fairly static in the upcoming year. We are now estimating this revenue at $1,340,300 in FY 11/12, which is $15,150 more than budgeted in FY 10/11.

Revenue from business taxes have, like sales taxes, shown the beginning of a turn around, though they are still forecast to be below their peaks of several years ago. We currently expect to end FY 10/11 up by $333,320 from the budgeted amount. For FY 11/12 we are now projecting zero growth from expected FY 10/11 collections. Projected revenue from this source in FY 11/12 is $4,338,160.

Cable television franchise taxes from Comcast, AT&T, and Knology are projected to be up when compared to the FY 10/11 budgeted level as we expect modest growth in the new fiscal year. These revenues are now forecast at $1,728,620, which is $77,240 or 4.7% more than the amount budgeted in FY 10/11.

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 $19,935,100 or 12.0% of total operating revenue. Overall, we expect this category of revenue to be up by $1,844,230 or 10.2% when compared to the budget for FY 10/11.

The largest single revenue within this grouping is the state shared sales tax. As with local option sales taxes, the negative recent trend has ended and has turned slightly upward. Current year revenues from this source are now forecast to end above budgeted revenues for this year, and are expected to continue to grow modestly in FY 11/12. The total estimated amount in FY 11/12 from this source is $11,217,130. This is $945,540 or 9.21% above the amount budgeted in FY 10/11.

The second largest revenue in this category is the city's portion of the Hall Income Tax. In FY 11/12 we are expecting revenue from this source to generate $5,000,000, which is $1,784,100 more than the FY 10/11 budget. This revenue has fluctuated widely, both up and down, in recent years. The amount collected in FY 09/100 is highest ever, and is significantly different than the amount expected and total opposite from the results in the rest of the state. The FY 11/12 estimate is derived from the average collections over recent years.

The City also receives a number of other state-shared revenues. Revenue from alcoholic beverage tax is expected to be up from the amount budgeted in FY 10/11, at a total of $127,600. Revenues from beer taxes are expected to be down slightly from FY 10/11 at a total of $84,910.

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 significantly downward from FY 10/11. The latest FY 10/11 forecast for this revenue is down from budgeted numbers and it is expected to remain flat in the upcoming year. For FY 11/12 this is expected to generate $274,440 or $409,310 less than budgeted in FY 10/11.

Revenue from the special petroleum products tax is expected to remain flat. This revenue is budgeted at $361,670 or $170 less than in FY 10/11. The City's share of TVA gross receipts is forecast to be up when compared to FY 10/11. The expected amount from this source FY 10/11 is up from budgeted levels and, consequently, we have revised our FY 11/12 projections upward. The result is an anticipated increase of $44,260 or 2.27% when compared to the FY 10/11 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 11/12 is $265,670.

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,

TABLE 2

	FY 10/11 Budget	FY 10/11 Est. Actual	FY 11/12 Projected Revenues
Licenses & Permits	$310,500	$321,360	$321,360
Charges	$,1,352,750	$1,417,720	$1,417,720
Fines & Forfeits	$2,307,800	$2,348,810	$2,233,650
Misc. Revenue	$1,215,320	$976,390	$976,390
TOTAL	$5,186,370	$5,064,280	$4,949,120

and miscellaneous revenue. The combined total from these sources is $4,949,120, or 2.96% of the total operating revenues to the General Fund. A breakdown of these revenues for FY 10/11 and FY 11/12 is shown in Table 2.

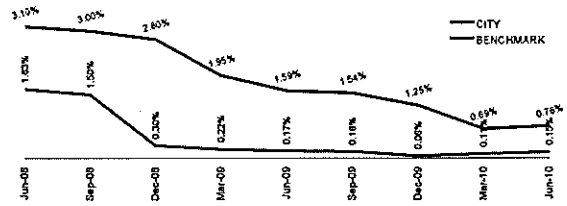
Overall, the category of licenses and permits is up by $10,860 or 3.5% when compared to the budget for FY 10/11. Although less than half of the numbers of accounts within this category are expected to be up as down when compared to the FY 10/11 budget, the addition of a new source, background check fees, more than offset the small losses. This latter revenue is forecast to generate $16,520. Other accounts within this category expected to show gains include tank installation fees ($2,720) and beer privilege taxes ($1,530). These gains are partially offset by expected lower amounts from liquor by the ounce fees and beer application fees which are expected to decline by $7,610 and $2,950 respectively.

The amount expected to come from charges for services is projected at $1,417,720, which is $64,970 or 4.8% more than the budgeted amount for FY 10/11. This increase is due to gains in officer costs, attorney fees, team registration fees, and parks miscellaneous fees. These are offset, in part, by decreased expected revenue from accident reports, and recording and collection 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 $86,020 from General Sessions costs, and $119,330 from Criminal Court fines. Revenues from red light violations are down, this being attributable to the normal decline as drivers begin to change their behavior. Overall this category of revenue is expected to yield $2,233,650, which is $74,150 less than budgeted in FY 10/11.

The category entitled miscellaneous revenue is projected at $976,390, which is $238,930 less than the amount budgeted in FY 10/11. The drop in this category comes mainly from interest earnings. Yields on the types of investments appropriate for government (see Figure 3) have decreased

Figure 3
June, 2008 - June 2010



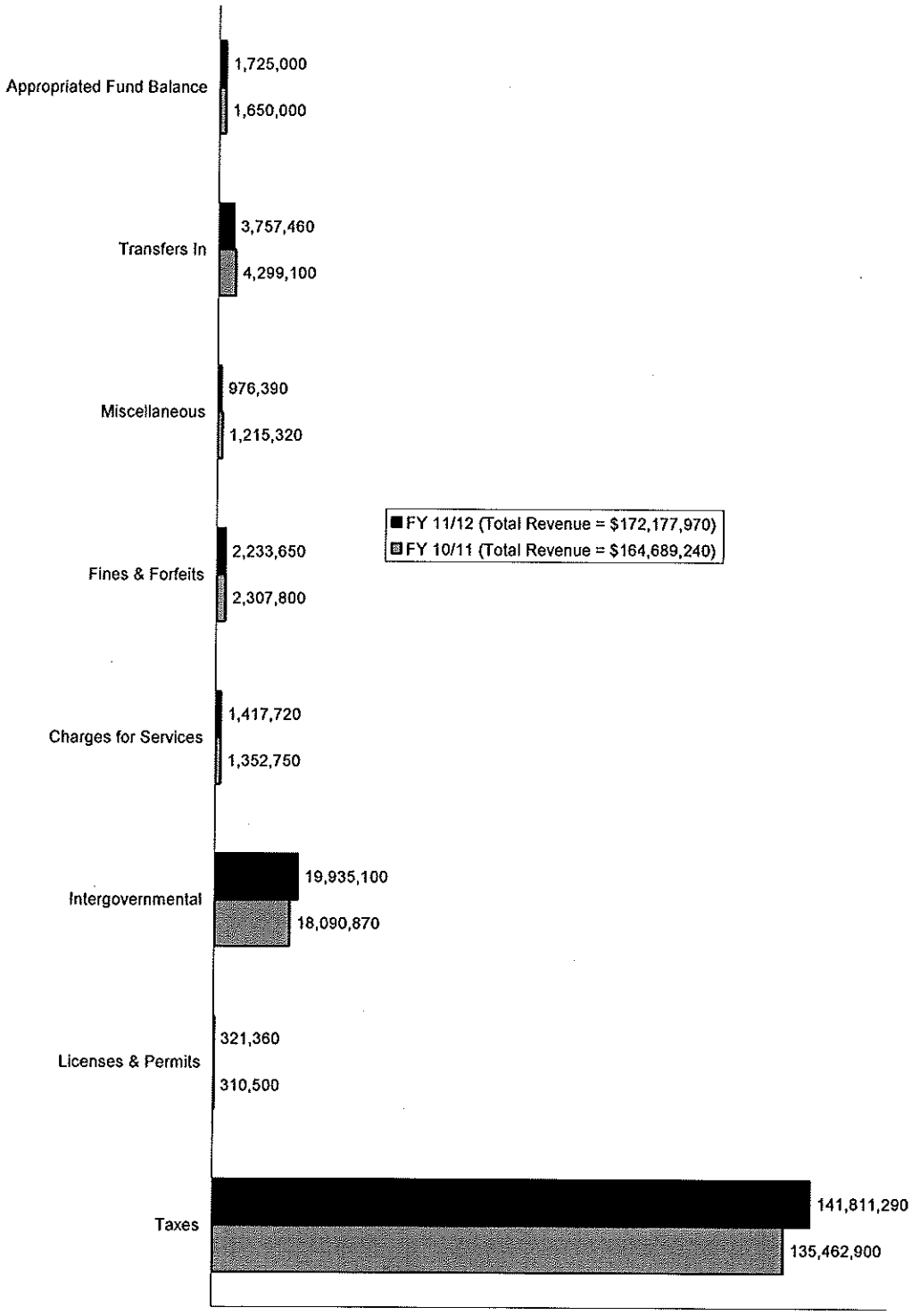
significantly over the past year. Interest earnings are expected to generate $465,000 in FY 11/12, this being $160,000 less than the budget for FY 10/11.

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 $379,410 in FY 11/12, which is up by $47,150 or 14.2% when compared to the FY 10/11 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 $3,757,460 or $541,640 lower than the amount budgeted in FY 10/11.

General Fund Revenue Comparison
FY 2010/11– 2011/12



Account Code	Revenue Source	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Budget	FY 10/11 Forecast	FY 11/12 Budget
5111	Property Tax Real - Current	$ 61,889,291	$ 62,034,795	$ 63,188,100	$ 63,024,270	$ 65,664,000
5112	Property Tax Real - Prior	1,937,188	2,303,349	1,923,740	2,302,730	2,302,730
5113	Personal Property Tax - Current	5,866,497	5,439,755	5,480,400	5,236,720	5,177,300
5114	Personal Property Tax - Prior	181,791	137,585	95,500	160,000	160,000
5115	Public Utilities - Current	3,025,512	2,918,635	2,768,500	2,633,650	2,589,200
5116	Public Utilities - Prior	17,595	5,145	2,000	2,000	2,000
5117	Discount	(337,788)	(348,873)	(385,450)	(346,000)	(400,550)
5131	K U B	12,043,900	12,367,150	12,667,900	12,899,180	13,146,210
5132	K C D C	0	197,038	80,000	170,740	170,740
5134	Downtown	84,724	65,263	83,710	83,710	83,710
5135	News-Sentinel	129,131	203,753	238,920	238,920	238,920
5136	Other PILOTS	161,324	197,505	21,500	21,500	21,500
5141	Local Shared Sales Tax	34,186,373	32,654,022	31,617,180	33,013,420	33,989,330
5151	Beer Tax	6,714,110	6,561,920	6,686,700	6,760,430	6,760,430
5152	Mixed Drink Tax	1,316,540	1,338,548	1,325,150	1,340,300	1,340,300
5153	Alcoholic Beverage Tax	2,440,075	2,430,776	2,425,730	2,532,630	2,532,630
5161	Business Tax	21,913	6,923	11,810	140	140
5163	Business License Fees	0	366,107	3,800	319,780	319,780
5165	Tax Sale Publication Fees	76,925	36,334	40,320	9,610	9,610
5166	Business Tax 2003	5,027,529	4,743,847	4,004,940	4,338,160	4,338,160
5171	Interest & Penalties-Current	137,516	140,825	150,000	150,000	150,000
5172	Interest & Penalties-Prior	951,887	1,271,686	1,297,060	1,448,130	1,448,130
5173	Interest & Penalties-Business	13,291	22,192	22,980	300	300
5174	Interest & Penalties-License	544	626	580	910	910
5175	Interest & Penalties CBID	4,790	2,784	3,330	17,620	17,620
5176	Interest-New Btx	12,671	6,648	7,030	820	820
5177	Penalty-New Btx	61,999	39,421	43,190	3,110	3,110
5178	Interest - Bankruptcy Court	14,374	10,497	6,900	15,640	15,640
5193	Cable TV Franchise Tax	1,659,123	1,669,418	1,651,380	1,720,020	1,728,620
	Subtotal - Taxes	137,638,825	136,823,675	135,462,900	138,098,440	141,811,290
5201	Blasting Permits	3,200	2,900	1,630	3,250	3,250
5202	Fire Reports	525	0	0	350	350
5203	Fireworks Permit	3,850	3,950	4,120	3,850	3,850
5204	Tank Abandonment	0	720	650	0	0
5205	Tank Installation Fees	18,065	15,110	12,700	15,420	15,420
5211	Merchant & General Privilege	175	200	300	0	0
5212	Liquor By Ounce	167,920	170,550	174,540	166,930	166,930
5215	Alcoholic Beverage License	7,000	8,000	6,000	6,000	6,000
5251	Beer Application Fees	21,150	26,980	27,230	24,280	24,280
5252	Beer Privilege Tax	56,453	60,119	61,650	63,180	63,180
5253	Beer Permit Publications	2,250	2,850	2,930	2,680	2,680
5254	Beer Permit Records Check	8,150	8,800	8,970	8,330	8,330
5255	Duplicate Beer Permits	335	335	410	140	140
5281	Pets in Restaurant Patio Permits	0	500	0	160	160
5291	Solicitation	5,425	5,425	5,660	5,670	5,670
5293	Street Vendor	3,025	3,625	3,710	4,600	4,600
5296	Background Check Fees	14,587	12,336	0	16,520	16,520
	Subtotal - Licenses & Permits	312,110	322,400	310,500	321,360	321,360
5313	Emer. Mgmt. - Federal Share	136,000	136,000	136,000	136,000	136,000
5319	Federal Grants	706,354	665,462	837,500	265,670	265,670
5321	Sales Tax	11,386,849	11,124,790	10,271,590	10,997,190	11,217,130
5322	Income Tax	5,028,617	9,449,630	3,215,900	4,500,000	5,000,000
5323	Beer Tax	90,702	86,173	86,720	84,910	84,910
5324	Alcoholic Beverage Tax	118,553	122,581	70,040	127,600	127,600
5326	Streets & Transportation Gas	373,595	373,370	361,840	372,860	361,670
5327	Excise Tax	543,971	719,734	683,750	274,440	274,440
5328	TVA - Gross Receipts	1,705,060	1,950,396	1,950,500	1,994,760	1,994,760
5329	State Contribution	409,200	425,100	409,200	409,200	409,200
5332	Telecommunications Sales Tax	20,284	15,088	14,830	10,720	10,720
5341	Emer. Mgmt. - County Share	53,000	53,000	53,000	53,000	53,000
	Subtotal - Intergovernmental Revenue	20,572,185	25,121,324	18,090,870	19,226,350	19,935,100

Account Code	Revenue Source	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Budget	FY 10/11 Forecast	FY 11/12 Budget
5410	Market Square Rental	1,885	1,100	1,050	1,040	1,040
5412	Atty. Cost - Taxes	254,292	362,917	345,110	426,150	426,150
5413	Recording & Collection	43,716	25,753	38,170	710	710
5421	Towing & Impoundment	825	505	0	0	0
5423	Accident Reports	179,288	109,463	116,880	81,000	81,000
5425	Officer Costs	23,971	172,882	40,750	239,240	239,240
5434	Codes Enforcement	189,320	209,908	229,820	168,720	168,720
5435	State Reimb./Streets, Signs	16,498	106,181	187,510	106,180	106,180
5441	Recreation Program Fees	36,312	29,308	25,500	23,050	23,050
5442	Inskip Pool Gate	40,020	38,190	39,470	52,520	52,520
5443	Ed Cothren Pool Gate	7,432	8,988	5,050	8,720	8,720
5444	Indoor Pool Fees and Rentals	19,080	15,710	13,260	20,620	20,620
5445	Team Registration Fees	55,453	47,045	62,670	78,290	78,290
5447	Vending Concessions	4,847	219	250	220	220
5449	Summer Program Registration Fee	14,710	12,867	14,700	12,870	12,870
5450	Tennis Revenue	11,411	13,667	7,500	13,670	13,670
5451	Building and Shelter Revenues	52,826	55,670	58,020	55,670	55,670
5452	Parks and Field Rental Fees	10,765	13,871	14,730	15,080	15,080
5453	Lease of SKCC	42,098	52,695	39,030	26,350	26,350
5459	Parks and Recreation - Miscellaneous Fees	15,081	20,642	0	16,690	16,690
5461	Caswell Park League Concessions	27,584	27,631	52,280	31,850	31,850
5464	Caswell Park Gate Fee	26,572	23,073	25,000	22,220	22,220
5466	Inskip Pool Concessions	20,796	20,147	27,000	11,130	11,130
5467	Ed Cothren Pool Concessions	8,528	9,359	9,000	5,730	5,730
	Subtotal - Charges for Services	1,103,310	1,377,790	1,352,750	1,417,720	1,417,720
5512	County Court Costs	161,108	143,259	146,730	86,020	86,020
5528	KPD - Automated Information	136,711	126,909	142,550	119,330	119,330
5531	Criminal Court Fines	201,114	148,197	152,230	209,470	209,470
5532	KPD - DARE	1,142	624	0	180	180
5580	Red Light Camera Fines	811,869	1,509,047	1,496,810	1,621,750	1,524,450
5581	Red Light Camera Fines - Municipal Court	216,589	493	0	0	0
5582	Red Light Camera Fines - Municipal Court LC	26,596	386,093	369,480	312,060	294,200
	Subtotal - Fines & Forfeits	1,555,129	2,314,621	2,307,800	2,348,810	2,233,650
5611	Interest On Investments	996,696	621,366	625,000	465,000	465,000
5616	Interest on Loans and Notes	10,382	11,121	0	9,800	9,800
5620	Lease & Rental Income	60,010	60,000	59,180	60,000	60,000
5623	K C D C Parking Rents	0	9,640	0	4,600	4,600
5627	Parking Meters	298,335	345,144	332,260	379,410	379,410
5630	Sale Of/(And Loss) Fixed Asset	0	(5,003)	0	0	0
5642	Equipment	126,661	95,853	180,700	22,790	22,790
5643	Non Equipment Sales	0	0	0	4,550	4,550
5666	Agency Contribution	4,980	0	0	23,850	23,850
5699	Misc. Revenue	29,161	314,671	18,180	6,390	6,390
	Subtotal - Misc. Revenue	1,526,225	1,452,792	1,215,320	976,390	976,390
	Grand Total - Operating Revenue	162,707,784	167,412,602	158,740,140	162,389,070	166,695,510
5905	Transfer - Excess City Court Revenues	4,370,630	4,098,180	4,299,100	3,688,880	3,757,460
5919	Misc. Special Revenue Transfer In	200,000	77	0	0	0
5926	Capital Project Transfer	0	1,484,475	0	0	0
5970	Residual Equity Transfers	0	101,381	0	0	0
	Subtotal - Transfers In	4,570,630	5,684,113	4,299,100	3,688,880	3,757,460
	Grand Total - Revenues	$ 167,278,414	$ 173,096,715	$ 163,039,240	$ 166,077,950	$ 170,452,970
5998	Appropriated Fund Balance	0	0	1,650,000	0	1,725,000
	Grand Total - General Fund	$167,278,414	$173,096,715	$164,689,240	$166,077,950	$172,177,970

GENERAL FUND EXPENDITURES

General Fund Overview

Proposed General Fund expenditures for FY 11/12, including the reservation for contingencies, are $172,177,970. This is 4.55% more than the FY 10/11 General Fund budget of $164,689,240. 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

	FY10/11	FY11/12	Change
Personal Services	$ 86,352,550	89,493,680	3,141,130
Supplies	3,802,300	3,822,120	19,820
Other Charges	43,208,940	45,221,810	2,012,870
Transfers Out	31,325,450	33,640,360	2,314,910
Total's	$ 164,689,240	172,177,970	7,488,730

Personal Services

Personal Services, which include salaries and benefits, increase by $3,141,130 or 3.64% when compared to the FY 10/11 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 $1,818,240, an increase of 21% over FY11. 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 remains flat with a small increase of $19,820 (0.52%).

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 $2,012,870 when compared to the previous fiscal year. An increase of $1,295,970 in fuel charges accounts for most of the change. There was also an an increase of $313,910 in internal equipment lease charges.

Transfers

Transfers reflect the movement of financial assets between City funds. The majority of the transfers are for subsidies to cover revenue shortfalls in various other funds. Budgeted transfers increase by $2,314,910 from the previous fiscal year to a total of $33,640,360. The largest change was an increase of $1,145,010 in the KAT operating subsidy along with a $245,120 increase in the Trolley operating subsidy. Among other transfers there was an increase of $161,230 to the City Inspections Fund to cover increased salary and benefit costs..This category also includes the actuarially required contribution for former school employees. In FY 11/12 this equals $638,970.

Administration

The proposed Administration budget increases by $310,500 (13.09%) to $2,683,300. Personal services charges increase from $1,779,570 to $1,996,770 due to salary and benefit increases. Costs associated with the Cumberland Avenue project were formerly budgeted in a miscellaneous special revenue fund, but have been combined into the General Fund. This is an accounting change which has no net effect on costs but affect compariosons. The shift does account for the changes in supplies which increase by $9,700 (16.4%), and the other expenses category which grows by $83,600 (15.7%).

Finance Division

The FY 11/12 budget for the department of Finance and Accountability increases by $133,020 or 3.76%. Overall, personal services expenditures increase by $95,400 (3.57%) due to the mandated 2.5% salary increase and additional pension contribution charges. Supply costs increase slightly by $950 (2.8%). Other Charges increase by $36,670 (4.4%) due to a change in the allocation of risk management charges.

Information Systems Division

Information Systems total budget increase by $130,230 or 3.19%. There is a personal services increase of $110,070 (4.3%) due to the required 2.5% salary increase and pension contributions. Supply costs increase slightly by $2,600 (4.1%) to a total of $65,800. Other costs increase by $17,600 or (1.2 %).

Community Development Division

The proposed budget for Community Development (Economic Administration) is $1,065,730, a decrease of $24,502 (2.2%) from prior year. Personal services accounted for most of the decrease ($32,360). Supplies remained the same as FY10/11 at $17,790. Other charges grow slightly by $7,860 or 1.09%.

South Knoxville Waterfront

The City has created a department to oversee the redevelopment of the City's South Knoxville Waterfront. The proposed operating FY11/12 budget for administration of our redevelopment effort is $236,270, an increase of $10,680 over FY10/11. Actual projects are funded through the Capital Improvement Projects fund.

Engineering Division

The Engineering budget increases by $203,190 (3.58%) from the prior fiscal year. Increases in personal services of $87,830 are due to the proposed salary increase, offset in part by the shift of one position to the Stormwater Fund. The rise in the other expenses is attributable to an increase in risk management charges.

Public Service Division

The proposed FY 11/12 budget for the Public Service Division is $20,979,060, an increase of $606,420 (2.98 %) from FY10/11. Personal service costs increase from $12,582,880 to $12,999,450 ($416,570 - 3.31%) due to salary and pension increases. Supply costs increase by $4,230 (0.37%) to $1,121,370. The other expense category increase by $185,619 (2.78%) to $6,858,240. Specific increases in the other expenses category occur in the various fleet charge accounts.

Parks and Recreation Division

The Parks and Recreation budget for FY 11/12 increase by $55,700 (0.83%) to $6,799,330. Personal service increases by $75,580 (2.11%). This is mainly caused by the compulsory 2.5% pay increase. Supply costs show an increase of $4,600 (1.6%). The 'Other Cost' category decreases by $24,480 (0.85%).

Mass Transit Division (Grant Match)

The Mass Transit Grant Match for FY 11/12 increases by $38,280 to $951,230. This funding is sufficient to meet the City's current grant match requirements.

Law

The Law Department budget increases by $44,610 (2.53%). An increase in Personal Services of $20,480 and an increase in risk management charges accounts for the change.

Police Department

The FY11/12 budget for the Police Department is $47,931,560, an increase of $1,972,640 or 4.29%, over FY 10/11. Personal Services increase by $1,130,160. The salary increase was partially offset by a decrease in supplies of $31,720. Other charges increase by $874,200 due to higher fuel and other fleet related charges. Total authorized uniformed positions remain at 416.

Emergency Management Division

The FY 11/12 budget for Emergency Management increases by $8,740 from last year. The change in the budget is primarily due to higher personal service charges.

Fire

The FY 11/12 proposed budget for the Fire Department is $33,653,620 representing an

increase of $1,331,040 or (4.12%) over FY 10/11. Personal services increase $970,480 due to the proposed salary increase.

Other charges increase by $332,800, largely due to higher fleet and risk management charges.

The authorized strength for the uniformed personnel remains at 327. Total department strength is three hundred thirty-seven (337) including 10 non-uniformend support personnel.

Civil Service

The Civil Service budget for FY 11/12 increases by $33,310 (3.36%) to $1,024,640. Personal services increase $16,500 or 2.15% due to the salary increase and pension costs. Supplies costs increase by $1,500. Other costs increase $15,310 due to increases in Risk Management charges.

Legislative

The legislative budget increases to $945,160 a 3.23% growth over FY11 resulting mainly from higher personal services amounts and some contractually mandated increases..

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 $280,000 as city primary and general elections are scheduled for this fiscal year.

OTHER FUNDS

State Street Aid (Fund 201)

The State Street Aid budget increases by $150,000 to $4,631,000. The increase is due to an increase in the transfers for capital transportation related improvements and betterments. This is supported by higher anticipated revenues.

Abandoned Vehicles (Fund 209)

The FY 11/12 budget for the Abandoned Vehicles Fund totals $866,810, an increase of $9,370 from FY 10/11. The elimination of funding for Capital Projects from this fund covered increases in other operating expenses.

City Court (Fund 213)

The total budget for City Court is $4,618,890. Actual budgeted expenditures are $861,430. Projected excess fees collected in excess of operating court costs ($3,757,460), are transferred to the General Fund. This is a decrease of $541,640 from FY 10/11.

City Inspections (Fund 216)

Due to continuing lower revenues as a result of the nationwide downturn in the building industry, General Fund support for Inspections has been increase by $134,330 to a total of $960,900 for FY12.

Stormwater (Fund 220)

The proposed budget for FY 11/12 increases by $161,230. Personnel service costs increase by $107,860 as the result of a position being transferred from the General Fund.

Solid Waste (Fund 230)

The Public Service Division of the Public Works Department manages the Solid Waste Management Fund. The FY 11/12 budget for Solid Waste is $10,437,920, an increase of $18,380 from the prior year. For FY10-11 a new sub-fund was created under (230001) to account for the new Curbside Recycling program. $100,000 was budgeted for the initial implementation with funding to come from anticipated savings in changes to our current solid waste collection practices. Fund 230001 and the funds budgeted there, are now budgeted in Fund 230.

Safety City (Fund 240010)

Funding for Safety City increases by $180,490 due to an increase of $175,000 in capital contributions for improvements at the Safety City.

Housing Grants (Fund 260)

The total for FY 011/12 housing grants is $1,657,950 allocated between Home Grants ($1,574,950) and an Emergency Shelter Grant ($83,000). The Home Grant funding, as a result of cuts in federal funding and the reduction of carry

forward monies, decreases substantially this year by $667,040.

Community Development (Fund 290)

This budget is funded solely from the Federal Community Development Block Grant revenues. The proposed FY11/12 budget of $2,157,360 is down from the $2,262,573 budget for 10/11. Personal services are up from $951,690 to $994,000. This is mostly due to increases in salary and pension costs. The funding for the supplies category decreases $1,160 to $9,340. The other expenses category decreases from $1,541,520 to $1,154,020. The decrease of $387,503 is due to an expected reduction in federal grant funding.

Public Assembly Facilities (Fund 503)

The Public Assembly Facilities Fund includes operations at the Civic Coliseum/Auditorium and Chilhowee Park. The proposed FY11/12 budget decreases by $484,460 from FY 10/11. Despite the total decrease, personal services increase by $57,710 due to the proposed salary and pension increases. Supply costs increase slightly by $ 760 to $133,900. Other and capital charges decrease (mainly due to less costly capital improvements) by $542,930.

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 11/12 budget increases by $194,430 primarily due to an increase in depreciation. 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 depreciation 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 $19,656,560 which represents an $181,900 increase from FY10/11. This increase is mainly attributable to an increase in depreciation expense.

Mass Transportation (Fund 507)

The FY 11/12 budget for Mass Transit operations is $22,722,700. When compared to FY10-11, this is an increase of $1,353,800. 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 increase from $8,972,860 to $10,362,990-an increase of $1,390,130. The growth covers expected salary and benefit increases, higher fuel costs, and maintenance costs associated with a full year of service at the new transit center. Funding also covers expenses relating to the redesign of the trolley routes.

Fleet Services (Fund 702)

The Fleet Services Operating Fund increases by $1,342,750 primarily due to higher funding for fuel ($1,355,210).

Risk Management (Fund 704)

The Risk Management operation is a division of the Finance and Accountability Department. The budget for FY12 increases by $10,040 to $7,302,590.

Health Care (Fund 705)

The FY12 budget for the Health Care services fund decreased by $440,430 to $15,747,640. Personal services costs increase by $9,910. The supplies category remains the same as FY10/11 at $9,600. Various other expense costs (used to purchase external insurance and fund self insurance claims) decrease by $450,340 to $15,516,820.

GENERAL FUND EXPENDITURES BY DEPARTMENT

Fiscal Year 2011/12

Department	Actual FY 08/09	Actual FY 09/10	Adopted Budget FY 10/11	Proposed Budget FY 11/12	$ Change 10/11 - 11/12	% Change 10/11 - 11/12
Administration	$2,318,268	$2,273,262	$2,372,800	$2,683,300	$310,500	13.09%
Finance	3,509,209	3,266,524	3,539,460	3,672,480	133,020	3.76%
Information Systems	3,769,840	3,888,646	4,077,990	4,208,220	130,230	3.19%
Community Development	950,650	972,762	1,090,230	1,065,730	(24,500)	(2.25%)
South Knoxville Waterfront	285,147	227,235	225,590	236,270	10,680	4.73%
Public Services	19,919,968	20,531,841	20,372,640	20,979,060	606,420	2.98%
Engineering	5,362,636	5,354,224	5,673,040	5,876,230	203,190	3.58%
Recreation	6,668,667	6,966,538	6,743,630	6,799,330	55,700	0.83%
Knoxville Area Transit (KAT)	850,000	969,200	912,950	951,230	38,280	4.19%
Law	1,570,666	1,574,709	1,764,930	1,809,540	44,610	2.53%
Police	44,161,134	44,708,327	45,958,920	47,931,560	1,972,640	4.29%
Emergency Management	269,828	296,010	316,940	325,680	8,740	2.76%
Fire	30,887,097	30,322,072	32,322,580	33,653,620	1,331,040	4.12%
Legislative	1,017,398	896,730	915,560	945,160	29,600	3.23%
Civil Service	925,447	931,793	991,330	1,024,640	33,310	3.36%
Nondepartmental						
City Elections	0	248,422	0	280,000	280,000	
Knoxville Partnership	655,786	651,300	651,300	642,970	(8,330)	(1.28%)
Metropolitan Planning Commission (MPC)	763,430	800,000	905,000	905,000	0	0.00%
Knoxville Zoological Park	907,100	906,250	906,660	1,009,570	102,910	11.35%
Agency Grants	1,166,200	996,700	876,500	717,000	(159,500)	(18.20%)
Waterfront	341,323	536,761	528,090	530,380	2,290	0.43%
Community Action Committee (CAC)	517,370	719,770	567,650	565,640	(2,010)	(0.35%)
Reserve	0	0	1,650,000	1,725,000	75,000	4.55%
Other Non-departmental Expenses	605,730	0	475,180	1,115,200	640,020	134.69%
Transfers	37,072,255	35,425,940	30,850,270	32,525,160	1,674,890	5.43%
Subtotal - Nondepartmental	42,029,194	40,285,143	37,410,650	40,015,920	2,605,270	6.40%
GRAND TOTAL	$164,495,149	$163,465,016	$164,689,240	$172,177,970	$7,488,730	4.53%

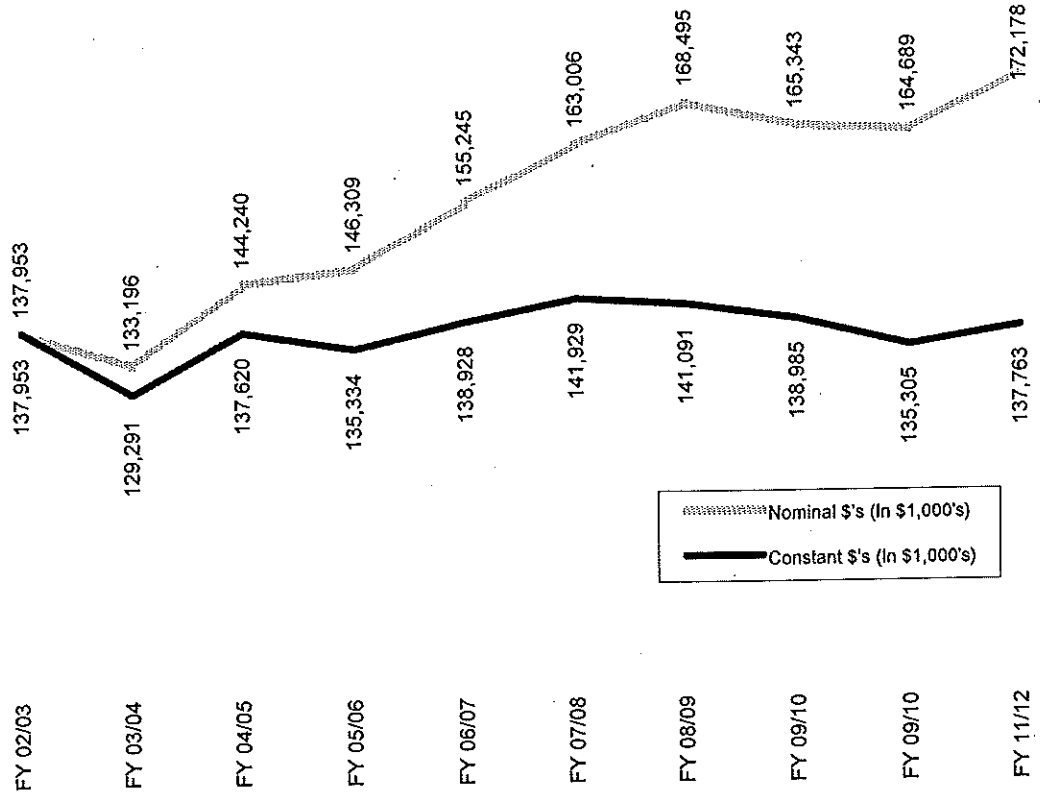
GENERAL FUND BUDGET BY DEPARTMENT

Fiscal Years 2007/08 - 2011/12

Department	Adopted Budget FY 07/08	Adopted Budget FY 08/09	Adopted Budget FY 09/10	Adopted Budget FY 10/11	Proposed Budget FY 11/12
Administration	$2,233,330	$2,378,100	$2,454,900	$2,372,800	$2,683,300
Finance	3,287,000	3,591,100	3,499,930	3,539,460	3,672,480
Information Systems	3,564,700	4,028,340	3,974,450	4,077,990	4,208,220
Community Development	978,950	1,050,680	1,079,150	1,090,230	1,065,730
South Knoxville Waterfront	285,410	292,280	298,990	225,590	236,270
Public Services	18,946,960	20,005,860	20,077,210	20,372,640	20,979,060
Engineering	5,787,930	5,706,950	5,594,940	5,673,040	5,876,230
Recreation	6,414,150	6,744,380	6,796,420	6,743,630	6,799,330
Knoxville Area Transit (KAT)	830,000	850,000	969,200	912,950	951,230
Law	1,673,140	1,667,220	1,822,840	1,764,930	1,809,540
Police	43,193,610	44,730,920	45,145,760	45,958,920	47,931,560
Emergency Management	296,640	292,970	298,440	316,940	325,680
Fire	29,537,190	31,068,220	30,698,080	32,322,580	33,653,620
Legislative	881,320	906,490	916,480	915,560	945,160
Civil Service	943,680	978,390	994,060	991,330	1,024,640
Nondepartmental					
City Elections	280,000	30,000	280,000	0	280,000
Knoxville Partnership	540,000	673,390	651,300	651,300	642,970
Metropolitan Planning Commission (MPC)	713,430	763,430	800,000	905,000	905,000
Knoxville Zoological Park	909,920	907,100	906,250	906,660	1,009,570
Agency Grants	1,533,400	1,130,200	996,700	876,500	717,000
Waterfront	469,390	511,590	519,390	528,090	530,380
Community Action Committee (CAC)	469,250	517,370	542,530	567,650	565,640
Reserve	2,410,000	2,450,000	1,675,000	1,650,000	1,725,000
Other Non-departmental Expenses	355,720	605,730	565,370	475,180	1,115,200
Transfers	36,470,320	36,614,070	33,785,570	30,850,270	32,525,160
Subtotal - Nondepartmental	44,151,430	44,202,880	40,722,110	37,410,650	40,015,920
GRAND TOTAL	$163,005,440	$168,494,780	$165,342,960	$164,689,240	$172,177,970

Equalized General Fund Budget

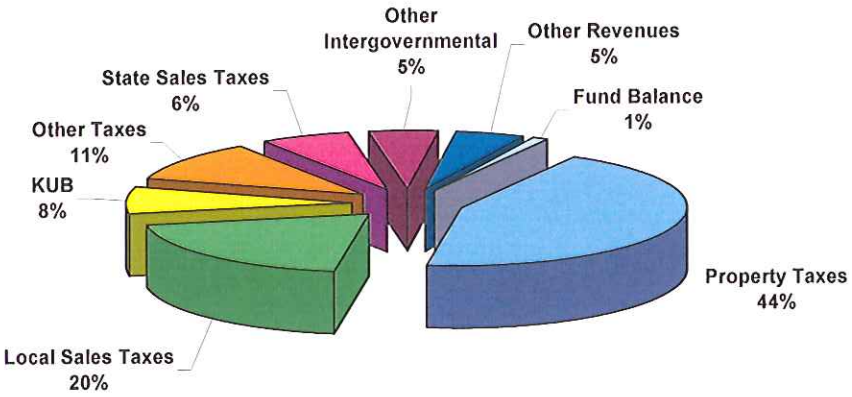
Fiscal Years 2002/03 – 2011/12



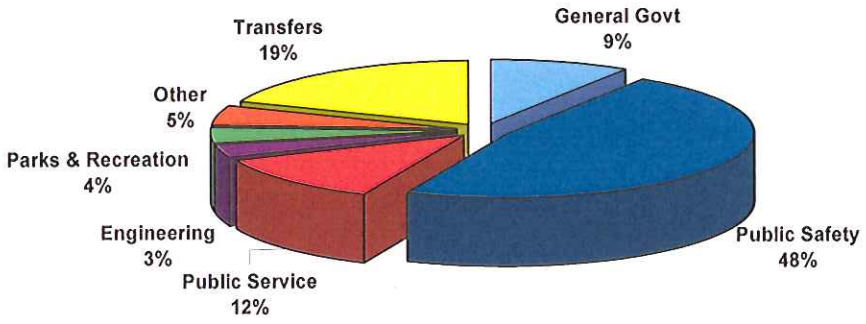
The chart above shows the actual adopted General Fund budget compared to the budget adjusted for the impacts of inflation over the past ten years. As can be seen the adjusted budget has fluctuated over the years. The proposed FY 11/12 budget, as adjusted, is virtually unchanged when compared to 10 years ago, being down by $190,000. When compared to FY 10/11 the adjusted budget is up by $2,458,000.

General Fund Revenue and Expenditures
FY 2011-12

Where the money comes from



Where the money goes



Authorized Positions by Department

Full and Part-Time General Fund

Department	FY 09/10 Full Time	FY 09/10 Part Time	FY 10/11 Full Time	FY 10/11 Part Time	FY 11/12 Full Time	FY 11/12 Part Time	Total Change 10/11 - 11/12
Administration	25	3	24	3	25	2	0
Finance	43	1	42	0	42	0	0
Information Systems	30	0	30	0	30	0	0
Community Development	4	0	4	0	4	0	0
South Knoxville Waterfront	2	0	1	0	1	0	0
Public Services	284	0	282	0	282	0	0
Engineering	59	1	58	1	57	1	(1)
Recreation	48	14	46	13	46	13	0
Law	14	0	13	0	13	0	0
Police	517	3	516	3	516	3	0
Emergency Management	3	0	3	0	3	0	0
Fire	338	0	337	0	337	0	0
Legislative	3	9	3	9	3	9	0
Civil Service	13	0	12	0	12	0	0
Total - Full Time	1,383	31	1,371	29	1,371	28	(1)

Permanent Full Time Personnel

General Fund FY 07/08 - 11/12

Department	FY 07/08 Full Time	FY 08/09 Full Time	FY 09/10 Full Time	FY 10/11 Full Time	FY 11/12 Full Time	Change 07/08 - 11/12	Change 09/10 -11/12
Administration	24	25	25	24	25	1	1
Finance	43	43	43	42	42	(1)	0
Information Systems	30	30	30	30	30	0	0
Development Services	0	0	0	0	0	0	0
Community Development	6	4	4	4	4	(2)	0
South Knoxville Waterfront	2	2	2	1	1	(1)	0
Public Services	286	285	284	282	282	(4)	0
Engineering	61	59	59	58	57	(4)	(1)
Recreation	50	49	48	46	46	(4)	0
Law	13	13	14	13	13	0	0
Police	516	517	517	516	516	0	0
Emergency Management	3	3	3	3	3	0	0
Fire	338	338	338	337	337	(1)	0
Legislative	3	3	3	3	3	0	0
Civil Service	13	13	13	12	12	(1)	0
Total - Full Time	1,388	1,384	1,383	1,371	1,371	(17)	0

GRANTS TO COMMUNITY AGENCIES

Fiscal Year 2011/12

Description	Actual FY 08/09	Actual FY 09/10	Adopted FY 10/11	Proposed FY 11/12	Dollar Change	Percentage Change
Operating Grants						
African American Appalachian Arts	20,000	20,000	15,000	18,000	3,000	20.00%
Arts and Cultural Alliance	25,000	25,000	25,000	25,000	0	0.00%
Beck Cultural Center	64,000	28,000	20,000	26,000	6,000	30.00%
Bijou Theatre	22,500	22,500	20,000	20,000	0	0.00%
Blount Mansion Association	7,500	7,000	8,000	8,000	0	0.00%
Boys/Girls Club	0	0	3,000	3,000	0	0.00%
Canvas Can Do Miracles	0	0	1,000	0	(1,000)	(100.00%)
Carpetbag Theatre	0	0	2,500	5,000	2,500	100.00%
Central Business Improvement District	60,000	60,000	60,000	0	(60,000)	(100.00%)
Cerebral Palsy Center	6,500	7,000	7,000	7,000	0	0.00%
Child and Family Services	42,000	40,000	38,000	38,000	0	0.00%
Circle Modern Dance	1,000	0	0	0	0	
Clarence Brown Theatre	0	0	0	2,500	2,500	
C.O.N.N.E.C.T. Ministries	0	0	0	5,000	5,000	
disABILITY Resource Center	0	1,000	0	0	0	
East Tennessee Community Design Center	6,000	6,200	8,000	8,000	0	0.00%
East Tennessee Discovery Center	20,000	20,000	20,000	20,000	0	0.00%
East Tennessee Historical Society	0	18,000	18,000	18,000	0	0.00%
East Tennessee Technology Access Center	15,000	3,000	2,500	2,500	0	0.00%
Emerald Youth Foundation	0	0	1,500	1,500	0	0.00%
Epilepsy Foundation	0	0	1,000	1,000	0	0.00%
Family Promise of Knoxville	0	0	0	1,500	1,500	
Florence Crittenton Home	4,000	4,000	3,000	3,000	0	0.00%
Fountain City Art Center		0	1,000	1,000	0	0.00%
Friends of the Knox County Library (Imagination Library)	3,200	5,000	6,500	7,000	500	7.69%
Friends of Literacy	0	3,000	3,000	3,000	0	0.00%
Great Schools Partnership	10,000	0	0	0	0	
Hands and Feet Ministries	0	0	0	1,000	1,000	
Hazen Historical Museum Foundation	0	7,000	8,000	8,000	0	0.00%
Helen Ross McNabb Center	5,500	5,500	4,500	4,500	0	0.00%
Hola Hora Latina	500	1,500	3,000	3,000	0	0.00%
Hope Resource Center	0	0	4,000	4,000	0	0.00%
Interfaith Health Clinic	20,000	30,000	32,000	32,000	0	0.00%
James White Fort Association	7,000	7,000	8,000	8,000	0	0.00%
Joy of Youth Music School	7,500	7,500	12,000	12,000	0	0.00%
Jubilee Community Arts	0	0	0	5,000	5,000	
Keep Knoxville Beautiful	5,000	5,000	5,000	5,000	0	0.00%
Knox Heritage	20,000	20,000	20,000	21,000	1,000	5.00%
Knoxville Area Urban League	46,000	45,000	45,000	45,000	0	0.00%
Knoxville Botanical Gardens & Arboretum	0	0	3,000	3,500	500	16.67%
Knoxville Choral Society	0	500	1,500	1,500	0	0.00%
Knoxville Habitat for Humanity	0	0	0	2,500	2,500	
Knoxville Museum of Art	115,000	100,000	90,000	80,000	(10,000)	(11.11%)
Knoxville Opera Company	20,000	20,000	22,000	24,000	2,000	9.09%
Knoxville Symphony Society	47,500	47,500	50,000	55,000	5,000	10.00%
Knoxville Writer's Guild	500	0	0	0	0	
Legal Aid of Tennessee	0	5,000	5,000	4,000	(1,000)	(20.00%)
Metropolitan Drug Commission	45,000	40,000	40,000	40,000	0	0.00%
Positively Living	0	6,000	6,000	5,000	(1,000)	(16.67%)
Safe Haven Center	10,000	12,000	12,000	0	(12,000)	(100.00%)
Samaritan Ministry - CBC	0	0	1,500	1,500	0	0.00%
Second Harvest Food Bank	0	7,000	7,500	8,000	500	6.67%
Senior Citizens Home Assistance	20,000	20,000	20,000	20,000	0	0.00%
Sertoma Center	22,500	22,500	22,000	22,000	0	0.00%
Shora Foundation	0	0	500	500	0	0.00%
Tennessee Archive of Moving Image and Sound	0	0	0	1,000	1,000	
Tennessee Children's Dance Ensemble	1,000	1,500	3,000	3,000	0	0.00%
Tennessee Stage Company	0	5,000	6,500	6,000	(500)	(7.69%)
Tennessee Theatre Foundation	46,500	46,500	45,000	20,000	(25,000)	(55.56%)
Tribe One	0	0	0	6,500	6,500	
Volunteer Ministry Center	0	0	3,000	3,000	0	0.00%
WDVX	10,000	15,000	18,000	21,000	3,000	16.67%
Williams Creek Community Garden (TCWN)	0	0	0	1,500	1,500	
YMCA	0	5,000	5,000	5,000	0	0.00%
YWCA	5,000	5,000	5,000	5,000	0	0.00%
Subtotal - Operating Grants	761,200	756,700	772,000	712,000	(60,000)	(7.77%)

GRANTS TO COMMUNITY AGENCIES

Fiscal Year 2011/12

Description	Actual FY 08/09	Actual FY 09/10	Adopted FY 10/11	Proposed FY 11/12	Dollar Change	Percentage Change
Capital Grants						
Boys/Girls Club Capital	150,000	0	0	0	0	
Crutcher Memorial Youth Enrichment	0	5,000	0	5,000	5,000	
disABILITY Resource Center Capital	0	0	3,000	0	(3,000)	(100.00%)
East Tennessee Historical Museum Capital	20,000	0	0	0	0	
Fountain City Lions Club Capital	15,000	0	0	0	0	
Friends of YWAC Capital	0	0	100,000	0	(100,000)	(100.00%)
Knoxville Botanical Gardens and Arboretum	75,000	75,000	0	0	0	
Love Kitchen Capital	0	10,000	0	0	0	
Metropolitan Drug Commission Capital	0	25,000	0	0	0	
Nativity Pageant Capital	0	0	1,500	0	(1,500)	(100.00%)
Senior Citizen's Home Assistance Capital	125,000	125,000	0	0	0	
Transportation Planning Organization Capital	20,000	0	0	0	0	
Subtotal - Capital Grants	405,000	240,000	104,500	5,000	(99,500)	(95.22%)
Grand Total	1,166,200	996,700	876,500	717,000	(159,500)	(18.20%)

Description	Budget FY 10/11	Budget FY 11/12	Change 10/11 - 11/12	Comment
Community Improvement (202) Transfer	80,000	85,000	5,000	Transfer for community improvements (see Fund 202)
City Inspections Transfer	826,570	960,900	134,330	Subsidy for City Inspections (see Fund 216)
Stormwater Transfer	2,396,320	2,557,550	161,230	Funding for Stormwater operations (see Fund 220)
Solid Waste Transfer	9,392,740	9,416,120	23,380	Funding for Solid Waste operations (see Fund 230)
Special Revenue Fund Transfer	411,550	269,270	(142,280)	Transfer for Senior Aides, 10 Year Plan, Others (see Funds 240 & 250)
Tax Increment Transfer	832,820	774,990	(57,830)	Tax Increment Subsidy ($739,910) (see Fund 306)
Transfer - Trust & Agency	0	638,970	638,970	Actuarially required contribution for past service liability (Schools)
Chilhowee Park Transfer	1,046,720	1,016,390	(30,330)	Subsidy for Chilhowee Park operations (see Fund 503)
Auditorium/Coliseum Transfer	1,348,380	1,506,600	158,220	Subsidy for Coliseum (see Fund 503)
Convention Center Transfer	2,253,510	2,191,510	(62,000)	Support for Convention Center Operations (see Fund 506)
World's Fair Park Transfer	1,449,770	1,486,410	36,640	Subsidy for WFP operations (see Fund 506)
Mass Transit Transfer	8,367,690	9,512,700	1,145,010	KAT operating subsidy (see Fund 507)
Trolley Transfer	605,170	850,290	245,120	Trolley operating subsidy (see Fund 507)
Golf Course Transfer	122,800	126,500	3,700	Subsidy for Municipal Golf Course (see Fund 508)
Risk Management Transfer	424,850	434,940	10,090	Support administration of Risk Fund (see Fund 704)
Health Care Transfer	1,291,380	1,335,990	44,610	Support administration of Health Care Fund (see Fund 705)
Employer Subsidy - Retiree Health Care	475,180	476,230	1,050	Subsidy to offset a portion of retiree's health care costs
	31,325,450	33,640,360	2,314,910	

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, the new Convention Center, and various other projects. In FY 09/11 the City also assumed new debt in the form of a line of credit. The latter is used to pay for various energy saving measures As of June 30, 2011, the long-term debt of the City, excluding revenue supported debt of the Knoxville Utilities Board (KUB) and the Metropolitan Knoxville Airport Authority (MKAA), is $195,695,730. As KUB and MKAA are not a part of the City's operating budget the following analysis focuses only on the debt of the general government.

TABLE 1

Type of Debt	Principal Outstanding 6/30/11	Principal Paid In FY 11/12	Principal Outstanding 6/30/12
G.O.Bonds & Notes	$61,256,870	$8,507,990	$52,748,880
Other Debt	943,860	76,520	867,340
Enterprise Fund Debt	133,495,000	3,900,000	129,595,000
Total	$195,695,730	$12,484,510	$183,211,220

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 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 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 60¢. This is six cents less when compared to the FY 10/11 levy. Property tax is projected to yield approximately $24.26 million. Interest earnings are forecast at $836,600. The Knoxville Community Development Corporation (KCDC) is committed to repay the debt service on a portion of the 2005A bonds. In FY 10/11 that amount is $224,480. An additional $69,990 comes for the Public Building Authority to repay its portion of the line of credit.

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 11/12, as well as a complete amortization schedule by year.

DEBT SERVICE SCHEDULE

Fiscal Year 2011/12

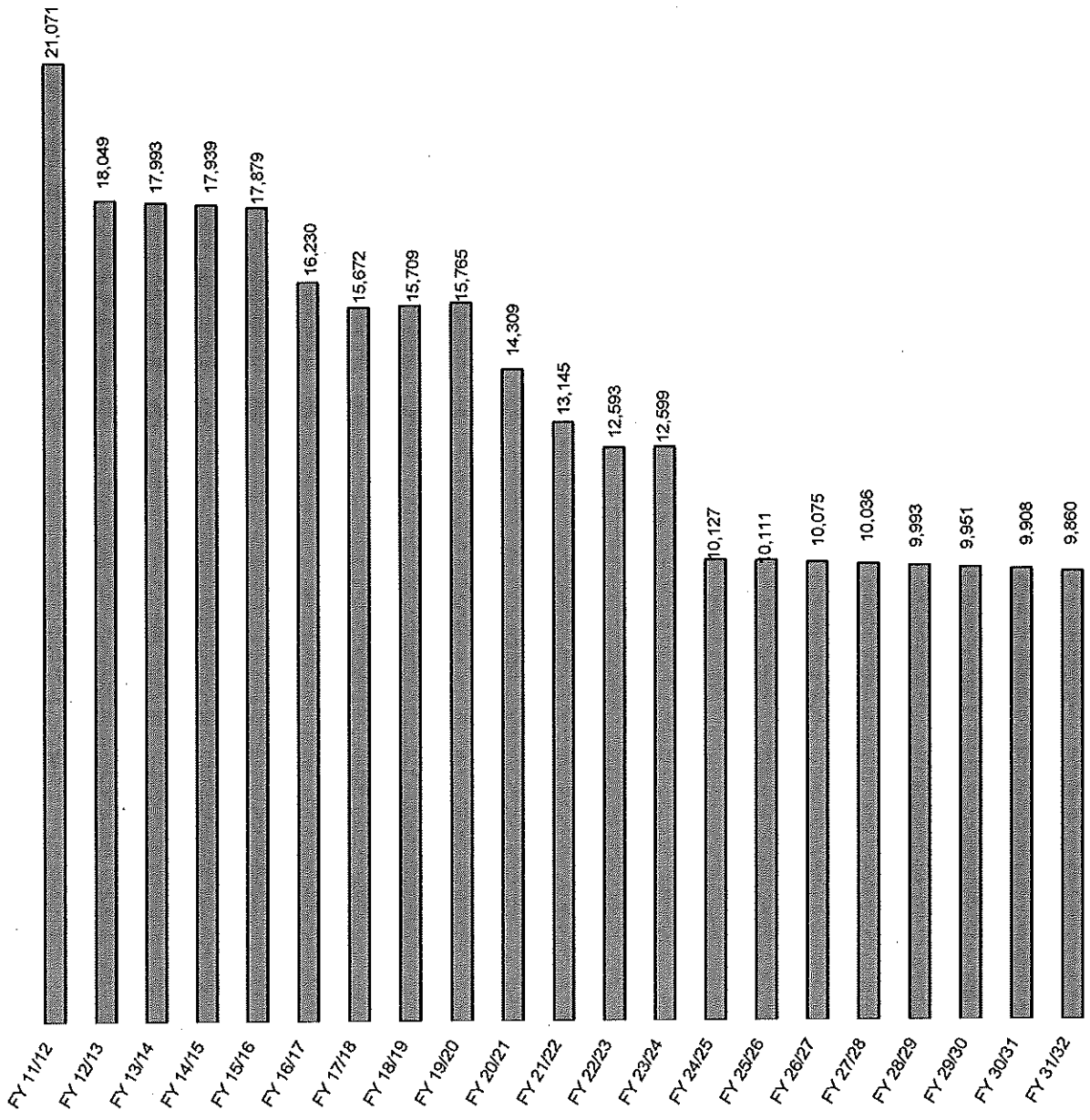
Bond Issue	Final Maturity	Principal Balance 06/30/2011	Principal Payable FY 11/12	Interest Payable FY 11/12	Total Payable FY 11/12	Principal Balance 06/30/2012
General Obligation Bonds						
G.O. Series 2004 A	05/24	24,555,000	1,500,000	970,680	2,470,680	23,055,000
G.O. Refunding Series 2004 B	05/17	11,435,000	2,175,000	435,250	2,610,250	9,260,000
G.O. Refunding Series 2005 A	05/20	10,685,000	985,000	518,250	1,503,250	9,700,000
Line of Credit (Ameresco)	11/21	14,581,870	3,847,990	228,780	4,076,770	10,733,880
Subtotal - G.O. Bonds		61,256,870	8,507,990	2,152,960	10,660,950	52,748,880
Other Debt						
Knox County - 2002	06/21	943,860	76,520	47,990	124,510	867,340
Subtotal - Other Debt		943,860	76,520	47,990	124,510	867,340
Grand Total- Fund 305		62,200,730	8,584,510	2,200,950	10,785,460	53,616,220
Enterprise Fund Debt						
TN Loan - 2009 Refunding	06/20	27,070,000	2,500,000	1,407,640	3,907,640	24,570,000
G.O. Series 2002 A	06/25	46,455,000	1,400,000	2,279,730	3,679,730	45,055,000
TN Loan Variable Rate - 2002	06/32	59,970,000	0	2,698,650	2,698,650	59,970,000
Subtotal - Enterprise Fund		133,495,000	3,900,000	6,386,020	10,286,020	129,595,000
		195,695,730	12,484,510	8,586,970	21,071,480	183,211,220

Debt Amortization Schedule

Fiscal Years 2011/12 - 2031/32

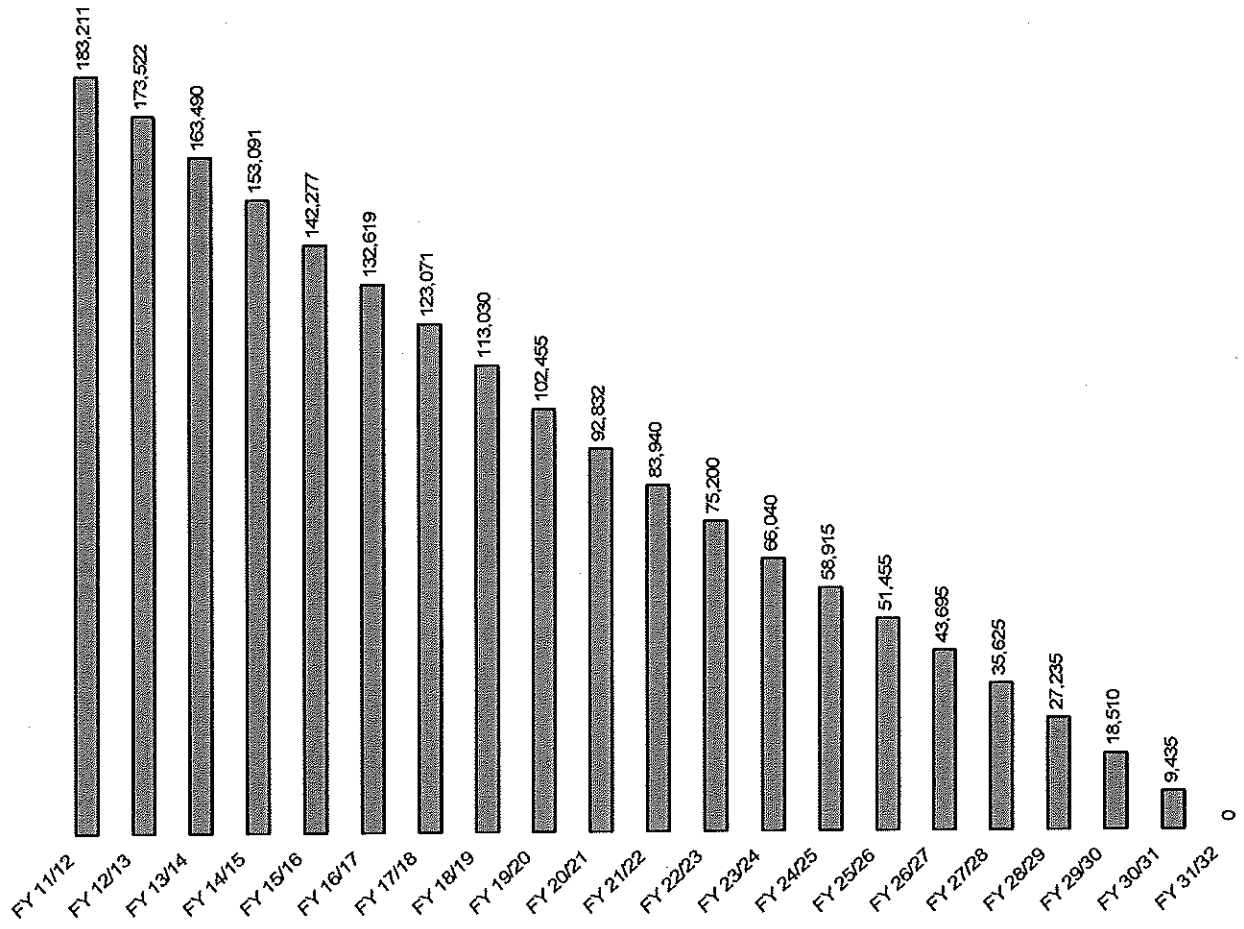
Fiscal Year	G.O. Bonds P & I	Other Debt P & I	Enterprise P & I	Total P & I	Principal Balance EOY
2012	10,660,950	124,510	10,286,020	21,071,480	183,211,200
2013	7,653,960	123,620	10,271,520	18,049,100	173,522,150
2014	7,617,850	122,950	10,251,710	17,992,510	163,490,430
2015	7,580,510	122,280	10,236,120	17,938,910	153,090,730
2016	7,538,140	121,920	10,219,290	17,879,350	142,277,370
2017	5,907,690	121,730	10,200,560	16,229,980	132,619,240
2018	5,369,890	121,520	10,180,170	15,671,580	123,070,760
2019	5,428,570	121,370	10,158,880	15,708,820	113,030,310
2020	5,503,810	121,360	10,140,300	15,765,470	102,454,810
2021	4,069,230	121,470	10,118,650	14,309,350	92,832,210
2022	3,029,210	0	10,115,900	13,145,110	83,940,000
2023	2,474,790	0	10,118,650	12,593,440	75,200,000
2024	2,483,390	0	10,115,900	12,599,290	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
	75,317,990	1,222,730	212,475,000	289,015,720	

Annual Debt Payments
FY 2011/12– 2031/32



All numbers in $1,000's.

Remaining Debt Outstanding (End of Year)
FY 2011/12– 2031/32



All numbers in $1,000's.

Capital Improvement Budget
Sources and Uses
FY 2011/12

Sources of Funds

Coliseum Restoration Fund	48,000
Debt Service Fund	17,959,500
Donations	50,000
Federal and State Grants	12,940,000
Police Capital Fund	818,910
Safety City Fund	225,000
State Street Aid Fund	746,000
Other Funding	1,515,000
Grand Total - Sources of Funds	**$ 34,302,410**

Uses by Fund

Capital Projects Fund (Fund 401)	33,742,810
Public Assembly Facilities Fund (Fund 503)	162,700
Convention Center Fund (Fund 506)	40,000
Fleet Services Fund (Fund 702)	36,900
Fleet Replacement Fund (Fund 702002)	320,000
Grand Total - Uses of Funds	**$ 34,302,410**

Uses of Funds

Administration	
Additional Recycling Toters	400,000
Cumberland Avenue Redevelopment	13,450,500
Downtown North	2,500,000
Downtown Sidewalks	200,000
Downtown Streetscapes (Wayfinding)	1,200,000
Subtotal - Administration	**17,750,500**
Civil Service	
PeopleSoft Upgrade - Online Employment Application Capability	93,400
Subtotal - Civil Service	**93,400**
Community Development	
ADA Access Improvements	150,000
Blighted Property Acquisitions	250,000
Chronic Problem Properties	250,000
Facade Improvement Program	100,000
Sidewalk and Curb Repairs in Facades Improvement Areas	50,000
Subtotal - Community Development	**800,000**
Convention Center	
Audio Visual Equipment	40,000
Subtotal - Convention Center	**40,000**

Capital Improvement Budget
Sources and Uses
FY 2011/12

Engineering	
ADA Curb Cuts	500,000
Alley Paving	200,000
Bridge Maintenance Program	650,000
Cherokee Trail Safety Improvement	100,000
Citywide New Sidewalk Construction	400,000
Citywide Resurfacing Program	5,450,000
Citywide Roadway Safety Program	500,000
Citywide Traffic Calming	20,000
Crosswalk Safety Program	80,000
Gallaher View Sidewalk Project	200,000
Jackson Avenue Roadway Stabilization	300,000
Neighborhood Drainage Improvements Program	500,000
Prosser Road Drainage Improvements	500,000
SAFETEA-LU Match	650,000
Sidewalk Safety Program	500,000
Traffic Signal Modernization	175,000
Water Quality Improvements	350,000
Subtotal - Engineering	**11,075,000**
Fleet	
Small Equipment Lift	11,000
Light Shop Vehicle Lift	25,900
Subtotal - Fleet	**36,900**
Other Community Agencies	
Ross Building Security System	35,000
Walter P. Taylor Hope 6/Williams Senior Complex	800,000
Zoo Renovations & Improvement	300,000
Subtotal - Other Community Agencies	**1,135,000**
Parks and Recreation	
Ballfield, Tennis Courts and Playground Improvements	200,000
Dog Park (South)	100,000
Fort Dickerson Quarry Development	200,000
Greenways Ongoing Maintenance and Improvements	200,000
Lakeshore Park Improvements	50,000
Lonsdale Recreation Center Expansion	200,000
Recreation Center Renovations	500,000
Urban Wilderness - East Loop	50,000
Subtotal - Parks and Recreation	**1,500,000**
Police	
Safety City Admin Building/Facility Improvements	25,000
Firearms Storage Management System	32,410
Police Facility Building Improvements	500,000
Safety Building A/C and Heat Upgrades	189,000
Safety City Building Project	200,000
Surveillance Vehicle	97,500
Subtotal - Police	**1,043,910**

Capital Improvement Budget
Sources and Uses
FY 2011/12

Public Assembly Facilities	
Chilhowee Park Bandstand Renovation	74,700
Half-House Curtain System - Coliseum	48,000
Sweeper for Coliseum Parking Garages	40,000
Subtotal - Public Assembly Facilities	**162,700**
Public Service	
Bucket Truck	185,000
Greenway Paving Machine	135,000
Historic Blount Mansion ROW Improvements	50,000
Knoxville Fire Department Station Maintenance Program	75,000
LED Christmas Lights for Downtown	20,000
Roof and HVAC Maintenance Program	200,000
Subtotal - Public Service	**665,000**
Grand Total - Uses of Funds	**$ 34,302,410**