



Understanding the City Budget

The Neighborhood Conference
March 11, 2017



The Budget Calendar

- February 10, 2017 – Budget Retreat
- Feb. - April – Departments Submit Budget Requests, Base Numbers Calculated, and Capital Budget Prepared
- March 22 - March 24, 2017 – Mayor's Budget Hearings
- April 28, 2017 – Mayor's Budget Presentation
- May 9, 2017 – First Reading of Budget and Tax Ordinances
- May 11, 2017 – MPC Hearing on Capital Improvement Program
- May 12, 2017 – Council Budget Hearings
- May 12, 2017 – Public Hearing
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The Budget

- The General Fund
 - Where the money comes from
 - Where the money goes
 - Fund balance

Debt Service

The Capital Budget

The budget process

- Budget calendar

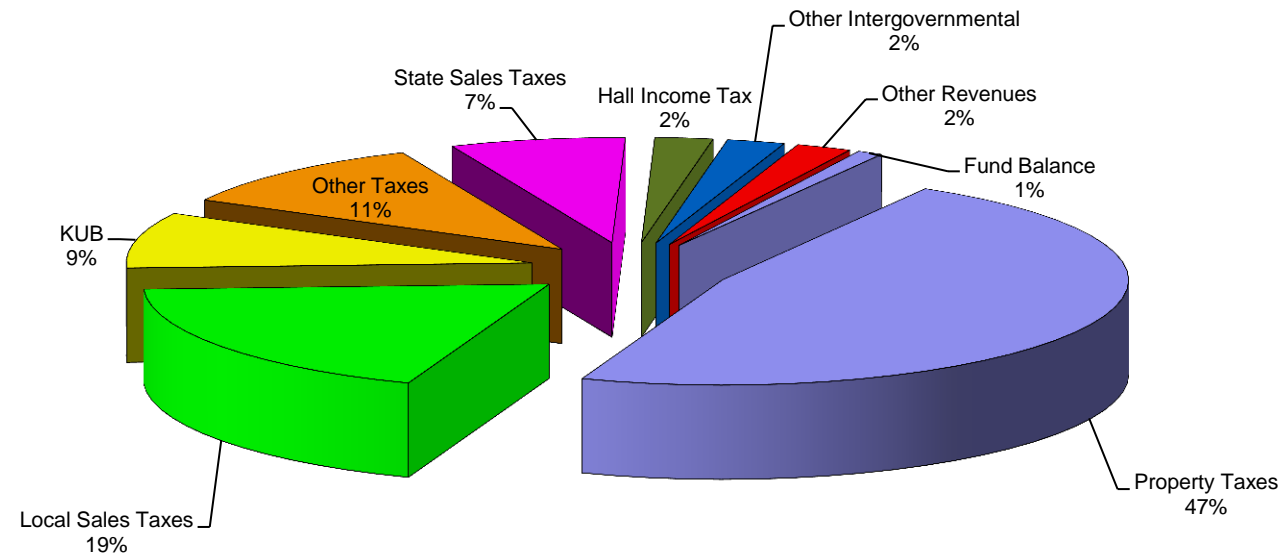
The FY 16/17 Budget

Fund No.	Fund Name	Adopted FY 16/17 Budget	Less Interfund Transfers Out	Less Interfund Charges In	Net Budget
100	General Fund	\$ 212,534,590	\$ (42,463,410)	\$ -	\$ 170,071,180
	Special Revenue Funds				
201	State Street Aid	4,851,500	(616,000)	-	4,235,500
202	Community Improvement	90,000	-	-	90,000
209	Abandoned Vehicles	858,510	(20,000)	-	838,510
211	Animal Control	34,500	-	-	34,500
213	City Court	2,670,280	(1,630,160)	-	1,040,120
216	City Inspections	2,579,120	-	-	2,579,120
220	Stormwater	3,247,860	-	-	3,247,860
230	Solid Waste	11,103,670	(260,000)	-	10,843,670
240	Miscellaneous Special Revenue	3,627,530	(806,000)	-	2,821,530
264	Home Grant	1,969,350	-	-	1,969,350
290	Community Development Block Grant	2,376,640	-	-	2,376,640
	Subtotal - Special Revenue Funds	33,408,960	(3,332,160)	-	30,076,800
	Debt Service Funds				
305	Debt Services	25,401,280	(18,365,000)	-	7,036,280
306	Tax Increment	2,126,090	-	-	2,126,090
	Subtotal - Debt Service Funds	27,527,370	(18,365,000)	-	9,162,370
	Capital Project Funds				
401	Capital Projects	36,771,000	-	-	36,771,000
	Subtotal - Capital Project Funds	36,771,000	-	-	36,771,000

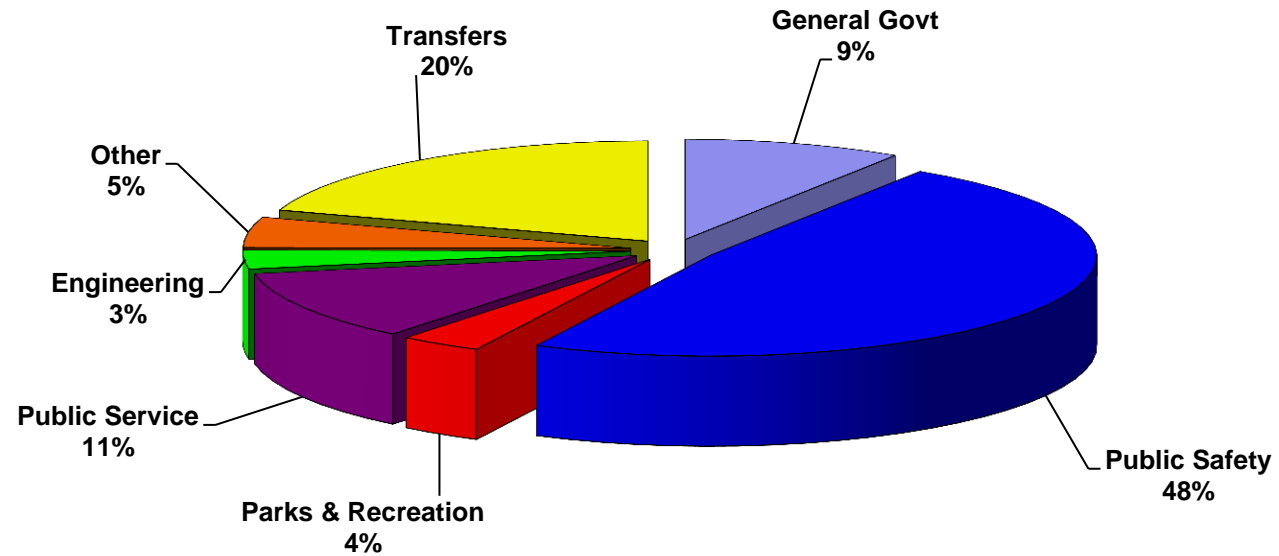
The FY 16/17 Budget

Enterprise Funds					
503	Public Assembly Facilities	5,104,300	-	-	5,104,300
504	Metro Parking	4,612,720	-	-	4,612,720
506	Convention Center	18,039,880	-	-	18,039,880
507	Mass Transportation	23,233,690	-	-	23,233,690
508	Municipal Golf Course	1,336,010	-	-	1,336,010
	Subtotal - Enterprise Funds	52,326,600	-	-	52,326,600
Internal Service Funds					
702	Fleet Services	12,780,370	-	(15,178,920)	(2,398,550)
704	Risk Management	6,975,650	-	(6,856,740)	118,910
705	Health Care	20,962,380	-	(14,635,270)	6,327,110
706	Equipment Replacement	2,068,480	-	(1,930,270)	138,210
707	City Building	1,499,650	-	(1,411,420)	88,230
	Subtotal - Internal Service Funds	44,286,530	-	(40,012,620)	4,273,910
	Grand Total	<u>\$ 406,855,050</u>	<u>\$ (64,160,570)</u>	<u>\$ (40,012,620)</u>	<u>\$ 302,681,860</u>

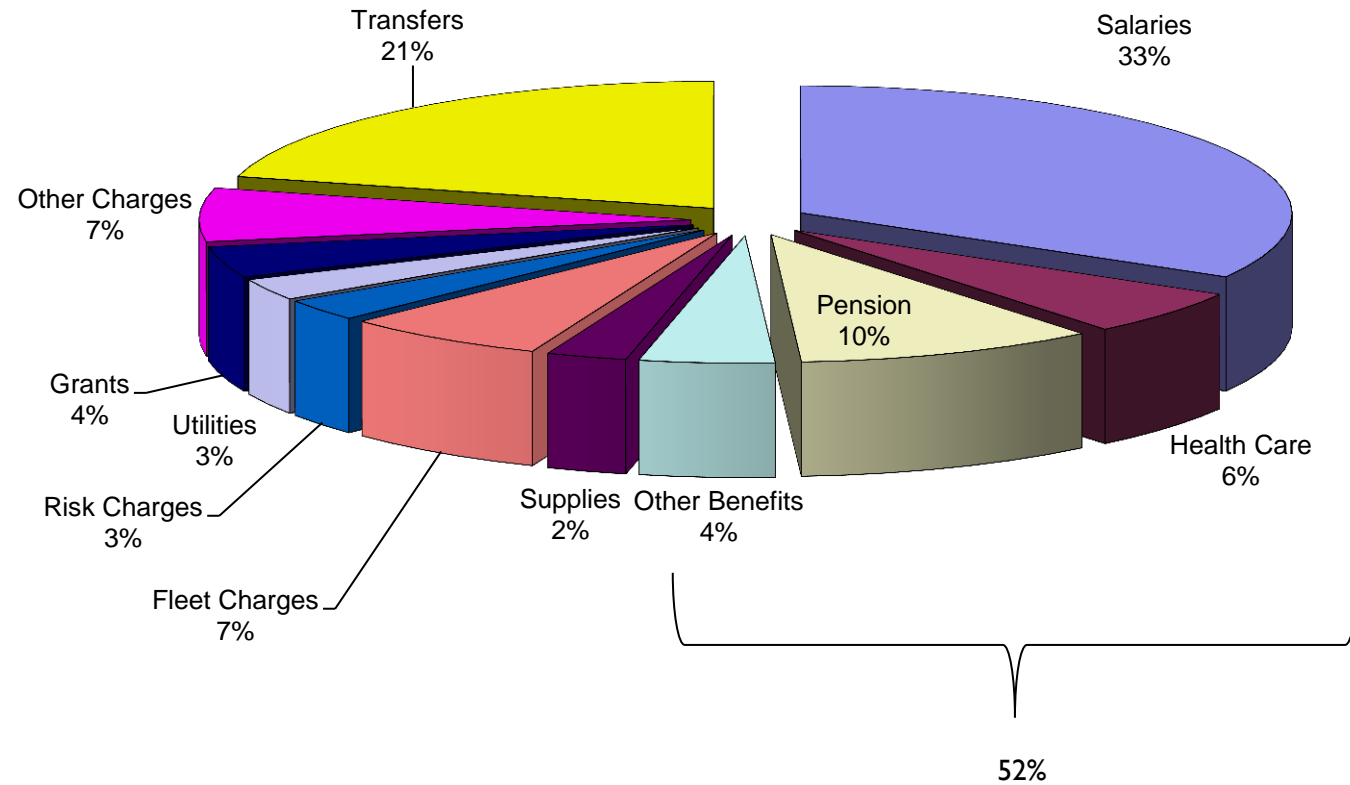
General Fund Revenues



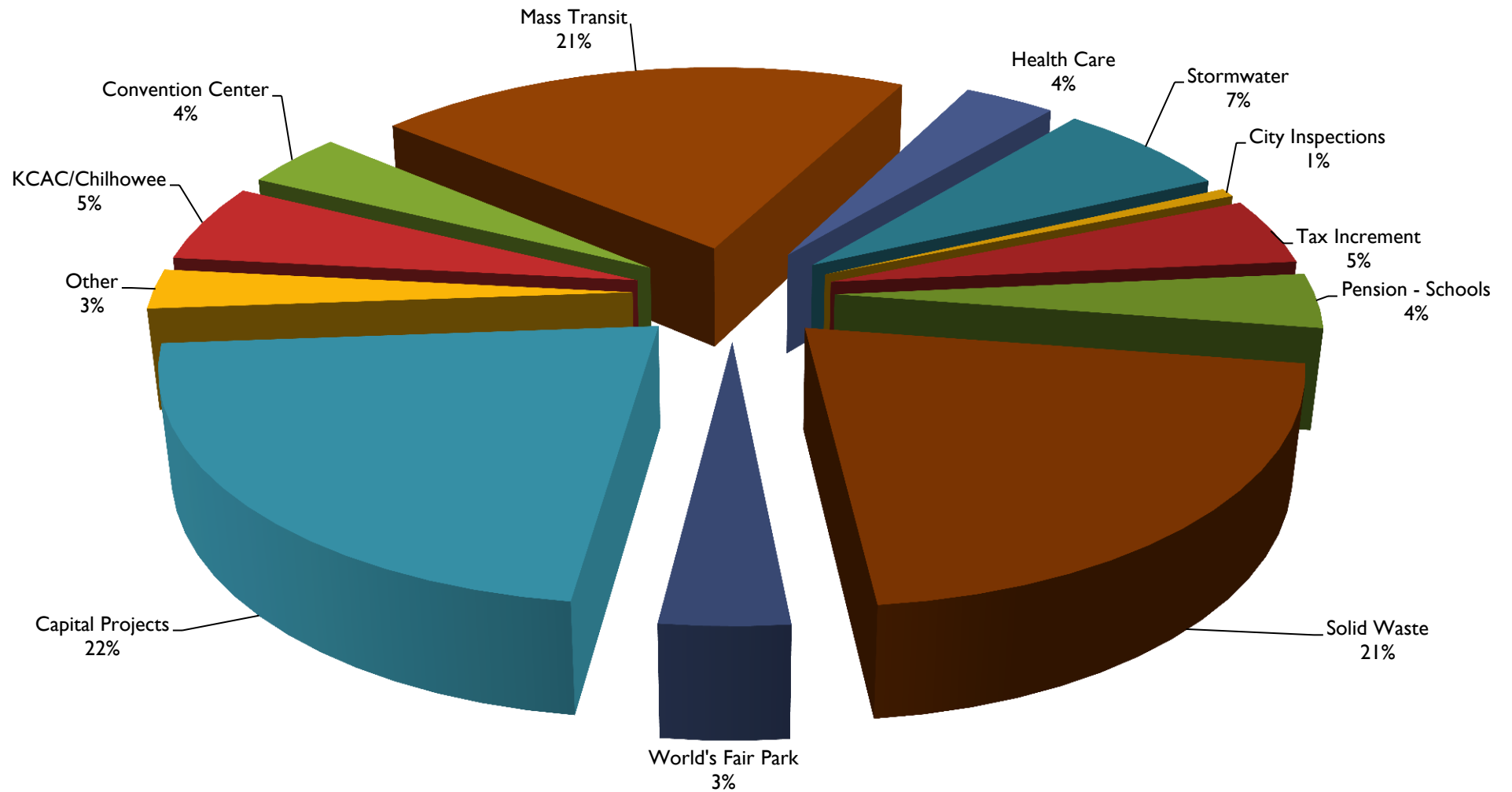
General Fund Expenditures



General Fund Expenditures



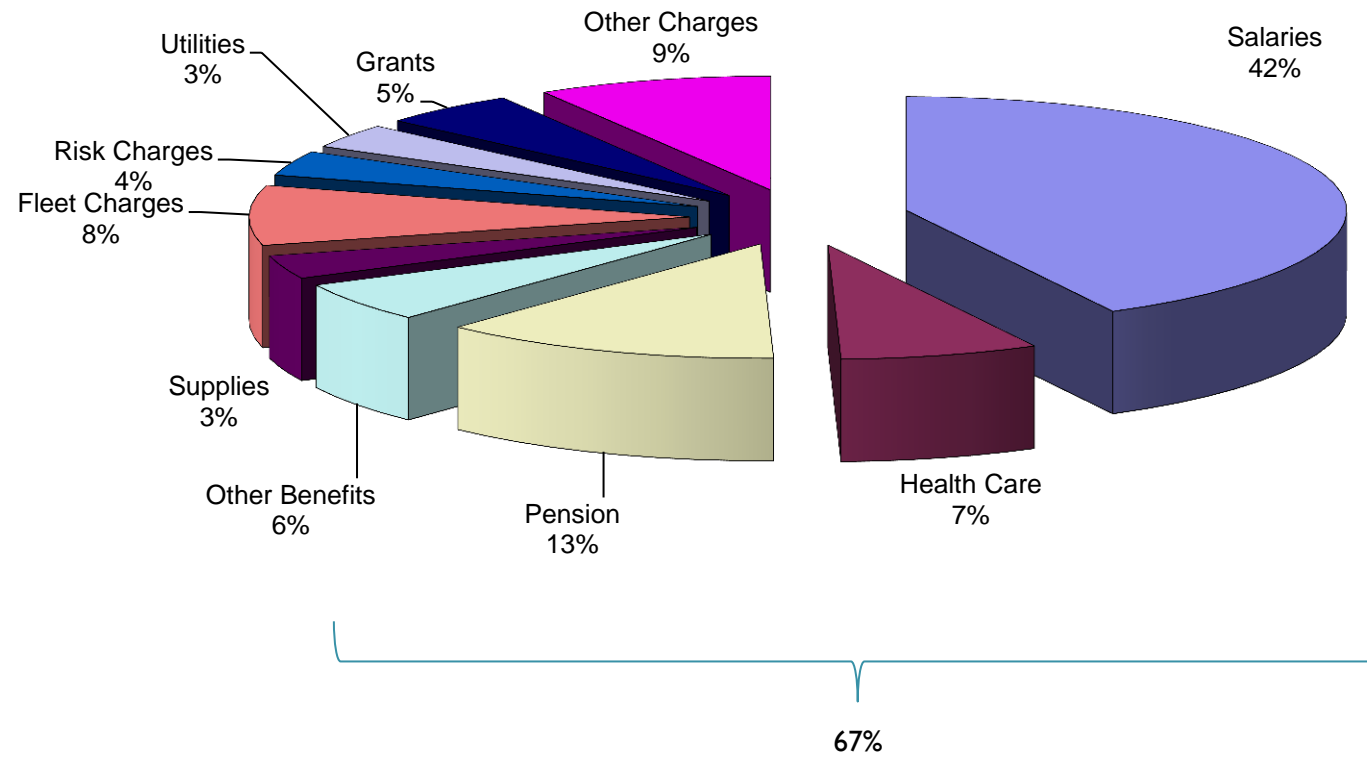
Transfers



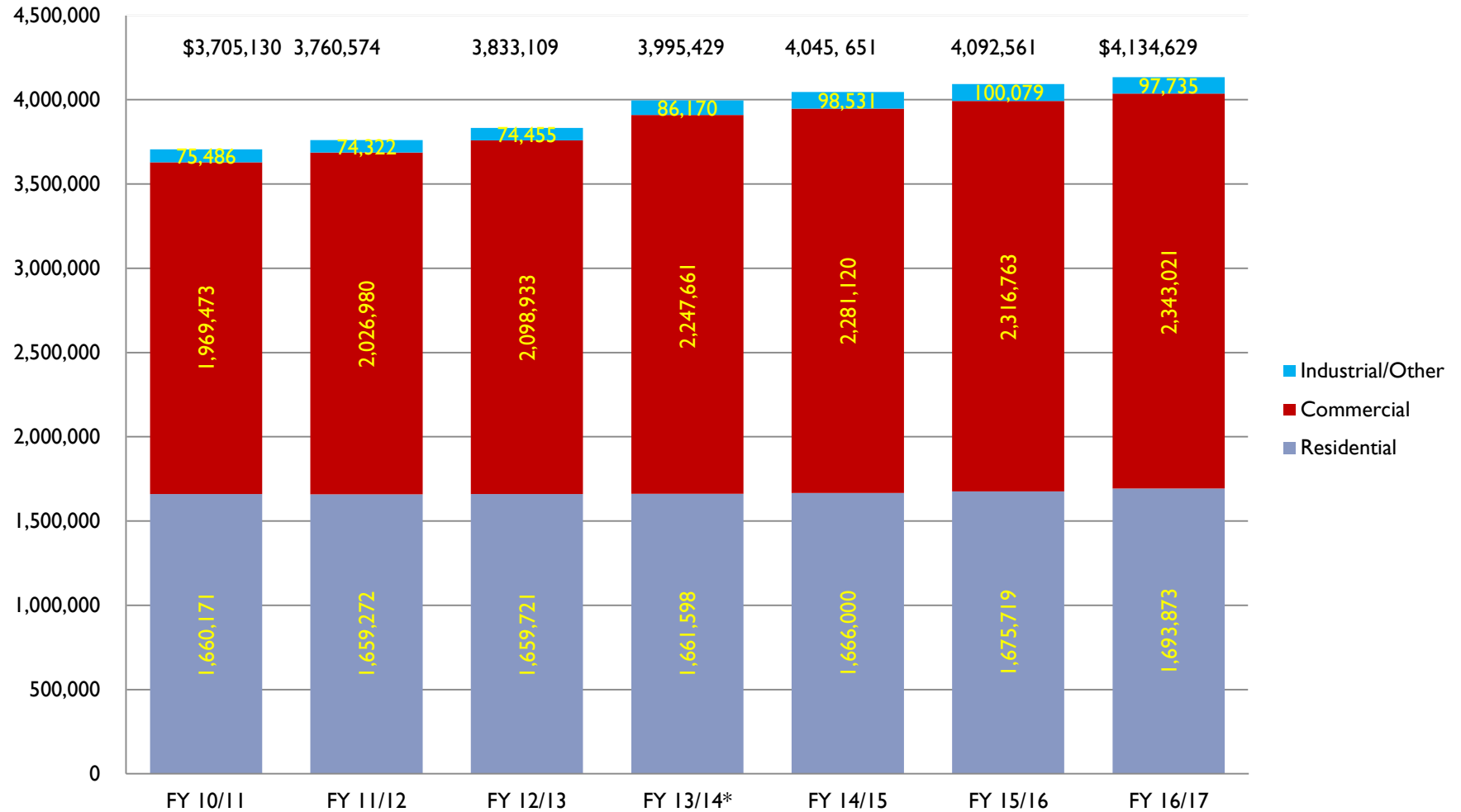
Transfers

Stormwater	\$ 3,120,530
City Inspections	280,560
Tax Increment	2,126,090
Pension - Schools	1,718,950
Solid Waste	9,371,670
World's Fair Park	1,606,910
Capital Projects	9,733,500
Other	1,255,210
KCAC/Chilhowee	2,476,820
Convention Center	1,761,060
Mass Transit	9,503,030
Health Care	1,612,890
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	<u>\$ 44,567,220</u>

General Fund Expenditures

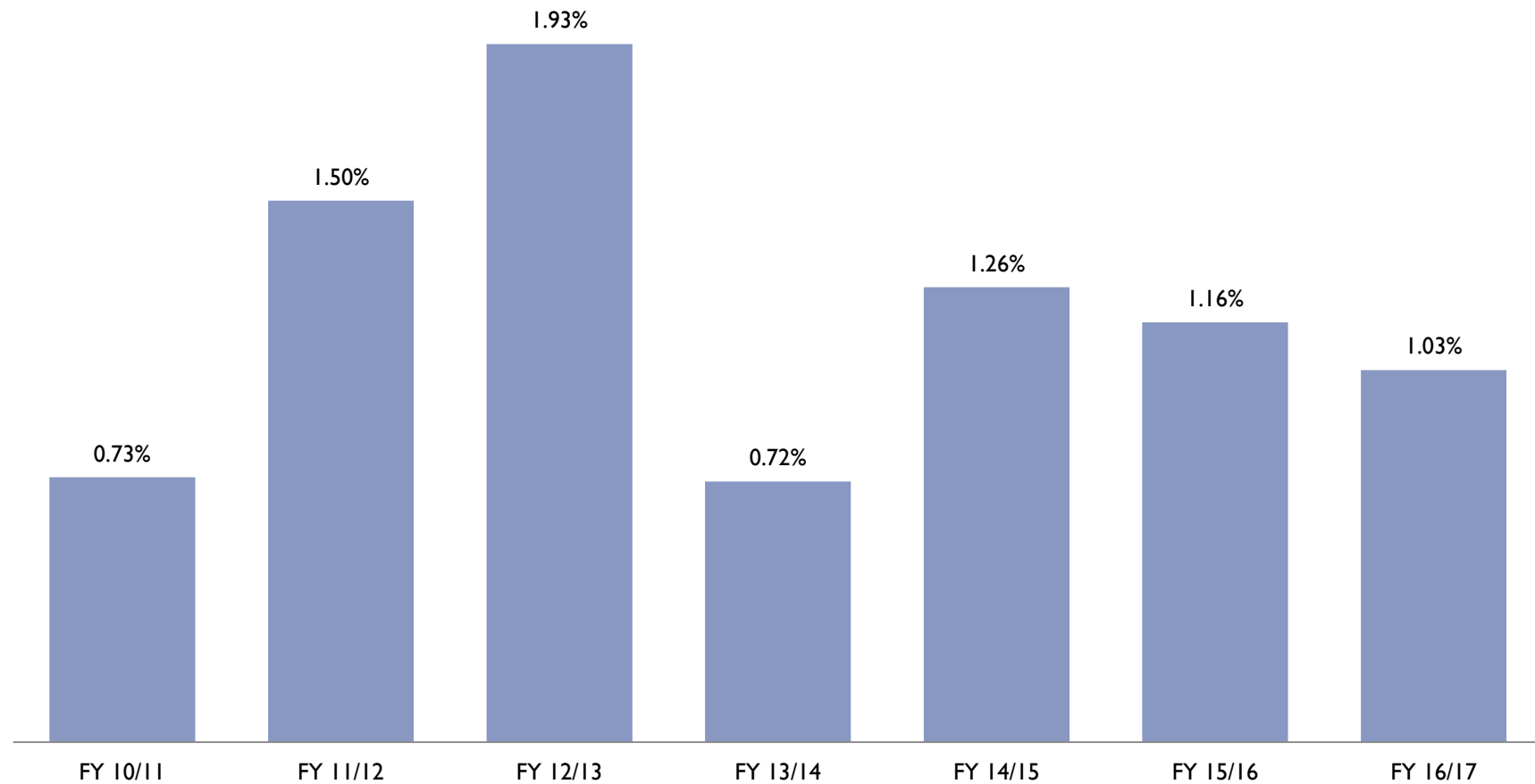


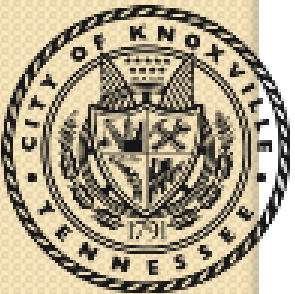
Real Property Values



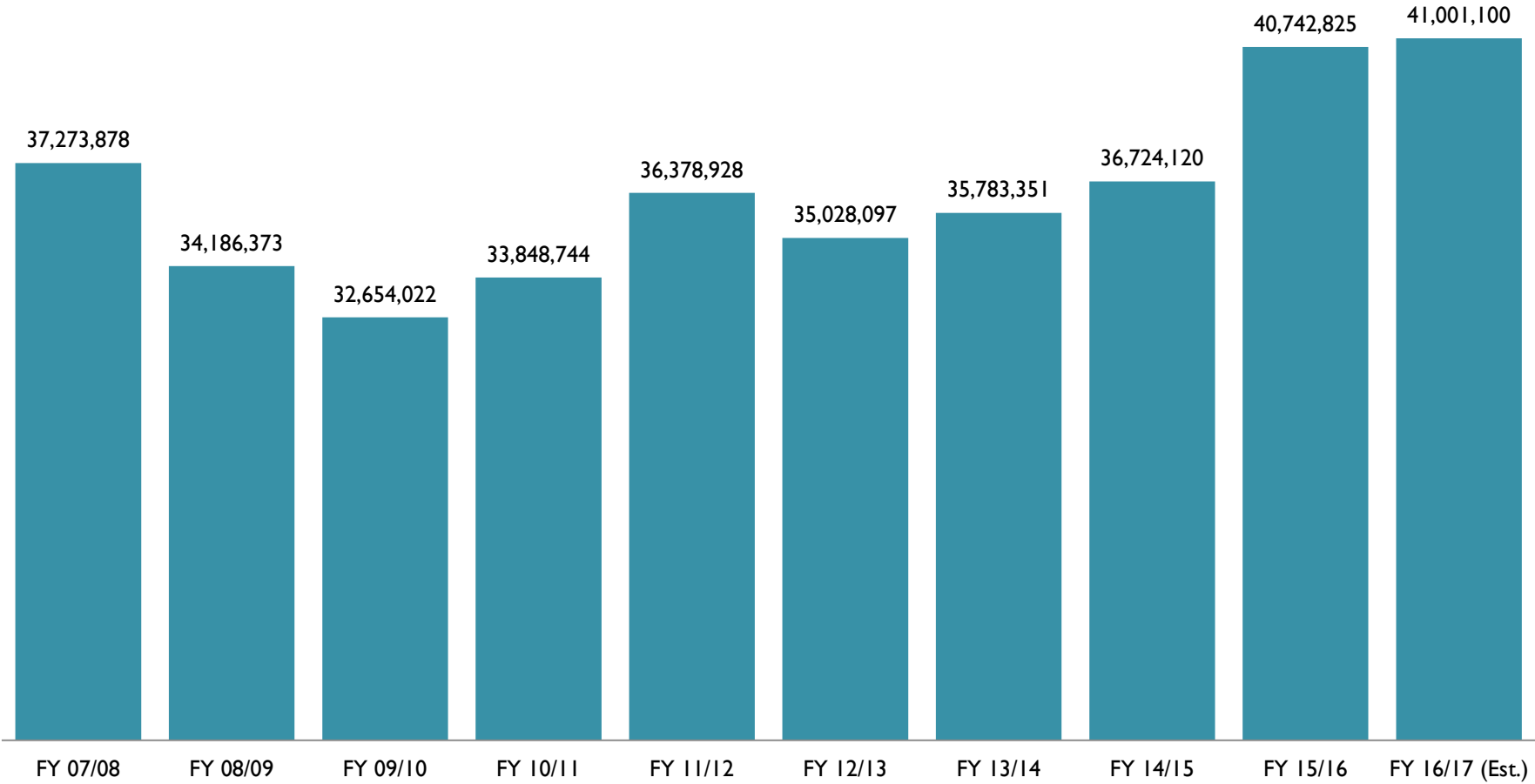
- FY 13/14 was a reappraisal year which accounts for the larger growth.
- All number in \$1,000's

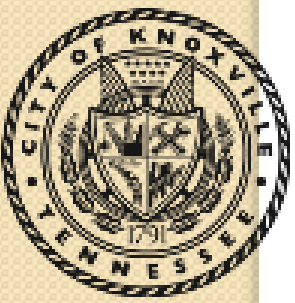
Rate of Growth in Real Property Values



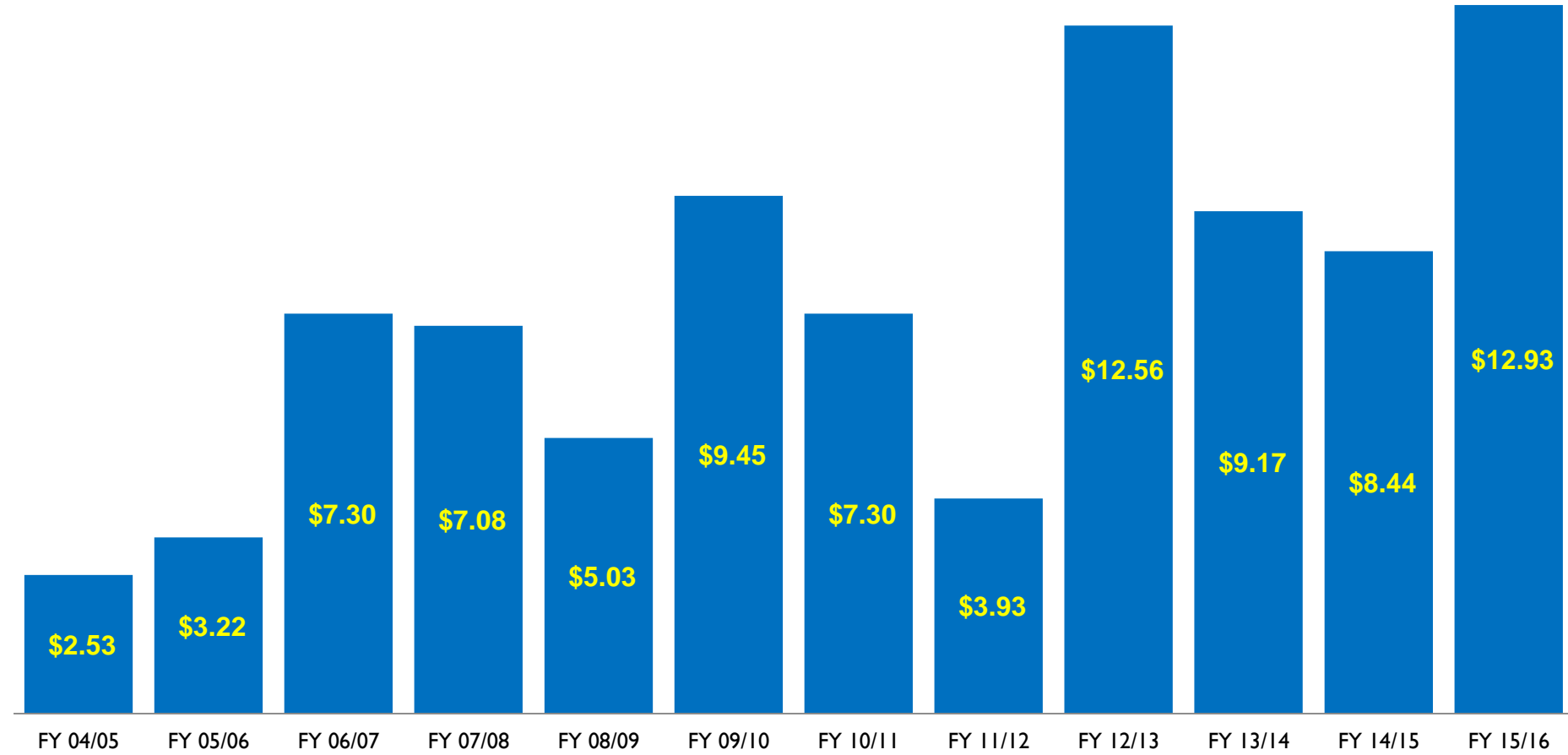


Local Option Sales Tax





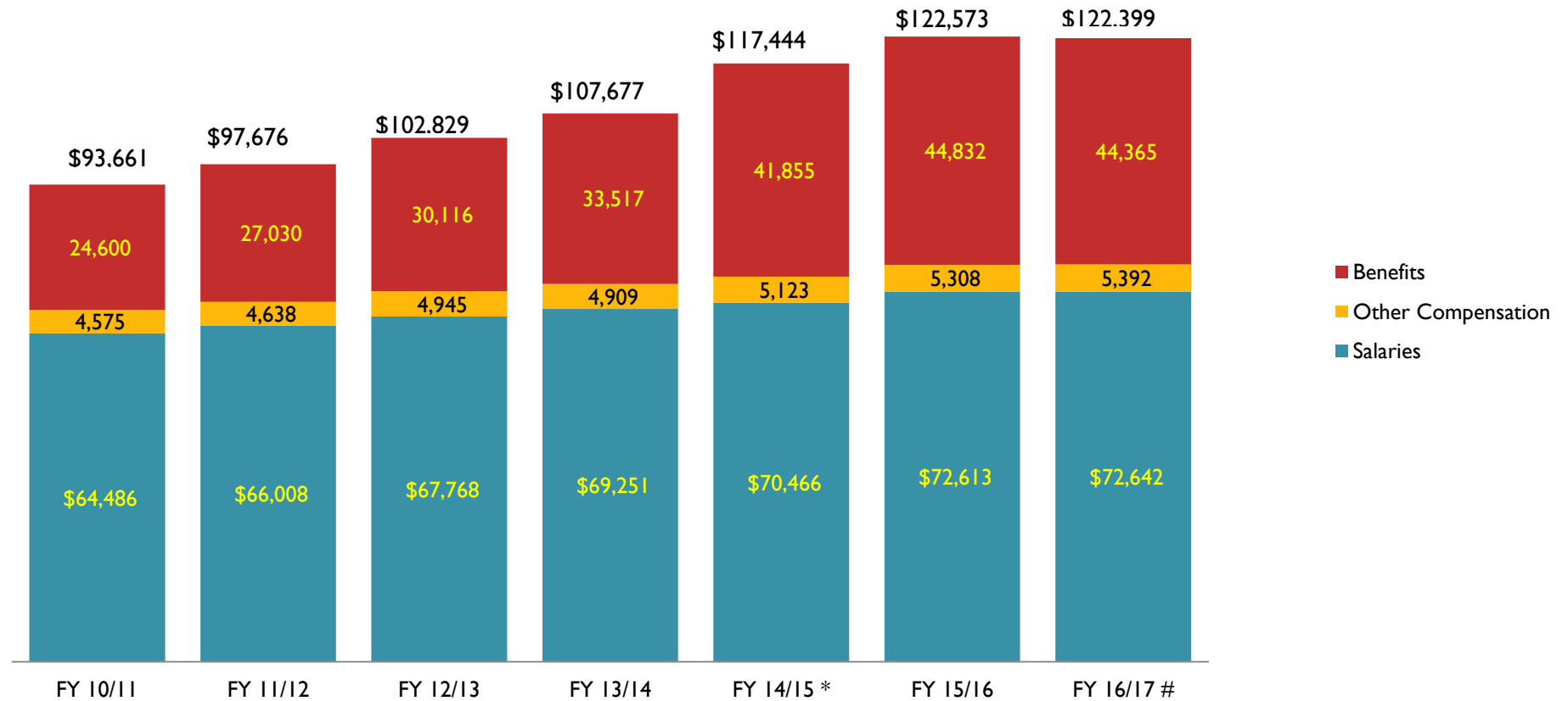
Hall Tax Receipts



All amounts in million \$'s



Salary and Benefits Costs



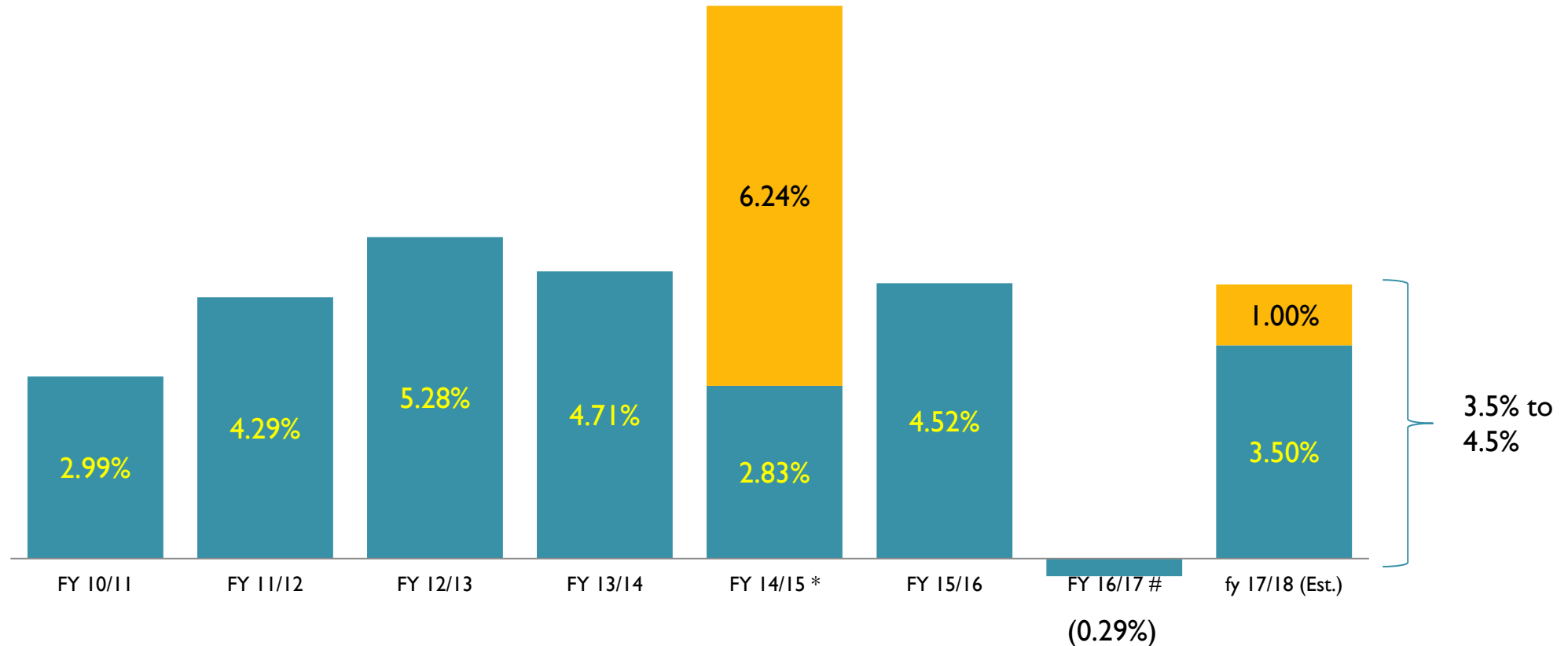
- FY 14/15 reflects a reduction in the pension discount rate from 8% to 7.375%. This action was taken to reduce risk and lower volatility of the investments. The result of this action is a one time increase in the base for pension costs.

The decline in FY 16/17 is due to the shift of the management of Public Assembly Facilities to SMG

- All Numbers in \$1,000's. Costs exclude KAT salaries and benefits.

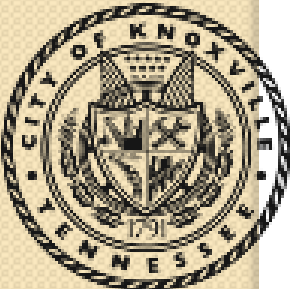


Rate of Growth in Salaries and Benefits

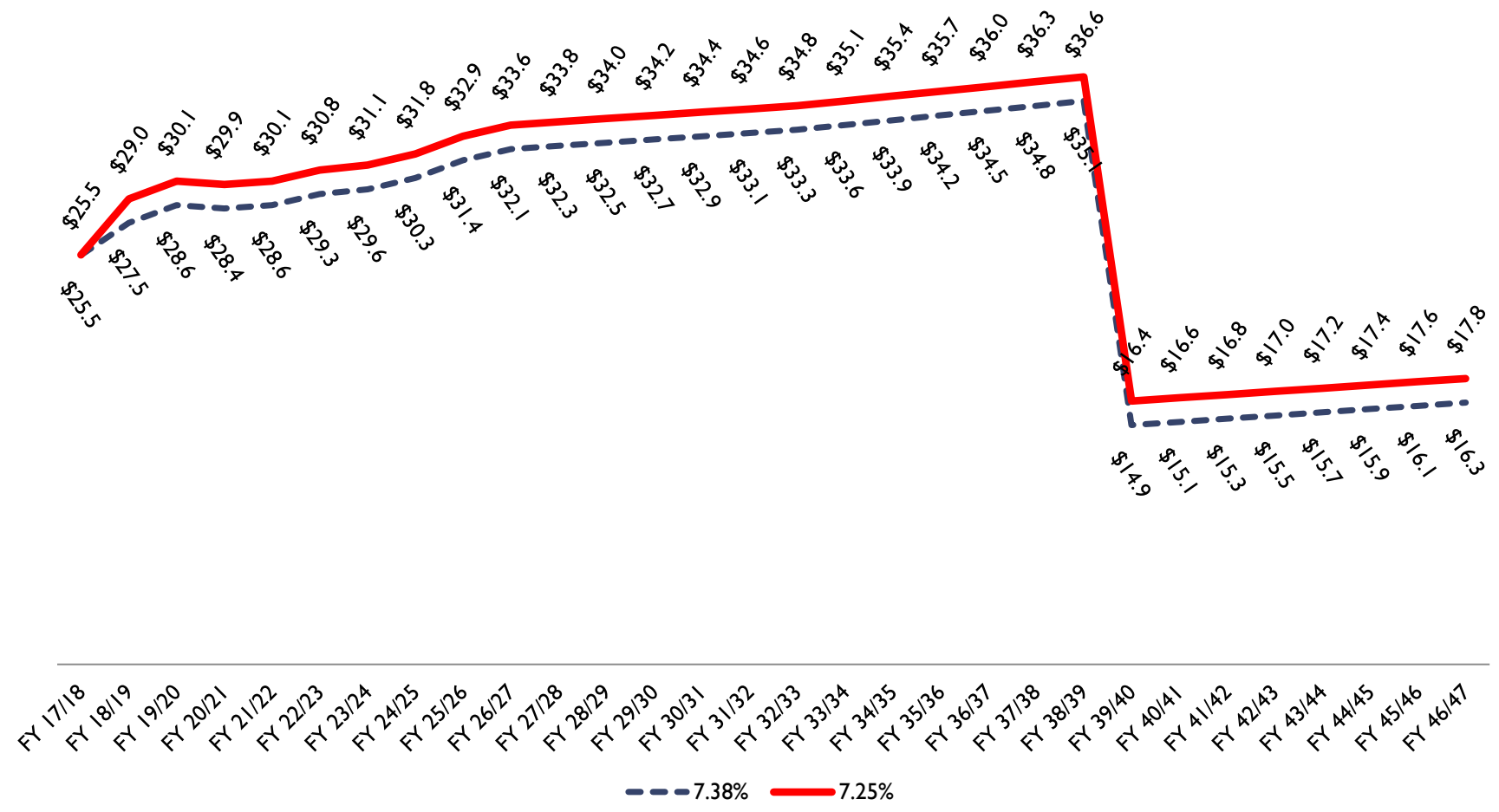


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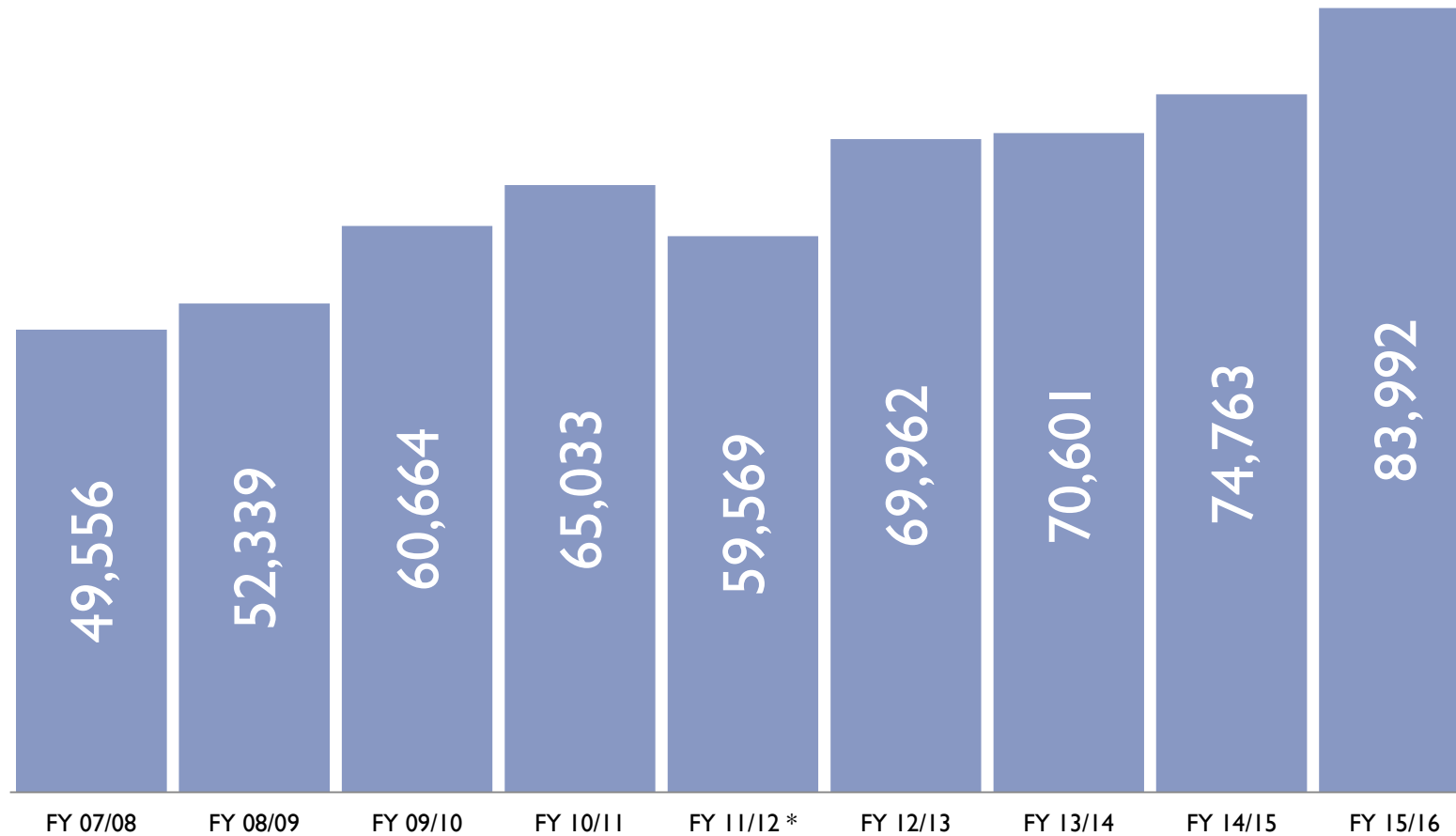


Estimated Pension Contributions



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

General Fund Ending Fund Balance



- In FY 11/12 the City provided a supplemental contribution of \$10 million to the Pension System. If not for this action the ending fund balance in FY 11/12 and subsequent years would both be \$10 million higher.
- All numbers in \$1,000's

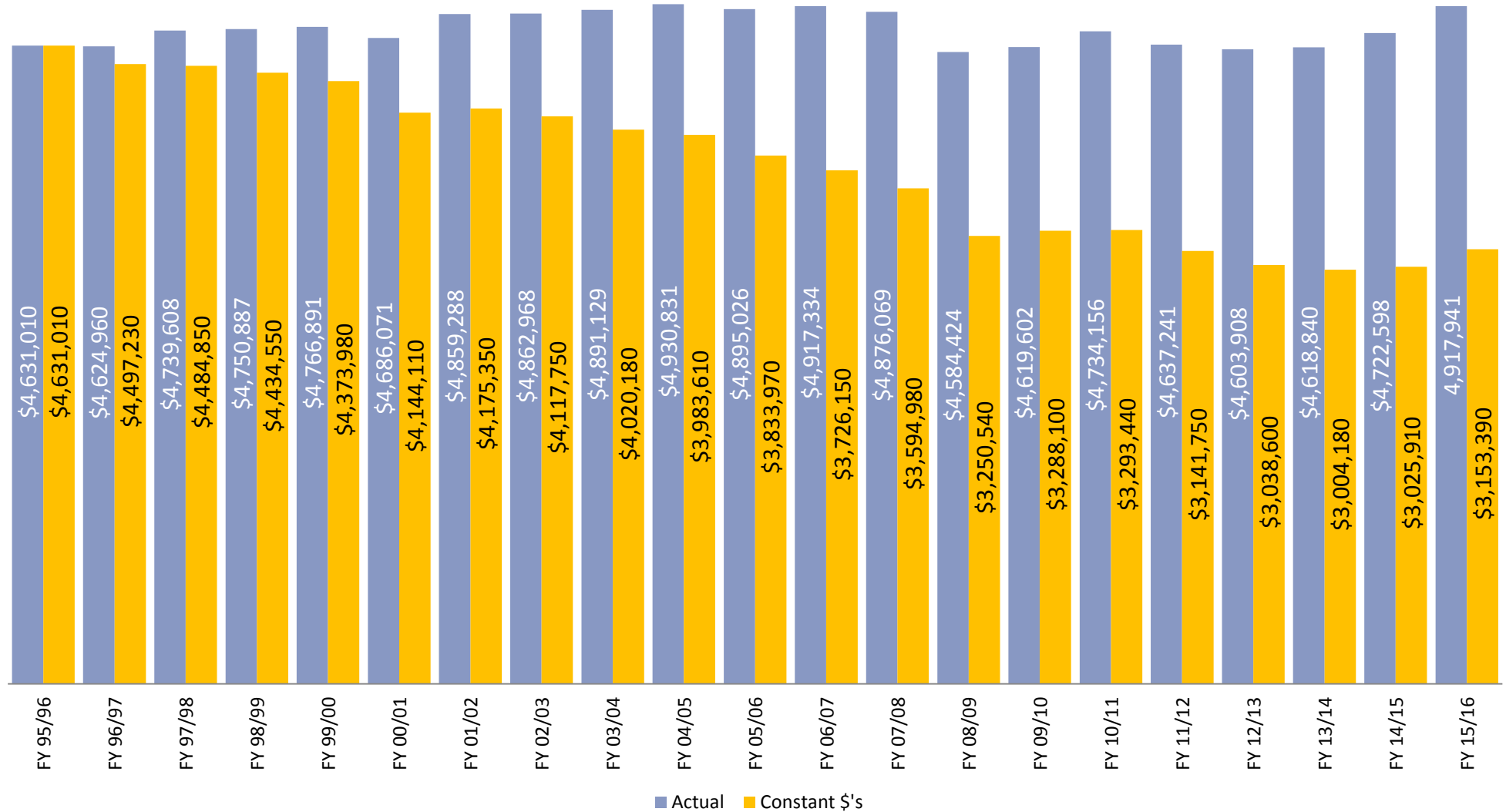
General Fund Ending Fund Balance

	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Non-spendable						
Prepaid	78,502	49,501	10,758	-	9,258	-
Inventory	346,784	335,252	355,677	323,900	432,138	354,116
Subtotal - Non-spendable	425,286	384,753	366,435	323,900	441,396	354,116
Restricted						
Encumbrances	264,231	-	-	-	-	-
Subtotal - Restricted	264,231	-	-	-	-	-
Committed						
Encumbrances	194,606	290,920	561,044	131,498	279,196	382,277
Policy	34,435,594	34,435,594	36,636,086	40,100,512	41,275,270	42,506,918
Subtotal - Committed	34,630,200	34,726,514	37,197,130	40,232,010	41,554,466	42,889,195
Assigned						
Encumbrances	-	160,690	281,423	82,718	472,838	142,766
Appropriated Fund Balance	1,725,000	4,410,000	1,850,000	2,004,600	2,065,000	2,135,000
Other	230,966	150,045	-	-	-	-
Subtotal - Assigned	1,955,966	4,720,735	2,131,423	2,087,318	2,537,838	2,277,766
Unassigned	27,987,982	19,892,490	30,267,058	27,957,986	30,228,819	38,470,483
Total Fund Balance	65,263,665	59,724,492	69,962,046	70,601,214	74,762,519	83,991,561

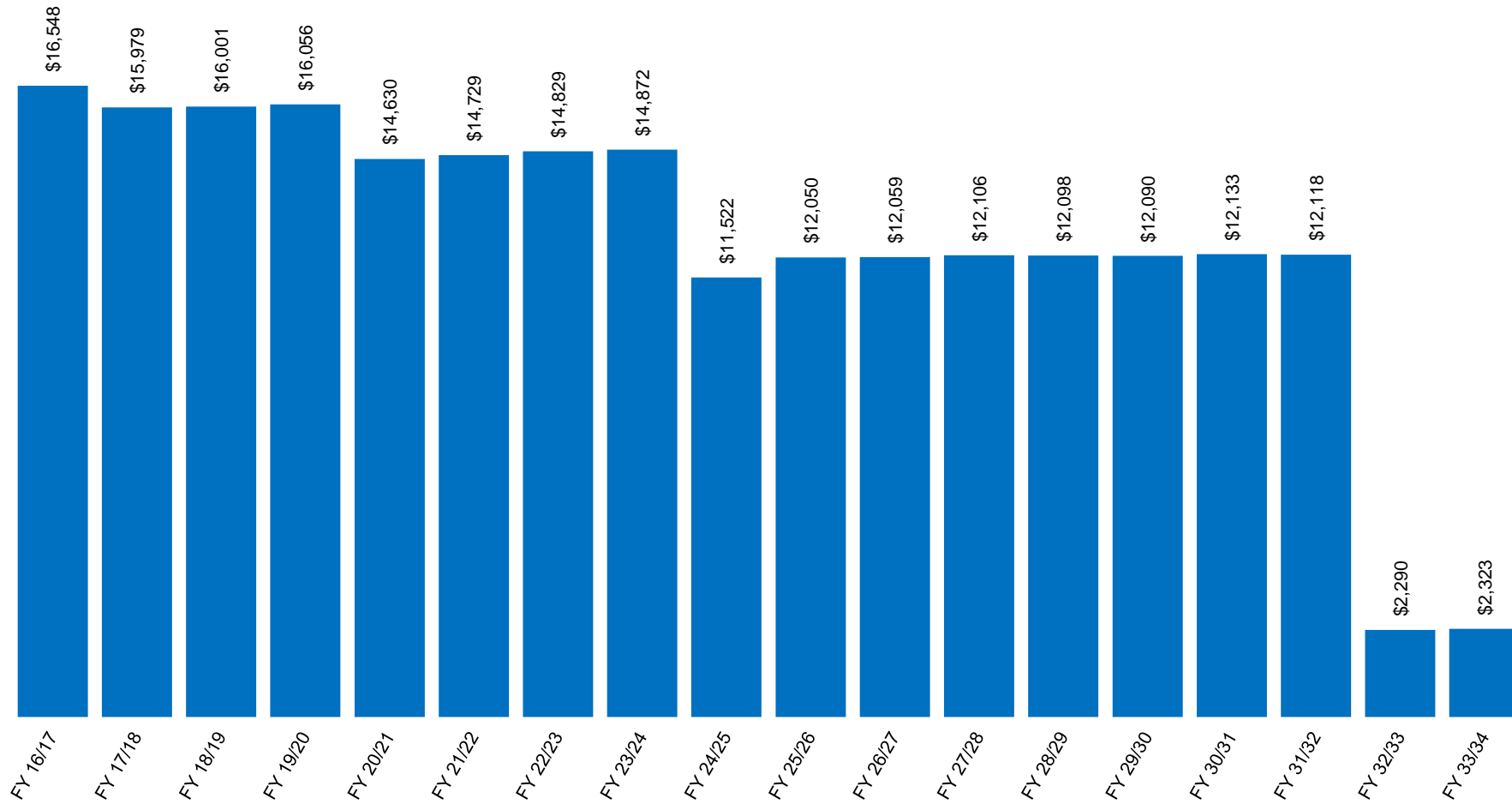
Definitions:

- Non-Spendable – Items included in assets that are non-cash related and cannot be spent
- Restricted – Funding that is restricted by law or contracts
- Committed – Items that have been approved by the governing body and are committed/designated
- Assigned – Reserved funds that do not meet the two above standards
- Unassigned – Balance available after above standards are met - the spendable amount

State Shared Gas Tax

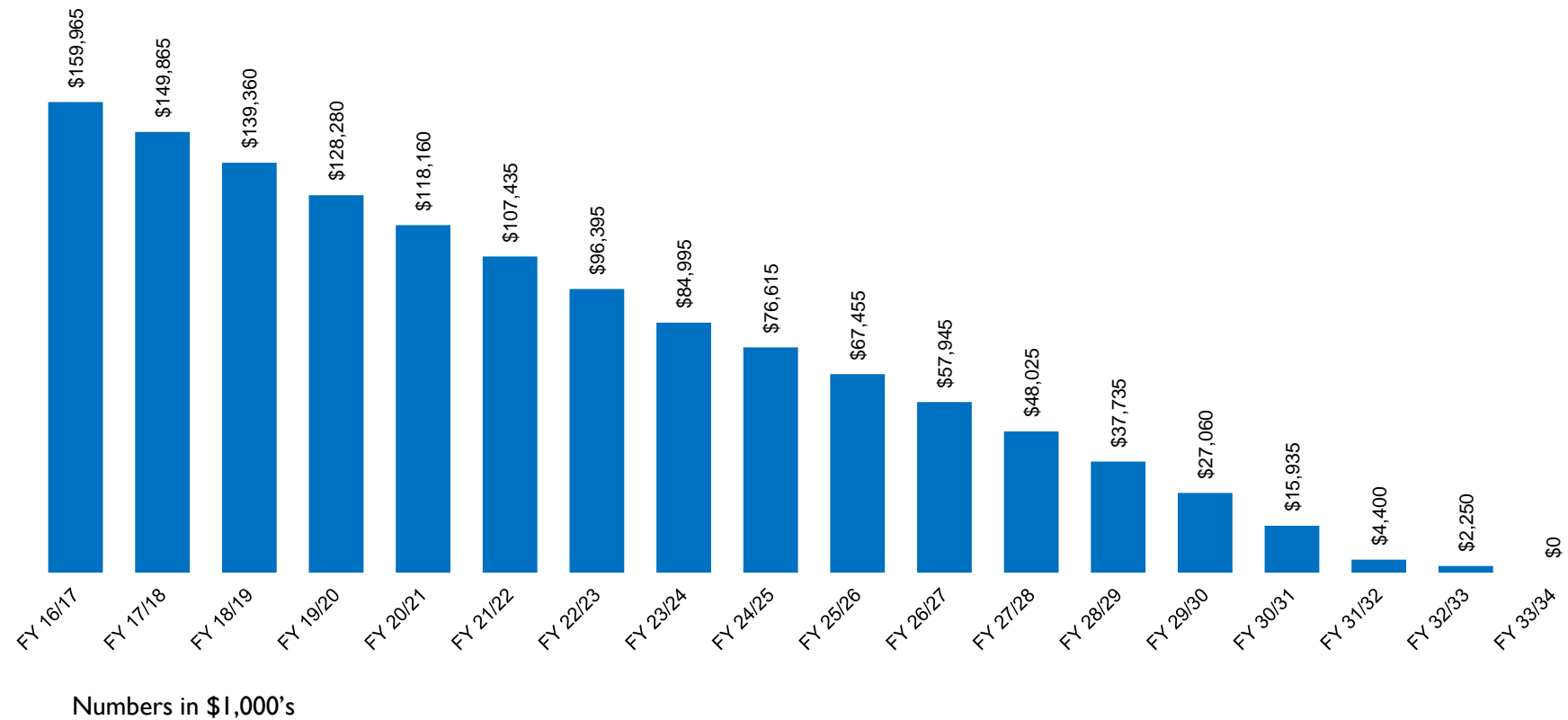


Annual Debt Service



Numbers in \$1,000's

Total Debt Outstanding





Bond Ratings

Fitch	AAA
Moody's	Aa1
Standard & Poor's	AA+

The Capital Budget

Sources of Funds

City Proceeds

General Fund	\$ 9,733,500
State Street Aid Fund	616,000
Abandoned Vehicle Fund	20,000
Solid Waste Fund	260,000
Police Capital Fund	781,000
Police Training Fund	25,000
Debt Service Fund	18,365,000
Public Assembly Facilities Fund	180,000
Metro Parking Fund	<u>400,000</u>
 Subtotal - City Proceeds	 <u>30,380,500</u>

Other Sources

Federal/State Grants	4,880,000
Other Funding	<u>2,500,000</u>
 Subtotal - Other Sources	 <u>7,380,000</u>

Grand Total - Sources of Funds	<u><u>\$ 37,760,500</u></u>
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The Capital Budget

Uses of Funds

Administration

Magnolia Avenue Streetscapes - Phase 1	\$ 4,390,000
Downtown Improvement Fund	100,000
South Waterfront - River's Edge	650,000
Downtown North - Depot to Railroad	300,000
Downtown North - Landscapes	350,000
Jackson Avenue Development - S. Central to Patton	100,000
Sevier Avenue Streetscapes	1,925,000
Suttree Landing Park	330,000
Public Art	280,000
Downtown North - Central Avenue	1,500,000
McClung Warehouse Acquisition	175,000
Blount Avenue Streetscapes	500,000

Subtotal - Administration	10,600,000
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Finance

Finance Budget System	25,000
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Subtotal - Finance	25,000
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Community Development

ADA Access Improvements	300,000
Chronic Problem Property	100,000
Blighted Property Acquisition	100,000
Façade Improvement Project	500,000
Sidewalk and Curb repairs - Façade Improvement Areas	200,000
Five Points (Taylor-Lee Williams)	800,000

Subtotal - Community Development	2,000,000
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The Capital Budget

Fleet Service

Impound Lot Emergency Generator

20,000

Subtotal - Fleet Service

20,000

Public Service

Roof & HVAC Maintenance Program

200,000

Fire Station Maintenance Program

300,000

Solid Waste Management Facility Improvements

260,000

Subtotal - Public Service

760,000

Engineering

Citywide New Sidewalk Construction

750,000

Bridge Maintenance Program

650,000

ADA Curb Cut Program

250,000

Sidewalk Safety Program

750,000

Citywide Resurfacing Program

8,300,000

Federal/State Funded Transportation Project Match

450,000

Traffic Signal Maintenance

535,000

Crosswalk Safety Program

100,000

Citywide Facilities Paving Program

200,000

Traffic Calming

200,000

Advanced Traffic Management System (ATMS)Federal/State

1,300,000

Bicycle Infrastructure Improvement Projects

500,000

Merchant Drive at Clinton Highway Intersection

1,120,000

Old Broadway Sidewalk South Project

150,000

CBID ADA Compliance Program

700,000

Pleasant Ridge Road Project - Phase 2

3,000,000

Guardrail Replacement Program

100,000

School Zone Flasher Modernization

75,000

Kingston Pike Improvements

1,500,000

Subtotal - Engineering

20,630,000

The Capital Budget

Parks and Recreation

Ballfield, Tennis Court, Playground Improvements	200,000
Greenway Corridors	1,000,000
Inskip Pool Improvements	115,000
Urban Wilderness Development Program	100,000
Park Expansion/Acquisition	<u>75,000</u>
Subtotal - Parks and Recreation	<u>1,490,000</u>

Police

Police Training Academy	425,000
Ballistic Vests	120,000
Body Armor	25,000
Ballistic Shield With Light Kit	85,000
Pole Camera Replacement and Upgrade	30,000
Sound Supressors	25,000
Laser Scanner	70,000
Bomb Squad protective suit	<u>26,000</u>
Subtotal - Police	<u>806,000</u>

The Capital Budget

Fire

Fire Training Academy	200,000
Fire Headquarters Paving	150,000
Fire Safety House	<u>90,000</u>
Subtotal - Fire	<u>440,000</u>
Grand Total - Fund 401	<u><u>36,771,000</u></u>

PAF - Auditorium/Coliseum

Fall Arrest System	<u>180,000</u>
Subtotal - Auditorium/Coliseum	<u>180,000</u>
Grand Total - Fund 503	<u><u>180,000</u></u>

Engineering

Parking Meter Modernization	<u>400,000</u>
Subtotal - Engineering	<u>400,000</u>
Grand Total - Fund 504	<u><u>400,000</u></u>

The Capital Budget

Fleet Service

Bucket Truck - Urban Forestry

150,000

Concrete Grinder

60,000

Small Personal Lift

16,000

Subtotal - Fleet Service

226,000

Grand Total - Fund 702002

226,000

Engineering

Robotic Surveying Instrument System

33,500

Subtotal - Engineering

33,500

Fire

Extrication Tools

150,000

Subtotal - Fire

150,000

Grand Total - Fund 706

183,500

Grand Total - All Funds

\$ 37,760,500

2017/18 Budgetary Factors

- Limited new growth in real property
- Likely federal/state cuts
- Salary cost of living adjustments
- Slightly higher pension contributions
- Slightly higher health care costs
- Reduced solid waste collection costs

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Questions

