



# MEDIA RELEASE

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FOR IMMEDIATE RELEASE

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## **Mayor Burchett releases FY2015 budget plan**

*Proposal includes \$428M for schools, no tax increase*

*Knoxville, Tenn.* — Knox County Mayor Tim Burchett presented his Fiscal Year 2015 budget proposal to the Knox County Commission this morning. Commission is set to vote on the budget during its meeting on May 27.

The approximately \$730 million budget proposal represents a \$15.1 million increase – approximately 2.1 percent – over the current FY2014 budget. The budget plan provides \$427.8 million for Knox County Schools, which is an increase of approximately \$8 million over the current year. Since Mayor Burchett took office, Knox County Schools funding has increased by \$49 million.

Other notable elements in the FY2015 budget proposal include:

- Overall budget of \$729,914,278, including schools and public safety
- General Fund Budget, including public safety: \$164,275,513
- Public Safety: \$77,472,958
- No tax increase or use of General Fund reserves
- \$31.2 million Capital Improvement Plan, including:
  - \$5 million for Ball Camp Drive phase two
  - \$2.5 million for safety improvements at various intersections
  - \$750,000 for expansion and upgrades to Carter Convenience Center
  - \$300,000 for the development of Plumb Creek Park
  - Funding for 30 new KCSO vehicles and technology/security upgrades
- \$1.4 million for defined services contracts
- \$375,000 in support of the arts & culture community

The Fiscal Year 2015 budget summary is available online at <http://www.knoxcounty.org/finance>.

During his budget presentation to the Commission, Mayor Burchett gave the following remarks:

Chairman Anders, members of the commission, thank you for being here today. Commissioner Wright, Thank you for leading us in the pledge – and Chairman Anders thank you for the prayer.

Before I get started, I would like to take a moment to recognize some of our guests in the audience.

Thank you all for being here.

I also want to take a moment to thank Finance Director Chris Caldwell and his budget staff for putting this proposal together.

Over the past four years, I've brought three fiscally responsible budgets before you, and I hope you will find that this proposal is no different.

Despite slow revenue collections in the current fiscal year, we've been able to continue to provide outstanding service to Knox County taxpayers.

We've been able to do this without a tax increase – and this year will be no different. We will continue to provide high quality, efficient service to our citizens under this proposed budget and we will not raise taxes.

Each year, I make a point to say that we're continuing to provide needed county services without raising taxes. The reality is that not only are needed services provided, but we're increasing and improving those services, all without adding additional tax burden.

Over the past four years, we've been able to increase the number of operating hours at our libraries, offer downloadable e-books and audiobooks, and we recently revamped the library's website to make it much easier to use.

At our Health Department – today in fact – we're launching a new Electronic Medical Records program that will not only improve record keeping, but will increase the efficiency of the services we provide the community. Our health department is also increasingly focused on preventative health – and just last week, one of our health department employees, Ben Epperson, was recognized with the Tennessee Public Health Association Visionary Award for his work with the Healthy Kids, Healthy Communities initiative.

By the end of the upcoming fiscal year, we will open our newest senior center, which will be located in Karns – and the programming and events at all of our centers continue to improve.

We have a veteran service office that's second to none. We've been able to make capital improvements to allow seniors and those with disabilities to more easily access our veteran service office; we're offering hiring preference to veterans and we're holding outreach opportunities throughout the community.

By the end of this year, we will open the new Knox County Regional Forensic Center, which will help ensure that our law enforcement and judicial system has access to some of the best resources in forensic pathology and investigation.

These are just some of the ways that we're not only maintaining quality county services, but we are actually improving them significantly – and all without a tax increase.

So, let's get down to the numbers for the upcoming fiscal year:

The total proposed Knox County budget for Fiscal Year 2015 is \$729,914,278 – At the request of our financial advisors, we've changed the way the total budget number is presented, but this figure represents a \$15.1 million overall increase in the county budget – or just over 2 percent.

As is the case every year, the smallest growth is seen in the county's \$164.2 million General Fund budget, which will see just over 1.5 percent growth – while the lion's share of the budget growth goes to education. In fact, over 61 percent of the proposed increase in Knox County's 2015 budget will go directly to Knox County Schools.

I'd like to take a moment to specifically address the Knox County Schools' funding request.

Some have suggested using our savings account to pay for ongoing expenses. However, accounting 101 tells us that's not the right thing to do, and I know this commission agrees.

The \$427.8 million proposed for Knox County Schools in my budget is an \$8 million increase over the current fiscal year and amounts to \$49 million new dollars since I took office nearly four years ago – a 13% increase since 2011.

Of course, this \$428 million dollars does not include the \$2.5 million dollars going to the Great Schools Partnership, nearly \$3 million for the third year of our reading initiative and over a million dollars for kindergarten intervention programs. That's six-and-a-half million dollars on top of the \$428 million I'm proposing for General Purpose School Fund under this budget.

With this nearly \$435 million, the School System should be able to achieve Excellence for All Children.

While two thirds of the entire budget is dedicated to education, there are many other important services that are funded under this plan.

The second largest piece of the budget each year is Public Safety, most of which goes directly to the Knox County Sheriff's office.

This year, I'm proposing \$77.5 million – a \$2.2 million dollar increase – to help protect our community and ensure that Knox County is a safe place to raise a family. In addition to this, the proposed Capital Improvement Plan calls for 30 new Sheriff's Department vehicles, as well as various technology and security upgrades.

As for other areas of the General Fund budget, departments' funding will remain virtually unchanged – Which is only appropriate, given lackluster revenue collections statewide during the current fiscal year.

Fortunately, the economy appears to be improving, and I'm hopeful we'll see continued job growth in the coming year. Over the past few months, we've made some important economic development announcements in Knox County:

- Fresenius Medical is bringing 665 new jobs and \$140 million in economic investment to Knox County.
- Flowers Foods announced 100 new jobs.

- And WS Packaging is investing \$43 million and is expected to bring 231 needed jobs to our community.

We always welcome major businesses to Knox County, especially when they're bringing hundreds of jobs and millions of dollars in investment. But it's also important to remember just how much our local economy depends on small, locally owned businesses. When businesses like Pete's Coffee Shop & Restaurant added two new employees this year, or when two brothers opened up a small coffee house named K Brew on Broadway with seven employees, I was just as excited as when we announce a new multi-million-dollar business. Local entrepreneurs drive our economy both nationally and locally, and it's always great to see businesses like Pete's and K Brew succeed and grow.

Our low tax burden and focus on quality infrastructure are important to businesses looking to locate here. But government can't go it alone when it comes to economic recruitment, so my budget includes nearly \$1 million for economic development agencies under our defined services contracts.

In addition to supporting economic development, these defined services contracts help fund non-profit organizations that do work Knox County would otherwise have to do if they didn't exist.

Organizations like Free Medical Clinic of America, Friends of Literacy, Helen Ross McNabb, Cerebral Palsy Center, the Epilepsy Foundation and others play an important role in our community, and this budget helps support their efforts.

Once again, I've included \$375,000 in support of the arts and culture community through the Arts & Culture Alliance of Greater Knoxville. This budget also provides financial support to the Beck Cultural Center, Knoxville Zoo, the Knoxville Botanical Gardens and the Legacy Parks Foundation.

For the most part, any increases in Executive Branch department budgets are the direct result of the recent salary survey and the increasing cost of employee benefits.

During the 2015 Fiscal Year, Knox County's share of employee healthcare costs is expected to increase by at least 2 percent.

Overall, I think it's fair to say that this is a straight forward and lean budget; the vast majority of growth is the result of increased costs.

For the past three fiscal years we've worked hard to keep spending down, and we'll continue to do that in the coming fiscal year.

Year after year, Knox County is faced with a long list of capital needs. Fiscal Year 2015 will be no different.

The proposed Capital Improvement Plan calls for \$31.2 million in needed projects and fully funds the Knox County Schools capital request of approximately \$15 million.

This plan provides over \$2 million in needed building improvements and maintenance, as well as funding for our libraries' capital needs and improvements and maintenance at our Knox County Parks – including the development of Plumb Creek Park and the completion of Clayton Park.

Anyone who has heard me speak knows the importance I place on our highways and infrastructure. That's reflected in this Capital Improvement Plan, with more than \$8.8 million going toward projects and equipment within our Engineering and Public Works department.

Included in that figure is \$5 million for the start of phase two of the Ball Camp Drive project, as well as \$2.5 million for safety improvements at dangerous intersections throughout Knox County.

Soon, we will expand and upgrade the Carter Convenience Center to make it safer and more efficient, and this Capital Improvement Plan includes \$750,000 for that project.

Without doubt, this budget and Capital Improvement Plan provide sufficient funding for Knox County's needs – without raising taxes and without raiding our emergency fund.

As in previous years, we will leave here this morning and immediately begin presenting our budget directly to members of the community during public meetings planned in all nine commission districts. Each of you is welcome to attend any or all of those meetings.

Over the next few weeks, you'll have an opportunity to review this budget in detail. I and my Finance staff are available to answer any questions you may have.

Commissioners, with your support we will continue to operate in an efficient and fiscally responsible manner in Knox County.

Thank you.

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