



# MEDIA RELEASE

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FOR IMMEDIATE RELEASE

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## **Mayor Burchett releases FY2016 budget plan**

*Proposal includes \$435M for schools, no tax increase*

*Knoxville, Tenn.* — Knox County Mayor Tim Burchett presented his Fiscal Year 2016 budget proposal to the Knox County Commission this morning. The new fiscal year begins July 1.

The approximately \$747 million budget proposal represents a \$20.1 million increase – approximately 2.7 percent – over the current FY2015 budget. The budget plan provides \$435 million for Knox County Schools, which is an increase of approximately \$10.1 million over the current year. Since Mayor Burchett took office, Knox County Schools funding has increased by \$56 million.

Other notable elements in the FY2016 budget proposal include:

- Overall budget of \$747,189,546 including schools and public safety
- General Fund Budget, including public safety: \$171,249,100
- Public Safety: \$81,933,704
- No tax increase
- \$32.7 million Capital Improvement Plan, including:
  - \$16.2 million for Knox County Schools CIP
  - \$6 million for Schaad Road project, phases two and three
  - \$1.5 million for safety improvements at top crash sites and problematic intersections
  - \$535,000 for park improvements, ADA upgrades, new playgrounds and tennis and basketball court resurfacing
  - Funding for 38 new KCSO vehicles, body cameras and other upgrades
- \$1.4 million for defined services contracts
- \$375,000 in support of the arts & culture community

The Fiscal Year 2016 budget proposal 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 Schoonmaker, thank you for leading us in the pledge – and Commissioner McKenzie, 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, beginning with my beautiful bride Kelly.

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.

This past year was a busy one for Knox County. Since last May, we've nearly completed the new Karns Senior Center and a new Karns Convenience Center, both of which will open soon; we opened our new Regional Forensic Center, we were able to get county-owned downtown property into private hands and now the Marble Alley development is underway on State Street; and we will soon open the new Clayton Park in the Halls Community.

Each budget that I've presented since taking office funded the needs of Knox County Government without raising taxes. This one is no different. The taxpayers of Knox County reelected me on a promise of continued fiscal restraint, and I intend to keep that promise.

We've been fortunate to have steady economic and revenue growth in Knox County, but it's important that we don't look at a good revenue year as a blank check, because next year or the year after may be the one in which we find ourselves in a difficult financial situation, much like we saw in 2009, when the County's revenue collections fell far short of budget projections.

Planning and preparing for difficult times while remaining conservative during the good times has served this County well, and I plan for it to continue for the remainder of my time in office.

This budget projects a reasonable amount of revenue growth, with a total budget of \$747,189,546, that's an increase of \$20,175,268.

Of that amount, \$171,249,100 is designated for the General Fund, another \$75-and-a-half million is slated for scheduled debt payments.

As I stated before, this budget does not call for a tax increase, and it continues our effort to reduce the county's debt. On that point, let me be clear: we are not paying more on our debt than we planned, we are simply borrowing less than we pay down each year. There's no reason to max out our credit card every time we pay off part of the balance – that doesn't work for families in Knox County, and it shouldn't be the way government operates, either.

If we hold the line on spending, we are on pace to reduce the overall County debt by \$100 million by the end of Fiscal Year 2017. Each of you has had to cast hard votes in the past, and every year this body has affirmed its commitment to reducing the debt burden on our taxpayers in order to prevent having to raise taxes. This budget continues that commitment.

We are able to reduce debt and avoid raising taxes because of sound financial management and a focus on the things government can do to encourage economic development.

In addition to providing nearly a million dollars in funding to economic development agencies in Knox County, my FY 2016 budget proposal includes a particular emphasis on public infrastructure by dedicating approximately \$2 million solely for paving and road resurfacing – which I've said is a key way government can encourage business development.

There has been a good deal of economic growth in recent years, and in just the past few months we've seen the announcement of several businesses moving here or expanding in our community: businesses like Total Quality Logistics, Hicks Plastics, Mesa Engineering and Fulton Bellows are creating or are planning to bring nearly 400 new jobs to our community.

Earlier, I recognized Chamber president Mike Edwards. It is no secret that the Chamber and I haven't always seen eye-to-eye. But Mike and his staff deserve a great deal of credit for working hard over the past couple years to recruit new businesses to our community. They are showing results, and I applaud them for it.

Thanks to their efforts and Knox County Government's focus on infrastructure and conservative financial management, the economic situation in Knox County has steadily improved. But that doesn't mean it's time to go on a spending spree.

We must continue to live within our means and operate Knox County Government within natural revenue growth.

That includes the Knox County Schools.

This proposal provides \$435 million for General Purpose Schools – a budgetary increase of more than \$10 million over the current fiscal year. It also represents \$14.3 million in revenue growth for schools when factoring in previous years' use of fund balance.

With the adoption of this budget, we will have increased Knox County Schools' funding by more than \$56 million over five years.

The budget sent to us by the Board of Education requested funding well beyond the significant revenue growth we are projecting and would have required a tax increase in order to fund. That is something I am not willing to propose.

In all, over \$465 million is designated for schools. That's more than 62 percent of the entire county budget going directly to education, and it does not include most of the school system's debt payments.

It does include \$6.5 million from the General Fund for continuing the reading initiative we started three years ago, as well as for the Great Schools Partnership and Kindergarten Intervention.

This is enough funding to provide quality instruction for our students in the classroom, while also providing for teacher raises proposed by the Governor and the Superintendent.

We must pay our teachers more – not curriculum coaches, not administrators, but our classroom teachers. They are the people who, day-to-day,

deal with students' healthcare issues, family troubles, hunger and poverty, all while navigating ever-changing testing standards and bureaucratic red tape.

While neither I nor the Knox County Commission can direct schools spending, it is my hope that the Board of Education and Superintendent, when deciding how to use this money, will include teacher raises as a top priority. Ultimately, it is up to them.

One thing is certain: we cannot operate outside of existing revenue, and that is something we have to be mindful of at all times.

There has been a lot of talk about building new schools in Knox County. Before that conversation can progress, we must be realistic about our ability to fund annual operations of even a single new school. It is one thing to build a building today, but quite another to pay for constantly-increasing operational costs in perpetuity. Building a school we can't pay to operate is not fiscally responsible.

We don't have the \$7 to \$9 million it would cost annually to operate three new schools, and we don't have the capacity in our debt service fund to bond the Gibbs Middle School on the County's side of the ledger.

This financial reality is not a can I'm willing to kick down the road for the next mayor – and ultimately the taxpayers – to deal with while I do the easy thing of increasing the county's debt to build three new schools we cannot afford to operate.

We have to be sure that all options are explored and exhausted before this Commission votes to take an action that is guaranteed to force a tax increase in the near future. While school rezoning is not an easy or comfortable topic, neither is raising taxes.

I urge the Board of Education and Knox County Schools to look at the possibilities for rezoning in order to help address both the issues of overcrowding and lengthy bus rides for our students. This approach will not only address these issues in two communities, but will help address them countywide.

Until every possible option is fully explored, I cannot, and will not propose building schools we can't afford to bond and operate. Therefore, the \$16,150,000 I am proposing for the Knox County Schools Capital Improvement Plan includes funding for all of the school system's requests, except for the Hardin Valley Middle School, Gibbs Middle School and the north-central elementary school.

This Capital Improvement Plan includes more than \$10 million in facility upgrades and improvements, as well as \$2 million for security upgrades that will help keep our students and staff safe.

After Schools, the next largest piece of the budget is Public Safety, most of which is made up of the Knox County Sheriff's Department.

This budget plan recommends nearly \$82 million for public safety, which is nearly half of the General Fund budget.

Without doubt, education is the single most important thing we do, and that's reflected in this plan, but it is important that our students and families have safe communities in which to live and work.

Our deputies do an outstanding job, and I believe this budget supports those efforts.

To do that, I am proposing \$1.2 million in capital outlay for 38 new Sheriff's Department vehicles, as well as \$300,000 for body cameras requested by Sheriff Jones.

Our deputies put their lives on the line each and every day, and they deserve our support and our thanks.

I am happy to say that this budget includes a pay increase for our deputies, as well as for general county employees. Effective July 1<sup>st</sup>, our employees will see their salaries increase by three steps, which is approximately 3 percent for most workers.

Over the years, our employees have worked hard, under lean budgets, to ensure that we are able to continue to provide a high level of service to our citizens while saving taxpayers' money. Pay raises aren't something we are able to do each year, and this increase is one way we can show our appreciation for the work they do.

This includes our Knox County Health Department staff, who serve the mothers, children and families in this community who don't otherwise have access to health care. This budget proposes nearly \$23 million for Public Health, with \$18-and-a-half million of that designated for the Knox County Health Department.

As long as I'm in office, we will continue to serve the families that visit our health department facilities.

This budget also maintains our commitment to our veterans and our senior citizens.

I'd like to ask all of our veterans in the room – if you're able – to please stand and be recognized.

In 2014, approximately 2,000 military veterans were served by our Knox County Veterans Service Office. Bar none, we have the best Veterans Service staff in the state. I know this, because the veterans out in our community make sure to tell me when they see me out.

Soon, we will officially open the new Karns Senior Center. This will bring the total number of senior centers to six across Knox County.

Our centers' staff and community partners provide outstanding programming and activities to keep our "seasoned" citizens engaged. This budget provides the support to continue their efforts.

All citizens, from seniors to children, take advantage of our high-quality library system. Whether it's the Corryton Branch Library or the McClung Collection downtown, the Knox County Public Library – and its 19 facilities – boast over 1-million books, periodicals and digital materials and is the oldest continuously operating public library in the state. This budget includes more than \$13 million to ensure our system remains one of the best in the state.

With the addition of the Tennessee Archive of Moving Images and Sounds, as well as some ongoing efforts you'll hear about soon, I think the future is bright for the Knox County Public Library and the thousands of children, parents and seniors who use our library services.

Ultimately, the main mission of any public library centers on education. Across this community, our libraries provide young children with reading programs, as well as a safe place for students to do homework and use internet-connected computers they may not have access to at home.

The Public Library is also the place students turn to for extra help with their studies, and we are proud to partner with Tutor.com to provide one-on-one online tutoring in order to support the work that is happening in classrooms across Knox County.

Our libraries are an important part of our community, and they serve patrons from all walks of life.

There are many other non-government organizations working hard to serve the people of Knox County, and in many cases, these non-profit organizations are doing work our health department, law enforcement or judicial system would otherwise have to do.

That's why this budget provides nearly \$1-and-a-half-million in defined service contract funding to groups like the Volunteer Ministry Center, Helen Ross McNabb and Childhelp Tennessee, as well as to our economic development organizations like the Knoxville Chamber.

In addition to this funding, this budget provides more than \$3 million in Hotel-Motel funds to support tourism efforts in Knox County. This includes \$375,000 for the Arts & Culture Alliance, funding for the Beck Cultural Exchange Center, the Knoxville Zoo, Legacy Parks and others.

Economic Development and Tourism are two of the primary ways we can work to increase revenue without raising taxes. But we have to be able to support this growth with our roads, parks, libraries and other services.

The Capital Improvement Plan I'm proposing with this budget calls for more than \$32-and-a-half million in funding for needed improvements and other capital projects.

This includes the more than \$16 million I'm proposing for the Knox County Schools' capital improvement plan, as well as \$1.9 million for important building maintenance at the City County Building, the Andrew Johnson Building, the E-911 center and other county facilities.

This plan also provides funding for ADA upgrades at Forks of the River Soccer Complex, Bower Field and the Cove at Concord Park in order to make our public parks more accessible to all of our citizens, no matter their abilities.

We will also be adding new playgrounds at Forks of the River, Ballcamp and Clayton Park, as well as resurfacing tennis and basketball courts at Sterchi Hills and Gibbs Ruritan Park.

We are also making improvements at the Carter Branch library and continuing the process of installing compact shelving for the Knox County Archives and the McClung Collection at the East Tennessee History Center. This project, while it isn't sexy, will allow us to store important county records and rare, historical documents and artifacts in a much more efficient way. This helps reduce the need for expensive and disruptive demolition and remodeling in order to make room for more storage.

Engineering and Public Works constitutes the majority of the General County's Capital Improvement Plan, with close to \$9 million in road, highway and bridge projects that affect every taxpayer in Knox County.

We have several members of our Knox County Highway Department here today. When the rest of us were at home with our families during this year's winter storms, the men and women of the Knox County Highway Department were out treating the roads. Thanks to the work they do, fire, rescue and police personnel are able to respond to emergency calls during severe winter weather, and they help us to get back to work and school more quickly after a snow event.

Let's take a moment to give these folks a round of applause.

When they aren't fighting snow and ice, these men and women help keep our roads maintained and our highway projects moving forward.

This proposal provides \$6 million in funding for the completion of phase two and the continuation of phase three of the Schaad Road project that will connect Oak Ridge Highway to Middlebrook Pike. Eventually, when all phases of this project are completed, it will connect Clinton Highway to Lovell Road.

This Capital Plan also includes more than \$1.5 million for safety improvements at some of the County's top crash sites and problematic intersections. Our traffic engineers have identified areas of Canton Hollow Road, Schaeffer Road and Fox Lonas Road as some of the highest safety priorities.

Sometime this year, our highway crews will also begin work to replace the Kodak Road bridge over Tuckahoe Creek – a project that is estimated to cost approximately \$500,000.

We will continue to focus on making sure our roads and highways are safe and in good condition; that our public libraries, senior centers and other facilities are well maintained and ensure that we are providing for a high quality education for our children.

We must, however, do all of this with an unwavering eye toward fiscal responsibility. We have a duty to our taxpayers and to those who come after us to

be good stewards of the resources we are given and to not take more than is necessary to maintain the proper role and function of government.

If we remain focused on limiting the tax burden on our citizens, providing outstanding public infrastructure and supporting education and economic development, then we will see our revenues increase without having to go to our citizens with a tax increase.

This budget is sound. This budget is responsible. And this budget allows for growth within existing revenue.

As in previous years, we will be holding a number of public meetings today to present this budget directly to the citizens of Knox County. You are welcome to attend any or all of those meetings.

Commissioners, I hope you will take time to review this proposal thoroughly. Of course, I and my finance staff are available to answer any questions you may have in the coming weeks.

Together, we can ensure that Knox County is run in a fiscally responsible way by continuing to live within our means while also providing high-quality, efficient services to our citizens.

Thank you.