



MEDIA RELEASE

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FOR IMMEDIATE RELEASE

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Mayor presents fiscally responsible FY2011-2012 budget proposal

General gov't budget reduced, services maintained, all without proposing tax increase

Knoxville, Tenn. — Knox County Mayor Tim Burchett presented a fiscally responsible budget proposal for FY2011-2012 to the Knox County Commission this morning. It is Mayor Burchett's first budget since taking office, but his inaugural spending plan sets a course for Knox County that, if followed, will lay a foundation for responsible stewardship of the taxpayers' money.

"I and my staff have been working very hard to identify efficiencies in the way Knox County Government operates so that we can realize savings for our taxpayers without having a negative impact on county services," Mayor Burchett said. "My budget proposal, if adopted by Commission, accomplishes that goal without raiding the taxpayers' general fund reserves, without increasing taxes, and by reducing unnecessary spending."

Despite rising costs for everything from capital equipment, energy and employee health insurance, the overall General Fund Budget, as proposed, is more than \$2.3 million less than last year's \$151.5 million plan.

"The General Fund Budget reductions represent real-dollar savings in the cost of operating Knox County Government," Mayor Burchett said. "Despite those reductions, we are still going to be able to reduce the county debt by \$20 million this year, and set a course for annual debt reductions of approximately \$20 million or more annually over the next five years."

In addition to decreasing the county's debt, Mayor Burchett's budget proposal also takes steps toward supporting economic development by working to keep taxes low, and increasing funding for road and infrastructure improvements that will help spur economic growth. Proposed in the budget is an increase of \$364,000 in funding for Engineering and Public Works. That money will help fund nearly half-a-million dollars in improvements to existing roads through repaving and repair.

"It is important that we strive to reduce the size and cost of government, while also investing in key areas, such as infrastructure, if we are to realize our shared vision for a robust and diverse economy and vibrant community," Mayor Burchett said. "Government does not create jobs, but it can lay a foundation upon which the free market can excel, and maintaining good roads is an important part of fostering economic growth."

While the General Fund Budget is being reduced by more than \$2.3 million under Mayor Burchett's proposal, increased costs in the Knox County Schools mean the overall net budget will actually increase by just more than \$5.6 million dollars. The school system's budget proposal is up approximately 1 percent over the current year's plan, which amounts to a little more than \$5.9 million.

"Quality schools are an important part of the services Knox County provides, and Superintendent Dr. Jim McIntyre and the Board of Education should be commended for working hard to keep their new funding requests to a minimum," Mayor Burchett said.

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Realizing that change must begin at the top, Mayor Burchett reduced his own administrative budget by 19.5 percent, or more than \$210,000, by setting as policy changes that he made shortly after taking office.

“I’m going to continue to lead by example, that’s why I gave up my travel allowance; my office doesn’t have a purchasing card; and I eliminated my \$20,000 discretionary fund,” Mayor Burchett said. “I can’t ask others to make tough changes without making changes on the sixth floor.”

Under Mayor Burchett’s spending plan, taxpayers will see decreased spending of more than \$2 million in the Knox County Health Department alone, not to mention \$288,000 in reduced spending in Knox County Public Library’s budget.

“These reductions are not only being made without decreasing services, but in both the Health Department and the library system, the level of service will actually be higher than it was last year,” Mayor Burchett said.

Making meaningful changes for Knox County’s future means there will be difficult but needed reductions that will require some adjustment.

Taxpayer-funded community grants were reduced by 37 percent, from \$826,000 to \$521,000.

“Many non-profit organizations do tremendous work in our community in the areas of art, education and healthcare. I applaud all they do, and I appreciate what these groups bring to our community,” Mayor Burchett said. “However, it is important to understand that we will continue to make reductions over the coming years, but I believe the private sector and the generous people of this community will continue to help these organizations thrive.”

One very difficult decision Mayor Burchett was forced to make was to layoff a small number of Knox County employees. In total, 34 positions (31 full-time, 3 part-time) will be eliminated. Fortunately, the vast majority of those positions are currently unfilled.

“This is not an easy decision, but, given the current economic circumstances, it is the right thing to do for Knox County,” Mayor Burchett said.

In addition to these reductions, Mayor Burchett has implemented a hiring freeze for all executive branch departments until further notice. Any new hires must be deemed critical and approved by the mayor. There is also no funding for raises for county employees in the proposed budget.

“Our employees work hard and are dedicated to their jobs, but we simply do not have the money to pay for raises,” Mayor Burchett said. “I have proposed, however, that every full-time employee be given an additional full week’s paid vacation, because, while we cannot afford raises, I want to do what I can to help our employees and their families.”

Over the next six weeks, Mayor Burchett will take his budget proposal to the citizens of Knox County.

“Ultimately, this is the taxpayers’ budget, and they deserve to know what I’m proposing,” Mayor Burchett said. “These changes are not easy, but I believe this budget proposal is the right plan for Knox County.”

Under the Knox County Charter, Commission must approve the county’s spending plan. A special meeting is planned for June 13 to vote on the budget.

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