
City of Knoxville

FY 10/11 Budget Retreat

February 4, 2010

Agenda

- Mid-Year Forecast
 - Capital Budget Process
 - RSPD Grant Update
 - Stormwater Update
 - Ameresco Update
 - FY 11/12 Budget Factors
-

Results as of 12/31/10

Revenues	66,778,034
Expenditures	63,574,664
Net Transfers	(13,455,513)
Revenues/Sources Over Uses	(10,252,143)
Beginning Fund Balance	60,663,693
Ending Fund Balance	50,411,550

Mid-Year Forecast

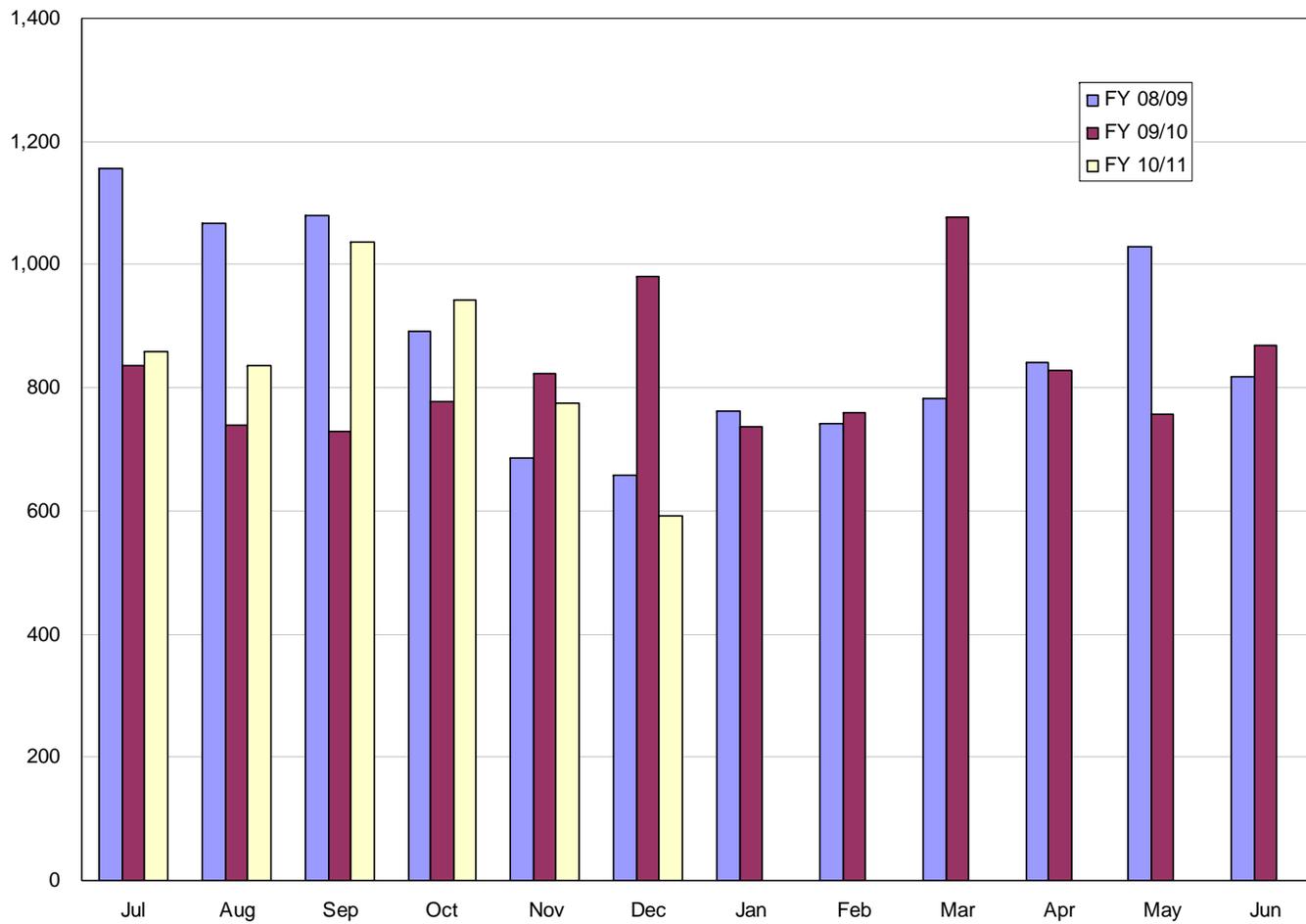
- Prognosis is mixed
 - Some gains being seen in cyclical revenues
 - Very low to negative change in property taxes



Property Tax

- Real Property Taxes
 - Forecast a growth of 0.78% in the roll
 - Actual growth of 0.73%
 - Personal Property Taxes
 - Forecast decline of 1.04% in the roll
 - Actual decline of 5.44%
 - Public Utility Taxes
 - Forecast no change in the roll
 - Actual decline of 11.73%
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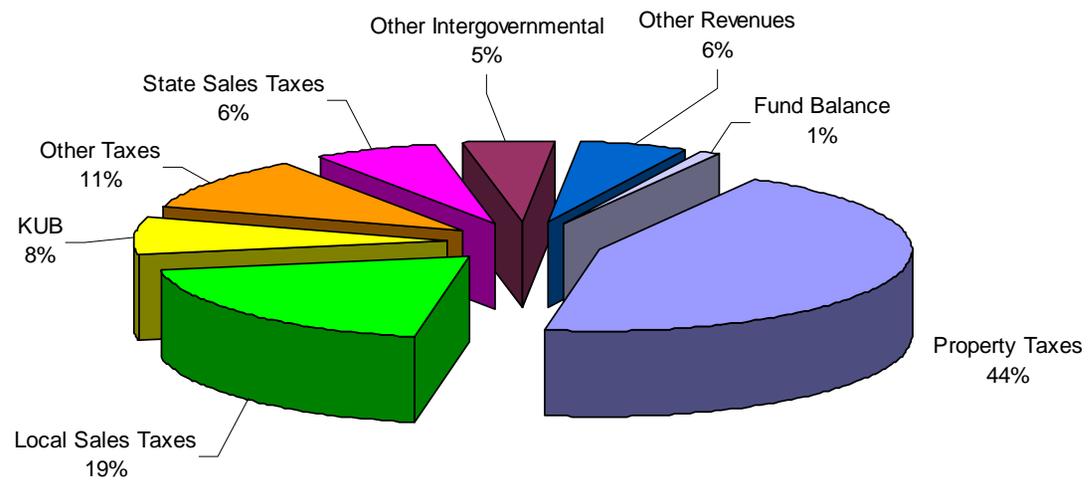
Building Permits



Inspection Revenues

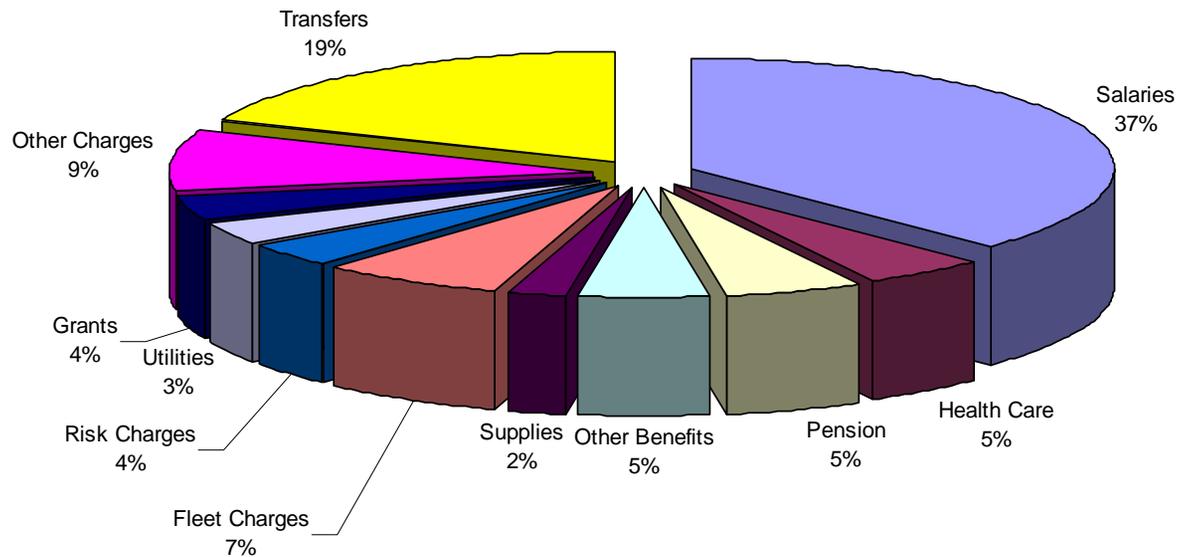
Account Number	Account Name	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
5210	Permits	570	750	646	390	120	540	240
5221	Building Permits	966,058	957,193	1,068,934	975,800	810,935	655,598	619,430
5222	Electrical Permits	365,747	360,285	391,949	327,444	284,406	240,460	282,290
5223	Plumbing Permits	319,153	341,161	381,124	312,066	251,982	224,196	238,870
5224	Mechanical Permits	97,871	104,227	113,851	109,047	109,401	101,984	106,790
5225	Boiler Permits	115,131	114,954	108,702	96,402	79,161	75,510	69,650
5226	Plans Review	162,257	165,927	179,575	144,784	124,270	104,657	97,880
5227	Signs	0	0	0	0	0	0	0
5233	Plans Review Fee	371	2,950	1,785	1,589	988	415	400
5294	Sundry Inspection	50	0	45	0	0	0	0
	Subtotal - Licenses and Permits	<u>2,027,207</u>	<u>2,047,447</u>	<u>2,246,611</u>	<u>1,967,521</u>	<u>1,661,263</u>	<u>1,403,360</u>	<u>1,415,550</u>
5611	Interest on Investments	13,775	35,912	43,845	43,575	12,225	1,573	530
5902	General Fund Transfer	0	0	0	0	135,380	612,250	826,570
5699	Miscellaneous Revenue	<u>1,288</u>	<u>56</u>	<u>(3,980)</u>	<u>(4,740)</u>	<u>2,587</u>	<u>(503)</u>	<u>(1,040)</u>
	Subtotal - Misc. Revenue	<u>15,063</u>	<u>35,967</u>	<u>39,865</u>	<u>38,834</u>	<u>150,192</u>	<u>613,320</u>	<u>826,060</u>
5998	Appropriated Fund Balance	(213,035)	(30,604)	(232,606)	84,705	387,839	211,067	
	Grand Total - Inspections Fund (216)	<u><u>1,829,235</u></u>	<u><u>2,052,810</u></u>	<u><u>2,053,871</u></u>	<u><u>2,091,060</u></u>	<u><u>2,199,294</u></u>	<u><u>2,227,747</u></u>	<u><u>2,241,610</u></u>

Where the Money Comes From (General Fund)



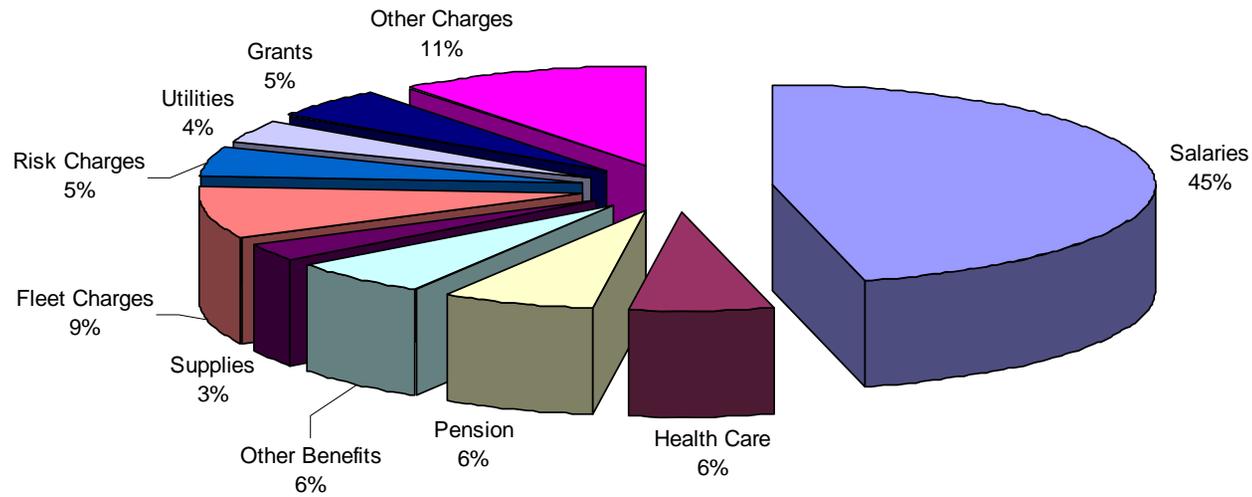
Where The Money Goes

General Fund Expenditures Including Transfers



Where The Money Goes

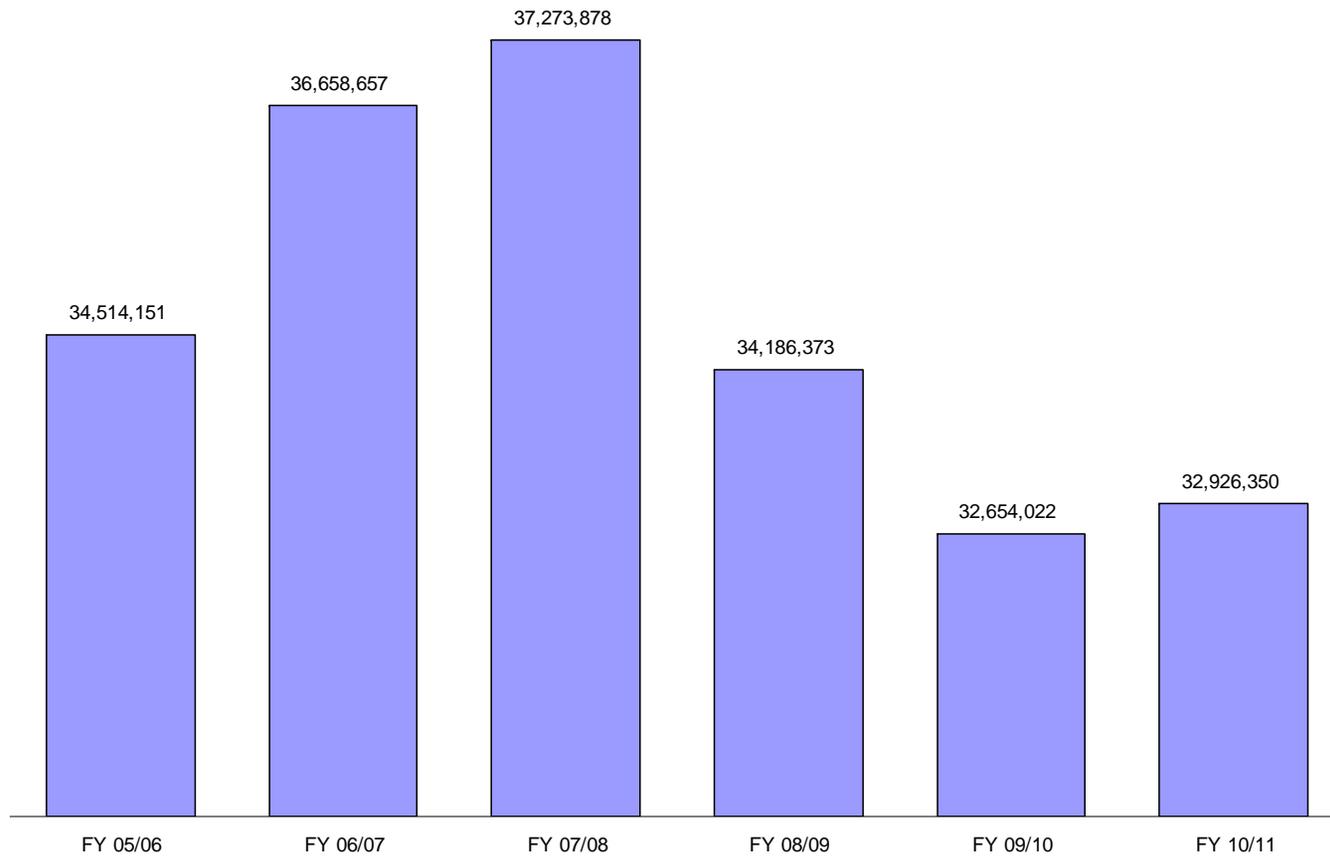
General Fund Less Transfers



Property Values

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

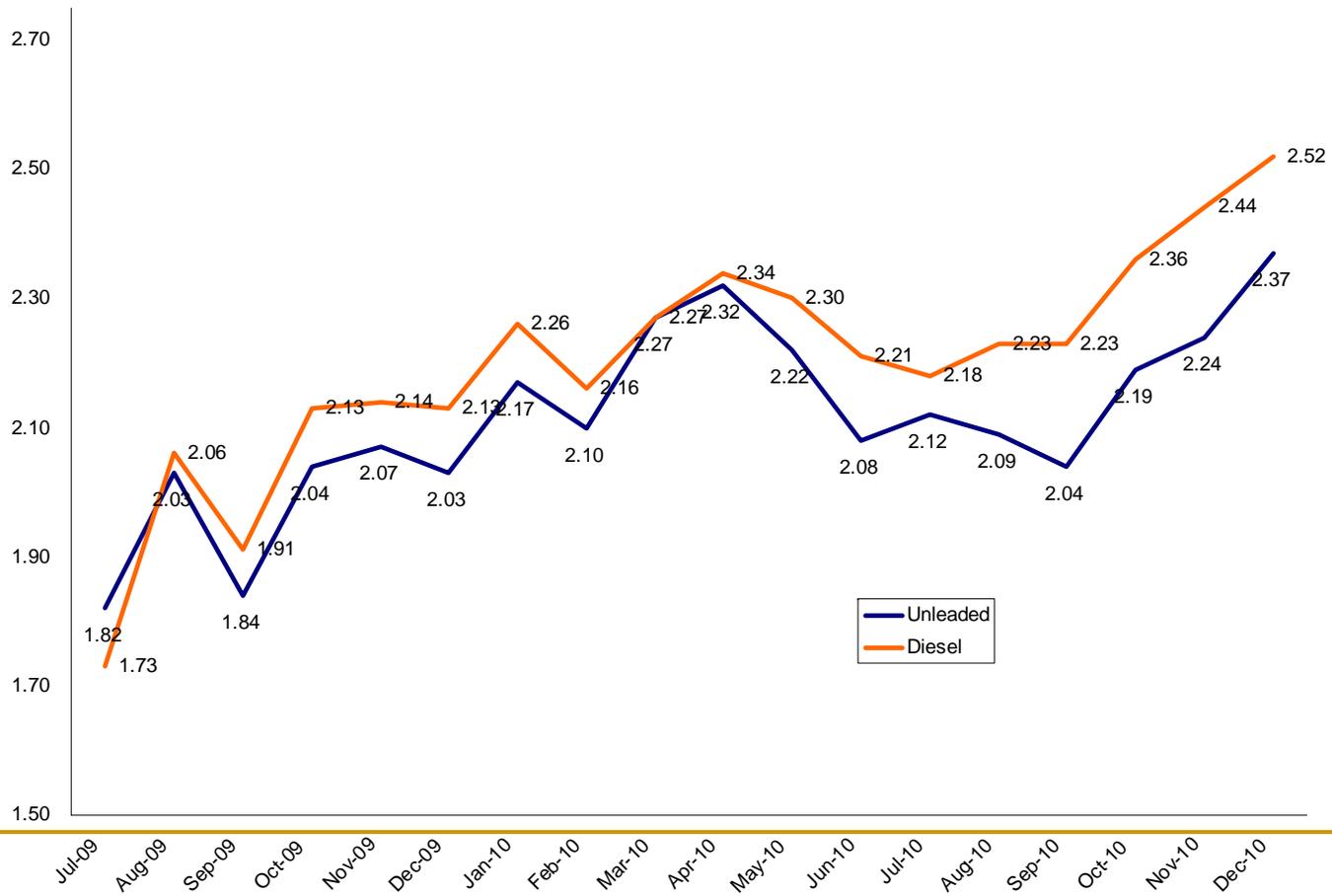
Local Option Sales Tax



Other Revenues

- KUB Pilot up slightly
 - Business tax in line to slightly under revised forecasts
 - State shared sales tax expected to be up
 - Hall income tax unpredictable
 - Interest earnings down
 - Excess city court earnings down
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Gasoline Prices



Forecast Ending 6/30/11

Revenues	162,326,280
Expenditures	132,661,510
Net Transfers	(33,475,940)
Revenues/Sources Over Uses	(3,811,170)
Beginning Fund Balance	60,663,693
Ending Fund Balance	56,852,523

Capital Project Considerations

- Legal necessity
 - Critical nature of improvement
 - Additional operational savings/costs
 - Preservation of assets
 - Ability to complete projects
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Bond Rating (Fitch)

- Rating Rationale

- Financial management is strong highlighted by prudent budget practices and robust reserve levels

- Key Rating Driver

- Sustained financial flexibility is key to the city's rating given future budgetary pressures
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2011/12 Budgetary Issues

- Limited Growth in Property Taxes
 - Unpredictable revenues and low growth in some cyclical revenues
 - Possible state/federal revenue cuts
 - Salary Adjustments
 - Pension Costs
 - Health Care
 - Fuel Costs
 - City Elections
 - Curbside Recycling
 - Existing Contracts/Commitments
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The Budget Timetable

- February 4, 2011 – Budget Retreat
 - Feb. – March – Departments submit budget requests, base numbers calculated, and capital budget prepared
 - March 21-23 – Mayor’s budget hearings
 - April 8 – MPC Hearing on Capital Improvement Program
 - April 21 – Mayor’s budget submitted
 - May 3 – First reading of budget and tax ordinances
 - May 5-6 – Council Workshops
 - May 5 – Public Hearing
 - May 17 – Second reading of budget and tax ordinances
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