

## GENERAL FUND EXPENDITURES

### General Fund Overview

Budgeted General Fund expenditures for FY 06/07, including the reservation for contingencies, equal \$155,253,980. This is roughly 6.11% more than the FY 05/06 General Fund budget of \$146,308,600. The pages that follow explain the specific departmental changes which make up the change in general fund expenditures for the FY 06/07 budget. The purpose of this section is to give you a general overview of all expenditure categories.

TABLE 1

	FY05/06	FY06/07	Change
Personal Services	\$72,798,100	\$74,602,450	\$1,804,350
Supplies	3,056,140	3,349,160	293,020
Other Charges	38,430,040	41,387,210	2,957,170
Transfers Out	<u>32,024,320</u>	<u>35,915,160</u>	<u>3,890,840</u>
<b>TOTAL</b>	<b><u>\$146,308,600</u></b>	<b><u>\$155,253,980</u></b>	<b><u>\$8,954,380</u></b>

### Personal Services

Personal Services, which include salaries and benefits, increase by \$1,804,350 or 2.5% when compared to the FY 05/06 budget. This increase is largely due to the required two and one-half percent (2.5%) salary increase for all non-probationary employees in July 2006. The number of full-time employees in the General Fund increases from 1,380 to 1,389 which represents an increase of 9 positions. Several of these positions moved from Special Revenue Funds into the General Fund. The specific way each departmental budget is affected by these changes is discussed in more detail below, and in the executive summary.

### Supplies

The category of "Supplies" is used to pay for such things as office supplies, operating supplies, and repair and maintenance items (chemicals, road salt, etc.) and operating equipment not paid for in the equipment replacement fund or capital budget. The budget for supplies category increases by \$293,023 or 12.1%. This is largely due to an accounting change related to our Internal Service charges for the City Print Shop.

### Other Charges

The category entitled "Other Charges" includes such expenditures as postage, professional services, equipment leases, internal service charges, and other miscellaneous expenditures. For the FY 06/07 budget, this category increases by \$2,957,170 when compared to the previous fiscal year. Higher energy prices have had a major impact on the budget. Approximately \$1.5 million in fuel and utility increases have been included in the proposed budget.

### Transfers

This grouping of expenditures represents fund transfers from the General Fund to various other funds of the City. They are broken out here because they constitute such a large portion of the General Fund. The majority of the transfers are for subsidies to cover various Enterprise Funds. Total transfers increase by \$3,890,840 from the previous fiscal year to a total of \$35,915,160. The largest change in transfers is a \$2,811,250 increase in the transfer to Capital Projects. The amount going to the Inspections Fund decreases by \$248,660 due to continued increases in permit revenue generated by this operation. Transfers increase for Chilhowee Park by \$111,250 and the subsidy for the Civic Auditorium/Coliseum increases by \$6,380. The transfer for the Convention Center increases by \$147,880. Transfers to Mass Transit increase by \$1,151,400 to a total of \$5,879,190. The amount the City contributes to offset retiree

health care costs decreases by \$230,470. Other increases include \$42,740 for Stormwater and \$173,790 for the Special Revenue Fund Transfer, which includes Senior Aides and the new Urban Growth Fund.

### **Mayor's Office/Administration**

The proposed FY 06/07 Administration budget increases by 4.46% or \$92,050 when compared to FY 05/06. Personal services costs increase by \$74,010 due to the proposed salary increase. Supply costs increased by \$18,130 and other expense costs remained almost the same as FY05-06 at \$530,800.

### **Finance & Accountability**

#### **Finance Division**

The FY 06/07 budget for the Finance and Accountability Department increase by \$136,630 or 4.3% when compared to FY 05/06. Overall, personal services expenditures increase by \$119,490 or 5.21%. This is the result of the addition of a Grants Coordinator position, and the proposed salary increase. Supply costs increase \$8,160 due to a change in accounting procedure regarding Office Services (Fund 701). The Other Charges category increases by \$8,980. This is primarily attributable to an increase in the amount for City-County Building rent.

#### **Information Systems Division**

The FY 06/07 budget for the Information Systems Department increases by \$164,750, or 5.15%, compared to FY 05/06. Personal services increases by \$145,170 mostly due to the proposed salary increase. Supplies increase by \$77,240 due to the purchase of 'spyware' software and other computer equipment. Other charges decrease by \$57,660, primarily from the elimination of the maintenance service contract on the mainframe.

### **Operations & Engineering**

#### **Engineering Division**

The Department of Engineering budget increases by \$122,240 or 2.36% when compared to the previous fiscal year. Personal services increase \$15,570. Supply costs increase by \$4,340, and other charges increase by \$102,330.

### **Community & Neighborhood Services**

#### **Public Service Division**

The FY 06/07 proposed budget for the Public Service Division totals \$18,510,720, an increase of \$1,554,060 (9.16%) from FY05/06. Personal services costs increase by \$383,220 due primarily to the salary increase and the shift of seven personnel from the Solid Waste (Fund 230) to the General Fund (Fund 100). Supply costs increase slightly by \$12,420. Other cost increase \$1,158,420, primarily due to higher Fleet Services, Risk Management and Utility costs.

#### **Development Division**

The proposed budget for the Division of Development (Economic Administration) for FY 06/07 is \$733,500, an increase of \$ 167,310, when compared to the budget for FY 05/06. This is mostly due to the addition of a position to address chronic homelessness. Other Charges increase slightly due to additional projected cost in building rental costs and other miscellaneous changes.

#### **Parks and Recreation Division**

The Parks and Recreation budget for FY 06/07 increases by \$139,920. Personal service decreases \$78,480. Supply costs show a small increase of \$7,470. The 'Other Cost' category increases by \$210,930, which is due to higher amounts for utility costs.

#### **Mass Transit Division (Grant Match)**

The Mass Transit Grant Match totals \$830,000, a decrease of \$52,950. This funding is sufficient to meet the City's current grant match requirements.

### **Law**

The FY 06/07 budget for the Law Department increases by \$68,950 when compared to the FY 05/06 budget. Personal Services increase by \$53,270 due to salary increases. Supply costs increase by 5,800. Other charges increase by \$9,880.

### **Police**

#### **Police Division**

The FY06/07 budget for the Police Department is \$40,701,280 an increase of \$1,726,550 or 4.43%,

over FY 05/06. Personal Services increase by \$777,250. This increase is due to salary survey increases for Police Officers in addition to the 2.5% across the board increases.

Supply costs increase to \$1,049,320 due to the purchase of some new equipment as well changes in print shop charges. Other costs increased \$830,000 due higher costs for utilities, communication costs and risk management charges. The authorized strength for uniformed positions remains 414. There were several changes made in the civilian workforce including the addition of 4 Cadet positions and 2 Training Specialists to work at Safety City.

### **Emergency Management Division**

The FY 06/07 budget for Emergency Management increases by \$6,910 from last year. The change in the budget is primarily due to salary and benefit increases of \$6,480.

### **Fire**

The FY 06/07 proposed budget for the Fire Department is \$27,905,530 representing an increase of \$387,690 or 1.41% over FY 05/06. Personal services increase \$383,980 due to the proposed salary increase.

Supplies increase by \$3,970, while other charges increase by \$260. A decrease in risk management charges was offset by increase in other areas.

The authorized strength for the uniformed personnel for FY 06/07 remains at 328. The non-uniformed personnel also remain the same at eleven (11) positions for a total department count of three hundred thirty-nine (339).

### **Board Administered Departments**

#### **Civil Service Department**

The Civil Service budget for FY 06/07 decreases by \$10,880 to a total of \$935,430. Personal services costs shrink by \$19,230 due to the mid-year removal of a position and a decrease in health care costs. Supply costs increase by \$14,500 due to the purchase of additional storage. There is a \$6,150 decrease in the other costs category, due to a decrease in the budgeted amounts for Postage and Shipping and Publicity.

### **Non-departmental**

#### **City Elections Division**

Pursuant to state law, all elections are managed by the Knox County Commission. The Commission charges the City for its proportionate share of any primary or general elections. The FY06/07 budget decreases to \$40,000 because no general city election is scheduled for this fiscal year.

#### **Waterfront Division**

The FY 06/07 Waterfront budget increases by \$13,540, due primarily to higher utility costs

### **Other Funds**

#### **State Street Aid (Fund 201)**

The State Street Aid budget remains the same for FY 06/07. Transfers for FY06/07 for this fund remain at \$1,275,000 for capital. Street lighting expenditures increase by \$450,000. Because of the increase in Street Lighting the transfer to KAT decreases to \$180,000.

#### **Abandoned Vehicles (Fund 209)**

The FY 06/07 budget for the Abandoned Vehicles Fund totals \$587,850, which is a decrease of \$6,030 from FY 05/06.

#### **City Court (Fund 213)**

The total budget for City Court is \$3,950,480. Actual budgeted expenditures are \$691,150. Projected excess fees collected, which are transferred to the General Fund, are \$3,259,330, which is an 8.83% increase from FY 05/06.

#### **City Inspections (Fund 216)**

Due to higher revenues, General Fund support for Inspections is not required for FY06/07. The total Inspections budget increases by \$73,890 largely due to the 2.5% salary increase.

#### **Stormwater (Fund 220)**

The proposed budget for FY 06/07 increases by \$58,730 or 3.07% compared to the previous fiscal year. Personal services increase \$58,730 due to the addition of 2 new Stormwater Technician

positions. Supplies decrease by \$11,110 and other charges increase by \$10,960.

#### **Solid Waste (Fund 230)**

The Public Service Division of the Community and Neighborhood Services Department manages the Solid Waste Management Fund. The FY 06/07 budget for Solid Waste is \$9,994,290 a decrease of \$314,960 from the prior year. Personnel costs decrease by \$332,670 due to seven positions shifting to the General Fund. The General Fund transfer to Solid Waste is budgeted at \$9,221,240, a decrease of \$330,890 from last year.

#### **Housing Grants (Fund 260)**

Beginning with FY 98/99, various housing grants administrated by the Community Development division of the Community and Neighborhood are budgeted. The total for FY 06/07 grants is \$1,755,440. Funding is for the Home Grant (\$1,673,210) and an Emergency Shelter grant of \$82,230. The Home Grant is reduced this year by \$58,130.

#### **Community Development (Fund 290)**

The Community Development Fund is managed by the Development Division of the Community and Neighborhood Services Department. The overall budget for Community Development is \$2,269,750, a decrease of \$1,798,190. The Community Development Block Grant for FY 06/07 is \$1,929,750. This represents a decrease of \$215,170 from last year.

#### **Public Assembly Facilities (Fund 503)**

The Public Assembly Facilities Fund includes operations at the Civic Coliseum/Auditorium and Chilhowee Park. The proposed FY06/07 budget increases by \$182,300 from FY 05/06. Personal services increases by \$79,990 due to additional costs for event staffing and the proposed salary increase. Supply costs increase \$12,140 to \$197,960. Other charges by increase by \$94,670, mostly due to higher utility expenses.

#### **Metro Parking (Fund 504)**

The Metro Parking Fund covers the following City parking facilities: Jackson Avenue Lot, Main

Avenue Garage, Market Square Garage, Promeande Garage and the State Street Garage. These facilities are now managed by PBA for the city. The FY 06/07 budget decreases by \$33,980 or 3.21% compared to last fiscal year. There are no personnel service or supply costs in this fund.

#### **Knoxville Convention Center (Fund 506)**

This fund includes the Locust Street Garage and the City's Convention Center, as well as debt service and depreciation associated with these facilities. The total budget for this fund is \$21,374,630 which represents a \$1,145,390 increase from FY05/06.

#### **Mass Transportation (Fund 507)**

The FY 06/07 budget for Mass Transit operations is \$16,310,950. The budget includes all three divisions of KAT; Motor Buses, Trolleys, and Lift (paratransit). Operating expenses increase by \$1,843,850. This is mainly due to salary increases, as well as utility and fuel costs.

#### **Fleet Services (Fund 702)**

The Fleet Services Operating Fund increases by \$1,054,130. The total budget for FY 06/07 is \$10,694,800. In addition to higher fuel charges, increased part prices led to the large increase in the Fleet budget. The Fleet Service Equipment Replacement Fund is budgeted at \$4,096,480.

#### **Risk Management (Fund 704)**

The Risk Management Fund is a division of the Finance and Accountability Department. The budget for FY 06/07 increases by \$618,680 (or 7.5%) to \$8,243,820 from the previous fiscal year. This is attributable mainly to an increase in Self Insurance Charge costs.

#### **Health Care (Fund 705)**

The FY 06/07 budget for Health Care decreases by \$2,935,550. or 24.12% from FY 05/06 to \$12,168,330. During FY05-06, a major review of available insurance plans was undertaken. This led to a change in health insurance providers for City of Knoxville employees and millions of dollars in savings.