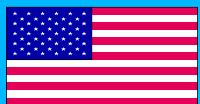


A comparison

**Where our tax money is
disappearing**

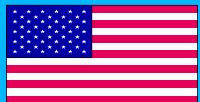
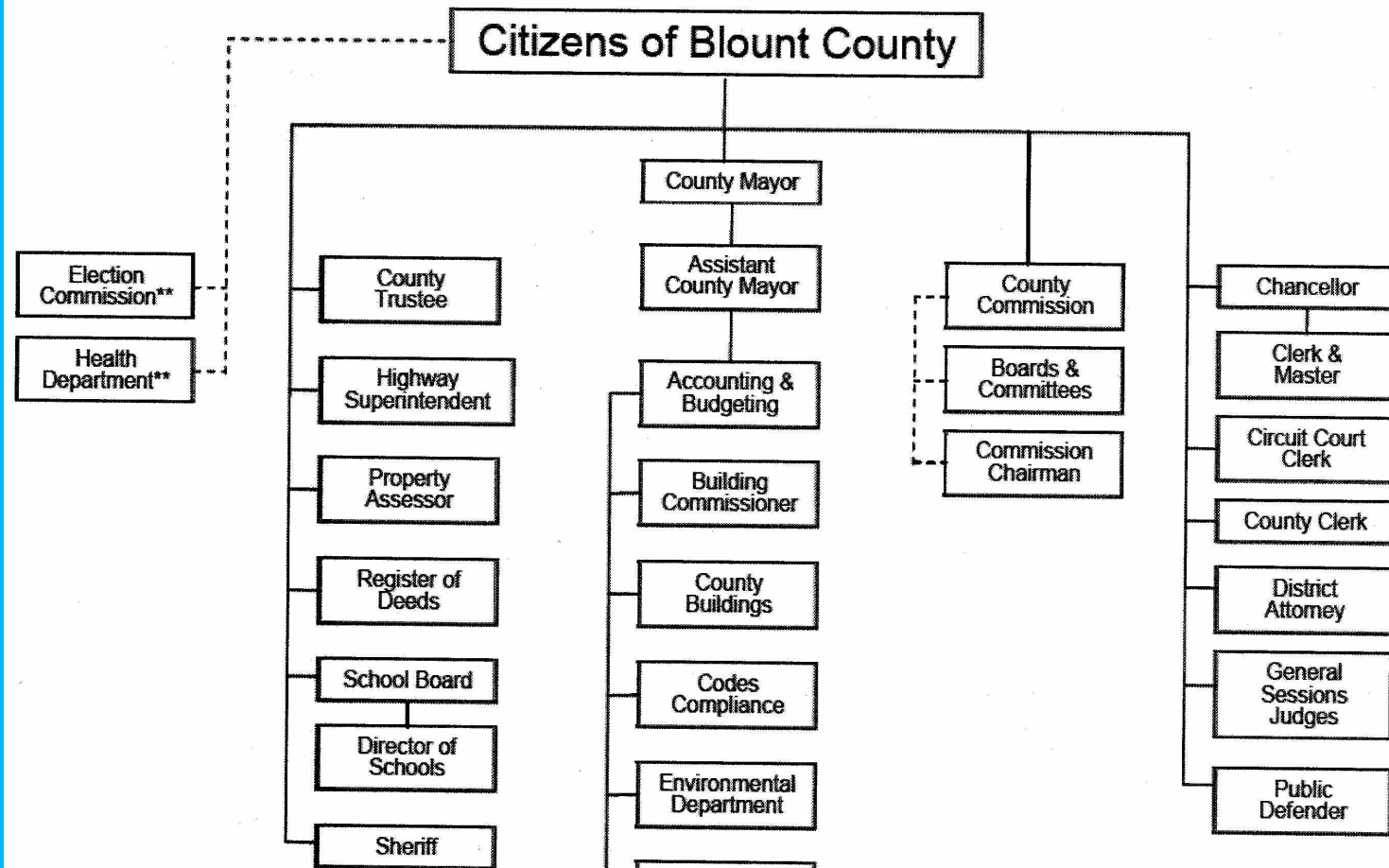
Why no tax increase is needed



Your money - Your government ²

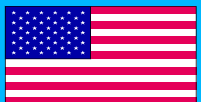
Blount County, Tennessee

ORGANIZATION CHART



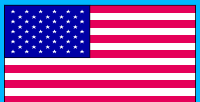
Why you must care?

- **Tax Increases**
 - Reduce home values and sales
 - Increase foreclosures
 - Reduce jobs
- **Too much in one area steals from others**
 - Quality education
 - Good roads
 - Employee raises
- **Taxpayers/Small Bus. can't make ends meet**



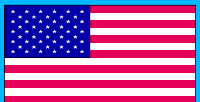
Major Funds of County Government

- **General Fund**
 - Finance, Commission, Sheriff, Clerk, Trustee, Court Clerk, Courts, Assessor, Purchasing, Deeds, Info Tech, Buildings, Planning, Zoning
 - \$41 million – property tax & fees
 - Mayor, Commission & Elected Officials responsible
- **Roads**
 - \$5 million – sales & gas tax
 - Highway Superintendent & Commission responsible

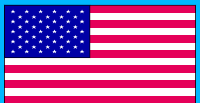
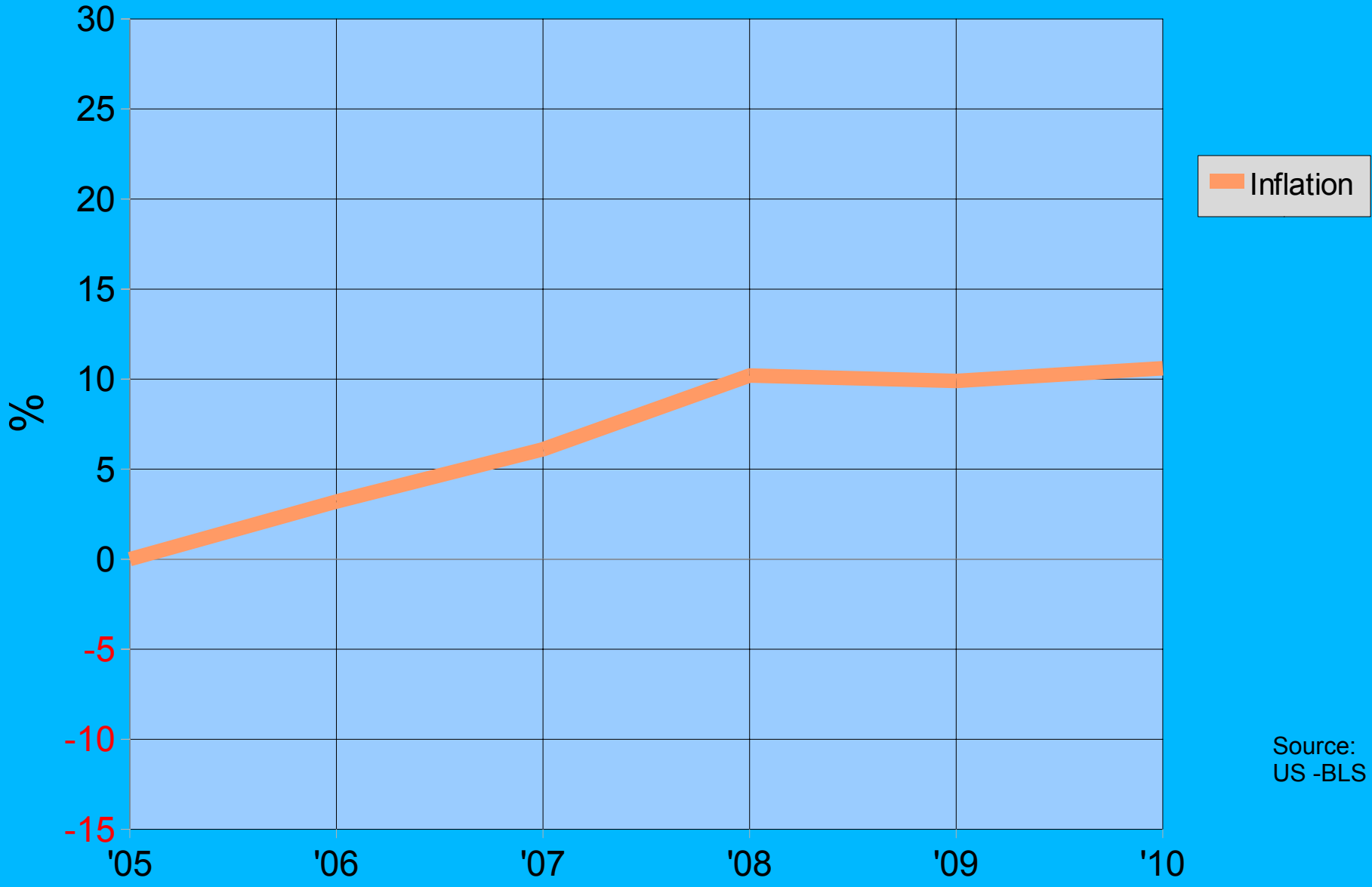


Major Funds of County Government

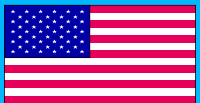
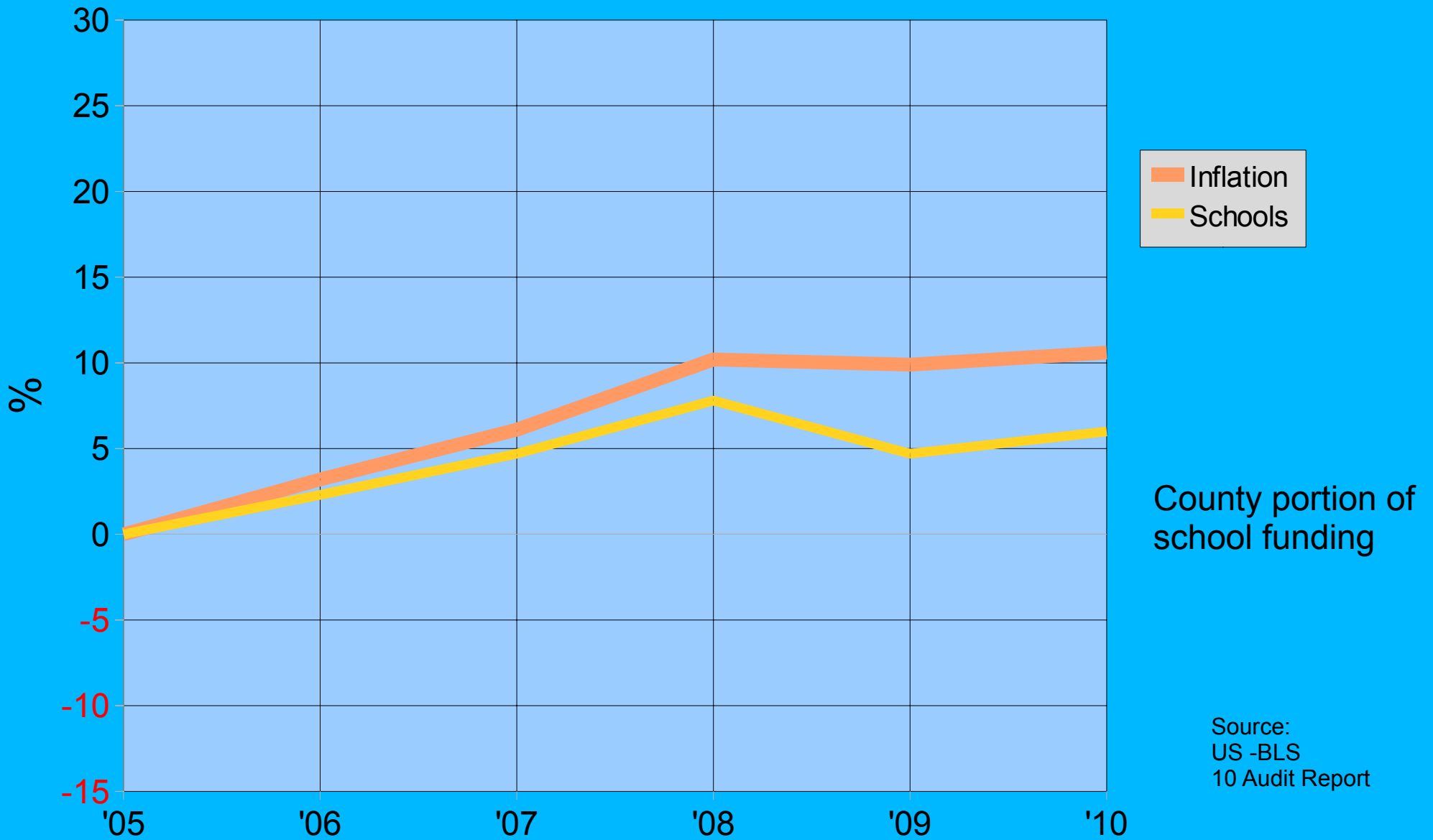
- **Schools**
 - \$80 million - \$27 million from County
 - Property & sales tax
 - Rest from State & Feds
 - School Board & Commission responsible
- **Debt Fund**
 - \$14 million
 - Property tax
 - Mayor and Commission responsible



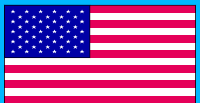
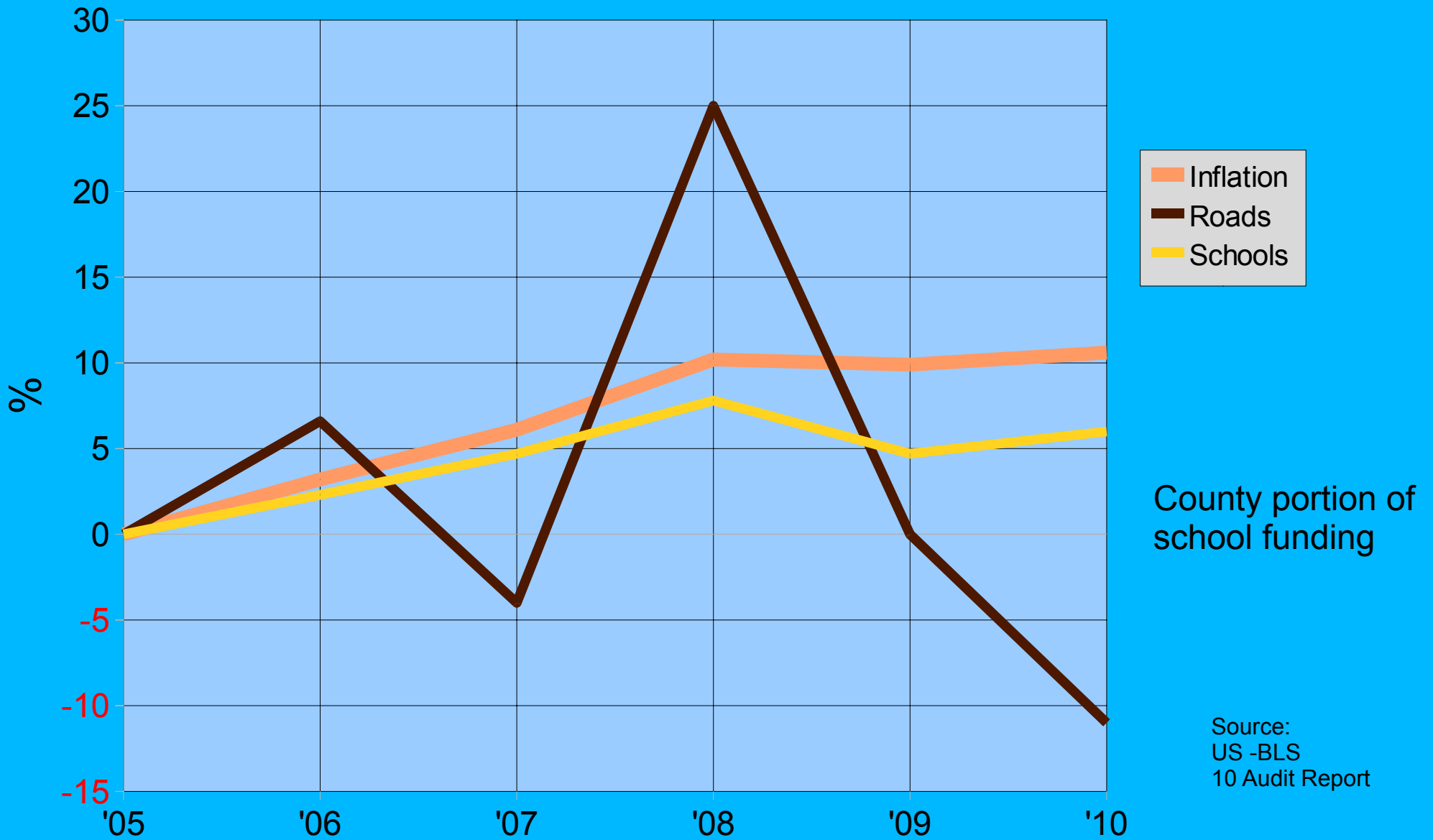
Blount % Spending Growth '05 to '09 by Fund



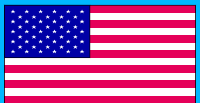
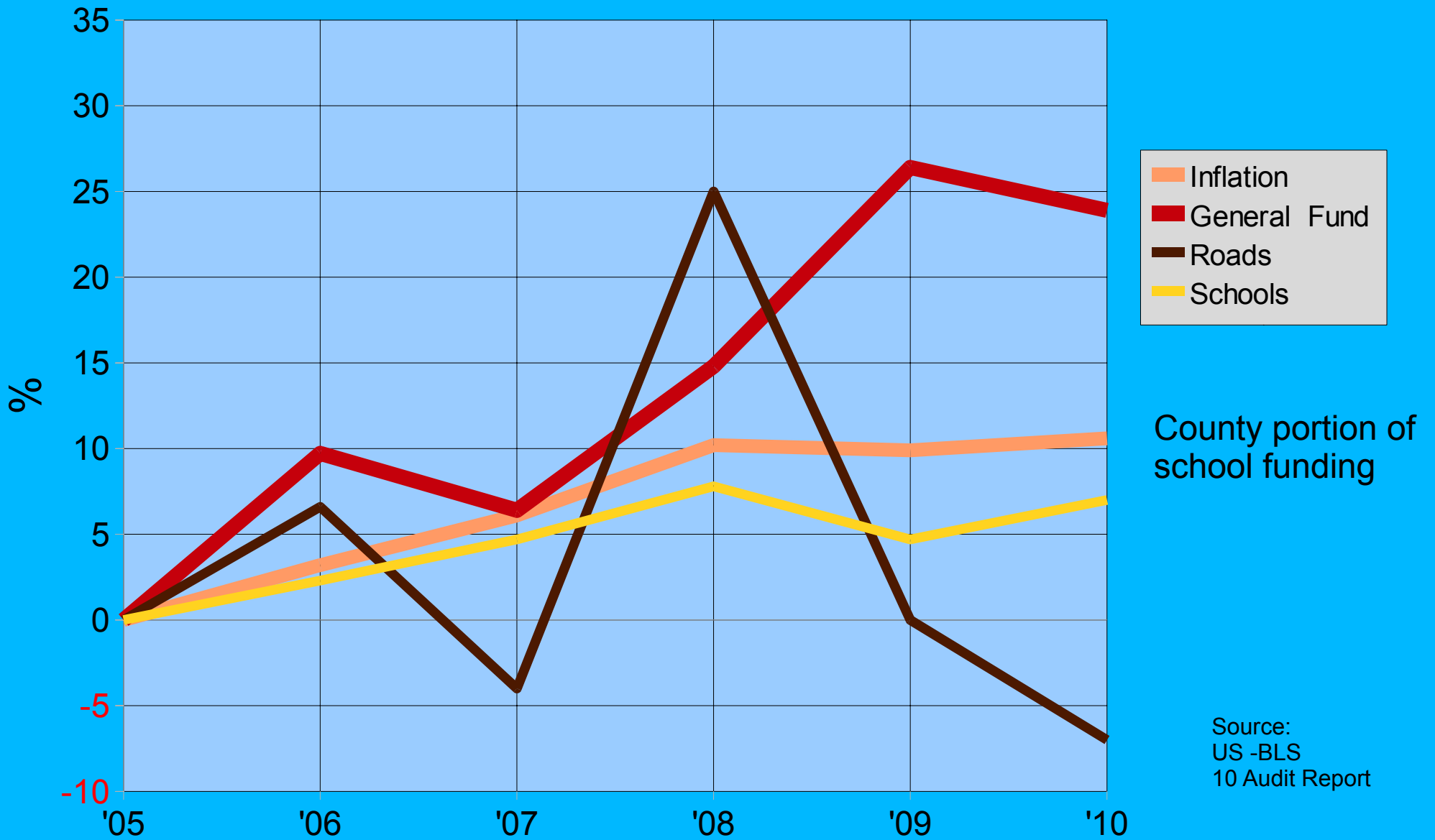
Blount % Spending Growth '05 to '09 by Fund



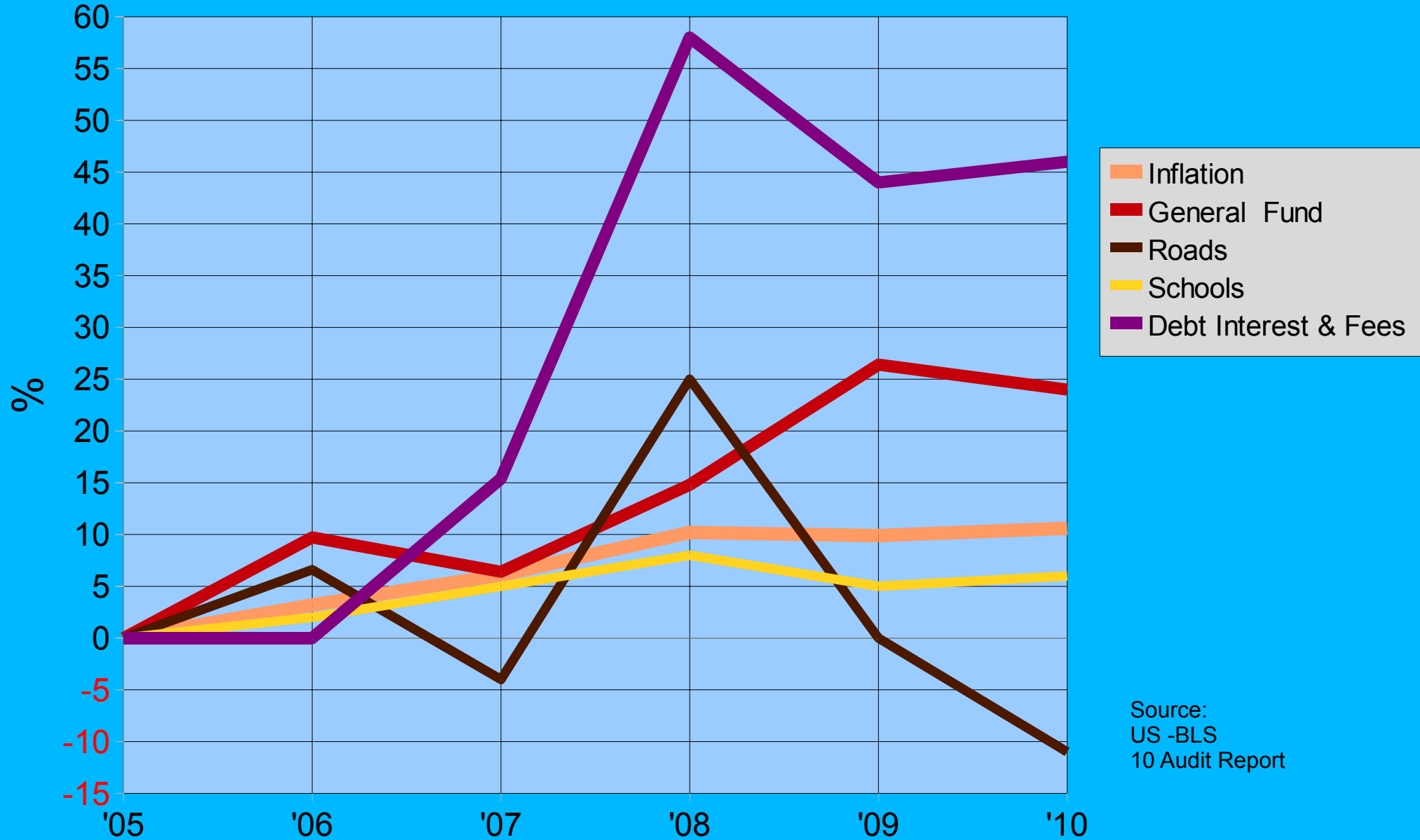
Blount % Spending Growth '05 to '09 by Fund 8



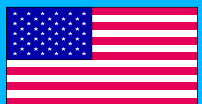
Blount % Spending Growth '05 to '09 by Fund



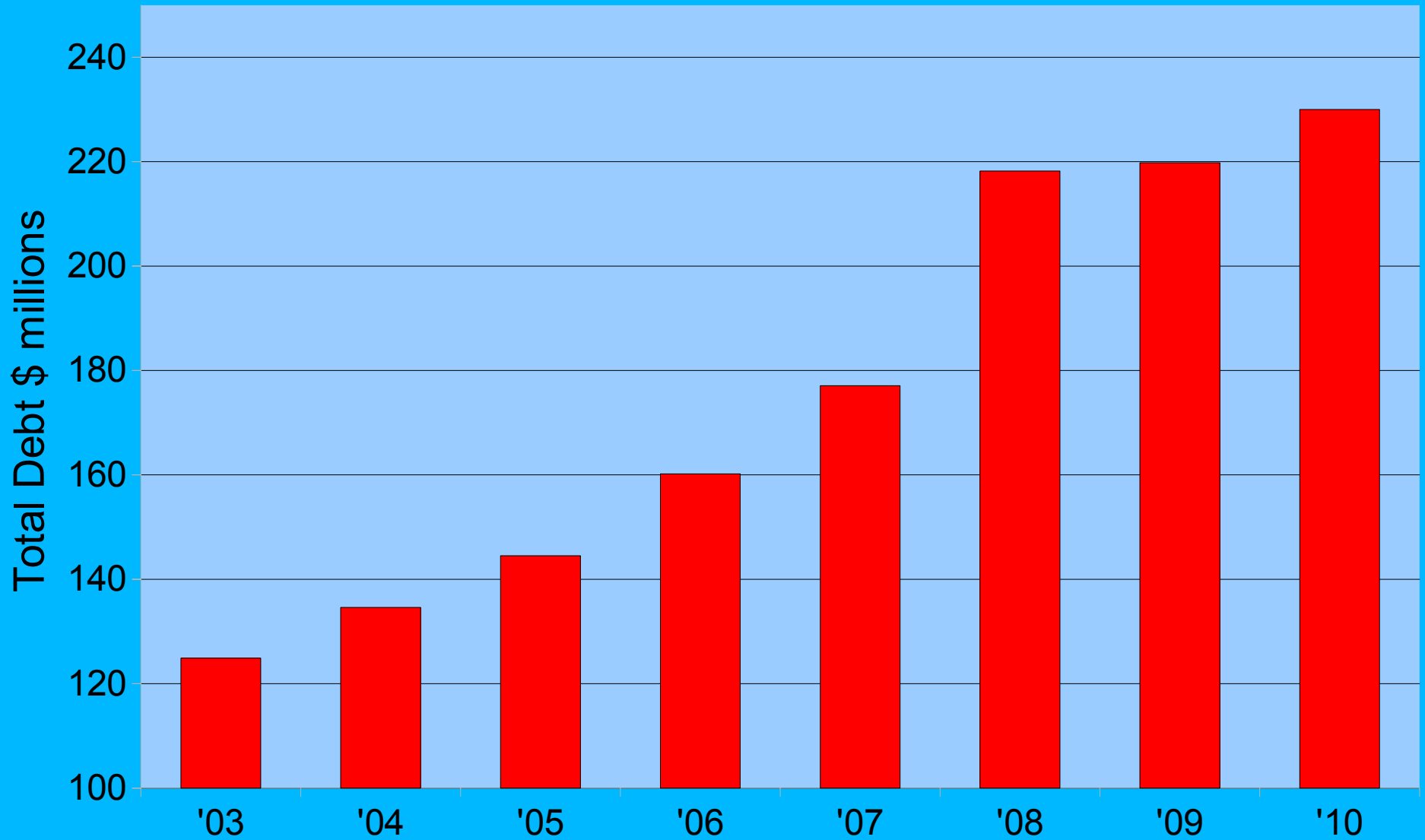
Blount % Spending Growth '06 to '09 by Fund 10



Source:
US -BLS
10 Audit Report

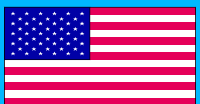


Blount County Debt



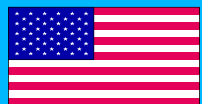
Does not include \$96 million in Blount Mem. Hospital debt guaranteed by County

Source: Audit Report



Principal payoff not increasing with debt

Year	2003	2004	2005	2006	2007	2008	2009
Total Debt	\$124.9M	\$134.6M	\$144.5M	\$160.2M	\$177.1M	\$218.2M	\$219.9M
Principal Paid	\$3.5M	\$3.5M	\$3.4M	\$4.0M	\$3.4M	\$3.7M	\$4.5M

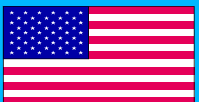


Comparative Analysis

13

- **Put \$ in same buckets and ask why?**
- **Businesses do it**
 - How are competitors producing more for less?
- **You do it every day**
 - At the supermarket - Is this product worth the money?
- **Government should do it?**
 - Is this a reasonable cost to pay for the services provided?
 - Which departments are running a tight ship?
 - Which departments must cut expenses?

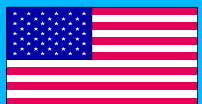
Smart cuts - not across-the-board cuts



Comparison counties

	Blount		Washington		Sullivan		Sumner	
2009 Population	123,000		121,000		155,000		159,000	
Less Cities								
	Maryville	28,000	Johnson City	63,000	Bristol	26,000	Gallatin	30,000
	Alcoa	9,000	Jonesborough	5,000	Kingsport	45,000	Goodlettsville	17,000
	Townsend	1,000					Millersville	6,000
	Rockford	1,000					Portland	11,000
	Louisville	2,000					Westmoreland	2,000
							White House	10,000
Net Population	82,000		53,000		84,000		83,000	

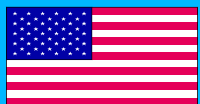
- Top line used to calculate Avg Spending for countywide functions
- Bottom line used to calculate Avg Spending for other functions
- All comparisons based on FY 2009 audit reports



Basic Countywide Functions

Responsible Official – Mayor Mitchell

<i>Function</i>	Blount	Washington	Sullivan	Sumner
County Mayor/Executive	\$277,982	\$254,672	\$184,828	\$282,802
Personnel Office	\$165,958	\$0	\$0	\$112,701
County Attorney	\$0	\$62,377	\$209,457	\$353,169
County Buildings	\$1,328,033	\$727,675	\$1,790,389	\$1,278,901
Other General Administration	\$636,254	\$1,067,597	\$224,179	\$0
Preservation of Records	\$98,520	\$0	\$74,181	\$110,270
Risk Management	\$281,056	\$0	\$75,374	\$174,432
Finance	\$663,840	\$364,602	\$644,179	\$415,998
Purchasing	\$335,742	\$185,190	\$654,161	\$32,177

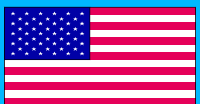


Basic Countywide Functions

Responsible official – **Mayor Mitchell**

<i>Function</i>	Blount	Washington	Sullivan	Sumner
Data Processing	\$615,477	\$0	\$169,180	\$137,060
Data Processing Equipment	\$143,518			
Veterans' Services	\$169,868	\$0	\$11,900	\$84,861
Miscellaneous	\$641,270	\$615,861	\$982,206	\$1,109,744
Rabies and Animal Control	\$124,142	\$132,919	\$305,091	\$140,475
Parks and Fair Board	\$670,053	\$15,000	\$365,000	\$0
Total Basic Functions	\$6,151,713	\$3,425,892	\$5,690,125	\$4,232,589

If Blount reaches AVERAGE cost of other counties	\$3,757, 392
Percent <u>overspending</u>	63%
Savings by achieving <u>AVERAGE</u> efficiency	\$2,394,321

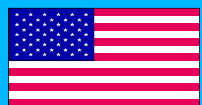


Industrial and Economic Development

Responsible Official – **Mayor Mitchell**

<i>Function</i>	Blount	Washington	Sullivan	Sumner
Industrial Development	\$926,627	\$139,244	\$426,884	\$0
Other Economic and Community Development	\$211,102	\$51,582	\$233,000	\$0
Total Industrial Development	\$1,137,729	\$190,826	\$659,884	\$0

If Blount reaches AVERAGE cost of other counties	\$313,338
Percent <u>overspending</u>	263%
Savings by achieving <u>AVERAGE</u> efficiency	\$824,591



Sheriff's Department

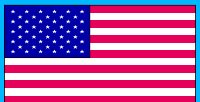
Responsible Official – **James Berrong**

<i>Function</i>	Blount	Washington	Sullivan	Sumner
Other Administration of Justice (Court Security)	\$449,543	\$627,525	\$309,696	\$0
Sheriff's Department	\$9,288,015	\$6,185,259	\$8,455,161	\$6,901,559
Vehicles	\$1,283,291	\$418,250	\$260,000	\$379,344
Total Arrests	3,994	3,034	4,133	5,084
Total Sheriff's Dept	\$11,020,849	\$7,231,034	\$9,024,856	\$7,280,903

If Blount reaches **AVERAGE** cost of other counties **\$9,063,599**

Percent overspending **22%**

Savings by achieving **AVERAGE** efficiency **\$1,957,250**

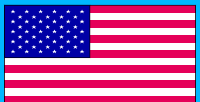


Jail

Responsible Official – **James Berrong**

<i>Function</i>	Blount	Washington	Sullivan	Sumner
Jail	\$6,758,855	\$6,466,247	\$7,280,339	\$6,291,890
Workhouse	\$10,318	\$11,859	\$89,919	\$0
Hwy Litter Collection (Prisoners)	\$75,997	\$0	\$0	\$0
Jail Occupancy – 7/09	367	534	626	591
Total Jail	\$6,845,170	\$6,478,106	\$7,370,258	\$6,291,890

If Blount reaches AVERAGE cost of other counties	\$4,206,454
Percent <u>overspending</u>	63%
Savings by achieving <u>AVERAGE</u> efficiency	\$2,638,716

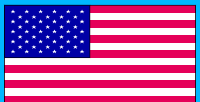


Juvenile Services

Responsible Official – **James Berrong**

<i>Function</i>	Blount	Washington	Sullivan	Sumner
Juvenile Services	\$1,262,609	\$547,678	\$635,542	\$467,268

If Blount reaches AVERAGE cost of other counties	\$474,178
Percent <u>overspending</u>	166%
Savings by achieving <u>AVERAGE</u> efficiency	\$788,431

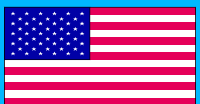


Circuit Court Clerk

Responsible Official – **Tom Hatcher**

<i>Function</i>	Blount	Washington	Sullivan	Sumner
Circuit Court Judge	\$47,919	\$0	\$13,039	\$0
Circuit Court Clerk	\$1,874,663	\$1,742,180	\$1,545,699	\$1,623,462
General Sessions Court	\$869,399	\$492,643	\$983,807	\$312,958
Drug Court	\$0	\$23,590	\$32,935	\$295,356
Judicial Court	\$0	\$151,475	\$0	\$0
Juvenile Court	\$411,105	\$0	\$669,440	\$436,425
Total Court Clerk	\$3,203,086	\$2,409,887	\$3,244,920	\$2,668,201

If Blount reaches AVERAGE cost of other counties	\$2,362,934
Percent <u>overspending</u>	36%
Savings by achieving <u>AVERAGE</u> efficiency	\$840,152

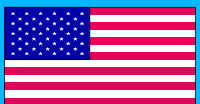


Property Assessor

Responsible Official – **Mike Morton**

<i>Function</i>	Blount	Washington	Sullivan	Sumner
Property Assessor's Office	\$900,188	\$555,551	\$1,505,474	\$725,962
Reappraisal Program	\$339,903	\$387,925	\$0	\$583,826
Total Property Assessor	\$1,240,091	\$943,476	\$1,505,474	\$1,309,788

If Blount reaches AVERAGE cost of other counties	\$1,055,656
Percent <u>overspending</u>	17%
Savings by achieving <u>AVERAGE</u> efficiency	\$184,435

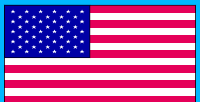


Registrar of Deeds

Responsible Official – **Phyllis Crisp**

<i>Function</i>	Blount	Washington	Sullivan	Sumner
Register of Deeds	\$554,017	\$586,186	\$556,507	\$596,921

If Blount reaches AVERAGE cost of other counties	\$499,753
Percent <u>overspending</u>	11%
Savings by achieving <u>AVERAGE</u> efficiency	\$54,264

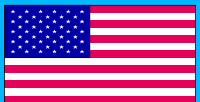


County Clerk

Responsible Official – **Roy Crawford**

<i>Function</i>	Blount	Washington	Sullivan	Sumner
County Clerk's Office	\$1,090,472	\$1,025,229	\$1,277,790	\$1,327,975

If Blount reaches AVERAGE cost of other counties	\$1,027,821
Percent <u>overspending</u>	6%
Savings by achieving <u>AVERAGE</u> efficiency	\$62,651

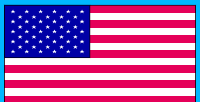


Commission

Responsible Officials – Commissioners

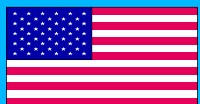
<i>Function</i>	Blount	Washington	Sullivan	Sumner
County Commission	\$207,319	\$156,634	\$296,209	\$253,997
Boards and Committees	\$4,244	\$7,261	\$0	\$13,839
Total Commission	\$211,563	\$163,895	\$296,209	\$267,836

If Blount reaches AVERAGE cost of other counties	\$202,951
Percent <u>overspending</u>	4%
Savings by achieving <u>AVERAGE</u> efficiency	\$8,612



Departments with Below Avg Spending

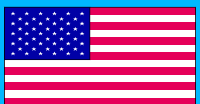
- **Election Commission – Libby Breeding**
 - \$100,196 below
- **Chancery Court – Stephen Ogle**
 - \$48,216 below
- **Planning, Zoning, Codes, Engineering – Mayor Ed Mitchell**
 - \$25,806 below
- **County Trustee – Scott Graves**
 - At the average



Savings if we achieve **AVERAGE**

<i>Responsible Official</i>	<i>Savings</i>
Mayor Mitchell	\$3,219,000
Sheriff Berrong	\$5,384,000
Circuit Court Clerk - Tom Hatcher	\$840,000
Assessor - Mike Morton	\$184,000
County Clerk - Roy Crawford	\$63,000
Registrar of Deeds - Phyliss Crisp	\$54,000
Commission	\$9000
Total Savings	\$9,753,000

23% of the Total FY-2009 Budget!



Common Reactions

26

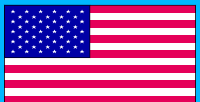
- **Officials who get things done**
 - An opportunity to study how others do it
 - Dig in and make their operations better
- **Less Competent Officials**
 - Threatened by the act of comparison
 - “It is different – you can't compare”
 - Attack the data – rather than studying it
 - Attack the messenger – rather than find solutions



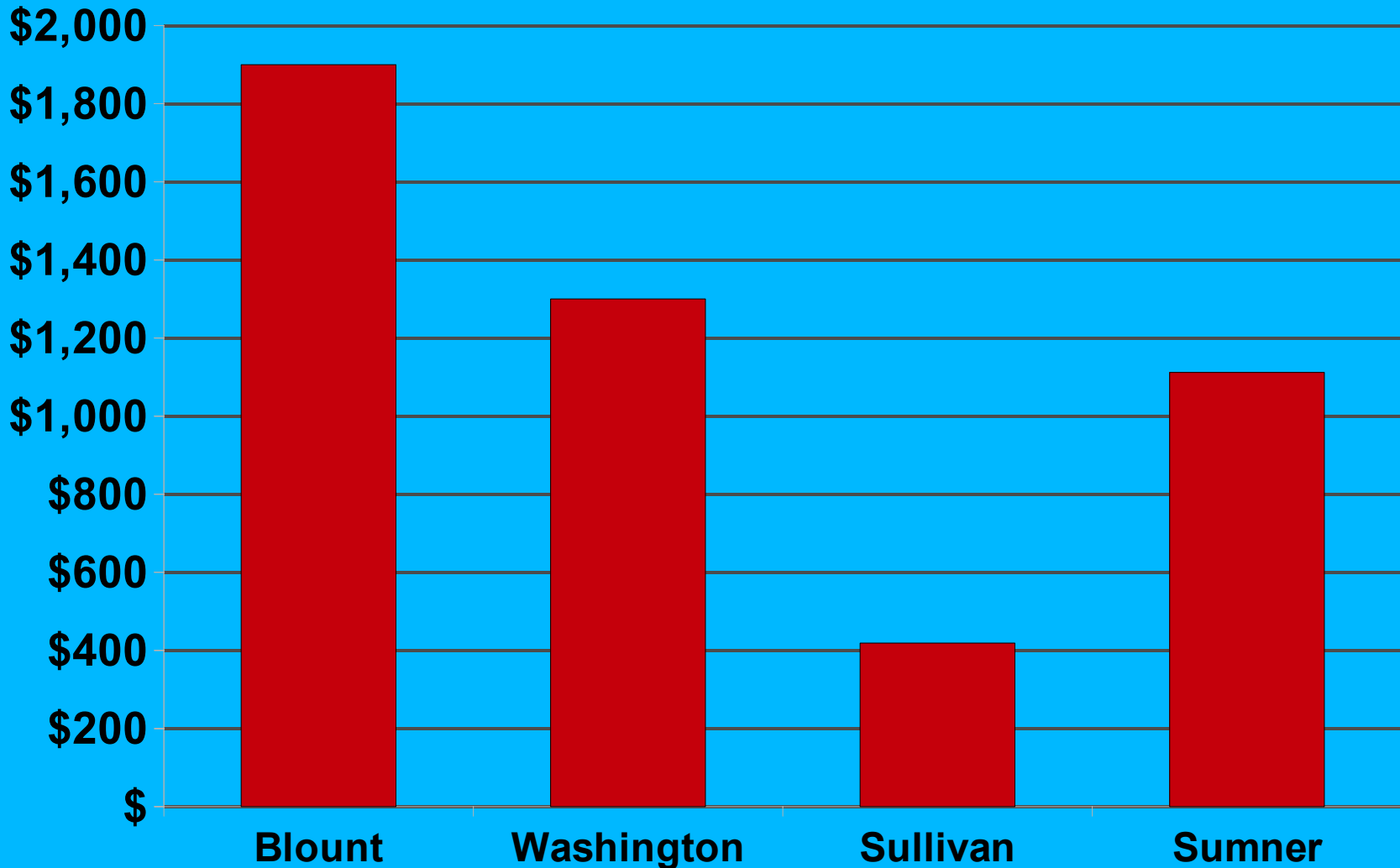
Where do we go from here?

- **Must we cut the Budget? YES!**
 - Business as usual = 20% tax increase + more
- **Can we make Smart cuts? YES!**
- **Will we cut the budget? YOU will determine that!**
 - Call & email your Commissioners - often
 - Call & email the Mayor, Sheriff, Court Clerk & others – tell them to get rid of the waste, NOW
 - Write letters to the editor, and blog

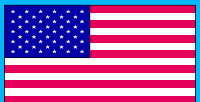
Come to Budget and Commission Meetings



Debt per Person

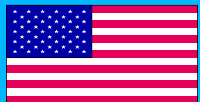


Highest in East Tennessee



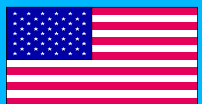
Other Major Budget Problems

- **Funding Health Benefits for County Employees**
 - Cadillac plan - Employee contribution \$0
- **Health Benefits for Retired County Employees - \$19M**
- **Pension Plan unfunded liability - \$19M**
 - 60% taxpayer funded
- **Liability Self Insurance Fund - \$2.6M**
- **Getting out from under \$93 million of swaps**
- **Paying down \$230 million of debt**
- **Letter of credit renewal on \$105 million variable rate debt**
- **S&P, Fitch, reduced County credit rating outlook**



Health Benefits

<i>Function</i>	Blount	Knox	Sumner	Williamson
Preventive Care	100% No deductible	\$30 copay	100% \$300 max	90%
Office Visits	90%	\$40 copay	90%	90%
Hopital	90%	80%	90%	90%
Individual OOP max	\$1500	\$2250	\$2575	\$1500
Emergency Rm	90% \$50 copay	\$200 copay	90% \$50 copay	90% \$100 copay
X-ray, labs	90%	80%	90%	90%
Prescriptions	\$10/ 30% \$60 max	\$10/\$20/\$40	\$5/\$25/\$35	\$10/20%/35%
Single Monthly rate	\$0	\$38	\$98	\$0
Single + 1	\$100	\$153	\$201	\$146
Family	\$100	\$208	\$248	\$279



Where do we go from here?

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Come to Budget and Commission Meetings

