2022 City of Knoxville Budget Retreat

Mayor Indya Kincannon

February 11, 2022
Public Works Complex
OUR PURPOSE
Provide a stable foundation for safety, health and the common good

OUR VALUES
- Integrity
- Stewardship
- Service
- Respect
- Collaboration
- Learning & Improving
- Equity, Diversity & Inclusion

OUR MISSION
- Provide essential services
- Build and maintain infrastructure
- Facilitate solutions
- Create opportunities

OUR PRIORTIES
PUBLIC SAFETY
HEALTHY & CONNECTED NEIGHBORHOODS
A CLEAN AND RESILIENT FUTURE
THRIVING BUSINESSES AND GOOD JOBS
GOOD GOVERNANCE
MY KNOXVILLE

Focus + Investment on Our Core = Recovery & Progress

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Service  Infrastructure  Partnership
We Are
A Service
Organization
A Growing Population Expects Efficient, High Quality Services

6.63% Growth in Knoxville population (2010-2020)

9.4% Increase in Building Permits (2016 – 2020)

12% Increase in calls for Police Service (2017-2021)

3.5% Increase in calls for Fire Service (2017-2021)

4% Increase in Non-Emergency Service Requests (2020 – 2021)
Quality Services Require A Competitive Workforce

• COVID has accelerated a multi-year challenge.

• 141 Current Vacancies
  • 110 are in Police, Public Service and Engineering

• 80 Positions on DROP / 241 Eligible to Retire

• Outdated model is not keeping pace.
“This is first time in my career that I’ve worried we wouldn’t have enough staff to cover snow & ice removal.”

“...It seems like there’s not enough policemen out there.”

“We need more officers, whatever it takes.”

“Even with a lack of manpower, we’ve adapted to change and continued to fulfill mission. We can be proud of that.”

“We should hire the best and keep the best.”
The Current Landscape

- Baby Boomer Retirements
- COVID & “The Great Resignation”
- Lagging Compensation – 10% Behind Market
Compensation History

• 2007 Mercer Comprehensive Study
  • $2.6M in adjustments for all employees over three budget years
  • Employee concerns over transparency, process and implementation.

• 2015 Segal Public Safety Compensation Study
  • $1M in adjustments focused on public safety
  • Micro, surgical approach.

An ideal approach:
• Annual analysis and adjustments
• 5-Year Comprehensive study & adjustments.
Commitment to a Long-Term Strategy

• Creation of a Full-Service Human Resources Department
  • Recruit, Retain and Develop a Quality Workforce
  • Ongoing & Consistent Compensation Analysis – Prevent Future Crisis

• Management Advisory Group (MAG) Classification & Compensation Study Report
  • On average - 10% behind market
  • We lag behind peers in ALL levels – min, midpoint & max
  • Significant compression at all ranks beyond entry
  • Talent is leaving the City for higher wages and high quality applicants are not applying due to low starting salaries
We Need to Act Decisively to Tackle the Issue

1. **Retain Employees** and support the talent we have right now
2. **Balance Inflation** with higher-than-normal across-the-board increase
3. **Meet the Market** with competitive salary schedules
4. **Establish Predictable “Step” Pay** for Police & Fire
5. **Address Compression** for long-term employees
6. **Modernize Incentives** for professional development
Questions & Discussion
Our Infrastructure Supports Opportunity
Deferring Maintenance Short Sells our Future

- Core City infrastructure supports our economy, environment, and quality of life.

- Steady, strategic investments prevent catastrophic failure.
Infrastructure is Critical to Neighborhoods

- Residents & business expect safe, well-maintained roads, sidewalks, greenways, and other amenities.

- Investing in safe streets for all users supports sustainability and equity.
Quality Parks Create Community Character

• Steady improvements at neighborhood parks across the City

• Regional parks serve as community-wide assets
Climate Resilience Through Infrastructure

City infrastructure helps fight climate change and protects us from it.

- City facility energy use
- Stormwater maintenance & improvement
- Urban forest protection and expansion

Investments matter most for those who are most vulnerable.
Infrastructure Supports Housing

City funding made First Creek at Austin Homes possible:

- New streets
- Sidewalks
- Underground utilities
- Greenspace
- Recreation Area

The Result: 440 units for families at 30, 60 and 80 percent AMI
Infrastructure Investment Can Be Transformative!

Transforming Western Video: https://www.engagetheteam.com/western
Questions & Discussion
City Partnerships Solve Big Problems
Public Private Partnerships Address Housing Needs

• Since 2012, $55M in City funds have leveraged $208M to support 1,550+ affordable units.

• Affordable Rental Development Fund: $1 from City leverages $14.81 in private funds.

• Since January 2020, City Council has approved PILOTs that made possible 380+ new housing units.

Photo Credit: InsideofKnoxville | 4th Purpose Foundation
Partnerships as Path toward Mental Health Stability

• Acute/Behavioral Care Facility at St. Mary’s
  → Critical proposed link to in-patient services

• Co-Responder Program
  → Connection with immediate services and longer term case management

• Behavioral Health Urgent Care Center (BHUCC)
  → Proven Success
  • +60% of people entering BHUCC report as homeless.
  • Of these, 79% have entered housing within 60 days.
  • Over 80% are supported by long-term counseling.
Addressing Violent Crime through Community Safety

Highlights from the Violence Interruption Fund

• FY22 focus on partner capacity building
• Peer City Training for Staff and Partners
• Est. $300K invested in focused programs for Opportunity Youth, with more on the way
• Pilot Street Outreach program in design
City Programs Support Jobs & Investment

• Economic Development tools support job creation, leverage private investment, and remove blight:
  • PILOTs, TIFs, Façade and Historic Preservation Grants
• Small Business & Diversity Outreach increases City spend with diversity business enterprises.
Partnerships Drive Regional Prosperity

Projects
• Broadband Access
• Co-Starters
• 100 Knoxville
• African American Equity Restoration Task Force

Strategic Platform
Knoxville Chamber Path to Prosperity
Looking Ahead

- Residents and business expect high quality services and great public amenities.
- Meeting that demand requires investing in our employees and the infrastructure of the future.
- Creative, partnership-driven solutions can help address local challenges.
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<td>Budget Retreat</td>
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<tr>
<td>March, 2022</td>
<td>Mayor available to meet individual council members</td>
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<tr>
<td>March 22 – 24, 2022</td>
<td>Mayor’s Budget Hearings</td>
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<td>April 22, 2022</td>
<td>Mayor’s State of the City Address</td>
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<td>May 3, 2022</td>
<td>First reading of proposed budget &amp; tax ordinances</td>
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<td>May 12, 2022</td>
<td>Knoxville-Knox Planning Commission Hearing on CIP</td>
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<td>May 12 – 13, 2022</td>
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<td>June 15, 2022</td>
<td>Last possible day to approve Budget/Tax Ordinances</td>
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<td>July 1, 2022</td>
<td>New Fiscal Year Begins</td>
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Questions & Discussion