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MAYOR ANDY BERKE'S FY2015 BUDGET IS FOCUSED ON KEY PRIORITIES, WITH NO TAX INCREASE

Chattanooga, Tenn. (May 27, 2014): Mayor Andy Berke's FY2015 budget, to be presented to City Council this afternoon, reflects a government relentlessly focused on the priorities of its residents; safer streets, stronger neighborhoods, growing economy, smarter students & stronger families and a high performing government. These priorities have been elevated with an eye toward effectiveness.

"Through a new budgeting approach, implemented City-wide for the first time, each dollar must be justified based on how it delivers results to our constituents. Because of this focus on efficiency we are able to deliver increased services without a tax increase," said Mayor Berke regarding his new budget.

The budget reflects a strong focus on public safety – over 45% of the total general fund budget is spent on making Chattanooga's streets safer. This includes initiatives to both respond to crimes and work to prevent young people from becoming involved in criminal activity. In addition, funding has been allocated to fix the broken police pay structure – which has been the subject of multiple lawsuits. The Administration is in ongoing discussions with Department leadership and employee groups to reach a solution that provides consistency and ensures pay increases are fairly allocated going forward.

This budget recognizes that the success of our youth is critical to the future of our city. It establishes funds for a baby college that will provide pregnant women the important information they need to be great parents and a child's first teacher. While continuing the initiative that has resulted in more children reading at grade level, this budget also works on the transition from youth to adulthood, helping teens fill out the financial aid application that will result in more Chattanoogaans in college.

While the metro area unemployment rate is at its lowest in six years, this budget provides important new tools to invest in Chattanooga's economy. The Growing Small Businesses (GSB) Initiative, included in this budget, will support our local small businesses by incenting them to expand here. The budget also includes targeted investments in Chattanooga's technology sector.

In addition to investing in 21st century economic sectors, this budget also provides a safety net for those who have bravely served in the military by creating an initiative to end chronic veterans' homelessness.

"First and foremost, we have a duty to help those who have fought for our freedom. This budget helps us take the first step toward our goal to eliminate chronic homelessness for veterans by the end of 2016," said Mayor Berke.

"I am proud of the dedication City employees' show each day to perform these tasks and many, many more. Whether it is delivering essential services or innovative policy solutions, city government is more attentive than ever to enhancing quality of life for our citizens. Over the next year, I look forward to seeing city government work with the private sector, non-profits, churches and families to build the best mid-size city in America," said Mayor Andy Berke.

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RESULTS AREA HIGHLIGHTS

To make Chattanooga's **streets safer**, this budget allocates needed funds to implement smart policing strategies, effective prevention programs for our youth, and high quality response.

Total funded: \$101,096,324.00 | Total requested: \$113,243,532.00 | Total number of offers funded: 19

- The budget maintains funding for 486 sworn personnel in the Police Department – an all-time high from the previous budget which allows the Department to implement more community based policing models and backfill investigative positions.
- The Administration will partner with area agencies to provide more comprehensive services for young men and women who want to turn their lives around through the Chattanooga Violence Reduction Initiative (VRI).
- The Administration has been in ongoing discussions with the leaders of the Police Department and the employee representatives to fix the broken Police pay scale. The current structure has left the City vulnerable to numerous lawsuits and is in desperate need of repair. This budget allocates \$950,000 to fix the broken system so the Department can ensure consistency and fairness in the allocation of raises to sworn officers.
- The budget also maintains several key public safety initiatives from the previous year, including funding for a family justice center and federal prosecutor focused solely on crimes occurring within City limits.

Growing our Local Economy means investing in small businesses, ensuring Chattanoogaans have the skills to compete, and strengthening our infrastructure to support business expansion.

Total funded: \$23,504,020.00 | Total requested: \$34,730,130.00 | Total number of offers funded: 26

- The new Economic Development Office will implement the Growing Small Businesses (GSB) initiative. For small businesses with less than 100 employees, who make a substantial increase to their workforce and sustain that growth for a year or more, the City will provide a \$500 cash grant per employee.
- To grow Chattanooga's minority, veteran and women owned businesses, the City will partner with the Chamber, the Urban League, and LAUNCH to establish the Chattanooga Alliance for Diverse Business Enterprises. This is an unprecedented collaboration between multiple agencies to strengthen diverse businesses in Chattanooga.
- To provide people who live in various neighborhoods with access to one of the largest job centers in our region, this budget provides funding for a bus route to Enterprise South – creating an important link between jobs and neighborhoods.

To ensure Chattanooga has a successful future and a high quality of life, the City is investing in building **smarter students and stronger families** by supporting kids from cradle to career, providing character education, and creating effective programming for seniors and parents.

Total funded: \$24,295,904.00 | Total requested: \$32,944,516.00 | Total number of offers funded: 21

- Success for students starts long before they enter school. This budget funds a Chattanooga Baby College that will prepare expectant mothers and fathers to be great parents and a child's first teacher. The initiative will identify at-risk pregnant women and provide them with the information and skills they need to ensure their child enters school ready to learn so kids in Chattanooga are not starting off behind.
- This budget funds a partnership with La Paz to create a Hispanic family resource center that will provide family violence prevention, prenatal care, and nutritional resources to Chattanooga's growing Hispanic community.
- Due to the growing expense of a college education, it is more critical than ever before that high school seniors understand and apply for financial aid. Research shows a strong correlation between the number of students who apply for financial aid and those who go to college. This budget dedicates resources to partner with local agencies to help more kids fill out their FAFSA form to apply for financial aid.

Building **stronger neighborhoods** is critical to the long term health of any City. Every Chattanooga citizen should have the opportunity to live in a strong and thriving neighborhood with high quality affordable homes, recreation opportunities nearby, and access to a variety of transportation options.

Total funded: \$45,243,639.00 | Total requested: \$46,782,640.00 | Total number of offers funded: 15

- This budget dedicates resources to create a homeless to housed pipeline for homeless veterans in Chattanooga ending chronic veteran homelessness by the end of 2016. This initiative will focus on providing intensive case management and transitional housing to those who have served our country.
- To ensure our roads are well maintained, this budget allocates \$2.3 million for paving and street maintenance.
- This budget reflects a new contract with Orange Grove Center that will increase our curbside recycling participation and increase the revenue generated to the City based on the sale of the recycled commodity. This will divert additional waste from our landfill, while maintaining the important job training function provided by the Orange Grove Center

The City of Chattanooga strives each day to operate a **high performing government** by ensuring the long term financial health of the City, using each dollar effectively, and providing excellent customer service.

Total funded: \$22,710,113.00 | Total requested: \$26,432,043.00 | Total number of offers funded: 26

- All the initiatives included in this year's budget will be fully funded without a tax increase.
- This budget reflects a general fund that is entirely prepared through Budget for Outcomes – ensuring that every dollar achieves results for Chattanoogaans.
- This budget absorbs most of the increase in health costs (\$1.4 million) with a minimal increase in employee premiums (average increase of \$3 per month).
- To ensure the most effective use of existing street lighting infrastructure, and avoid duplication of costs while moving towards sustainable alternatives, the City has budgeted \$616,00 to replace our current street lights with LED lights as they go out.
- This budget continues our compliance with the EPA consent, including the previously scheduled 9.8% raise in stormwater fees.
- In addition to the performance metrics being tracked from the previous pilot of Budgeting for Outcomes, the Office of Performance Management will establish long term goals, data points, and tools for public engagement.

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