

# INTRODUCTION

---



## THE CITY OF MEMPHIS, TENNESSEE

Memphis is located on the east bank of the Mississippi River in the southwest corner of Tennessee. Memphis is the State's largest city and the county seat of Shelby County. The corporate limits contain 315 square miles, representing 45 percent of the total land area of Shelby County. Memphis ranks as the 20<sup>th</sup> largest city in the nation. The estimated population is 652,236.

## Community Profile

### GOVERNMENT

The City of Memphis was incorporated in 1826. The present Charter was adopted in 1968, establishing a Mayor-Council form of government. In 1995, the Council adopted a new district plan for the 13 Council positions. A total of nine districts were created. Seven districts have one representative each and two "super districts" have three representatives each.



### GEOGRAPHY

#### Land Area (In Square Miles)

|                           |      |
|---------------------------|------|
| Memphis                   | 315  |
| Shelby (includes Memphis) | 763  |
| Crittenden                | 610  |
| DeSoto                    | 476  |
| Tipton                    | 458  |
| Fayette                   | 705  |
| Marshall                  | 375  |
| Tate                      | 405  |
| Tunica                    | 455  |
| Total                     | 4562 |

### Climate

|                       |              |
|-----------------------|--------------|
| Avg. Annual High Temp | 72.4         |
| Avg. Annual Low Temp  | 53.6         |
| Avg. Annual Temp      | 63           |
| Avg. Precipitation    | 53.67 Inches |
| Avg. Snowfall         | 3 Inches     |
| Elevation             | 262 Feet     |

Source: U.S. Climate Data

### DEMOGRAPHICS

#### Population (City of Memphis)

|              |         |
|--------------|---------|
| 2017 (est.)  | 652,236 |
| 2021 (proj.) | 680,587 |

Source: U.S. Census Bureau

#### Sex (City of Memphis)

|        |       |
|--------|-------|
| Male   | 47.0% |
| Female | 53.0% |

Source: ESRI Community Analyst 2016 estimates

#### Race (City of Memphis)

|                            |       |
|----------------------------|-------|
| White                      | 29.6% |
| Black                      | 63.6% |
| Asian and Pacific Islander | 1.5%  |
| Other                      | 5.3%  |

Source: U.S. Census Bureau

#### Population by Age (City of Memphis)

|          |       |
|----------|-------|
| 0 to 4   | 7.5%  |
| 5 to 14  | 15.8% |
| 15 to 24 | 15.2% |
| 25 to 34 | 15.8% |
| 35 to 44 | 14.9% |
| 45 to 54 | 12.4% |
| 55 to 64 | 7.2%  |
| 65 to 74 | 5.7%  |
| 75 to 84 | 3.9%  |
| 85+      | 1.6%  |

Source: ESRI Community Analyst 2016 estimates

## ECONOMICS

## Top 20 Major Employers

|   |        |
|---|--------|
| FedEx Corporation                             | 32,000 |
| Shelby County Schools                         | 16,000 |
| Tennessee State Government                    | 14,400 |
| United States Government                      | 13,900 |
| Methodist Le Bonheur Healthcare               | 10,175 |
| Baptist Memorial Healthcare                   | 8,587  |
| The City of Memphis                           | 6,848  |
| Wal-Mart Stores Inc.                          | 6,000  |
| Shelby County Government                      | 5,662  |
| Naval Support Activity Mid-South              | 4,600  |
| Kroger Co.                                    | 3,966  |
| University Of Tennessee Health Science Center | 3,911  |
| DeSoto County School District                 | 3,775  |
| St. Jude Children's Research Hospital         | 3,676  |
| Technicolor                                   | 3,500  |
| Carsars Entertainment                         | 3,000  |
| Century Management                            | 2,800  |
| Memphis Light, Gas & Water                    | 2,727  |
| The University of Memphis                     | 2,438  |
| The Servicemaster Co.                         | 2,411  |
| First Horizon National Corp.                  | 2,300  |
| International Paper                           | 2,300  |
| Vertans Affairs Medical Center                | 2,185  |
| Saint Francis Healthcare                      | 2,090  |
| Regional Medical Center at Memphis            | 2,078  |

Source: Memphis Regional Chamber

## Unemployment Rates - 2016 Average

(Not Seasonally Adjusted)

|                 |      |
|-----------------|------|
| City of Memphis | 5.1% |
| Shelby County   | 4.7% |
| Memphis MSA     | 5.3% |
| Tennessee       | 3.5% |
| United States   | 4.2% |

(Memphis MSA - Memphis, TN-MS-AR Metropolitan Statistical Area)

Source: Ychart

## Household Income - 2016 Average

|               |          |
|---------------|----------|
| Memphis       | \$57,261 |
| Shelby County | \$70,532 |
| Memphis MSA   | \$68,731 |

Source: ESRI Community Analyst

## Sales Tax

|       |       |
|-------|-------|
| Local | 2.25% |
| State | 7.00% |

## Property Tax Rates (2017)

(Per \$100 value)

|                              |        |
|------------------------------|--------|
| Memphis City                 | \$3.19 |
| Shelby County                | \$4.11 |
| Total in Memphis City Limits | \$7.30 |

## Retail Sales

## Shelby County

|      |                  |
|------|------------------|
| 2002 | \$11,441,954,452 |
| 2003 | \$11,451,861,873 |
| 2004 | \$12,758,664,548 |
| 2005 | \$13,197,247,726 |
| 2006 | \$13,058,548,293 |
| 2007 | \$13,034,523,628 |
| 2008 | \$12,901,168,397 |
| 2009 | \$11,657,744,293 |
| 2010 | \$12,075,122,671 |
| 2011 | \$12,835,980,126 |
| 2012 | \$13,455,478,568 |
| 2013 | \$13,404,562,869 |
| 2014 | \$13,214,986,705 |
| 2015 | \$13,313,031,454 |
| 2016 | \$14,185,582,323 |

Source: Tennessee Department of Revenue

Note: Data is for the fiscal year beginning July 1 of the previous year and ending June 30 of the year listed

## 2015 Bond Rating

## General Obligation Bonds

|                      |     |
|----------------------|-----|
| Moody's              | Aa3 |
| S & P Global Ratings | AA+ |

**Sanitary Sewage System Revenue Bonds**

|                      |     |
|----------------------|-----|
| Moody's              | Aa3 |
| S & P Global Ratings | AA+ |
| Fitch                | AA  |

**2017 Residential Real Estate**

|                                   | Annual Average (\$) |
|-----------------------------------|---------------------|
| Average New Home Sales Price      | \$337,644           |
| Average Existing Home Sale Price  | \$157,094           |
| Average Rent (2 bedroom), FY 2017 | \$844               |

Source: Memphis Area Association of Realtors and MemphisDailyNews.com

**Commercial Office Space**

|                                       |            |
|---------------------------------------|------------|
| Total Market Size (Sq. ft.)           | 18,610,349 |
| Square Feet Available                 | 6,204,115  |
| Vacancy Rate                          | 29.8%      |
| YTD Net Absorption (sq. ft.)          | (64,980)   |
| Asking Direct Lease Rate (per sq. ft) | \$13.25    |

Source: Xceligent Office Market Report, 1Q-2017

**Industrial Space**

|                                       |                    |
|---------------------------------------|--------------------|
| Total Market Size (Sq. ft.)           | 42,490,908         |
| New Construction (Sq. ft.)            | Data Not Available |
| Square Feet Available                 | 20,175,395         |
| Vacancy Rate                          | 35.8%              |
| YTD Net Absorption (sq. ft.)          | (1,216,749)        |
| Asking Direct Lease Rate (per sq. ft) | \$4.35             |

Source: Xceligent Industrial Market Report, 1Q-2017

**Healthcare**

|                             |        |
|-----------------------------|--------|
| Medical Doctors             | 3,116  |
| Registered Nurses           | 11,199 |
| Dentists                    | 594    |
| Hospitals                   | 19     |
| Ambulatory Surgical Centers | 28     |

Source: Tennessee Department of Health

**Education (2016-2017)**

| Primary School District      | Shelby County Schools |
|------------------------------|-----------------------|
| Total Enrollment (2014-2015) | 111,500               |
| Number of Schools            | 207                   |
| Elementary (including Pre-K) | 81                    |
| Middle/Junior                | 26                    |
| K-8                          | 13                    |
| High School                  | 27                    |
| Charter School               | 45                    |
| Alternative                  | 8                     |
| Career & Tech                | 4                     |
| Specialty Centers            | 2                     |
| Virtual                      | 1                     |

Sources: Tennessee Department of Education and Shelby County Schools <http://www.scsk12.org/about/>

**College Entrance Exam Scores, 2015-2016 Average**

|                       |      |
|-----------------------|------|
| ACT:                  |      |
| Shelby County Schools | 22   |
| Tennessee             | 19.9 |
| U.S.                  | 20.8 |

Source: Tennessee Department of Education and ACT, Inc.

**Airport, U.S. Flights Only**

|                            |               |
|----------------------------|---------------|
| Annual Departures**        | 91,347        |
| Major Airlines             | 6             |
| Regional Commuters         | 16            |
| Freight Carriers           | 7             |
| Total Passengers**         | 3,987,000     |
| Total Cargo Enplaned (lbs) | 9,479,877,274 |

\*Busiest cargo airport in North America since 1992

Sources: US Bureau of Transp. Statistics and the Memphis-Shelby County Airport Authority Stat. Reports, SAA.Government.AirportAuthority





## SERVICE STATISTICS

### Fire

|                                  |       |
|----------------------------------|-------|
| Uniform Personnel Strength       | 1,850 |
| Fire Stations                    | 57    |
| Fire Divisions                   | 2     |
| Fire Battalions                  | 13    |
| Engine Companies                 | 57    |
| Quint Companies                  | 3     |
| Aerial Ladder Truck Companies    | 21    |
| Rescue/Hazardous Material Squads | 3     |
| Air Crash Apparatus              | 5     |
| EMS Units/Ambulance              | 33    |
| Alternative Response Vehicle     | 12    |

### Police

|                               |       |
|-------------------------------|-------|
| Uniform strength              | 2,126 |
| Number of Precincts           | 9     |
| Number of Squad Cars in fleet | 2,129 |

## PUBLIC WORKS

### Solid Waste/Garbage Collection

|                            |         |
|----------------------------|---------|
| Tons Solid Waste Disposed  | 229,639 |
| Tons Solid Waste Diverted  | 256,181 |
| Homes Recycling (curbside) | 145,000 |

### Street Maintenance

|                       |       |
|-----------------------|-------|
| Total Road Lane Miles | 6,818 |
| Curb & Gutter Miles   | 6,060 |

|                       |        |
|-----------------------|--------|
| Street Lights         | 83,800 |
| Tons Asphalt Produced | 63,000 |
| Lane Miles Resurfaced | 102    |

### Storm Drainage System

|                           |        |
|---------------------------|--------|
| Roadside Ditches (miles)  | 512    |
| Curb & Gutter (miles)     | 6,355  |
| Underground Pipes (miles) | 1,294  |
| Concrete Channels (miles) | 130    |
| Storm Water Inlets        | 43,996 |

### Sewer System

|                        |             |
|------------------------|-------------|
| Sewer (miles)          | 3,133       |
| Sewer Pump Stations    | 101         |
| Daily Usage (gals/day) | 146 million |

### Wastewater Treatment Plants

|                           |              |
|---------------------------|--------------|
| Wastewater Treated (gal.) | 52.2 billion |
| Sludge Disposal (lbs.)    | 52.8 billion |

### Flood Control

|                         |        |
|-------------------------|--------|
| Pumping Stations        | 11     |
| Earth Levees (miles)    | 20     |
| Flood Gates             | 30     |
| Reservoirs (acres)      | 643    |
| Flood Wall (linear ft.) | 10,560 |

## CITY ENGINEERING

### Traffic Control

|  |        |
|--|--------|
| Signals repaired or replaced             | 12,000 |
| Annually                                 | 7,250  |
| Bicycle Lanes                            | 114    |
| Traffic Signals                          | 782    |
| Total Signal Devies (incl Street Lights) | 1,044  |
| Total City Roadways (miles)              | 2,410  |



## PARK SERVICES

### Recreation

|                                |        |
|--------------------------------|--------|
| Parks                          | 167    |
| Acreage                        | 3,219  |
| Golf Courses                   | 8      |
| Aquatic Sights                 | 17     |
| Community Centers              | 25     |
| Tennis Centers                 | 7      |
| Walking Trails                 | 57     |
| Playgrounds                    | 112    |
| Fairgrounds Building (sq. ft.) | 47,500 |
| Liberty Bowl seating capacity  | 58,318 |
| Zoo Acreage                    | 55     |
| Senior Centers                 | 6      |
| Libraries                      | 18     |

### Other Recreation Facilities

|                               |
|-------------------------------|
| Liberty Bowl Memorial Stadium |
| Memphis Pink Palace Museum    |
| Fairgrounds/Tiger Lane        |
| Memphis Zoological Gardens    |
| Memphis Botanic Garden        |

Lichterman Nature Center

Mud Island River Park

Brooks Museum

Levitt Shell

## Services Provided by Other Governmental Units

### Education

Shelby County School System

### Health & Human Services

Memphis/Shelby County Health Department

### Library Services

Memphis/Shelby County Public Library and Information Center

### Public Housing

Memphis Housing Authority

### Public Transportation

Memphis Area Transit Authority

### Utilities

Memphis Light, Gas & Water Division

## A Message From the Mayor

Since elected as Mayor, my administration has continued with the purpose of improving the quality of life for all Memphis citizens which drives the mission of being brilliant at the basics- in other words, delivering reliable, responsive, high quality services. Everywhere I go in Memphis, citizens tell me the same thing. They want a safer Memphis, one where they feel secure in their neighborhoods, and one where they know their young people will have a chance to grab the opportunity that exists in our city today. Those requests are at the core of our priorities: service to our youth, increased public safety, improvements and added services to and for our neighborhoods, and providing good stewardship of the assets of our city. Those priorities have led me to present proposed fiscal year 2019 operating and capital improvement plan budgets that make strategic, targeted investments to improve public safety, to further strengthen our financial picture, and to increase the services we offer our citizens- particularly our youngest ones.

In the \$685.3 million general fund operating budget and the \$85.6 million Capital Improvement Program (CIP) budget, we have addressed many of the important initiatives that will help us maintain the positive momentum of Memphis. The City is on strategic plan with its pension funding policy to meet the required funding level for fiscal year 2019 and to reach a 100% funding level of its Actuarially Determined Contribution (ADC) by 2020. This budget ensures that adequate funds are available for increasing levels of public safety: funding recruit classes and promotional testing, hiring more officers and PSTs, putting additional paramedics on the street to help service the growing demand for EMS service, modernization of our 911 dispatch facility, and providing investments in personal protective gear for our first responders. Our proposed budgets also provide funds for summer parks programming in 20 parks and reinstates the parks commissioner program, funds to grow youth summer jobs from 1,250 to 1,500, and it allows for funds to provide more programming and hours at our libraries.

New to this budget and in response to additional services to our youth, the City has begun the formal funding process for a universal, needs based Pre-K initiative. Also new to this year's budget is a new capacity to combat litter and illegal dumping.

The FY19 operating budget also funds targeted pay increases for represented and non-represented employees who are currently more than 5% below market for their respective pay range. While this budget does not include pay increases for all City employees, it does address an important factor of recruiting and retaining the City's workforce. We will continue to address this important initiative in the coming year.

In our CIP budget, we will continue to reinvest in infrastructure, street paving and maintenance, support and identify dedicated funding sources necessary for a sustained

transit system, and provide for the first of a three-year implementation program for the upgrade of the police radio system.

Of significant note, this budget does not raise property taxes. In fact, this budget represents an \$0.08 reduction in the property tax rate from the prior year. As a result of the successful challenges to the assessed value of property, the recapture rate of taxes has been established at \$3.19 for fiscal year 2019.

As your Mayor, I have proposed a budget that balances the imperatives while enhancing the services we provide to our employees and our community. We remain committed to the "Brilliant at the Basics" agenda, which is designed toward giving our city hope, strengthening our economy, and providing efficient, responsible, and accountable city government.

Sincerely,

A handwritten signature in black ink that reads "Jim Strickland". The signature is fluid and cursive, with the first name "Jim" and last name "Strickland" clearly legible.

**Mayor Jim Strickland**





## City of Memphis

### FY19 PROPOSED TO ADOPTED BUDGET

FY 2019 PROPOSED TO ADOPTED BUDGET

| Expenditure Type | FY2019<br>Proposed Budget | Amendments | FY2019<br>Adopted Budget |
|------------------|---------------------------|------------|--------------------------|
|------------------|---------------------------|------------|--------------------------|

### General Fund Divisions

#### REVENUES

|                      |                      |            |                      |
|----------------------|----------------------|------------|----------------------|
| All Revenue          | \$685,320,069        | —          | \$685,320,069        |
| <b>Total Revenue</b> | <b>\$685,320,069</b> | <b>\$0</b> | <b>\$685,320,069</b> |

#### EXPENDITURES

|  |                      |                   |                      |
|--|----------------------|-------------------|----------------------|
| City Attorney                            | \$11,699,192         | —                 | \$11,699,192         |
| City Council                             | \$2,145,227          | \$500,000         | \$2,645,227          |
| City Court Clerk                         | \$6,360,101          | (\$200,000)       | \$6,160,101          |
| City Court Judges                        | \$678,850            | \$109,745         | \$788,595            |
| Engineering                              | \$8,046,042          | \$37,814          | \$8,083,856          |
| Executive                                | \$17,006,016         | (\$3,862)         | \$17,002,154         |
| Finance                                  | \$13,748,286         | \$320,355         | \$14,068,641         |
| Fire Services                            | \$178,250,432        | \$10,680          | \$178,261,112        |
| General Services                         | \$23,805,392         | \$405,862         | \$24,211,254         |
| Grants & Subsidies                       | \$48,373,820         | \$855,798         | \$49,229,618         |
| Housing and Community Development        | \$4,531,880          | —                 | \$4,531,880          |
| Human Resources                          | \$9,178,299          | (\$525,000)       | \$8,653,299          |
| Information Services                     | \$22,763,166         | (\$1,500,000)     | \$21,263,166         |
| Library Services                         | \$21,484,116         | \$513,084         | \$21,997,200         |
| Parks and Neighborhoods                  | \$37,722,904         | \$18,458          | \$37,741,362         |
| Police Services                          | \$263,361,920        | (\$224,408)       | \$263,137,512        |
| Public Works                             | \$16,076,224         | (\$230,329)       | \$15,845,895         |
| <b>Total Expenditures</b>                | <b>\$685,231,872</b> | <b>\$88,197</b>   | <b>\$685,320,069</b> |
| <b>Increase (Decrease) in Net Assets</b> | <b>\$88,197</b>      | <b>(\$88,197)</b> | <b>\$0</b>           |

### Capital Improvement Fund

#### EXPENDITURES

|                           |                      |                    |                      |
|---------------------------|----------------------|--------------------|----------------------|
| <b>Total Expenditures</b> | <b>\$168,885,131</b> | <b>\$4,165,000</b> | <b>\$173,050,131</b> |
|---------------------------|----------------------|--------------------|----------------------|



## Governmental Structure

The City of Memphis was incorporated as a city in 1826. Memphis operated under a commission form of government from 1909 until January 1, 1968, when a Mayor – Council form of government was established. The City Council is composed of thirteen representative citizens who are elected for four-year terms. Six (6) council members are elected at large in multi-member districts, with territorial boundaries determined by dividing the City in half with each multi-member district consisting of three (3) council member positions. The remaining seven (7) members are elected by single member districts, numbers 1-7. The Council elects its own chairperson, exercises legislative powers, approves budgets and establishes the tax rate. The Mayor is elected to a four-year term. The Mayor carries out the policies of the City and appoints board members to various related organizations, joint owned ventures and board authorities. These include the boards of the Memphis Light, Gas and Water Division (MLG&W); Memphis Area Transit Authority; Memphis Housing Authority; Memphis and Shelby County Downtown Memphis Commission; Memphis & Shelby County Convention Center Complex; Memphis Brooks Museum of Art; Memphis & Shelby County Building Code Advisory Board; and the Memphis & Shelby

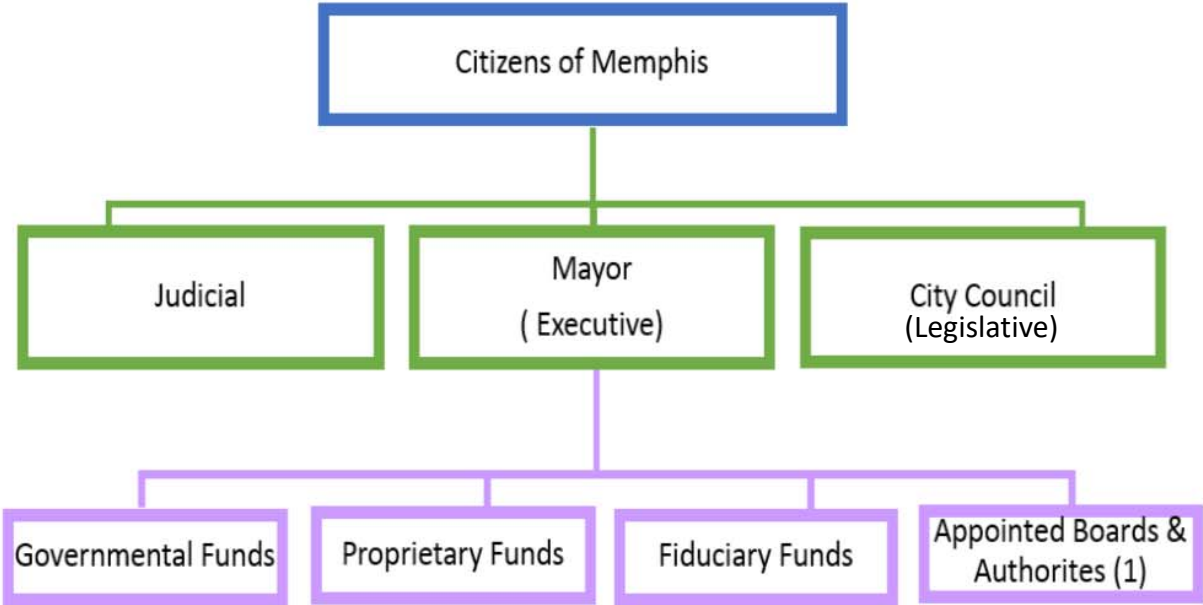
County Public Library Board. The Mayor appoints five of the seven members of the Board of the Memphis & Shelby County Airport Authority. Most of the members of these boards are private citizens giving their time to the City without compensation.

The City's Operating Divisions are organized under Division Directors who report to one of six (6) Chiefs. All Division Directors and Chiefs are appointed by the Mayor and approved by the Council. The Chiefs who coordinate the activities of all administrative divisions of City government are as follows: Chief Financial Officer, Chief Operating Officer, Chief Communications Officer, Chief Human Resources Officer, Chief Legal Officer, and Chief of Police. The Chiefs act as liaisons between the Mayor and all divisions, bureaus, boards, commissions and authorities.

The administrative divisions of the City include: Engineering; Executive; Finance; Fire; General Services; Information Services; Housing and Community Development; Human Resources; Legal; Libraries; Parks; Police Services; and Public Works. There are three divisions with elected leadership: City Council; City Court Clerk and City Judges.

# CITY OF MEMPHIS, TENNESSEE

## ORGANIZATION CHART



(1) The Mayor makes appointments to Boards and Authorities whose budgets are separate but are related organizations, jointly owned or joint ventures. These Boards and Authorities include for example, the Memphis Area Transit Authority, Memphis Light, Gas & Water Division, The Retirement and Pension Systems, Memphis & Shelby County Airport Authority, Memphis & Shelby County Convention Center, Memphis & Shelby County Building Code Advisory and the Downtown Memphis Commission.

Detail Fund Structure on Following Pages

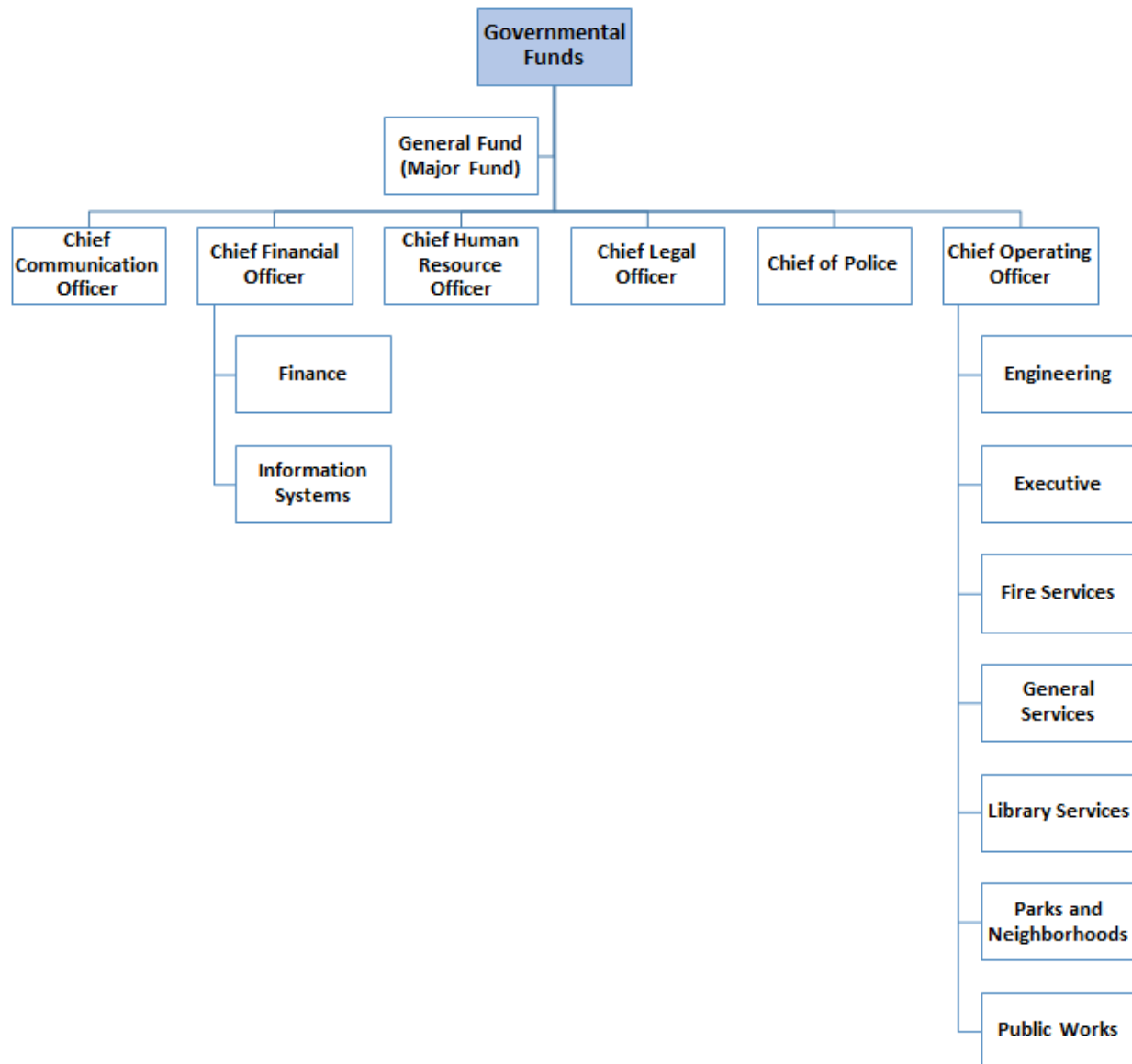


## City of Memphis, Tennessee

### Organization Chart

#### Governmental Funds *(part 1 of 2)*

The City's **General Fund** is the general operating fund and supports the essential City services and activities. Fund revenues come primarily from a variety of Local and intergovernmental taxes, fees and fines.



Organization Chart

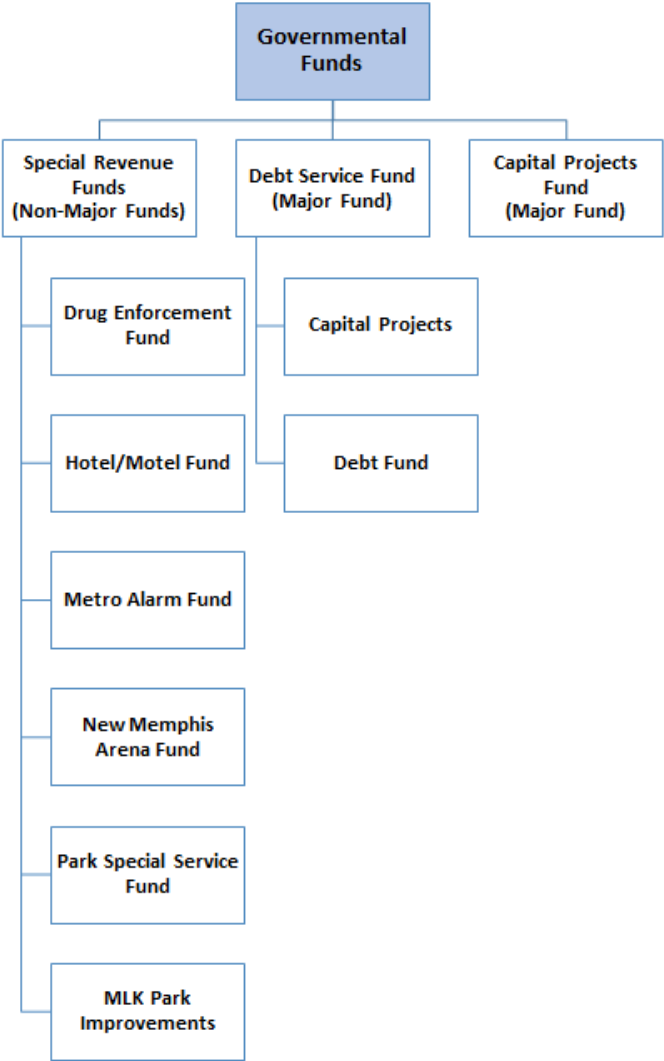
Governmental Funds *(part 2 of 2)*

The City’s **Special Revenue Funds** are used to account for revenues from specific sources that are designated to finance specific functions within the city.

The City’s **Debt Fund** is used to account for resources that are restricted, committed, or assigned for payment of certain debt obligations and related costs.

Capital improvements are funded with the proceeds of bond issuances and state and federal grant funds.

The **Capital Fund** has its own budget Cycle. A separate appropriation is established after the CIP budget is finalized.



## Organization Chart

### Proprietary Funds

**Enterprise Funds** are self-supporting, in that each fund derives its revenue from charges and associated user fees.

**Internal Service Funds** are used to budget for the costs of goods or services provided by one division or service center to another division for the City.

### Fiduciary Funds

**Fiduciary Funds** are held by the City in a trustee or agency capacity. They include Pension and OPEB Funds.

### Agency Funds

The City has one **Agency Fund**. This fund accounts for assets and liabilities held for the purchaser of delinquent property tax receivables.

