

## **Sustainability and Viability 02262013**

The primary goal of Roane County government is to provide a safe and secure environment in which individuals and communities can improve their standard of living. This goal is supported by three pillars of service provided by the county government. The three pillars are education, law enforcement and infrastructure.

Roane County supports the pillars of service through many objectives, such as evaluating current programs, identifying new programs, assessing sustainability of programs and striving for a viable and stable tax rate. A recent presentation to the Association of Governmental Accountants on this subject is available on the county website ([www.roanegov.org](http://www.roanegov.org)) under County Executive.

Roane County has made several difficult decisions in the last two years in order to be in a better financial position for long term sustainability and viability. Reorganization of the Ambulance Department resulted in layoffs which allowed the county to maintain the service without increasing the tax rate. A convenience center within the Solid Waste Department was closed to reduce duplication of services and increase sustainability. A recalibration of the debt service tax rate was put into place in order to meet policy and increase sustainability. A small amount of operational revenue (property tax) was redirected to establish a capital investment program allowing the county to pay as we go rather than borrowing money for small cost assets such as computers, furniture and police cars. These changes were not easy and did not happen overnight, but they allowed Roane County to increase the long term sustainability and viability of these programs.

As Roane County approaches the 2014 budget process, two specific citizen demands have been expressed with the potential to impact the sustainability and viability of Roane County based on current tax revenues. These demands are an increase in law enforcement security in our schools and a projected education revenue shortfall of \$2-\$4 million dollars. These two situations alone could require a potential tax increase approaching 25% if all other program support remains constant.

As the county addresses these issues and others, equilibrium must be reached between the services provided and the tax revenues available to support those services. A tax rate that is too high could be detrimental to the recruitment of industry which provides jobs and additional tax revenues for the county. A tax rate that is too high could also negatively impact the sale of residential property due to an increase in the cost of living within the county. Increased services without a corresponding increase in tax base will increase the tax burden on existing industry and residents which could result in a decreased standard of living. Roane County currently competes against a number of counties for industry (jobs) but specifically Cumberland County with a tax rate of 1.49 and Loudon County with a tax rate of 1.79. Roane County's current tax rate is 2.18.

All three pillars, education, law enforcement and infrastructure, must be supported in a viable way so that each is able to provide the citizens with the necessary services at a price that is sustainable for the future. Education must be supported at a level that provides students with the necessary skills to compete in a global workforce. Law enforcement must be supported at a level that provides citizens with the safety necessary to live and work within the county. Infrastructure must be supported at a level that allows businesses and citizens to lead productive and enjoyable lives within the county.

Reaching this ideal balance is always a struggle and a challenge. As new situations and issues arise within the county, a studied approach can allow Roane County to provide the level of services in education, law enforcement and infrastructure necessary for Roane County to continue to grow in a sustainable and viable way. Collaboration among all citizens and groups is necessary to insure the viability of programs as Roane County moves forward in the budget process. All citizens are encouraged to be aware and to participate as the discussions continue and Roane County strives to achieve our goal through support of education, law enforcement and infrastructure. Please talk with your county commissioners and school board members. More information is available on the county website, [www.roanegov.org](http://www.roanegov.org), in monthly newsletters, Executive summaries and other literature.