

Lewis F. Cosby
10215 Thimble Fields Drive
Knoxville, TN 37922

865-454-4370 Cell
www.cosbyformayor.com

lewis@cosbyformayor.com

1. Why do you feel that you are the best candidate for Knox County Mayor?

A 1972 UT graduate with a degree in Business Administration/Accounting, I spent 16 years as a Certified Public Accountant, primarily performing financial audits of businesses and governmental entities, including TVA, DeKalb County, Georgia, the City of Knoxville, and Knox County. Since leaving the accounting profession, I have been involved in starting and managing three television stations: Ch 8 (CBS), Ch 20 (CW), and Ch 7 (Independent), here in Knoxville. As a founding organizer, I recruited partners/investors, raised capital, arranged for bank loans (which were repaid), and managed the stations day to day. I know how it is to be responsible for managing revenues and expenses, make a payroll, comply with federal regulations and operate within the means of a company, all while serving the public and the advertising customers.

It is absolutely imperative that the next Knox County Mayor be qualified to actually operate the office, and not be merely the winner of a popularity contest. The new mayor will walk into a situation that is, from an economic standpoint, the toughest in Knox County history. The budget will be one into which he had no input, with tax rates that will have already been set. We might as well accept the possibility that any required expense reductions in this year's budget will be packed into the ten months of the year for which the new mayor will be responsible.

2. What three elements of your mayoral agenda would you like to accomplish in your first term? What would be the outcomes of these? What resources are needed to accomplish those outcomes (financial, otherwise, or both)?

1. Restore the community confidence in the Mayor's office and government through leadership and example.
2. Be a better fiduciary of the taxpayer's money.
3. Lead an effort that, the counties that comprise our MSA, identifies an industrial site that qualifies as a TVA Megasite.

1. Confidence is restored by personal conduct and character. As a CPA, I have worked in hundreds of businesses and organizations, analyzing many management styles. I learned that the CEO or manager sets the tone of what was expected and acceptable in their organization. It is important to lead by example, and never ask an employee to do something that you would not do.

2. According to the Knox County Charter, the mayor is to lead the executive branch and be the chief fiscal officer of the county. Of the 14 duties of the mayor, 10 are in the financial area. Over the last 8 years Knox County has substantially increased our bonded debt, and has used accumulated reserves that have taken decades to build up to balance the last several budgets. These reserves are intended for one time only expenditures and not recurring expenses. Also, the current administration lost confidence with the taxpayers with abuses of P cards, the “hospitality fund” and community grants. I will implement controls to prevent any of that from happening again.

3. I will work with the Chamber Partnership to identify an industrial site that would meet the criteria of a TVA Megasite. TVA currently markets three locations that meet these qualifications. None of these are in East Tennessee. This successful program was partially responsible for the selection by Volkswagen of their Chattanooga location on a TVA Megasite.

3. If it is determined that tax increases are necessary to accomplish crucial objectives, will those increases be sought?

I am not a politician, but I will tell you the truth. After I am elected and we have proven to the taxpayers that the necessary cuts have been made and that the county government is again a good steward of their money, the community will be part of the decision process to answer the question: Do the taxpayers want to continue with the level of service that our local government has provided in the past, and how are we going to pay for that? Our sales tax rate is near the top of any surrounding states. The only other source of revenue available is property tax. Part of the problem the new mayor will face is that much of the question related to whether there will be a tax increase is not “if,” but “when.” One candidate has stated that he is taking a property tax “off the table, but did not say for how long. Absent growth in our local economy and the fact we are collecting 6% less sales tax as compared to last year, something has to give. We have not had an increase in the property rate in over 10 years, and at the same time increased our debt substantially and used accumulated reserves to balance budgets for the last several years. I think a candidate that says a rate increase is “off the table” shows a lack of understanding of the financial situation he is asking to be allowed to step into.

4. In your opinion, what are the most significant budget issues facing Knox County? What specific actions would you take to address those?

The County debt is my biggest concern. Local government has to pay its bills and its debt. At June 30, 2009, Knox County bonded debt was approximately \$ 632 million. That equates to approximately \$ 1,490 per capita. At June 30, 2003 it was approximately \$ 982 per capita. The current debt service requirement is \$ 60 million a year. If you add interest to the principal, Knox County's committed debt service requirement is close to a billion dollars. The major source of revenue for funding this debt service is property taxes. The present administration has not funded sufficient yearly property tax revenue to fund the current debt service of principal and interest for the past several years. In the budget year ending June 30, 2010, Knox County will use these accumulated reserves (sometime referred to as "the rainy day fund) to fund over \$ 9 million of current year's debt service. If the past is an indicator of the future, I expect this might be proposed again for the budget that is currently in the works for the year ending June 30, 2011. If that is the case, for 5 of the last 8 years, Knox County has not funded sufficient current year's revenue for debt service. Don't get me wrong, we have made our payments, we just have not done it with current revenue. This cannot continue. Most of Knox County accumulated reserves have been built up over many decades in the Debt Service Fund, and are vanishing.

5. How would you determine adequate funding levels for education, law enforcement, health services, infrastructure, recreation, and other areas?

According to state law, the portions of budgets that are under the control of other elected officials have to be funded within 5 % of the previous year's budget. The budgets of the Knox County Schools and the Sheriff's Office, the two largest county budgets, are under the control of the School Board and Sheriff. These are the two of the most essential services the county provides. The improvements seen lately in our schools are expected to continue. The Knox County Mayor's finance department handles all the financial records and purchasing for these two departments. I think Knox County can do a better job on purchasing and handling bidding and construction of major projects such as schools. Priority should be given to funding the school budget so that the improvements we have seen lately continue. The current Chamber MIS project for Knox County schools, headed by Mike Edwards and Gary Spencer, is an example of private help that can help assure that our resources are used wisely. As I stated earlier, one of my goals is to see that our tax dollars are spent wisely and essential services are adequately funded.

6. How will you go about filling your key administrative positions? What qualities will you look for and how will you determine if your selections are qualified?

The mayor's office staff and budgets have increased significantly as compared to past administrations of Mr. Kessel and Mr. Schumpert. The previous mayors did not have a Chief of Staff, Chief Administrative Officer and their assistants, travel, cars etc. I will have staffing that is comparable to their administrations. The mayor should not have just one person reporting to him, but all six senior directors of the various departments. A mayor who cannot handle the direct supervision of six department heads is simply not up to the job.

I will initially be asking that we do more with less. I don't believe in asking someone to do something that I would not do. The first cuts I will make will be at the mayor's office. The staff will be reduced by the elimination of not the lowest-paid persons, but the Chief of Staff and Chief Administrative Officer positions. I will also eliminate county provided take home cars in the mayor's office. I will evaluate the current take home policy and practices and eliminate any car that is not a job requirement.

I have identified someone who is a CPA with experience in government to assist in the financial responsibilities.

By making these necessary cuts in the mayor's office, I will show other department heads who I will be asking them to do with less to do the same.

7. How important is diversity to your administration? What diversity issues face the County? How will your senior staff reflect diversity?

Diversity is not only important--it is the law. I will not discriminate on hiring and I will hire the most qualified people we can find regardless of race, sex or religion. I am not aware of any issues regarding past hiring problems within Knox County government.

8. Have you ever owned or operated a business? What has been your role in private enterprise?

I was part of opening the Coopers & Lybrand office here in Knoxville in 1979. In 1985, my partner and I opened our own CPA practice. At the same time, a group that I helped found pursued an application with the FCC for a new VHF television station on channel 8 to serve East Tennessee. We were successful and signed that station, as the CBS station, on the air in 1988. I served as the General Manager and one of the owners. We sold that station in 1996 to the current owners, Gray Television a NYSE company.

During the late 1990's, some of the partners in channel 8 joined me in the purchase of an off the air low power television station in Crossville. We got permission from the FCC to sign on channel 20 at full power on a new tall tower in Anderson County. I also was the initial General Manager of this new CW affiliated station. We later sold WBXX-TV to its current owners, ACME Communications, a publicly traded company.

During the early 2000's, I along with another channel 8 partner, pursued an application for another television station on digital VHF channel 7. We signed it on in July 2004 as one of the first digital full power television stations in the country. The station was not affiliated with a network. I served as General Manager of that station until late 2006 when I sold my interest to my partner.

9. Specifically, how would you support business in Knox County?

I believe in continuing the investment by Knox County grants to the Knoxville Chamber as the lead economic development agency of our area.

I think stability in Knox County government and the elimination of conduct that has created headlines would do a great deal in changing our perception outside of our region. Every community is pursuing the precious few opportunities for new business in this economy. We in Knox County and East Tennessee do not need to give a business a reason not to locate here.

10. How would you support economic development? What is your vision of Knox County's role in economic development? What do you see as the role of local government to grow and maintain jobs? Be specific.

I think economic development is one of the most important responsibilities of a County Mayor. I have much experience in dealing with CEOs and Boards of Directors of companies as a CPA in the analysis of potential purchases of businesses or expanding locations. During the past two decades, I have been part of building businesses and negotiating the sale with the CEOs of publicly traded companies. I communicate well in this environment, and can talk their language.

I believe one of local government major roles in creating jobs is to help provide viable sites for new business to locate or existing businesses to expand. Sadly, over the past few years we have lost major located companies to the economy or relocations. East Tennessee has a lot to offer business with central location to large majority of our country. Knox County enjoys two of the most significant interstates, rail services, in land navigable waterways for barges and reliable power. Plus it is great place to live and raise a family. Our state tax structure is attractive to business. That is why I would like to see us pursue a TVA Megasite. Even if the site was located in an adjacent county, Knox County would reap many of the benefits of a major new employer

11. How can the county better seize the economic opportunities relating to renewable energy?

I agree that renewable energy is important, and that there may be economic benefits to be reaped in the future, but I must say I feel that it is somewhat premature to discuss those benefits at the present stage of development. Research and development is underway right here in Oar Ridge and UT, and accurate predictions of the cost- benefit ratios will be known before long. Until that time arrives, Knox County, like any large user of energy, would be well-advised to stay on top of all energy developments in the near future, and be prepared to move swiftly once more hard facts are known relative to the various renewable energy sources and their applications. The job of the mayor at that time will be to study the various data, consult with experts and staff, and determine where the economic opportunities actually lie, and how to capitalize on that knowledge