

CITY OF KNOXVILLE, TENNESSEE



Amelia Parker
City Council, At-Large, Seat C

August 4, 2025

Attorneys Swanson and Frost
City Law Director and City Council Attorney respectively
City of Knoxville
City County Building
Knoxville, Tennessee

Dear Attorneys Swanson and Frost,

Thank you for sharing your opinions on my [resolution](#) submitted for council's review at our August 5, 2025 regular council meeting and for your opinions on the [amended budget ordinance](#) that I submitted in May. While this discussion has evolved into one about council's overall line-item amendment authority, both before the budget is adopted and after, my amended budget ordinance and the resolution before council on August 5th simply put forth that council has the authority to amend the budget ordinance as proposed by the mayor, including making line-item amendments to the proposed appropriations to community agency grants. My resolution does not conclude that council has broad line-item amendment authority although I do hold the opinion that council has more line-item budget amendment authority than the current or previous administrations have recognized. Please find below an overview of the discussions that have taken place thus far and my response to your arguments that city council does not have any line-item amendment authority within the city budget.

Overview:

On May 27, 2025, I introduced an amended budget ordinance to council for our consideration that in my opinion was in line with the requirements for the budget ordinance as set out in both the city charter and city ordinance. Both the city law director and the city council attorney reached the opinion that my amended budget ordinance conflicted with the city charter. The law director advised that an amendment could have been proposed on May 27th to "reduce the unappropriated fund balance by the amount desired and transfer those monies to Fund 100 (also known as "General Fund", from which Community Agency grants are funded)." However, Fund 100 is not a line item in the budget ordinance that can be amended to change its overall appropriation. Fund 100 is organized into Departments, as required by [§ 901\(F\) of the city charter](#).

In the [same communication](#), the law director also stated that "Because line-item modification is not permitted, the amendment could not have specified that the funds would necessarily go to the grant awarded to Legal Aid but sufficient funds to make that adjustment would have been available in Fund 100 to make that adjustment. The amendment could not specify that is where the funds would go but the motion could have contained that suggestion or recommendation."

In addition to conflicting with the charter, the law director's opinion also conflicts with [§ 2-602 of the city code](#), called the appropriations ordinance. Since the budget ordinance serves as the appropriations ordinance for the community agency grants, the budget ordinance must adhere to [§ 2-602 of the city code](#), which requires the budget ordinance to list the charitable organizations and grant amounts that community agencies are to receive in order to appropriate funds

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to the various community agencies. If a council member is to present an amended budget ordinance for council's consideration and council intends to appropriate additional funds to community agency grants, council must include the grant amount and charitable organization to receive the additional appropriation. The advice of the law director conflicted with § 2-602 of the city code as well as the charter.

Over a series of email communications, I attempted to gain clarification regarding how my proposed budget ordinance conflicted with the charter and I also sought clarification regarding which specific section of the charter precludes council from making any line-item amendments to the budget because I was unable to find any language that placed such a limitation on council's powers.

After not receiving a response to my specific questions, I decided that it would be more productive to outline my arguments for council's line-item budget amendment authority in the form of a resolution.

After submitting the resolution to the council's agenda and postponing the resolution for two weeks, I received a more thorough response from both attorneys [Frost](#) and [Swanson](#) on the Wednesday before the August 5th council meeting. However, their response did not reference the arguments outlined in the resolution before council. They reiterated that council cannot make line-item amendments to the budget and shared a few supporting documents to support their arguments including:

1. Arguments by the city council attorney that neither the charter, general law, nor court opinion explicitly grant line-item amendment authority to council,
2. Arguments from a student law clerk of the city council attorney,
3. Arguments of a former employee of the current law director while under the law director's employ,
4. Interpretation of the 1982 charter by the former law director, and
5. Arguments from the current law director.

Only the arguments from the student law clerk of the city council attorney addressed § 2-602 of the city code. However, through his analysis he suggests that my amended budget ordinance attempted to reappropriate community agency grants, which is false. Community agency grants are not appropriated until council adopts the budget so his analysis is unfortunately irrelevant. See more below.

Below I outline my arguments for city council's line-item budget authority and I respond to the arguments against such authority made by the individuals listed above.

CM Parker's Response to [July 30 Email from City Council Attorney Rob Frost](#):

In the July 30 email from city council attorney Rob Frost, he states that he does not believe council has line-item authority in the budget and he includes two attachments: the opinion of former city law director Jon Roach and a memo prepared by a law clerk at Frost's firm. He also states that he is not aware of "any law that permits ... line-item amendments" or "any court ruling that permits the ability to amend the city budget." He shares that there have been less than a "handful of informal changes to the city budget during legislative budget hearings," including a straw poll by council that led to Mayor Haslam reestablishing the 202 funds. The mayor was not compelled to do so through council action but did so voluntarily, according to Frost.

In response, I must begin by referencing the council's legislative authority as provided by the city charter. The city of Knoxville operates under a home rule charter, allowing our city to operate with some degree of self-governance relative to the state's authority. Article IV, § 401 of the charter grants the city council broad plenary powers. Unlike the federal government which operates under the principal of enumerated powers, meaning its powers are limited to those granted by the U.S. Constitution and all other powers are reserved for the states, the city charter grants city council the power to

legislate on any matter not explicitly precluded by the charter or general law. Therefore, council does not require a law be established to permit council's line-item amendment authority nor does council need a court ruling to establish council's ability to amend the city budget. It would be relevant, however, if there were a law or court ruling that limited council's authority to amend the budget. However, no such law or court ruling has been presented by either the city council attorney or the law director thus far. See § 401 of the city charter below.

[Art. IV. § 401 of the Charter](#)

"The legislative power and all other powers, except as otherwise provided in this charter and by general law, are vested in the council. The council may, by ordinance or resolution consistent with this charter, prescribe the manner in which any powers of the city shall be exercised, provide all means necessary or proper therefor, and do all things needful within or without the city or state to protect the rights of the city."

CM Parker's Response to [June 11th Law Clerk Memo](#):

In a memo dated June 11, 2025, a law clerk working at the law firm of city council attorney Rob Frost shared his conclusion that the "Knoxville City Council likely cannot reappropriate grant funds in the form of an amendment to the budget resolution." Unfortunately, the law clerk has confused the issue of amending the mayor's proposed budget ordinance and amending a budget resolution. A budget resolution and a budget ordinance are two separate things. The issue at hand is the ability of council to amend the mayor's proposed budget ordinance and specifically to make line-item amendments to the mayor's proposed appropriations to be made to community agency grants.

Further, an amended budget ordinance submitted by a council member following the legislative budget hearings is not a reappropriation of funds. The mayor does not appropriate funds towards certain expenditures through their budget proposal. City council appropriates funds by adopting a budget, passing a budget resolution, or adopting an ordinance to that effect.

Additionally, as stated above and as provided for in § 401 of the charter, it is not necessary for the charter to include language about council's line-item amendment authority within the budget in order for council to have that authority.

In his memo, the law clerk also argues that since [§ 901\(M\) of the charter](#) authorizes the mayor to transfer funds within a department and does not mention council's authority to do the same, the exclusion suggests that Council does not have power to conduct line item reappropriations.

In response, 901(M) does not preclude council from making line-item amendments to the budget ordinance but it does put some limitations on council's ability to transfer funds. § 901(M) accomplishes three things:

1. Limits council's ability to make transfers of unencumbered funds from one department to another to only those occasions when the mayor makes such a request;
2. Grants council the authority to transfer excess funds at any time when funds have accrued beyond the budget estimates, and
3. Allows the mayor, with the department head's consent, to transfer funds within a department for another purpose without city council action. This section does not suggest that council does not have line-item budget amendment authority as the law clerk suggests. It simply respects the role of both the council in appropriating funds and the mayor in administering the funds.

Once a budget is adopted, it is my opinion that council should not move unspent money mid-year without the mayor's request. Doing so could inhibit the mayor's ability to administer the program of activities that [§ 2-3.1\(H\) of the city code](#)

requires the mayor to develop annually. Council can, however, appropriate funds for a certain purpose when revenue is above projections without action from the mayor. This principle is reiterated in [§ 901\(O\) of the charter](#): “The council may make appropriations in addition to those contained in the current operating budget, at any regular or special meeting, but any additional appropriation may be made only from existing unappropriated surplus in the fund to which it applies.”

The mayor’s ability to transfer funds within a department without council action would allow a mayor to undo any line-item amendment that council attempted to make within a department’s spending, except for amendments made to community agency grants, borrowed funds, funds from sale of proceeds, and funds received from a grant. Once council appropriates funds to community agencies, the mayor is not able to shift funds from one community agency grant to another. Under [§ 2-602](#) of the city code, the appropriations ordinance which requires appropriations to nonprofits be done by an ordinance that includes the name of the nonprofit and the specific amount of the appropriation, the mayor would need to come back before council to increase appropriations to community agencies. For borrowed funds, funds from sale proceeds, and funds received from a grant, city code outlines budgeting requirements for these funds that gives council line-item amendment authority over the budget for these funds.

The law clerk continues his arguments by stating that [subsection \(a\) of § 2-578 of the city code](#), pertaining to the budgeting requirements of borrowed funds, proceeds from sale of bonds, and funds accepted as grant, does not apply to my amended budget ordinance introduced in May. Either the law clerk is confused or has purposefully included this argument to confuse council members. My May 27, 2025 amended budget ordinance amended the appropriations to community agency grants, grants issued by the city. Subsection (a) of § 2-578 of the city code pertains to grants accepted by the city rather than issued by the city.

In June, I did ask attorney Frost to read the budget resolution ordinance (§ 2-578 of the code) when a budget resolution came before council to inform my colleagues of aspects of our line-item budget amendment authority. However, budget resolutions are not relevant to this conversation regarding my amended budget ordinance.

The law clerk concludes his arguments by suggesting that nothing in [§ 2-602](#) of the city code indicates that council may change the allocations for each nonprofit organization. Again, as stated above, when the mayor proposes an operating budget to council, those funds are not appropriated until council adopts the budget. Therefore, my amended budget ordinance does not change appropriations already made. The appropriations to community agency grants are not appropriated until the budget is adopted by council. Finally, he argues that this section of the code does not govern budgetary matters because it is not housed within Article IX of the charter. Many sections outside of Article IX of the charter impact the budget, from requirements regarding pensions to the affordable housing fund. This argument is not compelling.

To reiterate, all powers unless otherwise assigned are reserved for the city council, the people’s representatives. The charter need not outline all duties held by council. Rather, council holds all powers that the charter (and other general laws) does not preclude.

CM Parker’s Response to the [former Assistant City Attorney’s 2021 Email](#):

In an email dated January 14, 2021, former assistant city attorney George Shields was asked his opinion of the 1982 opinion of the city law director (Law Director Opinion No. 82-7A). Mr. Shields, who as assistant city attorney was under the employ of the current city law director at the time, shared his opinion in the January 14th email that Opinion No. 82-7A “remains an accurate statement of the law on the question of whether city council may delete specific line items or accounts when making appropriations.”

In response to the law director's first two arguments offered as to why city council does not have line-item amendment authority (the first being that § 901(F) of the charter requires council to make appropriations by fund and organizational unit and the second being that § 901(M) allows the mayor and department heads to move money within a department without council action), Mr. Shields stated that he has no reason to question the continuing validity of the 1982 opinion from the former law director. In response to the law director's third argument, that the charter grants the mayor broad administrative power, Mr. Shields acknowledged that the section in reference no longer existed in the city charter but offered comparable sections in the current charter to argue the continuing validity of the 1982 opinion regarding the mayor's broad administrative power.

As stated above and in further response, I disagree with Mr. Shields:

1. It is possible to organize appropriations by fund and organization unit, purpose or activity and still make line-item amendments to the mayor's proposed budget, as evidenced by my amended budget ordinance changing the appropriations to Legal Aid under Community Agency Grants. In addition, the same section, § 901(F), limits council's ability to amend the estimates of receipts or other fund availability included in the budget document, indicating council's ability to amend the budget document where additional line-item changes could be made to the operating budget by council before the budget is adopted.
2. The mayor's ability to transfer funds within a department without council action may limit and even negate the effect of some line-item amendments; however, the mayor's ability does not preclude council from making line-item amendments within or across department budgets before adopting the operating budget.
3. It is the mayor's duty to prepare a program of activities for the city each year as set forth in [Art. I, Sec. 2-3\(1\)h](#) of city code. It is the authority of city council to determine how much is appropriated for each activity as outlined in Art. IX, § 901(F), (O), and (R). Council's authority to make appropriations that the mayor must administer does not constitute council having jurisdiction, direction, or control over the mayor.

CM Parker's Response to the [1982 Memo of former Law Director](#):

While I do not recognize the opinion of a city law director from 1982 as having any authority over the actions of the current council, the amended budget ordinance that I submitted only conflicts with the law director's conclusions and not the specific sections referenced of the charter. My ordinance also complies with the appropriations ordinance which the former law director does not mention. It is possible that the city budget was not used as the appropriations ordinance for community agency grants in the 1982 charter referenced.

That aside, my response to the 1982 law director's opinion is the following:

1. The 1982 law director stated that the 1982 charter specified that appropriations shall be made by organizational unit, purpose, or activity and does not authorize appropriation by line item or account classifications. The current city charter maintains the requirement that appropriations be made by organizational unit, purpose, or activity. Whether council can authorize appropriations by line item or account classifications is not at issue and honestly I'm not sure what is meant by that language. Following legislative budget hearings, council may amend the budget proposed by the mayor. Nothing in the charter precludes council from making line-item amendments to the mayor's proposed budget before council adopts a budget. That is the issue at hand. As stated above, the charter under § 401 gives the council broad legislative powers and does not limit council's powers to those enumerated in the charter.
2. The 1982 law director and I are in agreement with the fact that the mayor's ability to transfer any unencumbered appropriation to another appropriation within the same department under § 901(M) would

weaken the effect of any elimination or amendment of a line item by council (**except** appropriations by council of community agency grants, borrowed funds, funds from sale of proceeds, and funds received from a grant, the appropriations of which are all governed by ordinance) but I would not agree that it would negate any effect of council action. For example, in terms of appropriations to community agency grants, once those grants are appropriated, the appropriations ordinance states that no payments may be made to nonprofit charitable organizations in excess of the amount appropriated. Therefore, the mayor could likely reduce an appropriation to an agency made by council but the mayor would not be able to move funds around from one agency to another without a new appropriation that complies with the appropriations ordinance. I see nothing in the charter that intends to limit council's ability to appropriate or amend a proposed appropriation to community agencies.

3. Additionally, the mayor may be able to reallocate funding towards eliminated or amended line items with a few exceptions; however, the mayor must pull from the remaining funds available within the department's appropriations, requiring the mayor to cut spending somewhere in order to reallocate funding towards the eliminated or amended line item. The ability of the mayor to transfer funds within a department does not negate nor does it preclude council from making any line-item amendments to the operating budget. In fact, city ordinances in some situations either require line-item amendments (when changes are made to proposed appropriations such as is the case for [appropriations](#) to nonprofits) or at minimum explicitly allow line-item amendments (such as is the case for [budget resolutions](#)).
4. The third and final argument offered by the 1982 law director referenced a since deleted section of the charter stating that the "Mayor shall not be under the jurisdiction, direction, or control of the City Council, and shall be responsible to the people of Knoxville alone, for the proper administration of his office." He continues by stating that it is appropriate for council to adopt a budget and amend it by *reducing* the appropriations or departments or organizational units, except for those appropriations required by law, charter, or ordinance. To be clear, council is able to reduce *or increase* appropriations during the budgeting process as long as council presents a balanced budget and includes all appropriations required by the charter and law. Additionally, council's authority to make appropriations that the mayor must administer does not constitute council having jurisdiction, direction, or control over the mayor. It is the mayor's duty to prepare a program of activities for the city each year as set forth in [Art. I, Sec. 2-3\(1\)h](#) of city code. It is the authority of city council to determine how much is appropriated for each activity as outlined in Art. IX, § 901(F), (O), and (R) in the city charter.

CM Parker's Response to [July 30 Email from City Law Director Charles Swanson](#):

In his July 30th email, city law director Charles Swanson states that he has consistently maintained that "under our current Charter, City Council does not possess [the] authority to amend a Mayor's proposed budget by line item modification or to adopt an alternative budget by line item." He continues by explaining that his "response is based on [his] reading of the wording contained within § 901 of the City Charter which [in his opinion] precludes modification by line item but authorizes amendments only for the total appropriation to organizational units, purposes or activities."

Swanson goes on to reference the 1982 opinion of the former law director and the opinion shared by assistant city attorney George Shields and concludes that without a significant change in the city charter, he does not believe that council can "effectively adopt a Resolution or Ordinance which would confer line-item budget authority upon council."

In response to the law director's email, I reiterate that § 901(F) of the City Charter's requirement to organize appropriations by fund and organization unit, purpose or activity does not preclude city council from making line-item amendments to the budget. § 901(F) contains no language that narrows council's ability to make appropriations to only the total appropriation to organizational units, purposes or activities. Also, the amended budget ordinance that I submitted on May 27, 2025 does organize appropriations by fund and organization unit, purpose or activity and presents

Amelia Parker

August 4, 2025

Page 7

a balanced budget, including a balanced appendix outlining community agency grantees and their grant amounts as required by § 2-602 in the city code and as required by § 901(F) of the City Charter which requires that the adopted budget be as set out in the budget document. When any line-item of the budget is amended during second reading, council must adjust corresponding appendices attached to the budget ordinance in order to present and adopt a balanced budget.

Conclusion:

It is my opinion that the city charter does not preclude city council from making any line-item amendments to the mayor's proposed operating budget and that my amended budget ordinance that I introduced to council on May 27, 2025 is an example of a proposed budget amendment allowed by the charter and general law.

Sincerely,

A handwritten signature in black ink, appearing to read 'Amelia Parker', with a stylized flourish extending to the right.

Councilwoman Amelia Parker