

An aerial photograph of a city skyline at dusk. The sky is a mix of orange, yellow, and blue. In the foreground, a large, modern bridge with a white, curved arch spans across a river. Below the bridge, a multi-lane highway with several cars is visible. The city skyline in the background features numerous skyscrapers, some with illuminated windows. Notable buildings include one with 'BRIDGESTONE' signage and another with 'Bank of America' signage. The overall scene is a vibrant urban landscape.

FY 2025 Recommended Budget

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Metro's Financial Condition Assessment

Metro's Financial Condition Assessment

Key Financial Considerations

**Clean
Audit**

**Fund
Balance**

Ratings

**Balanced
Budget**

Economy



Q. Why does it matter?

A. Financial condition drives our ability to provide services and fund projects.

FY 2024 Budget Recap

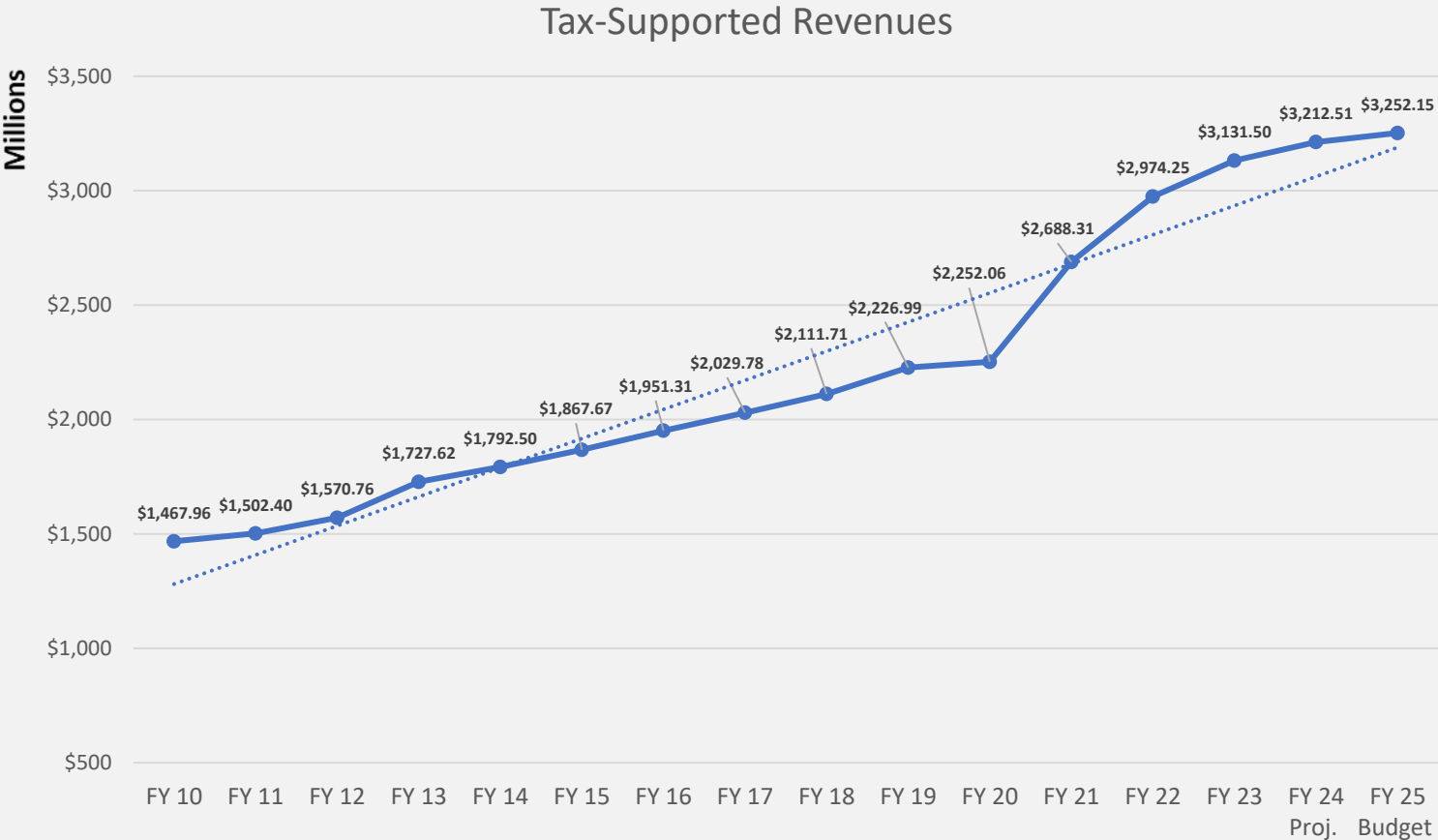
Improvements from Prior Year Funding



FY 2024 Budget & Experience

Historical Context

- ▶ Rapid post-pandemic growth decelerating
- ▶ FY 2024 currently expected to finish 0.20% under budget
- ▶ FY 2024 YTD growth sub-trend relative to prepandemic performance for many of Metro’s primary sources; however, growth remains positive
- ▶ Shared experience: reflective of broader economy; performance in-line with state and peer cities



Duplicated transfers and fund balance appropriations removed from totals above to accurately reflect revenue

**FY 2025
Mayor's
Recommended Budget**

FY 2025 Recommended Budget Tax Supported Funds Revenues – Outlook

- ▶ Previously anticipated slowdown started during FY 2023 year-end and has persisted throughout FY 2024
 - Expected to continue throughout FY 2025
- ▶ Forecasted growth is in line with, but is expected to continue to outpace, the State's
 - Slowdown simply reflects reversion to new longer-run trend
 - Assumes resilience shown by consumers moderates
- ▶ Similar to FY 2024, forecast assumes stability going forward
 - Anchored by consistent growth in property tax base with no rate change
 - Slower, but still positive, growth of primary activities taxes

Budget Equity Tool FY 2025

Office of Diversity, Equity, and Inclusion

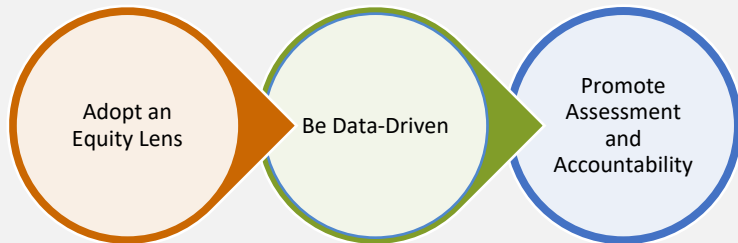
BET Questions

1 Are there budget modifications for departmental programs that address the needs of underserved or disadvantaged communities?

2 Are there budget modifications that will promote diversity, equity, and inclusion among department staff?

3 Are there any budget modifications that will enhance outreach to Metro residents or increase accessibility to departmental services and information?

4 Provide a general characterization of any remaining budget modifications that do not align with the previous three questions. Please group together similar or related modifications.



Key areas of focus

- Identify areas where Metro wide policies are needed in place of single budgetary requests
- Identify and establish strategic partnerships with ODEI
- Foster collaborations and alignment with community partners
- Assist departments with data practices and assessment

FY 2025 Recommended Budget

Budget Considerations

REVENUE

- Ongoing slower growth
- Solid economic fundamentals
- Appraisal ratio impact
- Uneven inflation data
- Interest rate environment
- Tourism's reliance on discretionary income

EXPENSES

- Debt Service
- Contractual Increases
- Partially Funded Initiatives
- Inflationary Concerns
- Pay Plan

FY 2025 Recommended Budget Tax Supported Funds Expenditures



FY 2025 Operating Budget Tax Supported Funds

**Recommended FY 2025
\$3,277,385,200**

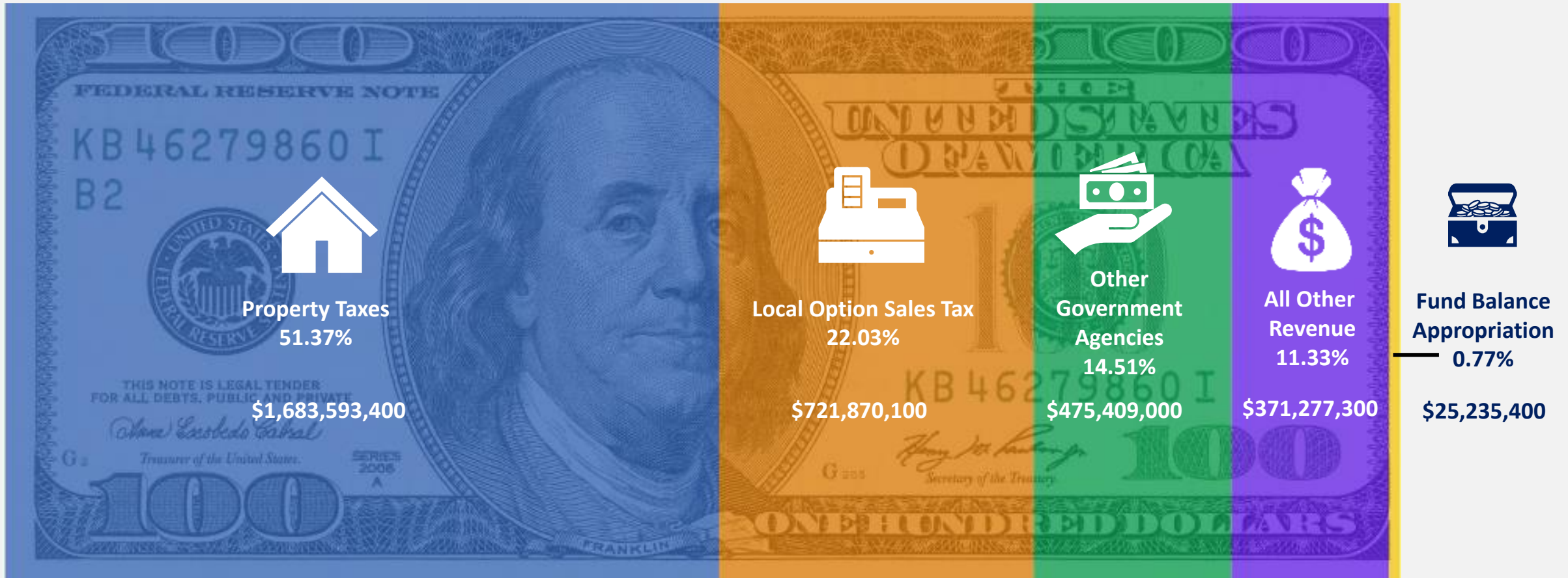
**\$33,947,500 in new revenue
\$25,235,400 use of fund balance
\$59,182,900 total increase**

No Property
Tax Increase

Fund Balance
Policy
Compliant

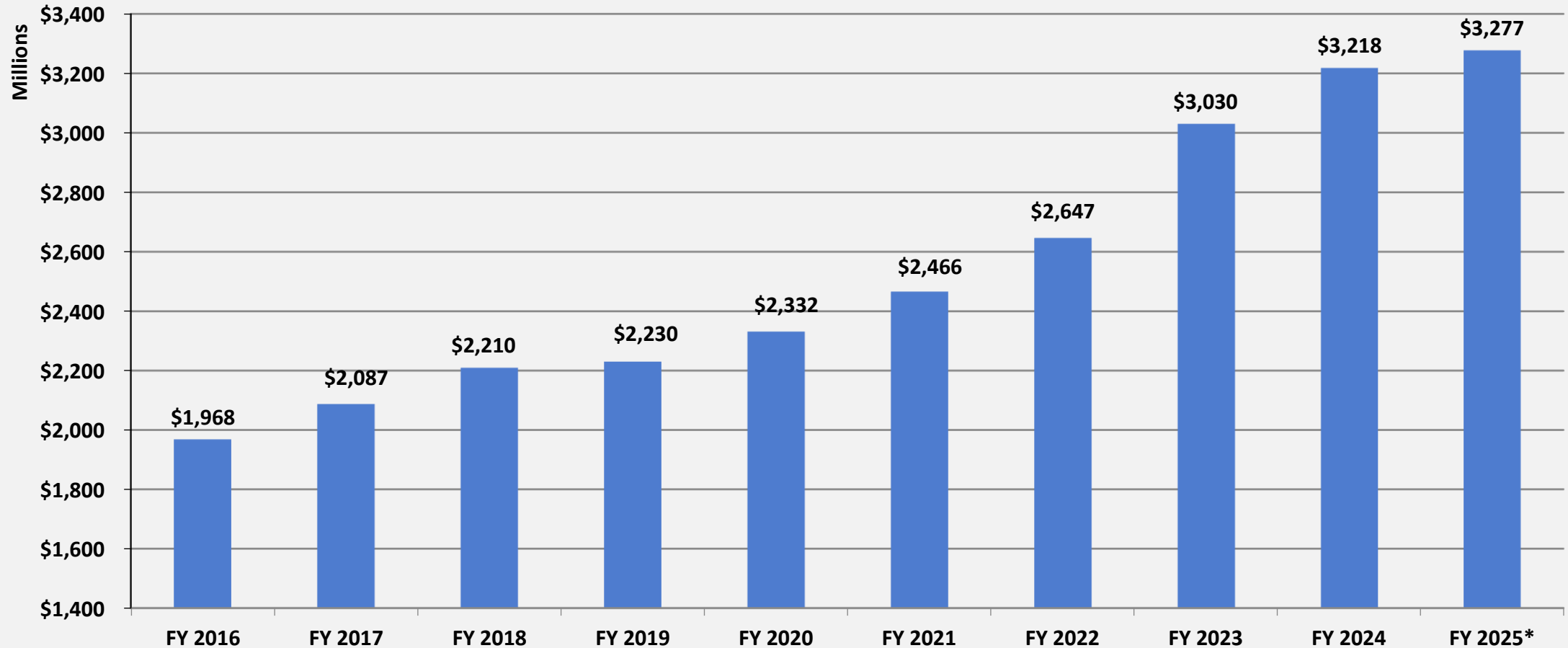
FY 2025 Operating Budget Tax Supported Funds

Where the Money Comes From - \$3.27 Billion



FY 2025 Operating Budget Tax Supported Funds

Historical Budget Growth



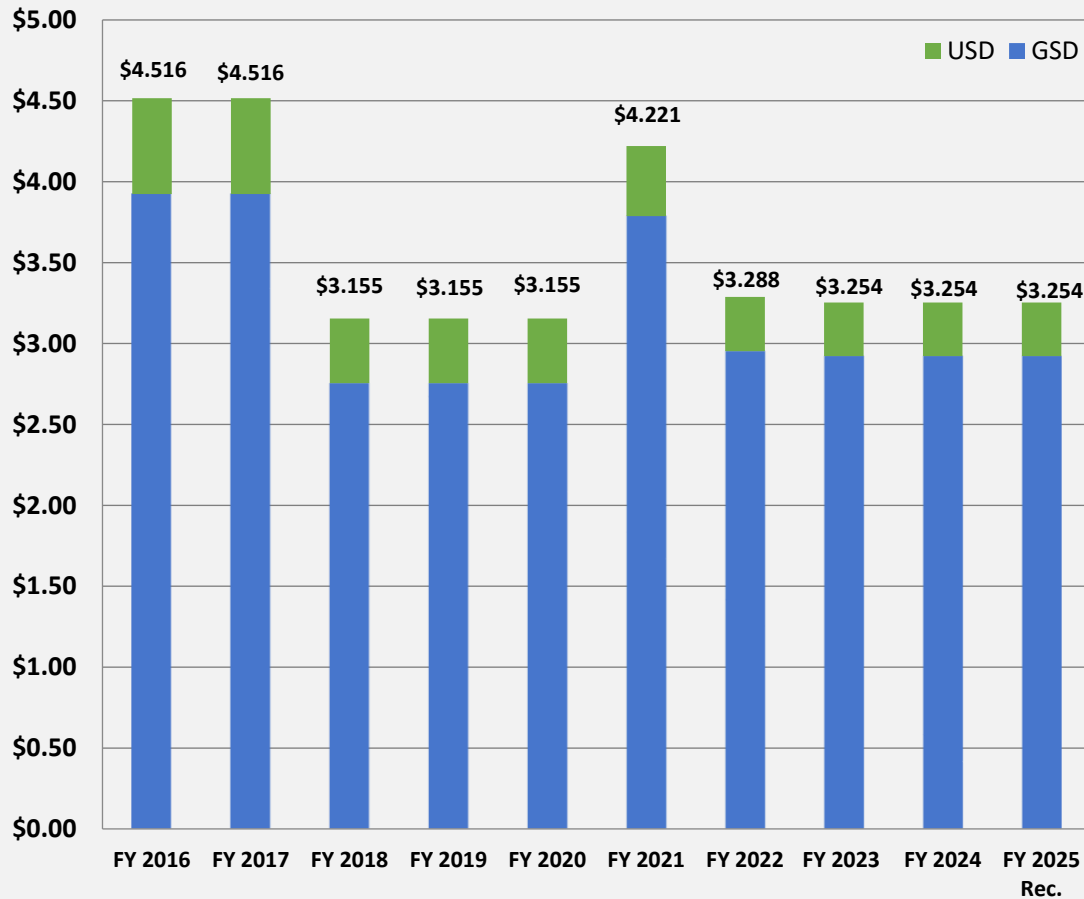
Budget amounts taken from Substitute Budget Ordinances as approved by Metro Council

*Includes fund balance appropriations totaling \$25.2M

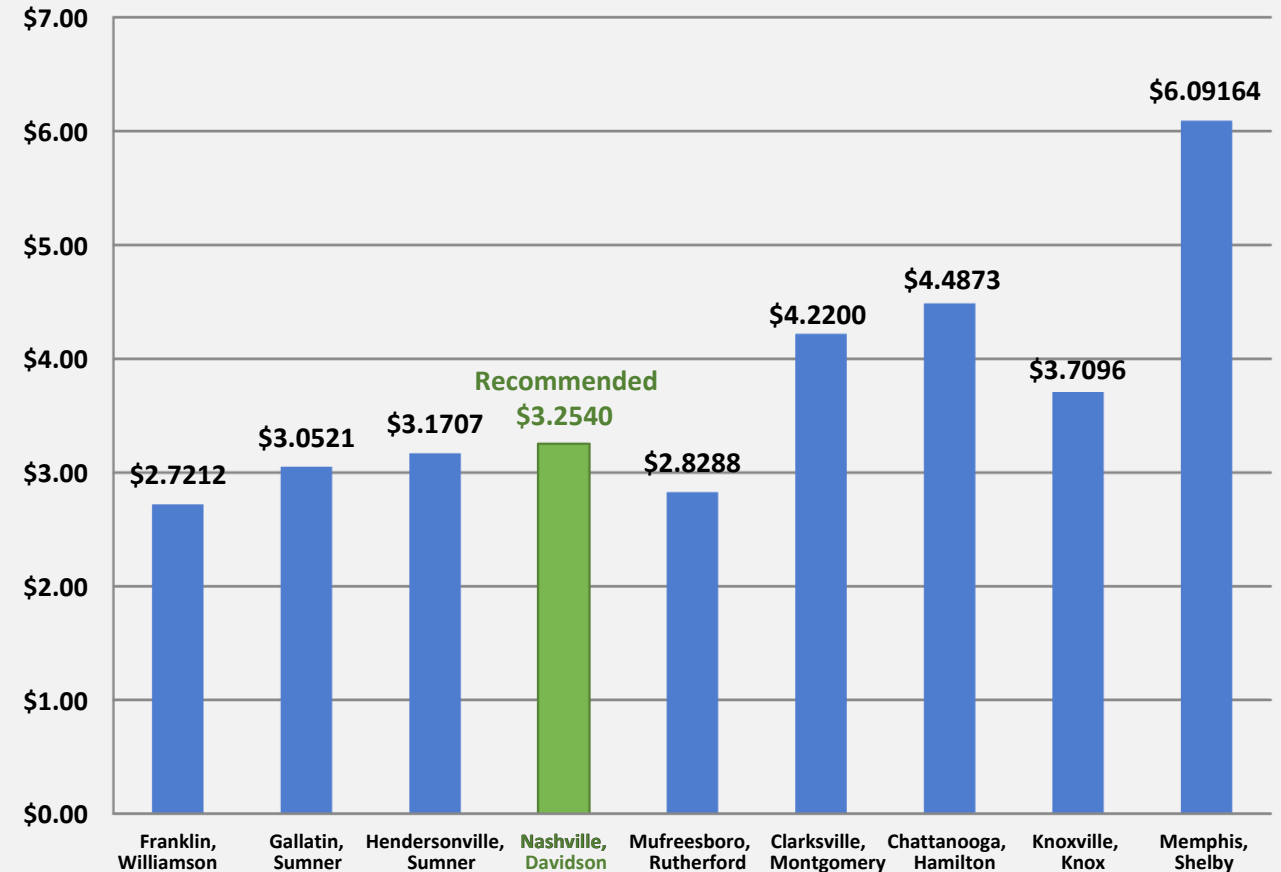
FY 2025 Recommended Budget

Tax Supported Funds Revenues – Property Taxes

History of Property Tax Rates- Nashville/Davidson County



City/County FY 2024 Property Tax Rates*



* Chart shows FY 2024 Tax Rates for other cities. FY 2025 Tax Rates still being determined.



FY 2025 Recommended Budget Tax Supported Funds Expenditures

Where the Money Goes – \$3.27 Billion



*Includes MNPS and Metro

FY 2025 Recommended Budget Tax Supported General Funds Expenditure Highlights



Employees

\$46.7 M

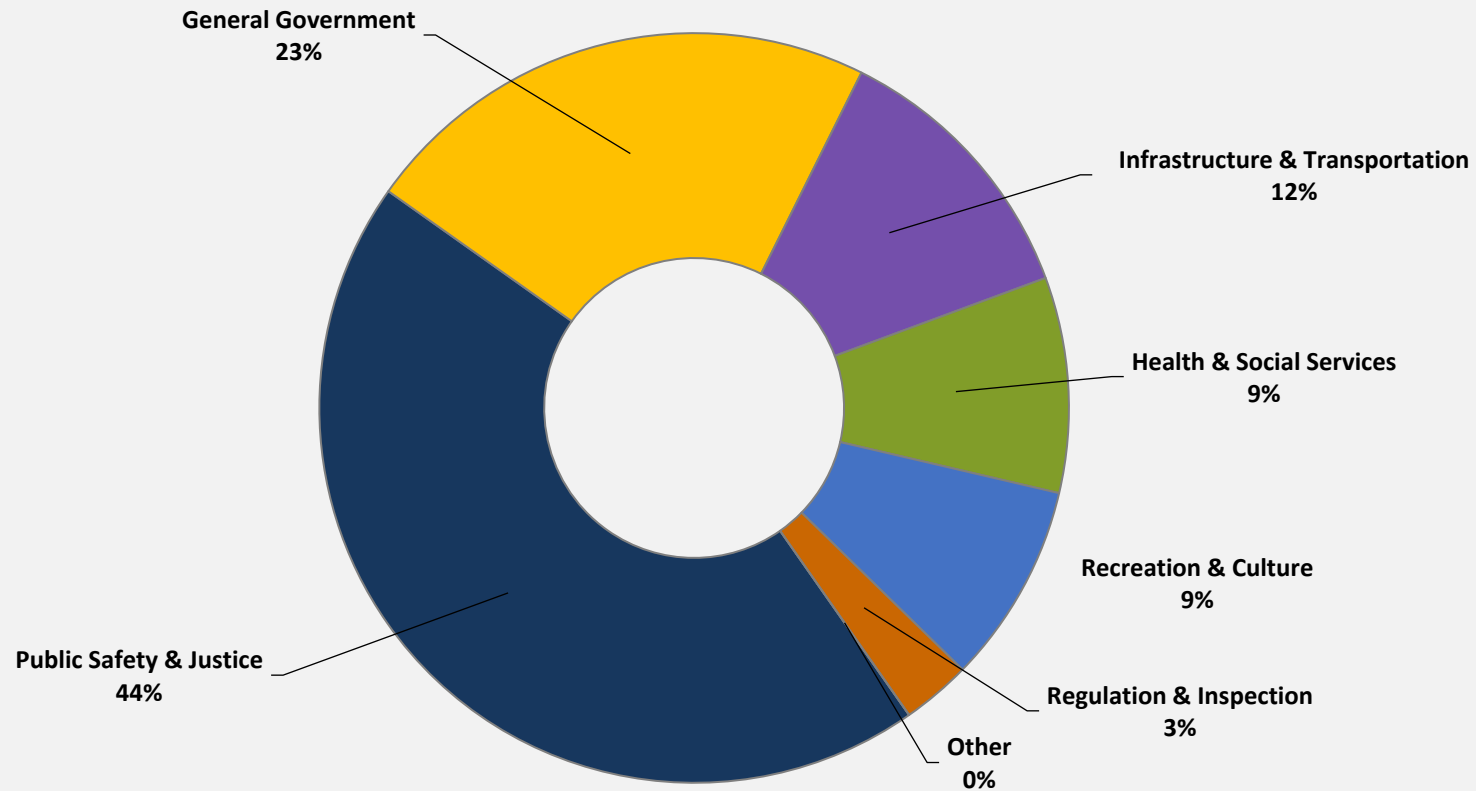
3.5% COLA

Increments
For Eligible
Employees

3% Merit
Eligibility

\$20/Hour
Minimum

FY 2025 Recommended Budget Tax Supported General Funds Expenditure Highlights



Percentage of Total Operating Funds

FY 2025 Recommended Budget Adjustment Savings

- ▶ 1.41% Budgeted Adjustment Savings *
 - GSD \$16.5M
 - USD \$1.5M
- ▶ OMB/ODEI/Department partnership for implementation
- ▶ Total budget adjustment savings
 - Vacant positions and operational budgets

*excludes some administration accounts
(Insurance and transfer accounts primarily)



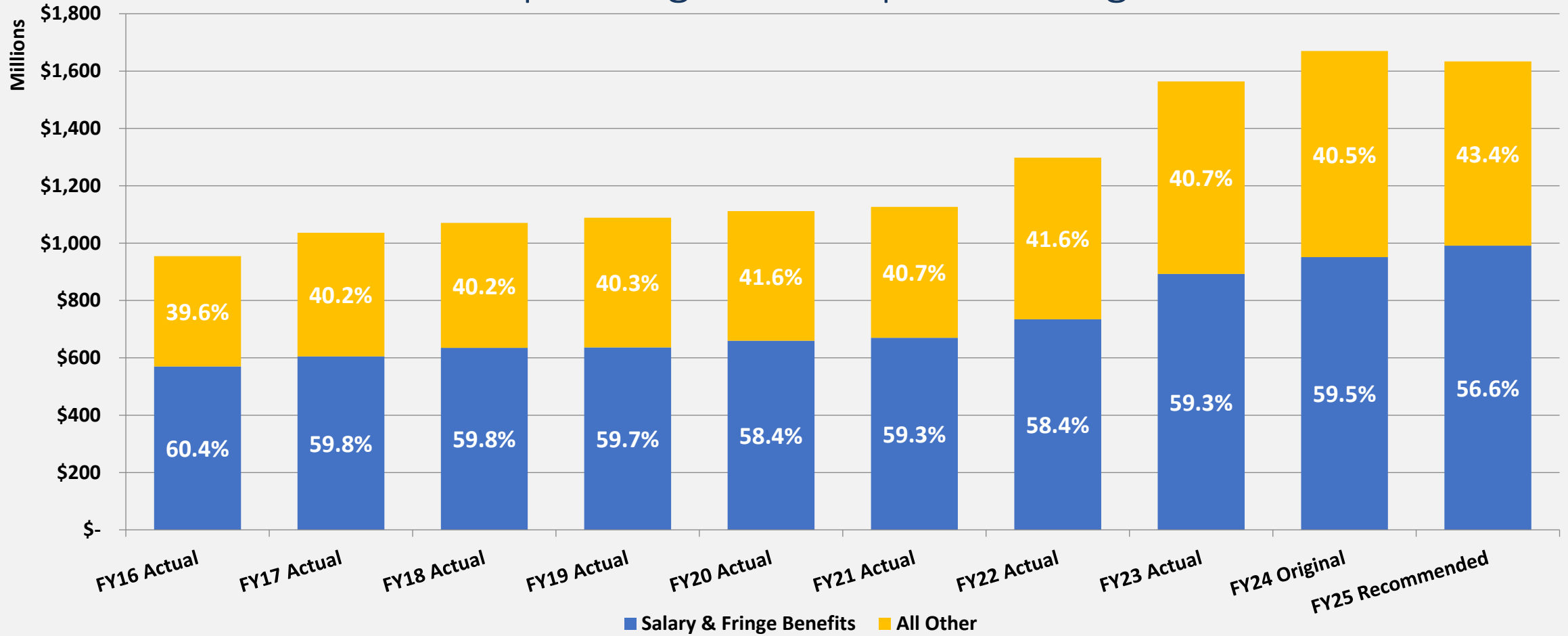
FY 2025 Recommended Budget Tax Supported General Funds Expenditure Highlights

**Focus on
Implementation
of Prior Year
Investments**

**Cover Requests
within
FY 2024 Budget
Allocations**

FY 2025 Recommended Budget Tax Supported General Funds Expenditure Highlights

General Operating Funds Expense Categories



FY 2025 Recommended Budget Education Expenditure Highlights

Total Budget \$1.24 Billion



Education

\$41,606,100

Steps
3.5% COLA
Contractual Increases

Fund Balances

Fund Balances - Policy

Operating Funds Balances

- 2 months operating (17%)
- Allowable applications of surplus:
 - One-time capital
 - Debt reduction
 - Establishment of additional reserves

	GSD	USD	MNPS	TOTAL
Projected Balance	\$284,489,800	\$32,060,700	\$218,631,200	\$535,181,700
Policy Requirement	246,126,900	31,630,300	212,003,400	489,760,600
Surplus	\$38,362,900	\$430,400	\$6,627,800	\$45,421,100

Debt Service Funds Balances

- 50% of annual appropriation
- Allowable applications of surplus:
 - Debt Retirement

	GSD	USD	MNPS	TOTAL
Projected Balance	\$129,804,400	\$10,676,700	\$67,627,900	\$208,109,000
Policy Requirement	129,145,300	9,707,900	66,597,200	205,450,400
Surplus	\$659,100	\$968,800	\$1,030,700	\$2,658,600

Funds Balances – Surpluses Allocations

Operating Funds Balances Surpluses Allocations - \$38,348,500

GSD Allocation	
Barnes Fund Affordable Housing	\$16,448,500
MNPS Textbooks	18,000,000
NDOT Vision Zero	1,500,000
Planning Infrastructure Study	2,400,000
Total	\$38,348,500

- Retain surpluses in all existing funds for future debt issuances

Council Budget Calendar



Council Budget and Finance Committee hold five committee meetings and hearings regarding departmental budgets.



First reading of the Mayor's Recommended Operating Budget, Tax Levy ordinances by the Council.



Public Hearing and Second Reading of the Operating Budget by the Council.



Third and Final Reading of the Operating Budget Ordinance; the Council adopted a Substitute Operating Budget Ordinance and the tax levy ordinance.



Charter deadline for Council to pass a balanced budget and property tax levy ordinances.

Key Legislation to Track

FY 2025 Budget and Related Legislation

- Budget Ordinance
- Tax Levy
- Urban Council Resolution
- New Position Ordinance and Pay Plan Resolutions
- Tax Anticipation Notes (TANs)
- Water PILOT

FY 2025 Capital Improvements Budget (CIB)

FY 2024 Four Percent Reserve Fund Resolution

FY 2024 Operating Budget Supplemental

Citizens' Guide to the Metro Budget

Office of Management and Budget Citizens Guide to the Metro Budget Website

<https://www.nashville.gov/departments/finance/management-and-budget/citizens-guide-budget>

Reports Available to Departments

To aid departments with filling out the Council Questionnaire, OMB has created reports in NORBeRT to easily identify which Budget Modifications are in the Mayor Recommended Stage vs Budget Modifications that were submitted.

Dept BudMod Submitted vs Mayor (FY25)

Department	Budget Modification	Stage	Title	Priority	Justification	Fund	Mayor Priority Group	Modification Type	FY25 FTE	FY25 Headcount	FY25 Total Revenue	FY25 Total Expense
029 - Justice Integration Services	BudMod 001	Submitted	Software Licensing	3	This increase is necessary to comply with an annual 5% increase in the licensing, maintenance and support agreements of software and tools used by the 17 judicial departments, served by JIS. These are all contractually obligated to, and are critical to the daily operations of the courts, and the services they provide to the public.	10101 - GSD General	Mayor's Priority - Works	Contractual Requirement	0.00	0	0	15,000
029 - Justice Integration Services	BudMod 001	Mayor	Software Licensing	3	This increase is necessary to comply with an annual 5% increase in the licensing, maintenance and support agreements of software and tools used by the 17 judicial departments, served by JIS. These are all contractually obligated to, and are critical to the daily operations of the courts, and the services they provide to the public.	10101 - GSD General	Mayor's Priority - Works	Contractual Requirement	0.00	0	0	15,000
029 - Justice Integration Services	BudMod 002	Submitted	eFlex Upgrade	2	This is a one-time request for funding for the vendor to upgrade the eFiling system, used by offices of the Circuit Court Clerk, Criminal Court Clerk, and Juvenile Court Clerk to the latest version.	10101 - GSD General	Mayor's Priority - Works	FY25 One Time Funding Request	0.00	0	0	40,000
029 - Justice Integration Services	BudMod 002	Mayor	eFlex Upgrade	2	This is a one-time request for funding for the vendor to upgrade the eFiling system, used by offices of the Circuit Court Clerk, Criminal Court Clerk, and Juvenile Court Clerk to the latest version.	10101 - GSD General	Mayor's Priority - Works	FY25 One Time Funding Request	0.00	0	0	40,000
029 - Justice Integration Services	BudMod 004	Submitted	eFlex Enhancements and Training	1	This is a one-time funding request for the vendor of the eFiling system, used by offices of the Circuit Court Clerk, Criminal Court Clerk, and Juvenile Court Clerk to provide enhancements to the eFiling system, which have been requested by the three Clerk's offices. A portion of this funding would also be used for the vendor to train JIS and Clerk of Court employees to create and modify forms in the system, thereby allowing both the flexibility to do so in-house, as well as the ability to do so without incurring additional cost.	10101 - GSD General	Mayor's Priority - Works	FY25 One Time Funding Request	0.00	0	0	30,000
029 - Justice Integration Services	BudMod 004	Mayor	eFlex Enhancements and Training	1	This is a one-time funding request for the vendor of the eFiling system, used by offices of the Circuit Court Clerk, Criminal Court Clerk, and Juvenile Court Clerk to provide enhancements to the eFiling system, which have been requested by the three Clerk's offices. A portion of this funding would also be used for the vendor to train JIS and Clerk of Court employees to create and modify forms in the system, thereby allowing both the flexibility to do so in-house, as well as the ability to do so without incurring additional cost.	10101 - GSD General	Mayor's Priority - Works	FY25 One Time Funding Request	0.00	0	0	30,000
029 - Justice Integration Services	BudMod 006	Submitted	Oracle Cloud Infrastructure - Move to Cloud	4	This is a one-time funding request to move all of the on-premise databases and data to the cloud. This includes all case management applications utilized by the offices of the elected officials that make up the JIS partnership. A move of this information to the cloud allows for a more safe, secure, and redundant environment with a much more flexible allowance for growth. In addition, once on the cloud, the need for on-premise servers, with a 5-year refresh rate, will no longer be necessary.	10101 - GSD General	Mayor's Priority - Works	FY25 One Time Funding Request	0.00	0	0	244,000
029 - Justice Integration Services	BudMod 006	Mayor	Oracle Cloud Infrastructure - Move to Cloud	4	This is a one-time funding request to move all of the on-premise databases and data to the cloud. This includes all case management applications utilized by the offices of the elected officials that make up the JIS partnership. A move of this information to the cloud allows for a more safe, secure, and redundant environment with a much more flexible allowance for growth. In addition, once on the cloud, the need for on-premise servers, with a 5-year refresh rate, will no longer be necessary.	10101 - GSD General	Mayor's Priority - Works	FY25 One Time Funding Request	0.00	0	0	244,000
029 - Justice Integration Services	BudMod 007	Submitted	Oracle Cloud Infrastructure - Annual Cost	5	This annual funding is dependent on the move of the on-premise databases to the cloud. This annual cost is for Oracle to host the data on the cloud, which includes ensuring availability, securing, updating, and upgrading.	10101 - GSD General	Mayor's Priority - Works	Departmental - Additional Investment	0.00	0	0	185,000
029 - Justice Integration Services	BudMod 007	Mayor	Oracle Cloud Infrastructure - Annual Cost	5	This annual funding is dependent on the move of the on-premise databases to the cloud. This annual cost is for Oracle to host the data on the cloud, which includes ensuring availability, securing, updating, and upgrading.	10101 - GSD General	Mayor's Priority - Works	Departmental - Additional Investment	0.00	0	0	185,000



