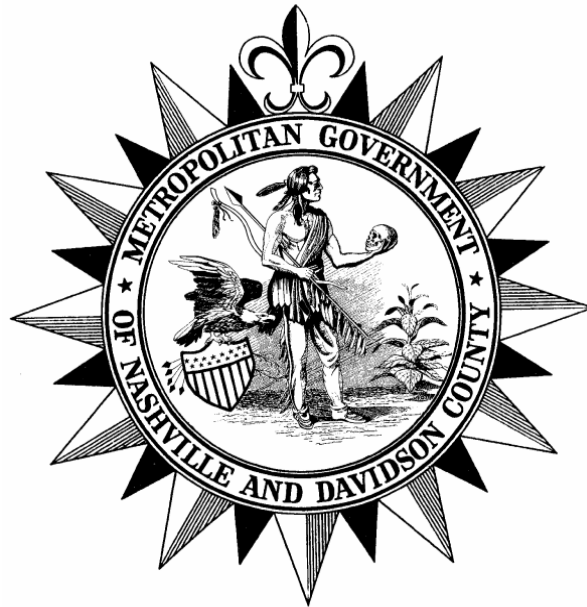


The Metropolitan Government of
Nashville and Davidson County

Fiscal Year 2008

Budget in Brief



August 2007

Bill Purcell, Mayor

The ***Budget in Brief*** is a condensed version of the Nashville-Davidson County Government's 2007-08 Budget. If you would like more detailed information on specific departments, divisions or programs of the Government, debt service schedules, financial trends, revenue sources, or performance indicators, you should examine the Annual Budget document. A copy of the Annual Budget is available for public inspection at any of the following locations:

www.nashville.gov/citizens_budget

Office of Management and Budget

222 Third Avenue North, Suite 550
Nashville, TN 37201

Metro Courthouse

Council Staff Office

Public Library

Main Library and
Regional Branches

The Metropolitan Government of Nashville and Davidson County

Bill Purcell
Metropolitan Mayor

Metropolitan Council

Vice Mayor Howard Gentry, Jr.

At Large	Buck Dozier	District 16	Anna Page
At Large	Diane Neighbors	District 17	Ronnie Greer
At Large	Carolyn Baldwin Tucker	District 18	Ginger H. Pepper
At Large	David Briley	District 19	Ludye N. Wallace
At Large	Adam Dread	District 20	Billy Joe Walls
District 1	Brenda Gilmore	District 21	Edward Whitmore
District 2	Jamie Isabel	District 22	Eric Crafton
District 3	Walter Hunt	District 23	Emily Evans
District 4	Michael Craddock	District 24	John Summers
District 5	Pam Murray	District 25	Jim Shulman
District 6	Mike Jameson	District 26	Greg Adkins
District 7	Erik Cole	District 27	Randy Foster
District 8	Jason Hart	District 28	Jason Alexander
District 9	Jim Forkum	District 29	Vivian Wilhoite
District 10	Rip Ryman	District 30	Jim Hodge
District 11	Feller Brown	District 31	Parker Toler
District 12	Jim Gotto	District 32	Sam Coleman
District 13	Carl Burch	District 33	Robert Duvall
District 14	Harold White	District 34	Lynn Williams
District 15	J. B. Loring	District 35	Charlie Tygard

2003 - 2007 Term

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Published August, 2007, by the Metropolitan Govt. of Nashville and Davidson County
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Metropolitan Government of Nashville and Davidson County

Bill Purcell Mayor

August 1, 2007

My Fellow Citizens:

I am pleased to present a Council-approved, balanced budget of \$1,565,783,100 for the Metropolitan Government for the fiscal year 2008. In this, my last budget as your Mayor, we continue to focus our resources on Nashville's shared priorities.

Funding Public Education – This budget funds the Metro Nashville Public Schools at a level of \$597.6 million, an increase of more than \$32 million from the current year. This amount not only fully funds the budget presented by the MNPS Board of Education for FY08, it also provides an additional \$12.7 million in operational funding from Metro Government for our schools.

Assuring Public Safety – In 2006 we continued our progress toward making Nashville the safest big city in America – the overall crime rate fell to its lowest level since 1990, and the death rate from residential fires continued at a historic low. To support continued improvements in public safety, this budget provides additional dollars for overtime for Police and Fire, as well as increases in EMS medical supplies and the Police Department's new automated records system.

Providing a Quality of Life that Enhances Our Community and Neighborhoods – The budget funds the opening and operation of several new Parks facilities – community centers, nature centers, and a new interpretive center at Fort Negley. We are devoting additional funds in support of affordable housing for our community's homeless. We are also increasing the number of Animal Control Officers and providing more resources for immunizations.

Providing a Fair and Sustaining Income for Our Employees – This budget funds the third year of a three-year pay plan, including a two percent across-the-board pay increase for all Metro employees. Increases in benefit costs, including pensions and health insurance, are also provided for.

During this year, our 200th as a city, we celebrate the things that make Nashville a great place to live, work and raise a family. Throughout the last eight years, our careful and focused investments in education, public safety, and quality of life have moved Nashville to the front rank of all American cities. Your understanding and support of this work throughout my service as your mayor convinces me you share my belief that we will remain at the front in all the years to come.

In presenting this budget, we have effectively allocated resources to meet community needs for the coming year. Again, we present it knowing that we are making these investments to provide the best results for the citizens of Nashville and Davidson County.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bill Purcell".

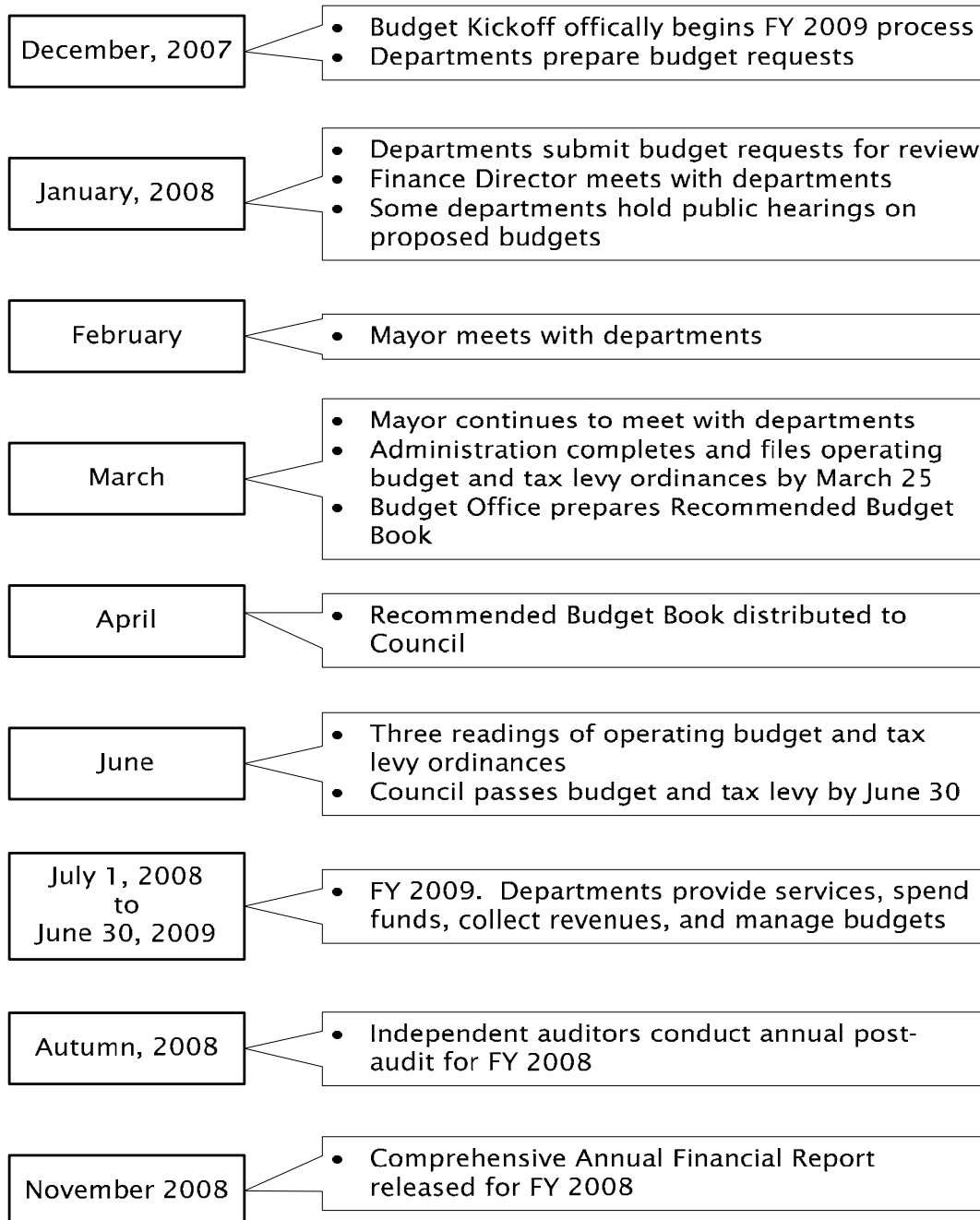
Bill Purcell
Mayor



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Metropolitan Courthouse
Nashville, Tennessee 37201
Phone 615.862.6000
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The Budget Process

The budget calendar provides structure to the process of developing Metro's annual operating budget. The tentative calendar for the Fiscal Year 2009 (July 1, 2008 to June 30, 2009) budget process is:

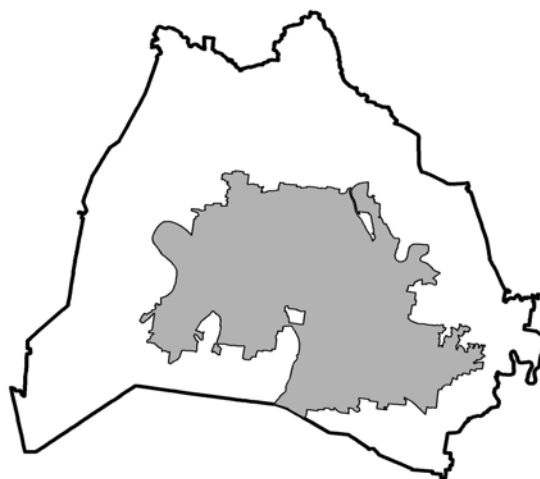


The Metropolitan Government of Nashville and Davidson County

The Metropolitan Government of Nashville and Davidson County (Metro) was formed in 1963 with the merger of the governments of the former City of Nashville and Davidson County. Metro Nashville is a progressive city with a diverse economy, strong transportation links, and many institutions of higher education. It is the capital of Tennessee and the largest city in the mid-state.

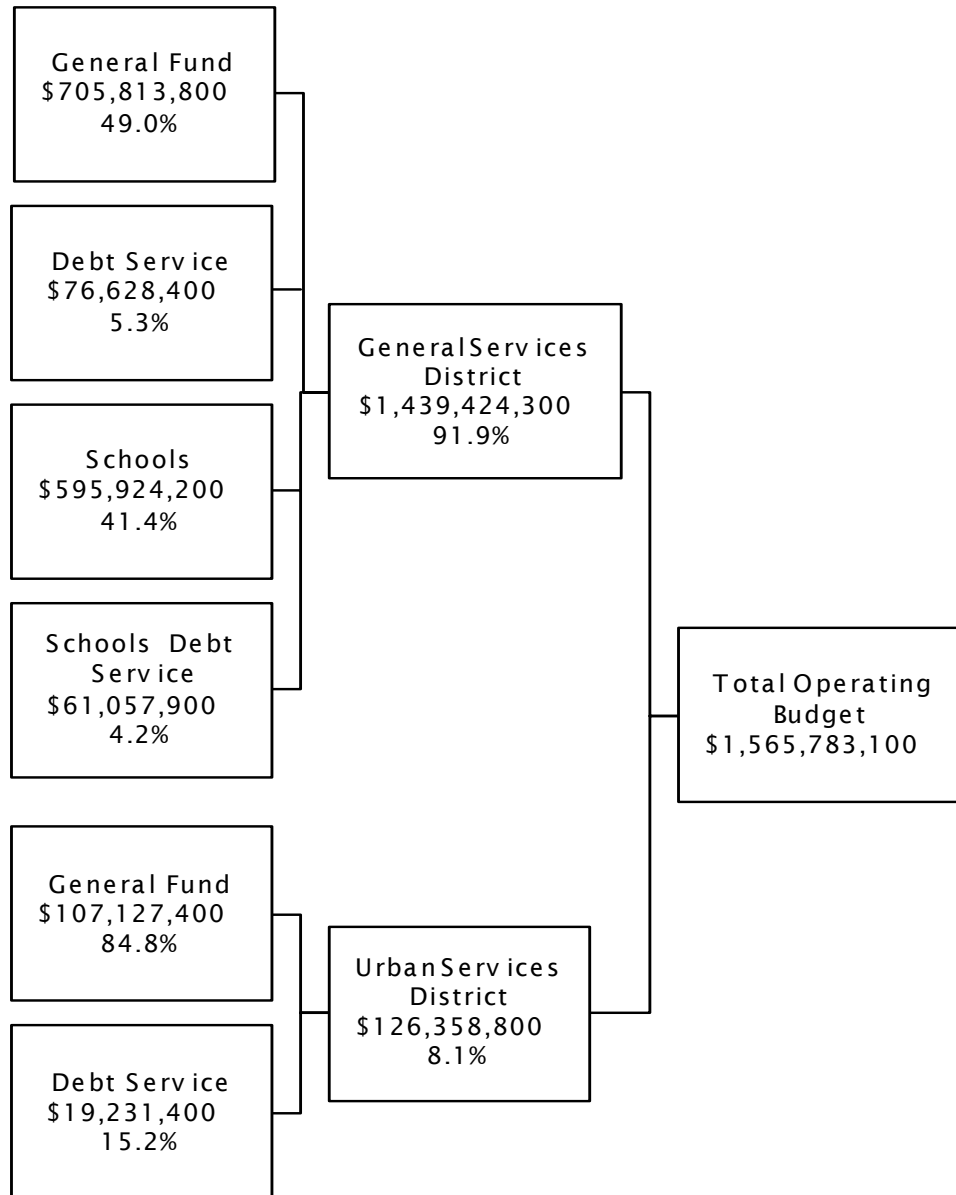
Metro is divided into two districts: the General Services District (GSD) and the Urban Services District (USD). The GSD is synonymous with Davidson County; the USD is the old City of Nashville plus certain areas added since Metro was formed.

The geographic areas, purposes, and functions of these two districts determine the way services are budgeted and provided in Metro. The two districts relate services provided to taxes paid. The GSD receives a base level of services; its property is taxed at the GSD rate to fund these services. The USD receives more of certain services (garbage collection, streetlights, and increased fire and police protection) that are funded by an additional USD property tax rate.



The USD (shaded area) is a subset of the GSD (Davidson County)

Organization of the Operating Budget Six Budgetary Funds



Budget Summary

On June 26, 2007, the Metropolitan Council approved an operating budget for Fiscal Year 2008 of \$1,565,783,100. This budget consists of six **budgetary funds** in two districts: the General Services District (GSD) and the Urban Services District (USD). The six funds in two districts make it possible to define tax allocation and service delivery in each district and fund. Appropriations cannot be transferred between funds and/or districts. A description of these six funds is given on the following page.

Summary of the FY 2008 Budget - Six Budgetary Funds

	GSD General Fund	GSD Debt Service	GSD School Debt Svc	GSD School Fund	USD General Fund	USD Debt Service	Duplicated by Interfund Transfers	Total
Estimated Revenues:								
Property Taxes	350,229,500	78,181,200	31,169,000	217,545,200	83,973,100	10,012,400	0	771,110,400
Local Option Sales Tax	96,093,000	2,184,000	17,688,200	174,497,900	0	0	0	290,463,100
Grants & Contributions	76,774,400	1,560,000	0	192,522,600	9,249,200	0	0	280,106,200
All Other Revenues	177,802,700	15,488,900	3,634,300	6,980,500	13,687,000	8,039,300	-23,316,100	202,316,600
Fund Balance Appropriated	5,395,200	372,800	8,566,400	0	218,100	1,179,700	0	15,732,200
Total Revenues	706,294,800	97,786,900	61,057,900	591,546,200	107,127,400	19,231,400	-23,316,100	1,559,728,500
Appropriated Expenditures:								
General Government	129,418,100	0	0	0	23,569,000	0	0	152,987,100
Fiscal Administration	16,577,900	0	0	0	0	0	0	16,577,900
Administration of Justice	64,778,900	0	0	0	0	0	0	64,778,900
Law Enforcement & Jails	204,925,800	0	0	0	481,000	0	-481,000	204,925,800
Fire Prevention & Control	48,666,400	0	0	0	63,298,100	0	0	111,964,500
Regulation & Inspection	19,805,200	0	0	0	1,091,700	0	0	20,896,900
Conservation of Resources	513,100	0	0	0	0	0	0	513,100
Social Services	9,193,100	0	0	0	0	0	0	9,193,100
Health & Hospitals	87,649,700	0	0	0	0	0	0	87,649,700
Public Libraries	21,377,200	0	0	0	0	0	0	21,377,200
Recreational & Cultural	47,675,200	0	0	0	135,400	0	0	47,810,600
Infrastructure & Transportation	55,714,200	0	0	0	18,552,200	0	0	74,266,400
Education	0	0	0	597,600,800	0	0	-1,676,600	589,869,600
Debt Service	0	97,786,900	61,057,900	0	0	19,231,400	-21,158,500	156,917,700
Reserves	0	0	0	0	0	0	0	0
Total Expenditures	706,294,800	97,786,900	61,057,900	597,600,800	107,127,400	19,231,400	-23,316,100	1,565,783,100
Projected Surplus (Deficit)	0	0	0	0	0	0	0	0

Budgetary Funds

- Two **General Funds** (GSD and USD), 51.9% of the total, provide basic operating services of the government such as police and fire protection, parks and recreation, libraries, courts, health, public works, and other community services. These funds receive property and sales taxes, charges for services, fees, fines, penalties, and other revenues.
- Three **Debt Service Funds** (GSD, USD, and Schools), comprising 10.0% of the operating budget, finance the payment of interest and principal on long-term general obligation debt of each district.
- The **School Fund**, 38.2% of the total, is Metro's largest special revenue fund. It is a budgetary fund since it is supported partly by property and local option sales taxes, while other special revenue funds are not.

Metro also has other operational funds. These **non-budgetary funds** include:

- **Internal Service Funds**, such as Fleet Management and Information Systems, provide services to Metro departments on a charge-back basis.
- **Enterprise Funds** are primarily self-supported through charges to the public for services. These include the Convention Center, Farmers' Market, State Fair, Water and Sewer Services, General Hospital, and Bordeaux Hospital.
- **Capital Projects Funds** are used for public improvements of significant cost and/or economic life. Financing is generally through revenue and general obligation bonds.
- **Trust and Agency Funds** account for monies held for others.
- **Special Revenue Funds** are legally restricted for expenditure for specified purposes, such as the Schools Fund. Another special revenue fund, the **Four Percent Reserve Fund**, receives 4% of all original GSD revenues to purchase capital equipment and structural repairs for departments that operate within the GSD General Fund.

Selected Tax Rates

The Metro budget is financed by a variety of taxes, fees, grants, and other revenues. Some of the most significant taxes and fees are summarized here.

Property Tax - The property tax is based on the appraised (estimated market value) value of property. For a piece of property, the tax is calculated as:

$$(\text{appraised value} \times \text{assessment rate}) \times (\text{tax rate} / 100)$$

Tax rates (per \$100 of assessed value) and assessment rates are shown in the tables at right. Property in the GSD is taxed at the GSD rate (plus any city rate if the property is in a satellite city); property in the USD is taxed at the combined rate.

Certain types of property (governmental, religious, charitable, scientific, educational, etc.) are exempt. Metro and the state assist the elderly and disabled with taxes on the first \$18,000 market value of their homes through the Property Tax Relief program.

Local Option Sales Tax - Nashville's sales tax is levied on all retail sales in Davidson County. The 9.25% rate consists of a 7.00% state tax and a 2.25% local option rate (limited to the first \$1,600 of the cost of each item). Metro allocates 2/3 of its portion (1.50%) to schools and 1/3 (0.75%) to the general funds, with almost all the latter going to the GSD General Fund. Effective July 1, 2007, the state sales tax on food and food ingredients was reduced to 6.00% resulting in a 9.25% Nashville sales tax on non-prepared food.

Local Income or Occupational Privilege Tax - None.

Commercial Vehicle Wheel Tax - \$66 per vehicle per year.

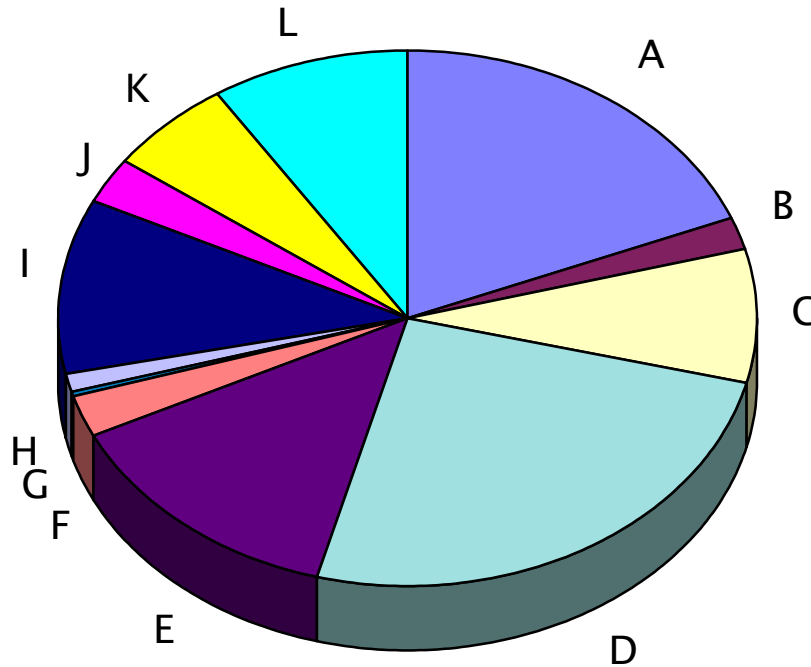
Motor Vehicle License Fees - \$55 per vehicle per year.

Hotel Occupancy Privilege Tax - 5% of the room cost, over and above the sales tax. Of the 5%, 1% goes to the GSD General Fund and 1% is earmarked for constructing, financing, and operating a convention center.

Property Tax Rates	
GSD General	2.06
Debt Service	.48
Schools	1.33
Schools Debt Service	.17
GSD Rate	4.04
USD General	.56
Debt Service	.09
USD Rate	.65
Combined GSD+USD	4.69

Assessment Rate (% of appraised value) by Property Class	
Residential & Farm	
Real Property	25%
Personal Property*	5%
Commercial & Industrial	
Real Property	40%
Personal Property	30%
Public Utility	55%
* Note: \$7,500 exemption	

**General Fund Expenditures
GSD and USD
\$813.4 million**



■ A	- General Government - \$152.99 (18.8%)
■ B	- Fiscal Administration - \$16.58 (2.0%)
■ C	- Administration of Justice - \$64.78 (8.0%)
■ D	- Law Enforcement & Care of Prisoners - \$204.93 (25.2%)
■ E	- Fire Prevention & Control - \$111.96 (13.8%)
■ F	- Regulation & Inspection - \$20.90 (2.6%)
■ G	- Conservation of Resources - \$0.51 (0.1%)
■ H	- Social Services - \$9.19 (1.1%)
■ I	- Health and Hospitals - \$87.65 (10.8%)
■ J	- Public Libraries - \$21.38 (2.6%)
■ K	- Recreational & Cultural - \$47.81 (5.9%)
■ L	- Infrastructure and Transportation - \$74.27 (9.1%)

General Fund Services

This section describes General Fund expenditures by function. For each function we note the size of the budget, the percentage of total GSD+USD general fund expenditures (in parentheses) and the corresponding full-time-equivalent (FTE) positions.

For each of these major functions, details are given of any significant changes in the FY 2008 budget. These may include cost-saving initiatives as well as any major changes to the programs administered within each function.

General Government **\$152,987,100 – (18.8%) – 443.30 FTE**

General Government includes the Mayor, Council Office, Election Commission, Legal Department, Planning Commission, and various other support agencies. The Mayor and Council are the elected executive and legislative branches of Metro Nashville. The Election Commission maintains voter registration files and conducts all elections for Davidson County and the six incorporated satellite cities. The Legal Department provides complete legal advice, risk management and related services to all levels of the administrative, legislative, and the operational divisions of the government. The Planning Commission acts as the official planning agency for the government and coordinates zoning matters.

The General Government budget includes the Emergency Communications Center. This department handles all emergency dispatch functions that were previously part of the Police and Fire Departments.

The budget for this group includes payments for Metro's retirement match payments, contingencies, improvements, and various subsidies. The largest single FY 2008 transfer from this group is \$23,722,200 to the Four Percent Reserve Fund from the GSD.

The FY 2008 budget includes:

- (\$192,300) elimination of 2.5 Special Assistants to the Mayor
- \$105,000 for the Election Commission to establish six early voting sites
- \$19,100 to the Planning Department to provide for the production of planning documents for review and use by the community

Fiscal Administration**\$16,577,900 – (2.0%) –223.0 FTE**

Fiscal Administration includes the Tax Assessor, Tax Collections (Trustee), the County Clerk and part of the Department of Finance. The Tax Assessor (or Assessor of Property) appraises and assesses all real and personal property, both tangible and intangible, located within Davidson County for the purposes of taxation. The Trustee is charged with collecting the county's real property tax, public utility tax, and personal property tax each year. The County Clerk collects state and local motor vehicle fees and taxes and the state sales tax for title registration. The Finance Department has the responsibility to administer the financial affairs of the government in accordance with applicable provisions of the Charter, ordinances, and principles and practices of sound municipal fiscal administration.

The FY 2008 budget includes:

- (\$42,700) and (1 FTE) reduction for Assessor of Property Office
- \$354,600 and 9 FTE increase for the County Clerk's new emission site positions
- (\$77,900) salary reduction for Department of Finance

Administration of Justice**\$64,778,900– (8.0%) – 721.4 FTE**

This category includes the District Attorney, Public Defender, Juvenile Court, General Sessions Court, State Trial Courts, Justice Information System, Criminal Justice Planning Unit, and the Juvenile, Criminal, Chancery, and Circuit Court Clerks.

The FY 2008 budget includes:

- \$41,300 and 1 FTE increase for additional juvenile court clerk
 - (\$172,800) reduction for non-recurring traffic violations software maintenance
 - \$53,600 and 1 FTE improvement for additional Juvenile Court position to provide for the intake screening and felony petition function
 - \$27,000 improvement for General Sessions Court Drug Court budget
 - \$35,000 improvement to Juvenile Court for gang probation specialist funding to maintain the number of probation consultations as the federal grant expires
-

Fire Prevention and Control **\$111,964,500 – (13.8%) – 1,182.0 FTE**

The Fire Department provides emergency services that result in minimizing life-threatening and property-damaging situations within the city. The Firefighting Services Division provides inspection and prevention functions as well as fire suppression. In addition, it provides emergency medical first responder services to support the Ambulance Division in providing Class “A” Emergency Medical Services.

The FY 2008 budget includes:

- \$133,000 increase to fund medical supplies for emergency response
- \$103,200 and 1.5 FTE improvement for “Learn Not to Burn Program”

Law Enforcement and Care of Prisoners **\$204,925,800 – (25.2%) – 2,522.0 FTE**

This includes the Police Department and the Sheriff’s Office. Under the Metropolitan Charter, the Police Department is charged with countywide law enforcement, while the Sheriff’s Office houses pre-trial detainees, convicted misdemeanants and certain convicted felons, and serves warrants.

The FY 2008 budget includes:

- \$116,400 increase for Police to provide training and ammunition
- \$222,900 improvement for Police to provide additional resources for a projected 12% increase in calls
- \$64,400 and 1FTE improvement for Police Crime Analysis Program

Regulation, Inspection, & Econ. Development **\$20,896,900 – (2.6%) – 108.0 FTE**

The Regulation, Inspection, & Economic Development category includes three departments: Codes Administration, Transportation Licensing Board, and the Beer Board. Codes Administration is charged with ensuring that buildings are

constructed and maintained in a safe condition. The Transportation Licensing Board licenses and regulates all taxicabs and wreckers operating within Davidson County. The Beer Board is responsible for licensing, regulating, and controlling the transportation, storage, sale, distribution, possession, receipt and /or manufacture of beer with an alcoholic content of not more than five percent (5%) by weight.

The FY 2008 budget includes:

- \$14,100 increase for additional Codes inspector cell phones
- \$600 improvement to provide for Transportation Licensing Commission professional organization membership fees and conference participation
- \$4,000 increase for the Transportation Licensing Commission to improve background checks of wrecker driver applicants' criminal conviction records

Conservation of Natural Resources

\$513,100- (0.1%) – 10.5 FTE

The city government participates in the conservation of natural resources through two agencies: the Agricultural Extension Service and Soil and Water Conservation. The largest of these is the Agricultural Extension Service, which provides Davidson County residents useful and practical information on subjects related to agriculture and the home.

The FY 2008 budget includes:

- (\$5,000) salary reduction and (0.5 FTE) adjustment for Agriculture Extension Service with no fiscal impact

Social Services

\$9,193,100- (1.1%) – 94.1 FTE

The Social Services Department provides general assistance, care, and service on a short term basis to residents of Nashville who are unable to support or care for themselves or develop their potential satisfactorily. Social Services helps them to achieve the highest possible levels of self-support, independent functioning and family and social relationships. The Human Relations Commission works to protect and promote all people's personal dignity, safety, health, security, peace, and general welfare.

The FY 2008 budget includes:

- (\$424,500) and (1 FTE) reduction in management consultant fees, travel, supplies, employee awards, and advertising fees
- \$150,000 increase to Homeless Services Program to provide support services for the individuals in 50 new housing units

Health and Hospitals

\$87,649,700 – (10.8%) – 285.2 FTE

Assuring that the citizens of Nashville's health and welfare are protected continues to be of major importance in the budget. The Metro Public Health Department is responsible for promoting the health of the community.

The Hospital Authority consists of Metro Nashville General Hospital, Bordeaux Long-Term Care facility and Knowles Assisted Living and Adult Day Care. All of these facilities provide quality patient care to the medically needy citizens of Davidson County.

The FY 2008 budget includes:

- \$1,598,700 improvement for Correctional Health Services Program
- \$277,100 improvement for Health Care Access Program
- \$74,800 and 2 FTE improvement for Animal Control Program

Public Library System

\$21,377,200 – (2.6%) – 320.5 FTE

The Public Library collects and makes accessible to the public printed, electronic, audiovisual, nonprint, and broadcast information materials to facilitate the informal self-education of all persons including the disabled. The Public Library strives to enrich and develop the knowledge of persons undertaking formal education, encourage recreational reading, and meet the day-to-day informational needs of all citizens.

The FY 2008 budget includes:

- \$54,400 improvement for Virtual Information Services Program
- (\$181,500) and (4.82 FTE) for across the board reductions

Recreational, Cultural, & Comm. Support

\$47,810,600 – (5.9%) – 676.8 FTE

The Metro Parks Department is responsible for providing and maintaining sufficient acreage and facilities to offer the most diversified recreational services possible, ensuring that all citizens, regardless of income level, have equal opportunity and choice of participation. The Metro Arts Commission provides leadership that stimulates and advances the arts to enrich the human experience for the community. Contribution for the Arts administers allocated funds through the Metro Nashville Arts Commission. The Sports Authority acts as financing authority and landlord for the Gaylord Entertainment Center and Adelphia Coliseum.

The FY 2008 budget includes:

- \$206,900 and 4 FTE improvement for additional Park Police
- \$610,400 and 12.40 FTE improvement to staff and operate new and renovated community centers

Infrastructure and Transportation **\$74,266,400 – (9.1%) – 337.0 FTE**

Public Works is responsible for the engineering, maintenance, construction, and repair of streets, roads, bridges, guardrails, sidewalks, traffic signs and signals, and operation of parking facilities. The Metropolitan Transit Authority (MTA) provides public transportation in Nashville and surrounding areas.

The FY 2008 budget includes:

- \$156,200 and 2 FTE increase to Public Works for trash pick-up in new District #32 annexation
- (\$301,000) and (7.75 FTE) decrease to Public Works due to reduction of one lawn maintenance crew
- \$1.5 million increase to the Metropolitan Transit Authority to enable expansion of service.

The table on the next page shows the budget for each general fund department by district (GSD and USD). The interfund transfers are budgetary transfers from a department's budget in one district to the same department's district in the other district; these duplications are subtracted to calculate a department's total budget in both districts combined. The table also shows each department's budgeted full-time-equivalent positions (FTEs).

General Fund FY 2008 Budgeted Expenditures by Department

Department	GSD General	USD General	Interfund Transfers	Total General	FTEs
1 Administration	180,187,300	24,796,100	0	204,983,400	0.00
2 Metropolitan Council	2,061,800	0	0	2,061,800	50.0
3 Metropolitan Clerk	1,300,400	0	0	1,300,400	8.0
4 Mayor's Office	4,108,300	0	0	4,108,300	38.5
5 Election Commission	4,566,600	0	0	4,566,600	37.8
6 Law	4,854,900	0	0	4,854,900	57.0
7 Planning Commission	4,034,000	0	0	4,034,000	51.0
9 Register of Deeds	2,467,000	0	0	2,467,000	0.00
11 Historical Commission	694,500	0	0	694,500	9.0
14 Information Technology Service	691,800	0	0	691,800	9.0
15 Finance	1,409,500	0	0	1,409,500	13.0
16 Assessor of Property	7,588,800	0	0	7,588,800	91.5
17 Trustee	2,200,700	0	0	2,200,700	30.5
18 County Clerk	5,378,900	0	0	5,378,900	88.0
19 District Attorney	5,044,300	0	0	5,044,300	87.0
21 Public Defender	5,780,700	0	0	5,780,700	70.5
22 Juvenile Court Clerk	1,800,200	0	0	1,800,200	36.0
23 Circuit Court Clerk	9,543,800	0	0	9,543,800	58.0
24 Criminal Court Clerk	6,120,500	0	0	6,120,500	96.0
25 Clerk and Master - Chancery	1,925,500	0	0	1,925,500	22.0
26 Juvenile Court	11,623,000	0	0	11,623,000	108.7
27 General Sessions Court	11,707,800	0	0	11,707,800	126.2
28 State Trial Courts	8,381,900	0	0	8,381,900	90.0
29 Justice Integration Services	2,383,000	0	0	2,383,000	23.0
30 Sheriff	57,974,100	0	0	57,974,100	825.5
31 Police	146,951,700	481,000	-481,000	146,951,700	1,696.5
32 Fire	48,666,400	63,298,100	0	111,964,500	1,182.0
33 Codes Administration	8,284,300	0	0	8,284,300	100.0
34 Beer Board	407,700	0	0	407,700	4.0
35 Agricultural Extension	388,900	0	0	388,900	9.5
36 Soil and Water Conservation	124,200	0	0	124,200	1.0
37 Social Services	8,730,900	0	0	8,730,900	89.12
38 Health	37,852,600	0	0	37,852,600	285.18
39 Public Library	21,377,200	0	0	21,377,200	320.5
40 Parks	35,431,000	0	0	35,431,000	670.8
41 Arts Commission	2,633,900	0	0	2,633,900	6.0
42 Public Works	37,437,100	18,552,200	0	55,989,300	337.0
44 Human Relations Commission	462,200	0	0	462,200	5.0
45 Transportation Licensing	391,400	0	0	391,400	4.0
47 Criminal Justice Planning	468,200	0	0	468,200	4.0
64 Sports Authority	236,000	0	0	236,000	0.00
91 Emergency Communication	12,621,800	0	0	12,621,800	183.0
Total - General Funds	706,294,800	107,127,400	-481,000	812,941,200	6,923.8

Note: This chart includes only budgeted expenses in the GSD and USD.

General Fund Revenue Sources

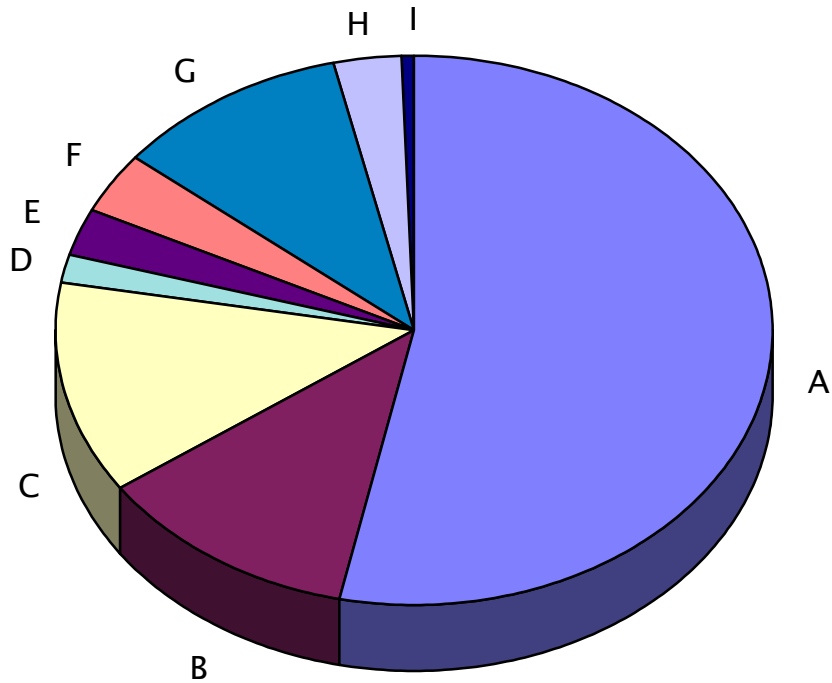
The general funds of the GSD and USD, which support the general operation of Metro services, have a number of revenue sources. The most notable of these is the Property Tax (53.4% of total general fund revenues) that is assessed based on the appraised value of real, personal, and public utility property. Other significant revenue sources are the Local Option Sales Tax (11.8%), Federal, State, and Other Intergovernmental (10.6%), and Licenses and Permits (12.6%). Other revenue sources include Charges for Current Services, Fees from Officials, Fines and Penalties, Interfund Transfers, and Miscellaneous. Unlike most states, Tennessee does not have a state income tax.

The FY 2008 budget is based on the expectation that Nashville's diverse economy will continue to experience sustained and moderate growth in the near future. Nashville has above-average growth in employment and personal income, below-average unemployment rates, low office vacancy rates, and substantial new construction. The positive outlook is balanced with the realization that economic cycles will occur and that the directions of some local, state, and national issues are unknown. Metro will monitor these issues as they develop and will respond to them as necessary.

Funding for the FY 2008 GSD and USD general funds will be derived from the following sources:

Property Tax	\$434,202,600
Local Option Sales Tax	96,093,000
Licenses and Permits	102,311,200
Fines, Forfeits, & Penalties	13,916,600
Fees from Officials	21,804,200
Charges for Current Services	30,760,800
Federal, State, and Other	86,023,600
Miscellaneous Revenue	22,696,900
Fund Balance	5,613,300
Total General Funds	\$813,422,200

**General Fund Revenues
GSD and USD
\$813.4 million**



■	A - Property Taxes - \$434.20 (53.4%)
■	B - Local Option Sales Tax - \$96.09 (11.8%)
■	C - Licenses & Permits - \$102.31 (12.6%)
■	D - Fines, Forfeits, & Penalties - \$13.92 (1.7%)
■	E - Fees from Officials - \$21.80 (2.7%)
■	F - Charges for Current Services - \$30.76 (3.8%)
■	G - Federal, State, & Other - \$86.02 (10.6%)
■	H - Miscellaneous Revenue - \$22.70 (2.8%)
■	I - Fund Balance - \$5.61 (0.7%)

Debt Service Fund

Periodically, the government borrows money to finance selected capital improvements (land, buildings, equipment, etc.) contained in the Capital Improvements Budget and Program. This is done by issuing debt – notes and bonds that represent our promise to pay back to borrowers. "Debt service" is the repayment of principal (the amount borrowed) and interest due on that debt. Unlike some cities and counties, Metro does not issue long-term notes and bonds to finance operating expenditures or deficits.

The Council authorizes debt issues in legislation that defines the specific improvements to be financed with that debt issue. The proceeds from the sale of the debt are used to pay for the improvements. The debt may be in the form of long-term bonds (usually maturing over a period of 20-30 years) or shorter-term notes (usually having 3- to 5-year maturity periods). Metro repays the principal and interest over time to those who own the debt.

Debt generally falls into two categories: revenue and general obligation.

- Revenue debt is repaid only from revenues created by the capital improvement. It is accounted for through the enterprise or internal service fund that develops the capital project and receives the revenues it generates.
- General obligation debt is payable from taxes, and is backed by the full faith, credit, and taxing power of the government. Issuance requires passage of an ordinance through three readings before the Council. General obligation debt is repaid from three debt service funds: GSD Debt Service, Schools Debt Service, and USD Debt Service.

The Metropolitan Charter requires that debt service funds be sufficient each year to pay the required principal and interest due on outstanding bonds.

The GSD and USD Debt Service Funds are funded primarily by a dedicated portion of the property tax levies. The Schools Debt Service Fund receives most of its revenue from sales taxes that are allocated to Schools. All three funds also generate revenue from interest on invested cash balances.

The School Fund

The FY 2008 General Purpose School Fund budget totals \$597.6 million.

Revenues for this fund come from the property tax, local option sales tax, and revenue from the federal and state governments. It receives a dedicated portion of the property tax; in FY 2008, \$1.33 of the current real property tax earmarked for the School Fund is expected to generate \$206.9 million. The School Debt Service fund receives an additional \$.17 of the property tax. By state law, at least 1/2 of the local sales tax must be allocated to schools; Metro allocates 2/3 of the local option sales tax to schools, or an estimated \$174.5 million in FY 2008. State and federal revenue makes up an additional \$191.9 million of the School Fund budget. The fund's expenditures are budgeted and controlled by the Metropolitan Board of Public Education.

The FY 2008 budget includes funds for:

- \$18,531,000 for teacher and support staff salary increases
- \$2,116,000 for charter schools
- \$1,160,300 for information technology
- \$504,000 for opening new and expanded schools

Property Tax	\$217,545,200
Local Option Sales Tax	174,497,900
Licenses and Permits	2,932,700
Fines, Forfeits, & Penalties	5,300
Charges for Current Services	1,054,100
Federal, State, and Other	191,857,600
Use of Money and Property	218,000
Miscellaneous Revenue	1,229,700
Fund Transfers	2,205,700
Fund Balance	6,054,600
Total General Purpose School Fund	\$597,600,800

Enterprise Funds

Convention Center Fund (60162) \$6,321,100 – 52.6 FTE

The Nashville Convention Center provides citizens of Nashville and Middle Tennessee with a convention, exhibition, and multi-use facility that generates economic impact for the area. The Convention Center operations are financed through revenues generated by facilities and equipment rental and the hotel occupancy privilege tax.

Farmers Market Fund (60152) \$1,230,700 – 8.0 FTE

The Farmers Market was relocated in FY 1995 and has become a highlight of the State of Tennessee's Bicentennial Mall. The Market provides facilities for vendors for the sale of fresh fruits, vegetables, flowers, and other merchandise that centers on a theme of "made in Tennessee". In addition to the regular market area, there are restaurants in the interior market and specialty food markets of 15,000 square feet that offers unique food products from across the State and around the world. Revenues from booth and restaurant rental space finance the operation of the Farmers Market.

State Fair Fund (60156) \$4,685,700 – 24.4 FTE

The State Fair Fund operates the Tennessee State Fair held each September. The fairground facilities are also used to operate a monthly flea market for vendors from Middle Tennessee and surrounding states. The State Fair Fund is supported entirely from rental revenues received for its events.

Water and Sewer Operations Fund (67331) \$101,518,500 – 668.0 FTE

Water and Sewer Services provides quality water services at an economical price. This fund is used to pay for the operation and maintenance of all water and sanitary sewerage facilities of the Metropolitan Government. Other related funds of the department are used for new construction and improvements to existing facilities.

District Energy System (68201) \$22,986,900 – 1.0 FTE

The Metro Nashville District Energy System (DES) provides heating and cooling to nearly 40 buildings in downtown Nashville. The city has used district energy

services for three decades, pioneering the waste-to-energy method of district energy in the early 1970s. Since that time, a new facility has replaced the aged Nashville Thermal Transfer Corporation. Metro awarded [Constellation Energy Source \(CES\)](#) of Baltimore, Md., the contract to design, build, operate, and maintain the Metro Nashville District Energy System. CES will manage, operate and maintain the DES for 15 years, with options for three additional five-year extensions. The DES remains under the ownership of Metro.

Municipal Auditorium (60161)**\$1,996,900 – 12 FTE**

The Municipal Auditorium was designed and built in 1962 to satisfy Middle Tennessee's need for a multi-purpose facility that could handle a diversity of events. For more than three decades it has done just that, hosting everything from concerts to circuses, auto shows to evangelical crusades, and trade shows to touring extravaganzas.

Results Matter

In 2002, Metro Government began deploying a government-wide strategic planning and performance measurement initiative through the Department of Finance's Office of Management and Budget. The initiative, called "Results Matter," seeks to provide departments and agencies with the tools and information needed to deliver results for customers in the most timely, efficient and effective ways possible.

What is Results Matter?

Results Matter is a management system based on the Managing for Results methodology. The system uses performance information in all aspects of management, including planning, budgeting and employee performance assessments, to deliver the best results possible.

What does it mean to be a Results Matter department?

Each department utilizing the Results Matter approach to business is guided by a Strategic Business Plan that sets the organization's strategic direction for next two to five years. Results Matter departments report performance information about key results and progress toward strategic goals. Strategic Business Plans can be viewed at the Results Matter information site, http://www.nashville.gov/finance/results_matter/sbp_all.asp. All 39 mayoral departments have developed strategic business plans.

Results Matter departments budget and allocate resources in a way that clearly demonstrates the tie between resources and results for customers. For the 2007-08 budget year, Metro Government presented the budgets of 35 departments in a program-based format – that is, in a manner that directly connects resources to performance. These departments account for more than 80% of the non-schools departmental budgets. These program-based budgets are included in the Citizens' Guide to the Metro Budget, located on the web at http://www.nashville.gov/citizens_budget.

Results Matter departments participate in the Performance Measure Certification program which certifies performance information that is found to be reliable, accurate and valid. This best-practice program is led by the Performance Measure Certification team located in the Department of Finance's Office of Financial Accountability. For FY06, the most recent year for which data has been certified, more than \$450 million in budgeted expense was connected with certified data. The FY06 report can be obtained at <ftp://ftp.nashville.gov/web/finance/financial-accountability/PMC-Report-FY06-PDF.pdf>.

Profile: Metropolitan Nashville and Davidson County

- Population: 595,805 (2004 census)
- Mayor/Council, consolidated city-county government
- Tennessee State Capital

CLIMATE

- Annual avg. precipitation: 48.5"
- Annual avg. temperature: 59°F
- Monthly avg. high temperature: Winter 49° F Summer 89° F
- Monthly avg. low temperature: Winter 30° F Summer 67° F

HOUSEHOLDS

- Number of households: 242,768
 - Owner Occupied: 134,956
 - Renter Occupied: 107,812

HOUSES OF WORSHIP

- More than 800

SELECTED ECONOMIC INDICATORS

- Average Residential Home Price: \$195,950
- Average Apartment Monthly Rent: \$701
- Building Permits: 9,653 (2003)
- Cost of living: 91.2 (compared to US average of 100)
- Unemployment rate: 3.4% (2004)
- Major employers:

Vanderbilt University Medical Ctr.	13,601
HCA (Including Tri-Star Health Sys.)	10,525
Nissan Motor Manufacturing	6,500
Saint Thomas Health Services	5,790
GEC (Including Opryland Hotel)	4,950
Shoney's Incorporated	3,670
Kroger Company	3,350
CBRL (Cracker Barrel/Logan's)	3,275
Dell Computer Corporation	3,000
BellSouth	3,000
Bridgestone/Firestone	2,900
Ingram Industries, Incorporated	2,880
Wal-Mart	2,645

TAXES

- State Sales Tax Rate: 7.00%
- State Food Tax: 6.00%
- Property Tax (per \$100)
 - General Service District: \$4.04
 - Urban Services District: \$4.69
- Local Option Sales Tax Rate: 2.25%
- Income Tax: None

EDUCATION

- State and Local Industrial/Vocational Training available
- Schools (K-12): 134 Public; 59 Private and Parochial (Nashville MSA)
- Colleges: 42 (including 2 Medical Schools)
- Libraries: 1,449,358 cataloged collection total FY 2003
3,988,292 circulation total for FY 2003

MEDICAL

- Facilities: 18 Hospitals, 165 Clinics
- Veterans Medical Centers: 2
- Doctors: More than 2,800 licensed MDs, 440 Dentists

TRANSPORTATION

- Three major interstates (I-24, I-40, & I-65)
- Railroads: CSX Railroad with 90 trains daily linking to 20 states
 - Motor freight carriers: More than 140; truck terminals: more than 150
 - Bus Service: 1 intercity, 1 local
- Navigable Waterway - Port of Nashville, Cumberland River (channel depth: 9')
- Nashville International Airport (longest runway 11,000 feet):
402 daily flights on 17 airlines

PARKS, RECREATION, AND TOURIST ATTRACTIONS

- Metro Parks & Greenways :101 (10,241 acres)
- Golf courses: 15 (8 private)
- Swimming pools: 14
- Bowling alleys: 11
- Lakes: 2 with boating & camping
- Centennial Sportsplex
- Tennis Courts: 157
- Nashville Zoo
- Ryman Auditorium
- Parthenon
- Frist and Centennial Art Gallery
- Performing Arts Center
- Tennessee State Museum
- NFL football (Tennessee Titans)
- NHL hockey (Nashville Predators)
- AAA baseball (Nashville Sounds)
- Hotels/Motels (22,900 rooms)
- Largest meeting room capacity: 55,314 sq ft
- Restaurants 2,700

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Metropolitan Government of Nashville and Davidson County, Tennessee for its annual budget for the fiscal year beginning July 1, 2006.

The GFOA is the leading association for government finance professionals in North America. GFOA's Distinguished Budget Presentation Awards Program is the only national awards program in governmental budgeting.

The award was given for our FY2007 Operating Budget Book. In order for us to receive this award, we were required to publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

