



FY2018 BUDGET PRESENTATION

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Finance Director

April 26, 2017

FY2017 – CURRENT YEAR STATUS

- Operating within overall budget allocations
- Meeting property and sales taxes revenue estimates
- Strong economy
- Maintaining bond rating
- Maintaining reserves



FY2018 BUDGET INSTRUCTIONS

- No tax increase
- No reduction scenario
- Long term financial planning
- Public Investment Plans
- Collaboration and innovation



MAYOR BARRY'S PRIORITIES

- Education
- Transportation and Infrastructure
- Affordable Housing/Homelessness
- Community and Economic Development
- Public Safety and Justice Initiatives



RECOMMENDED BUDGET

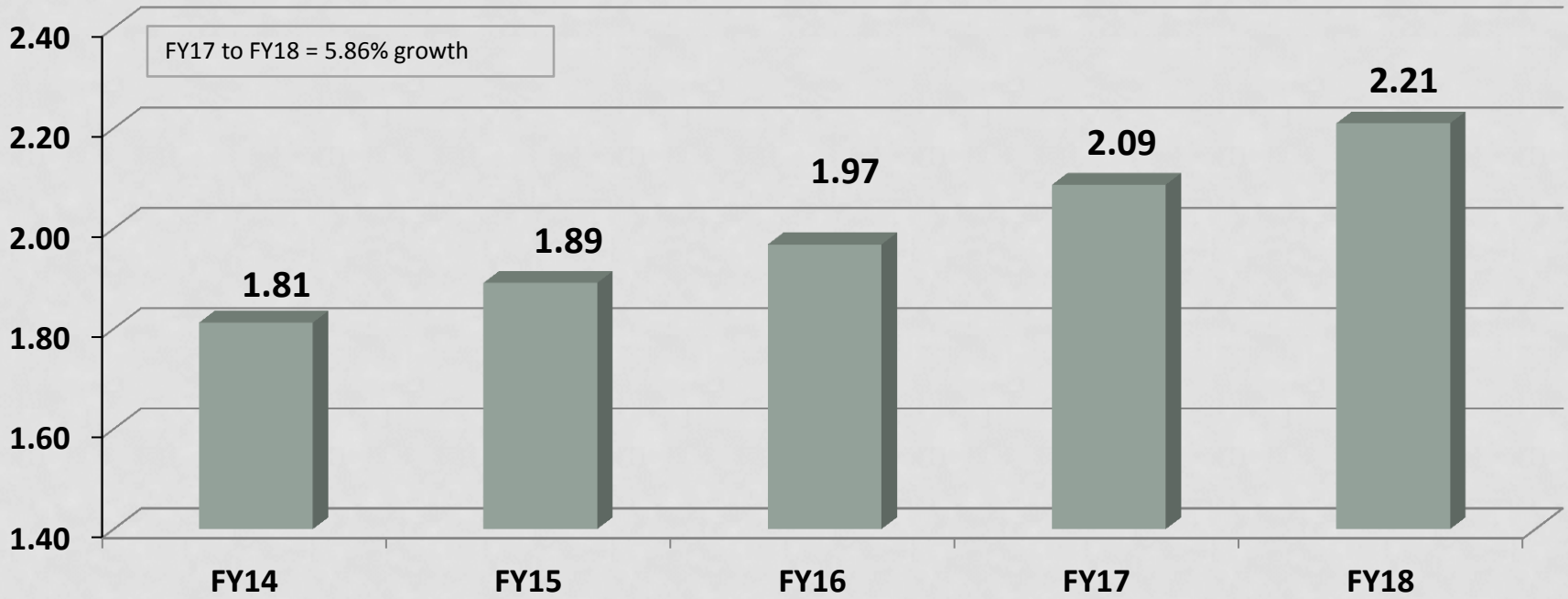
\$2,209,690,100

5.86% increase over FY2017



TOTAL BUDGET GROWTH

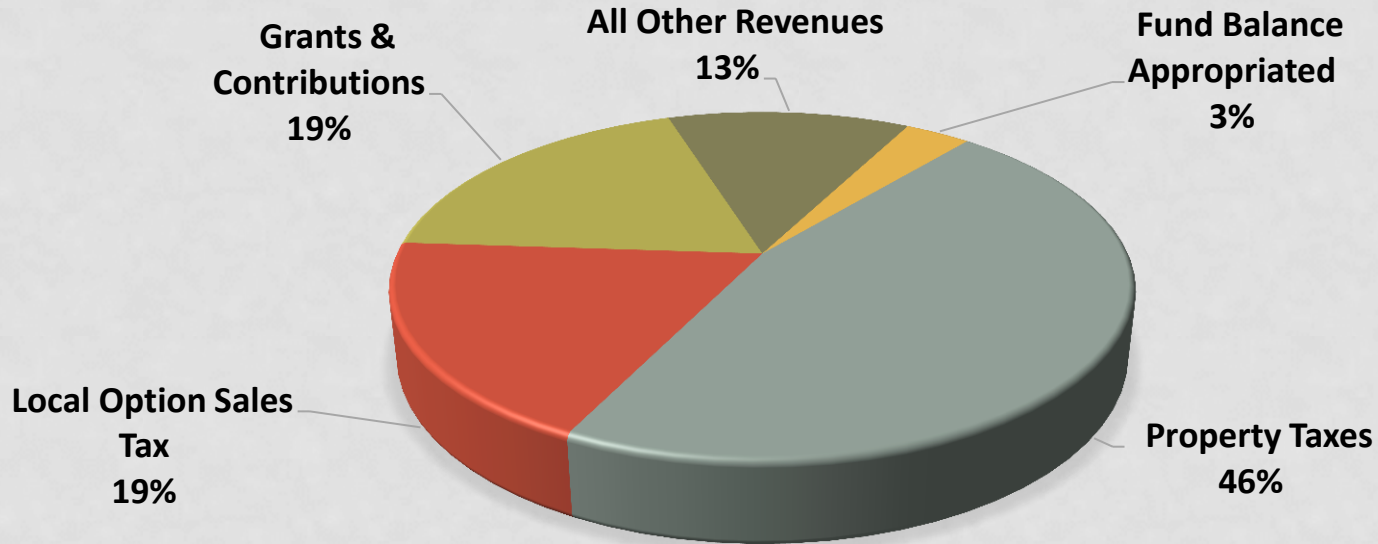
Amounts in billions



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



WHERE THE MONEY COMES FROM



TOTAL REVENUE GROWTH

\$119.1 MILLION

- Property Taxes - \$49.2 million
- Local Option Sales Tax - \$25.0 million
- Grants and Contributions - \$26.6 million
- All Other - \$18.3 million



BUDGETED REVENUE GROWTH BY FISCAL YEAR

Amounts in millions

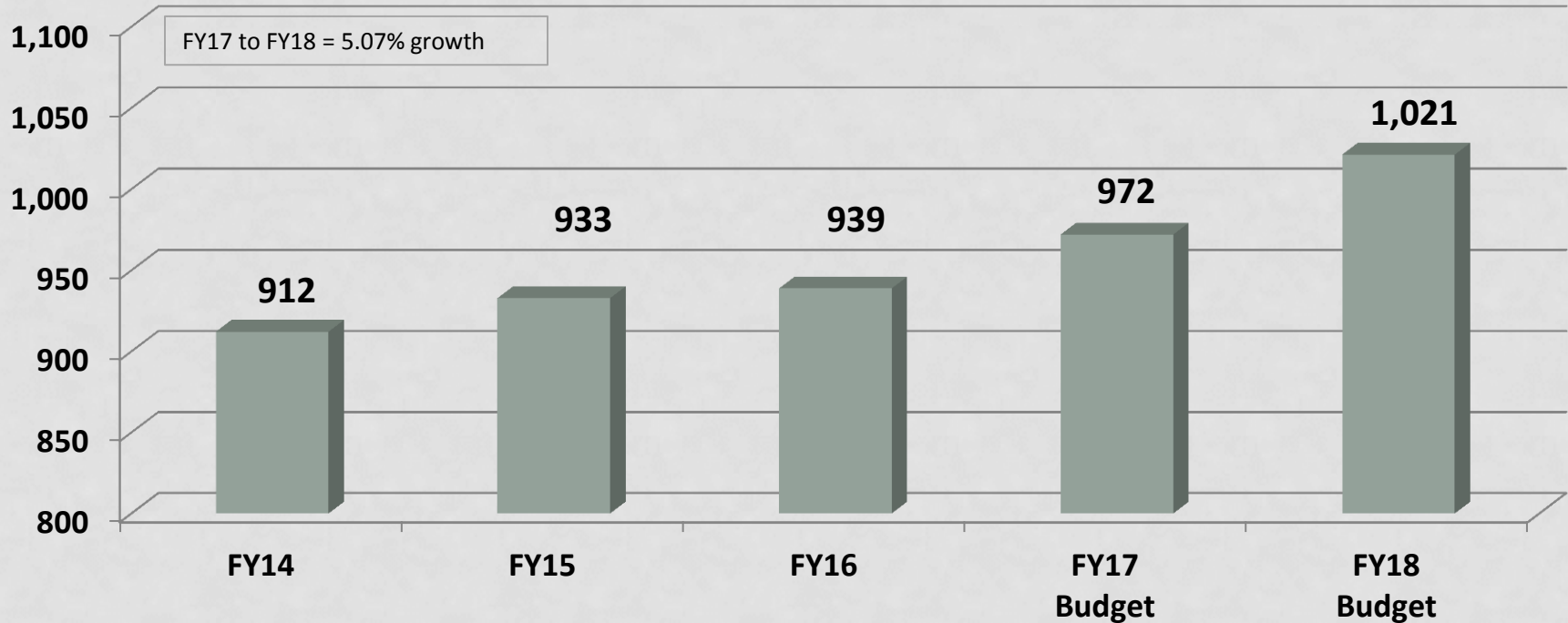


GSD/USD/MNPS General Funds

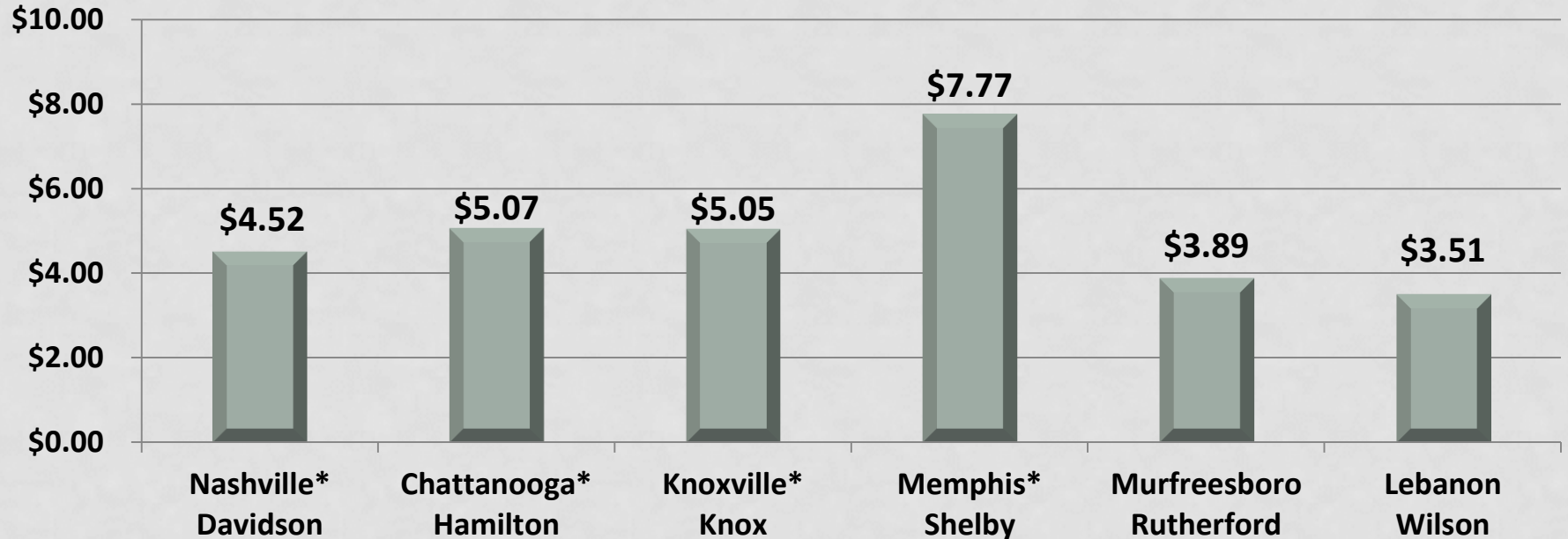


PROPERTY TAX TRENDS

Amounts in millions



MAJOR CITY/COUNTY FY2017 PROPERTY TAX RATES



* Will have reappraisal in 2017



PRELIMINARY CERTIFIED TAX RATE

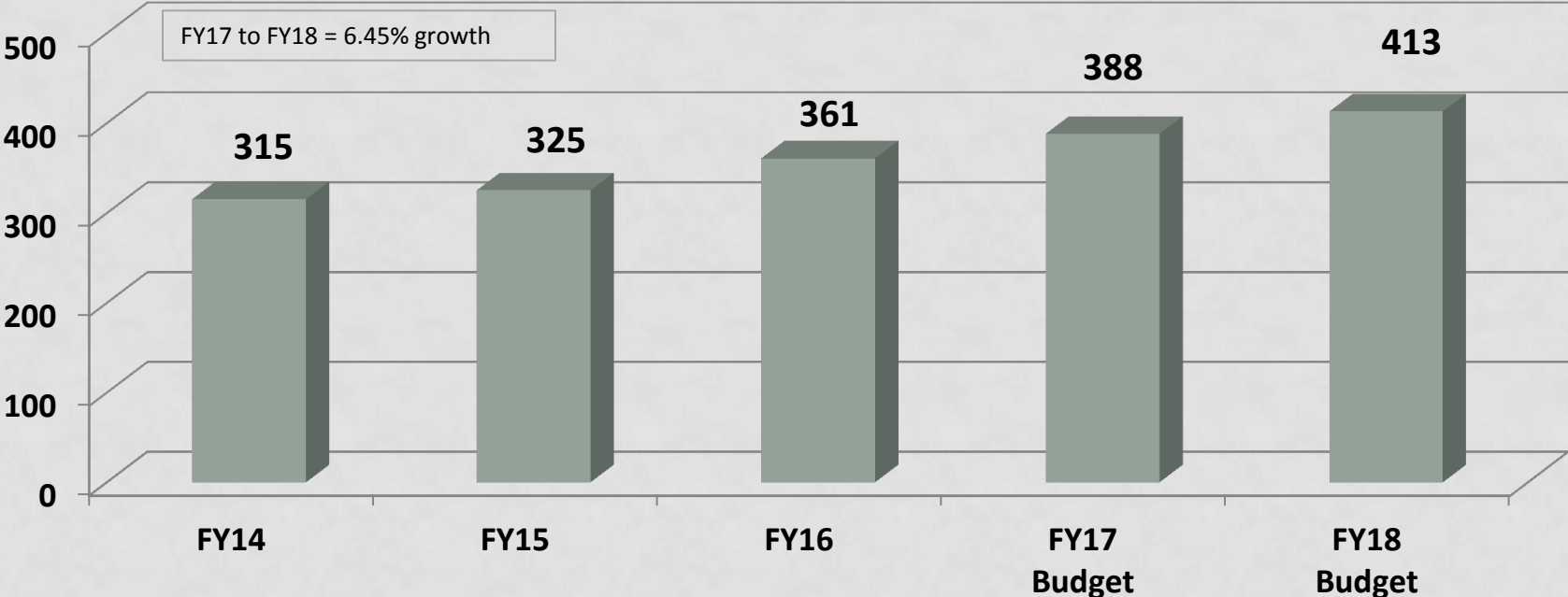
	GSD	USD (additional rate)	COMBINED
Current Tax Rate	\$3.924	\$0.592	\$4.516
Preliminary Certified Tax Rate	\$2.753	\$0.402	\$3.155
Net Change	\$(1.171)	\$(0.190)	\$(1.361)

***Lowest combined tax rate in the history of Metro Government
(1984 @ \$3.17)***



SALES TAX TRENDS

Amounts in millions



RECOMMENDED USE OF FUND BALANCE

Fund	Appropriated for use in FY18 Budget	Estimated June 30, 2018 Balance as a Percent of FY18 Budget
OPERATING FUNDS:		
GSD* General Fund	\$49,809,300	5.9%
USD** General Fund	\$0	5.5%
Schools Fund	\$19,059,900	5.7%
DEBT SERVICE FUNDS:		
GSD* Debt Service Fund	\$900,000	5.3%
USD** Debt Service Fund	\$4,080,400	9.5%
Schools Debt Service Fund	\$1,400,000	5.8%

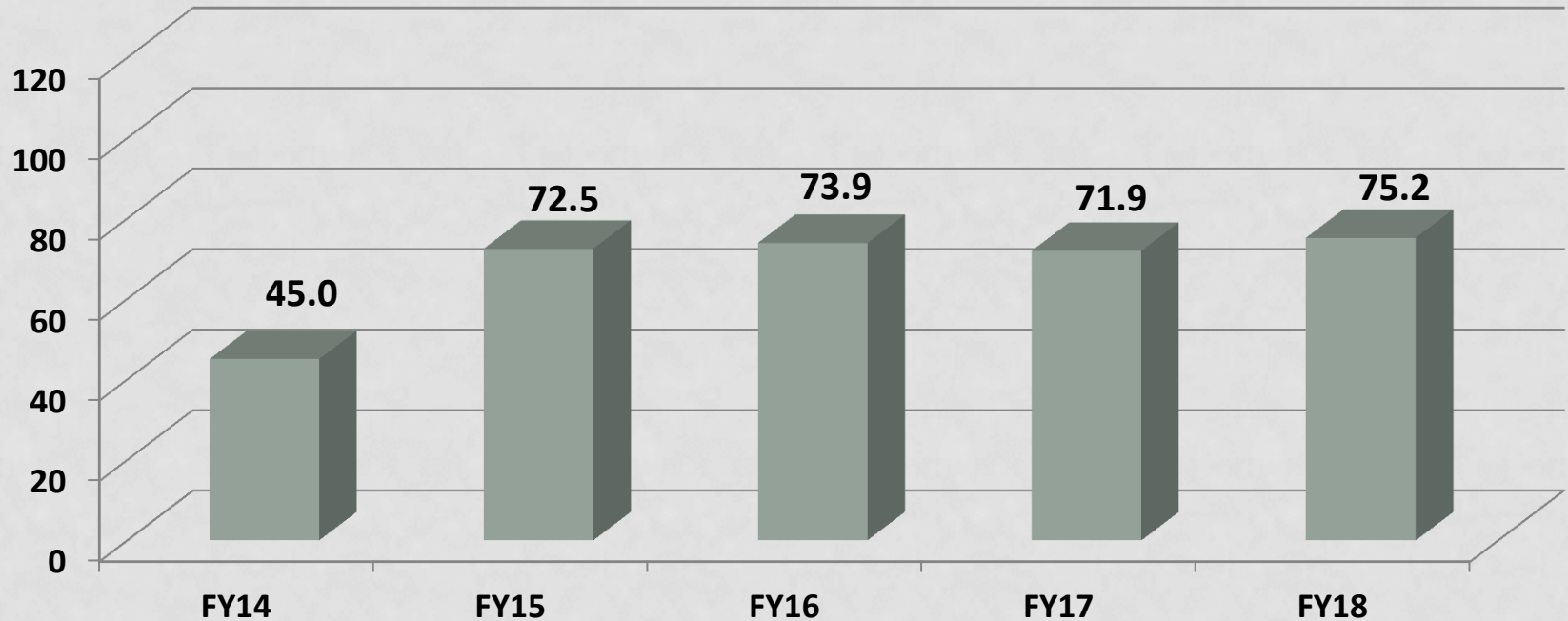
*GSD - General Services District

**USD - Urban Services District

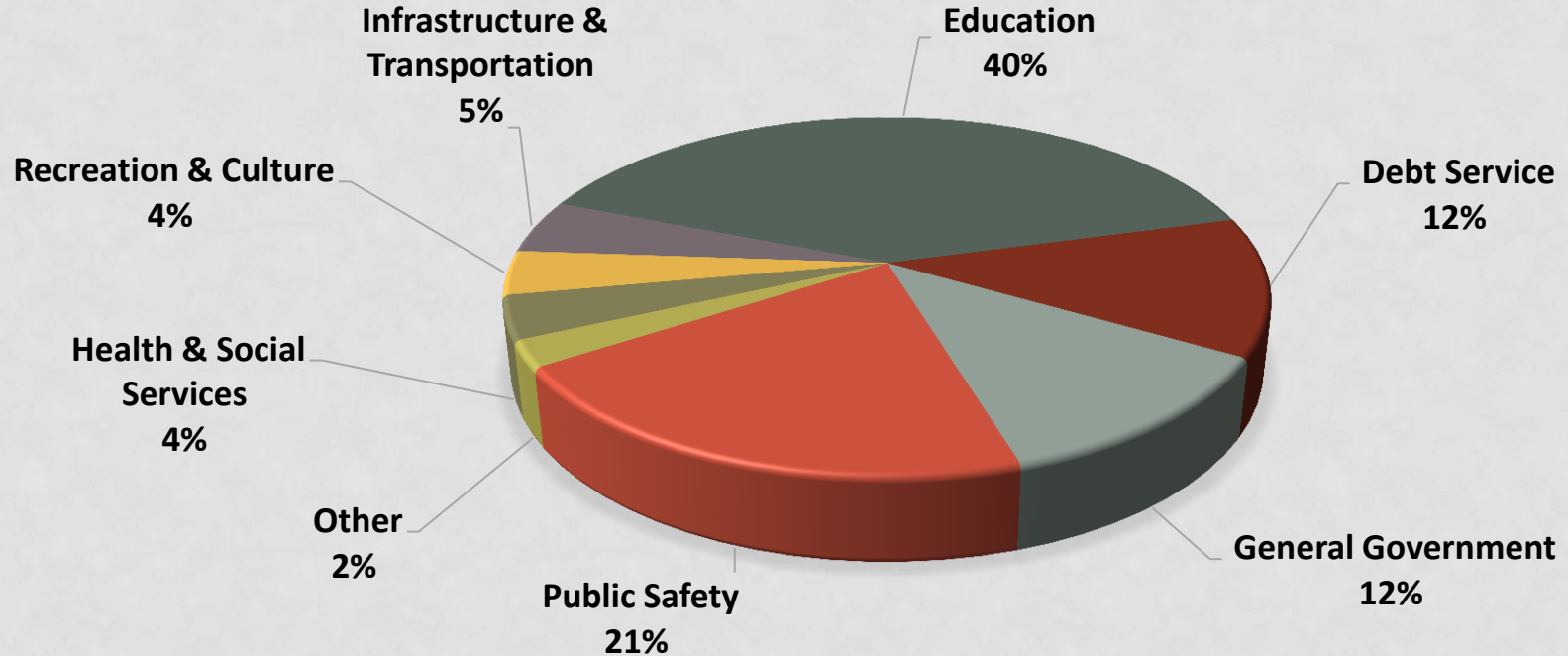


BUDGETED FUND BALANCE

Amounts in millions



WHERE THE MONEY GOES



WHERE THE MONEY GOES

\$119.1 MILLION

- Debt Service - \$40.6 million
 - \$29.2 million in normal operating debt service
 - \$11.4 million in reserves for future debt service
- Schools - \$36.0 million
- Compensation - \$18.1 million (GSD/USD)
- Operations - \$24.4 million*

* Net change



SELECTED RECOMMENDATIONS
BY PRIORITY AREA

EMPLOYEE INVESTMENTS*

Total Pay Plan Increase - \$18.1 million*

- Increments for eligible employees (effective increment date)
 - 2% for open range increases (effective July 1)
 - 2% COLA (effective July 1)
-

Metro Council/Vice Mayor Improvements

- \$7,000 per member increase effective after the next election
(as recommended by the Civil Service Commission)

*GSD/USD and subsidized accounts and internal service funds



EMPLOYEE INVESTMENTS

Three Year Pay Plan Recommendation

	<u>Increments</u>	<u>COLA</u>	<u>Open Range</u>
FY2018	Y	2%	2%
FY2019	Y	3%	3%
FY2020	Y	3%	3%



OTHER EMPLOYEE INVESTMENTS

- Health and Dental Benefits
- Paid Family Medical Leave
- Employee Financial Wellness Counselor
- Tuition Assistance Pilot
- Shift Differential Pay Increase of 10¢
- \$100 Increase in Uniform Allowance for Police and Fire



SCHOOLS



\$879,299,700 Operating

\$36 million and 4.3% over FY17

\$94,371,300 Debt Service

\$10 million and 11.8% over FY17



SCHOOLS OPERATING BUDGET

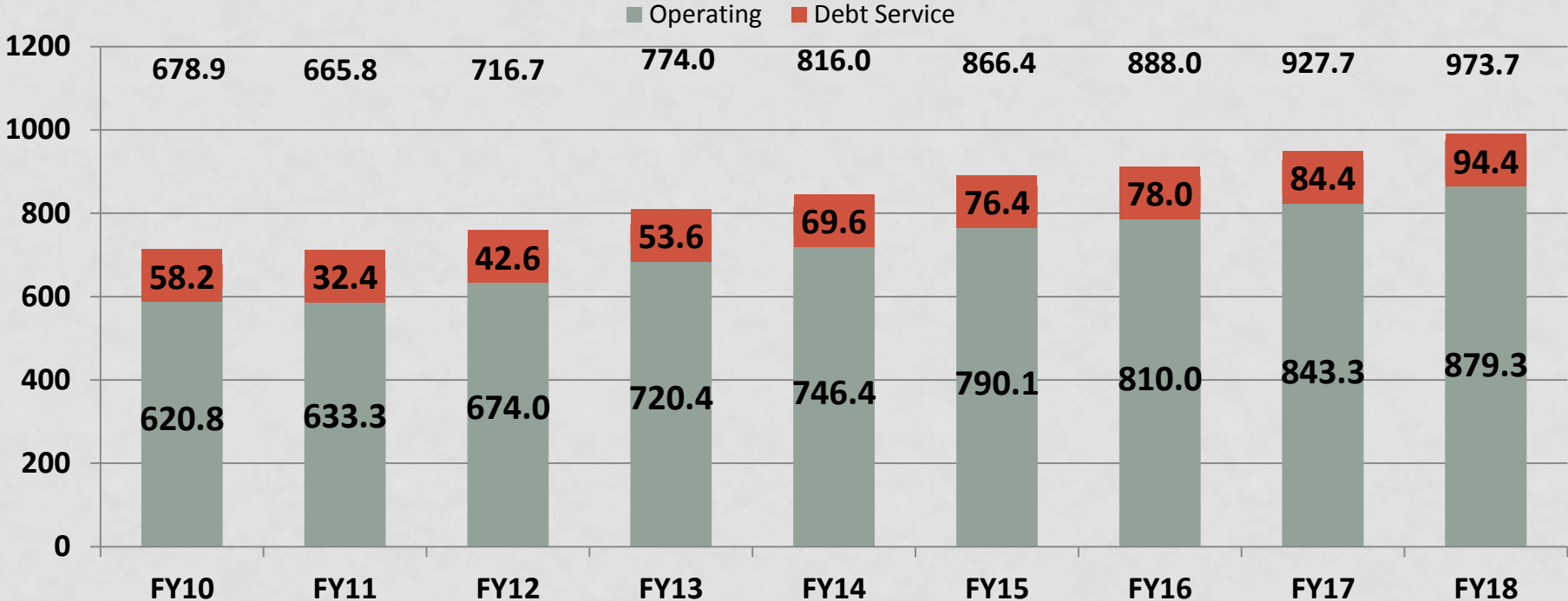
\$36 million

- Employee Compensation and Benefits - \$16 million
 - COLA, step increases, and benefits
- Other - \$20 million



SCHOOLS OPERATING & DEBT SERVICE

Amounts in millions



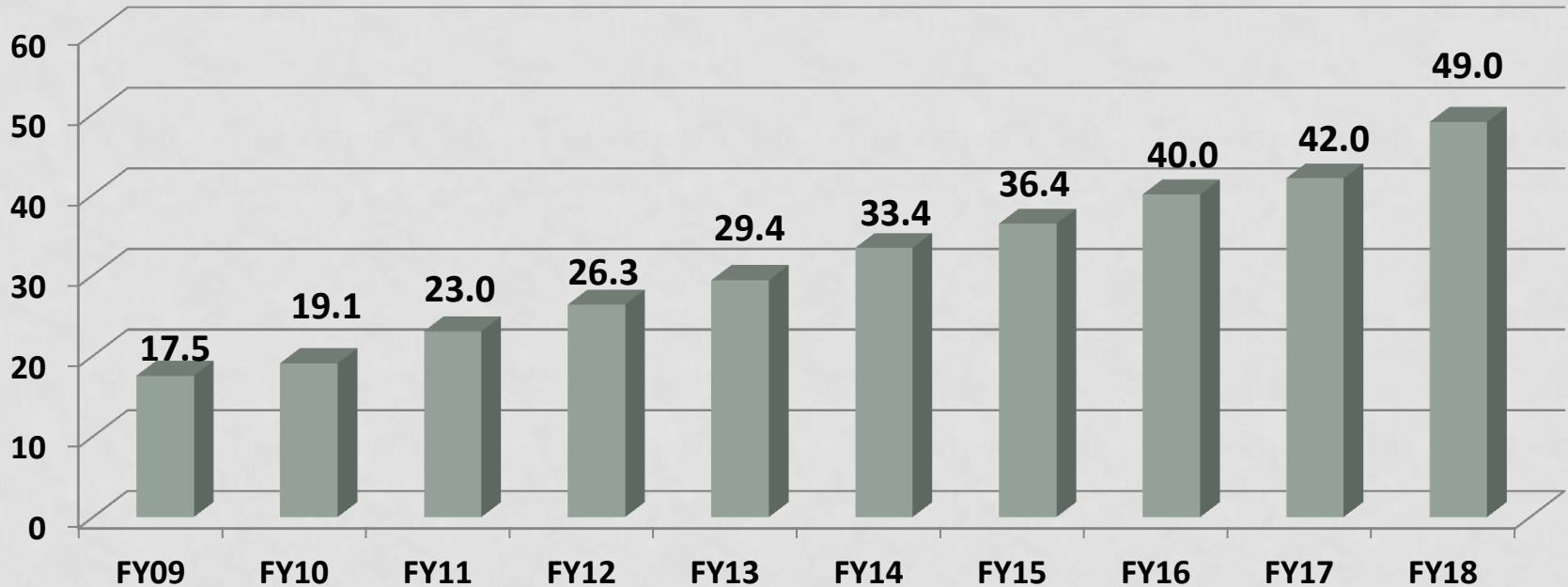
TRANSPORTATION & INFRASTRUCTURE

- MTA - \$49 million
 - \$7 million improvement
 - Eliminates transfer fees, grant matching, local bus passes for residents experiencing homelessness, access ride and mobility on demand pilots including crosstown connections and after hours service, extension of the Music City Circuit to TSU campus along the Jefferson Street corridor to promote economic revitalization
- Public Works - \$1.5 million
 - Annexation, roving trash truck, downtown glass recycling, contractual increases



METRO TRANSIT AUTHORITY SUBSIDY

Amounts in millions



AFFORDABLE HOUSING & HOMELESSNESS

- Barnes Fund - \$10 million (continuing commitment)
- Housing Incentive Pilot Program - \$2 million
- Veterans Affairs Supportive Housing Pilot - \$165,000
- Social Services - \$404,000
 - Outreach workers, warming shelter, direct assistance, indigent burials
- Local Bus Passes for Residents Experiencing Homelessness - \$225,000



COMMUNITY SUPPORT & ECONOMIC DEVELOPMENT

- Arts - \$500,000
- Parks - \$1 million
- Codes - \$1 million
- Historic Preservation Trust Fund - \$250,000
- Public Health - \$334,000
- Create Conservation Assistance Commission



PUBLIC SAFETY

- Fire - \$1.9 million
 - Full funding for EMS Medic units started in FY17
 - New fire recruits and inspectors (14 FTEs)
- Police - \$4.0 million
 - 70 new officers due to Nashville's growth
 - 48 for precincts
 - 22 for community policing



JUSTICE SYSTEM ENHANCEMENTS

- Steering Clear - A drivers' license diversion program
- Veterans' Treatment Court
- Drug Treatment Court
- Mental Health Court
- Social Workers
- Investigators
- Domestic Violence Support



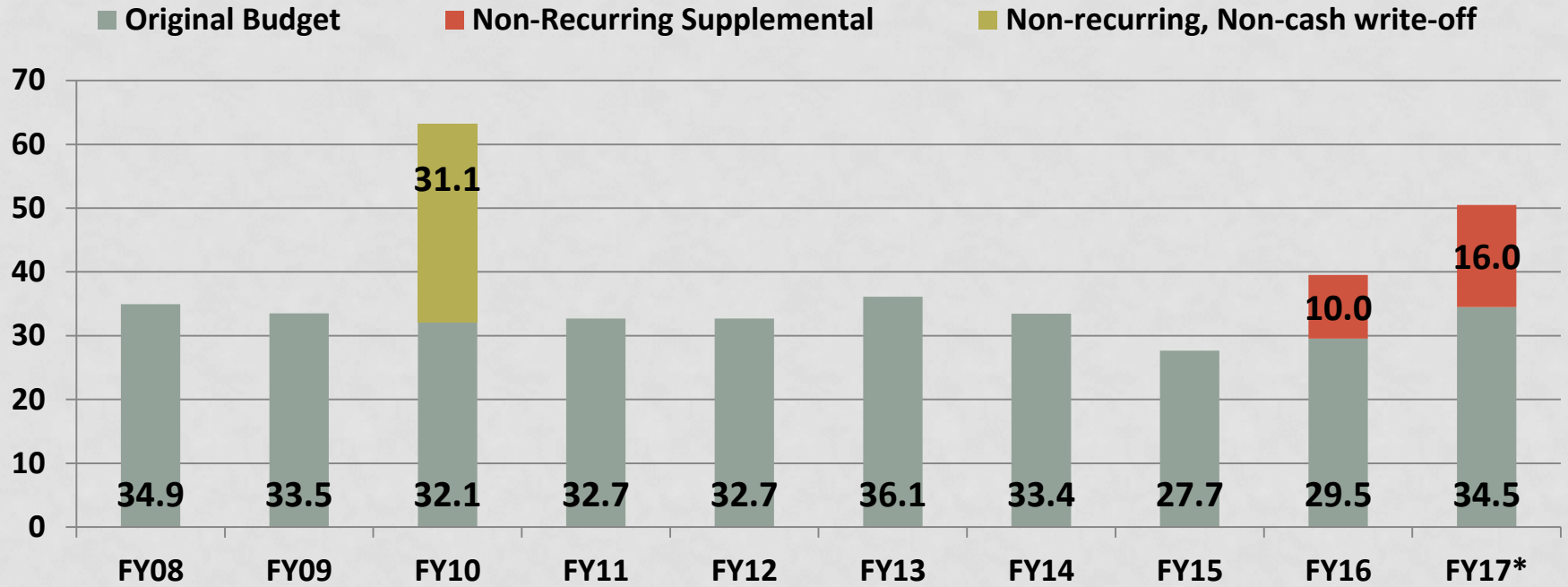
HOSPITALS

- General Hospital - \$35 million
- Bordeaux Nursing Home - \$3.5 million
 - Funds contract with Signature
- Knowles Assisted Living Facility - \$1 million
 - Funds contract with Anthem Care



GENERAL HOSPITAL SUBSIDY

Excludes Bordeaux and Knowles
Amounts in millions



*\$500,000 of the \$35 million subsidy was paid to Signature for prior year losses at Bordeaux



GENERAL HOSPITAL SUBSIDY

- Hospital Authority Board expressed commitment to stabilize financial position:
 - Timely bill and collect insurance payments for services
 - Strategically market NGH to increase patient volumes
 - Improve insurance payer mix to increase revenues
 - Pursue additional revenue sources
 - Reduce labor costs through productivity tied to patient volumes
 - Reduce supply and other costs through discounts and renegotiation
 - Analyze financial impact of all services
- Ongoing Metro financial commitment and Hospital Authority Board financial oversight commitment should result in financially sustainable safety net hospital for citizens

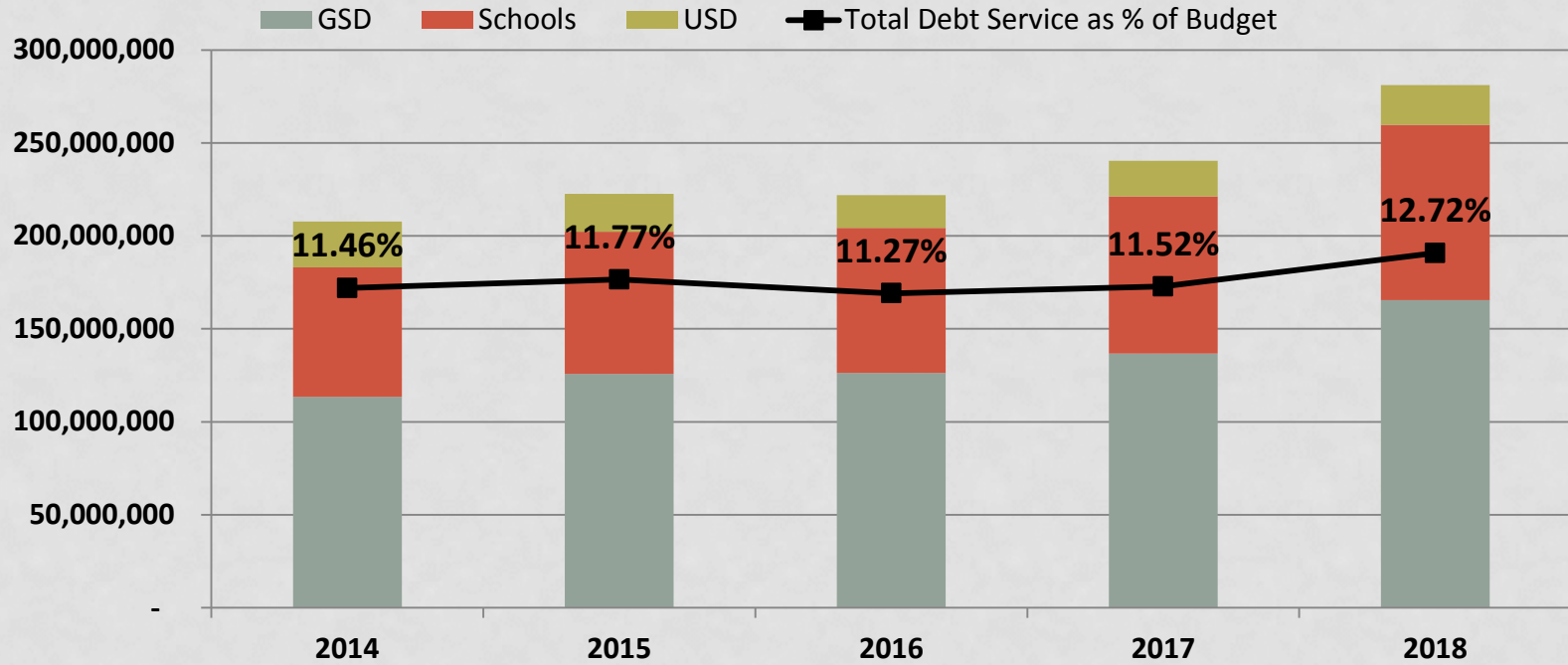


ANNUAL DEBT REPORT

As required by BL2014-696, the Annual Debt Report will be emailed to Metro Council members today



HISTORICAL ANNUAL DEBT SERVICE REQUIREMENT 2014 - 2018*

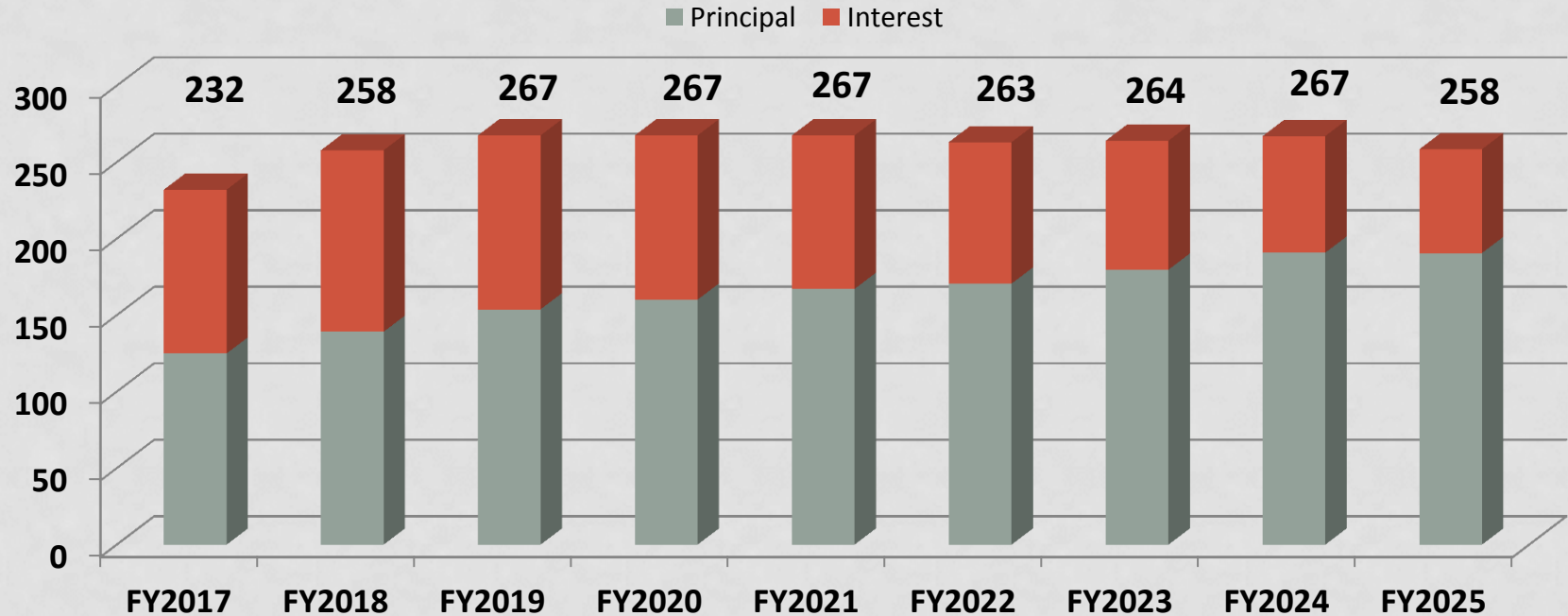


*Restated to be consistent with reporting requirements and to reflect total debt service expenditures (updated 5/10/17)



GENERAL OBLIGATION PRINCIPAL AND INTEREST

Amounts in millions



MEETING DEBT SERVICE REQUIREMENTS

Adding \$11.4 million to GSD debt service reserve to meet
FY2019 estimated need for principal and interest

Total Debt Service Increase is \$40.6 million



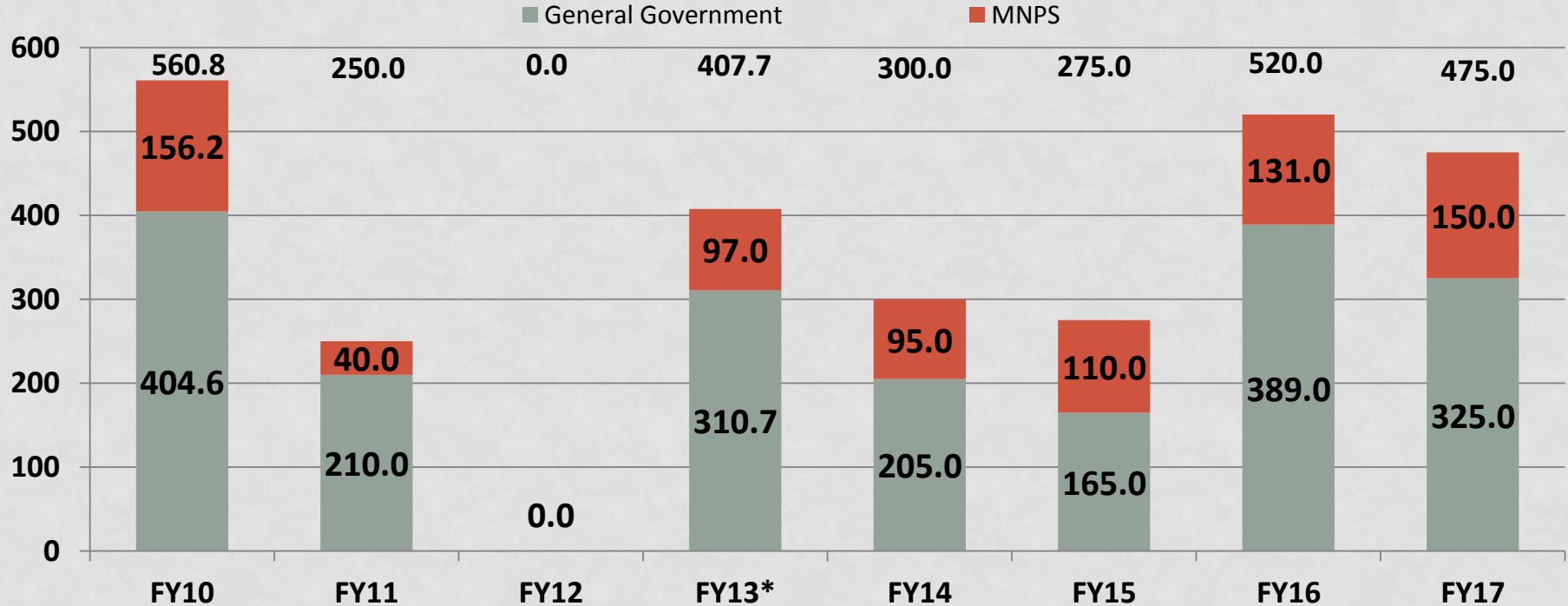
CAPITAL SPENDING PLAN

Planned Filing – May 15th with
Capital Improvements Budget Ordinance



CAPITAL SPENDING PLANS (A LOOK BACK)

Amounts in millions



*FY13 had two Capital Spending Plans



LEGISLATION TO TRACK WITH BUDGET

- Operating Budget Ordinance
- Certified Tax Rate Resolution
- Tax Levy Ordinance
- Urban Council Resolution
- Pay Plan Resolutions - *to be filed after Civil Service Approval, mid-May*
- Longevity Resolution - *to be filed after Civil Service Approval, mid-May*
- Property Tax Relief Ordinance
- Create Historic Preservation Trust Fund Ordinance
- Create Conservation Assistance Commission Ordinance
- Animal Control fee increase Resolution





FOR MORE INFORMATION VISIT THE
CITIZENS' GUIDE TO THE METRO BUDGET

www.nashville.gov/citizens_budget