

The Metropolitan Government of
Nashville and Davidson County

Fiscal Year 2000

Budget in Brief



September 1999

Phil Bredesen, Mayor

The ***Budget in Brief*** is a condensed version of the Nashville-Davidson County Government's 1999-00 Budget. If you would like more detailed information on specific departments, divisions or programs of the Government; debt service schedules, financial trends, revenue sources and 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:

Budget Office

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

Philip Bredesen
Metropolitan Mayor

Metropolitan Council

Vice Mayor Jay West

At Large	Vic Varallo	District 16	Jerry Wayne Graves
At Large	George Armistead	District 17	Mansfield Douglas III
At Large	Ronnie Steine	District 18	Stewart Clifton
At Large	Chris Ferrell	District 19	Julius Sloss
At Large	Leo Waters	District 20	Morris Haddox
District 1	Regina Patton	District 21	Willis McCallister
District 2	Melvin Black	District 22	Norma Hand
District 3	Ron Nollner	District 23	Eric Crafton
District 4	Don Majors	District 24	Horace Johns
District 5	Frank Harrison, Jr.	District 25	David Kleinfelter
District 6	Eileen Beehan	District 26	Michelle Arriola
District 7	Earl Campbell	District 27	Janis Sontany
District 8	Lawrence Hart	District 28	Durward Hall
District 9	James Dillard	District 29	Saletta Holloway
District 10	Tim Garrett	District 30	Leroy Hollis
District 11	Mike Wooden	District 31	Tom Alexander
District 12	Phil Ponder	District 32	Craig Jenkins
District 13	Charles French	District 33	Ron Turner
District 14	Bruce Stanley	District 34	Charles Fentress
District 15	Roy Dale	District 35	Vic Lineweaver

1995 - 1999 term

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**Metropolitan
Government
of Nashville
and Davidson
County**

1 September 1999

**Philip Bredezen
Mayor**



**Office of
The Mayor**

Dear Fellow Citizens:

I am happy to present the Fiscal Year 2000 operating budget for Metropolitan Nashville and Davidson County. Nashville has adopted a balanced budget totaling \$1,094,343,670 in the six budgetary funds, and over \$1.4 billion including the various enterprise operations. The goal of the budget was to assure the ability of the government to provide services while staying within realistic revenue expectations.

Due to a temporary slowing of our normal revenue growth, each department was requested to submit a budget this year reflecting a 5% reduction from Fiscal Year 1999. Salary and fringe improvements were then added to fund the third year of committed pay plan increases for Metro employees. This is the eighth straight year that our employees have received good raises, by far the longest string ever in Metro.

In addition to the pay plan increases, this budget funds other commitments and improvements. Some of the areas addressed include contractual increases for Medical Examiner, Sheriff, Health Department and Juvenile Court. Funds were added for the local subsidy for MTA, Insurance Reserves, additional recycling funds and full year funding for the courts that were established last year.

New accounts were established for the Housing Fund, the Economic and Job Development Incentive Program, and the Regional Transit Authority, as well as some funds added to the contingency account.

Council Resolution No. R89-959 also requires the maintenance of a minimum fund balance. An amount equal to 5% of the General Funds of the General Services and Urban Services Districts as well as the General School Fund must be maintained. In order to minimize the impact on the school budget, the Metro Council authorized a one-time transfer from the General School Fund Balance.

All budget items and improvements are fully funded with the exception of one item. The operating expenses of the new main library and five branches are not presently funded in future years. This approximate additional expense of \$5,000,000 is expected to be funded in future years by normal revenue growth.

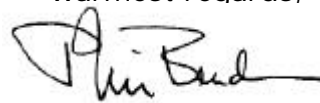
There have been many improvements made in Nashville during the last eight years. These improvements include the following:

- Added 440 teachers, 32 new schools, and modernized 42 schools
- Ended 42 years of court-ordered busing of our students
- Added over 200 new police officers and instituted "flex" patrols, achieving a dramatic decrease in the rate of violent crimes
- Renovated the Parthenon, added acreage to the park and greenways system, and saved Shelby Bottoms
- Constructed a new 20,000 seat arena, home to the NHL's Predators and the Kats of the Arena Football League as well as dozens of concerts and events
- Completed construction of a 65,000 seat football stadium on the East Bank, creating a new home for the former Houston Oilers (now the Tennessee Titans) and for Tennessee State University
- In the process of building a new "world-class" main public library in addition to five new branches
- Established a new General Hospital on the Meharry campus.
- Enabled almost 1,000 people to live in homes of their own through the Nashville Housing Fund and Homestead program
- In the process of constructing a new Country Music Hall of Fame
- Working with the Frist Foundation to build a new visual arts center

Our combined GSD and USD property tax rate is \$4.24, compared to \$4.81 in 1991. Achievements such as these have been possible through a strict policy of fiscal restraint and conservatism. Looking for savings and applying resources to important projects has brought Nashville to where it is today.

This *Budget in Brief* booklet is one vehicle for communicating the policy, financial, and operating components of the FY 2000 budget. I hope you find it helpful.

Warmest regards,



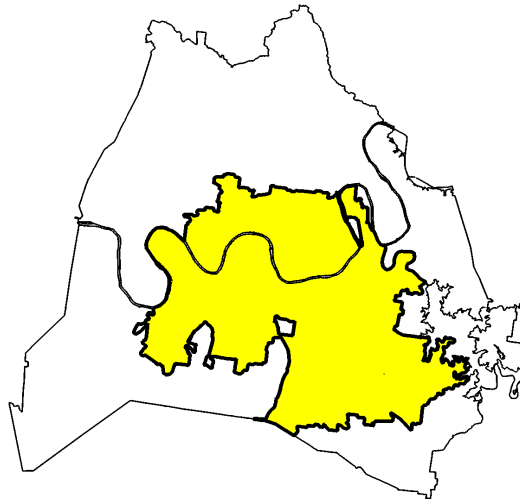
Philip Bredesen, Mayor

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.

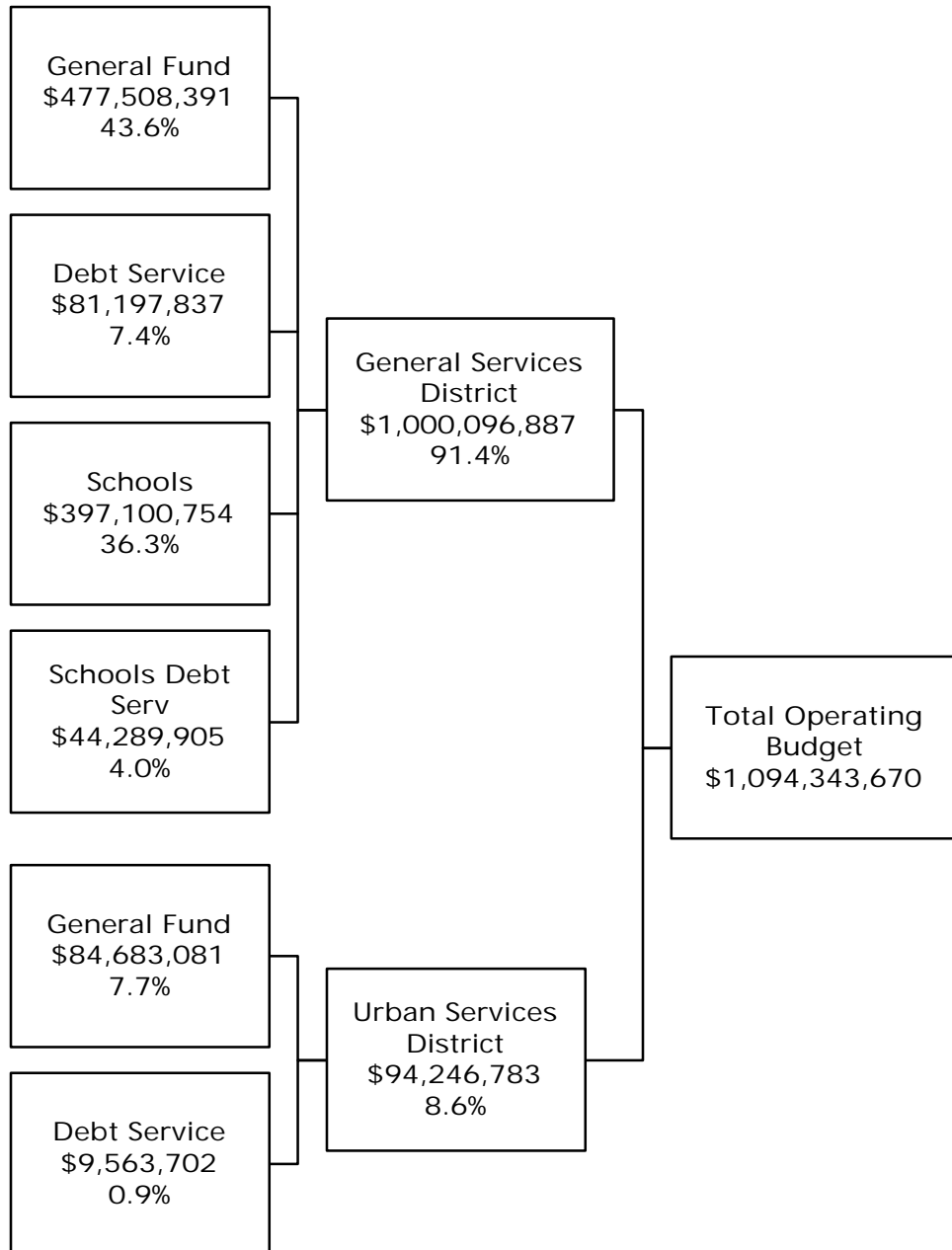
Metro is divided into two districts: the General Services District (GSD) and the Urban Services District (USD). The GSD is synonymous with Davidson County; the USD is the old City of Nashville plus certain areas added since Metro was formed.

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) which 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**



(Percentages may not total 100% due to rounding.)

Budget Summary

On June 22, 1999, the Metropolitan Council approved a Fiscal Year 2000 operating budget of \$1,094,343,670. 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. The six budgetary funds are:

- Two **General Funds** (GSD and USD), 51.4% 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 12.3% of the operating budget, finance the payment of interest and principal on long-term general obligation debt of each district.
- The **School Fund**, 36.3% 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.

The table at the top of the next page presents summary information on gross revenues and expenditures of the six budgetary funds.

Metro also operates other funds that receive minor or no tax support. These **non-budgetary funds** include:

- **Internal Service Funds**, such as Motor Pool and Information Systems, provide services to Metro departments on a charge-back basis.
 - **Enterprise Funds** are self-supported through charges to the public for services. These funds include Water and Sewer Services, Convention Center, State Fair, Farmers' Market, Bordeaux Hospital, General Hospital, Parks Resale Inventory, School Lunchroom, and Solid Waste Disposal.
 - **Capital Projects Funds** are used for public improvements of significant cost and/or economic life. Financing is generally through revenue and general obligation bonds.
-

Summary of the FY 2000 Budget - Six Budgetary Funds

	GSD General Fund*	GSD Debt Service	GSD School Fund	GSD School Debt Svc	USD General Fund	USD Debt Service	Duplicated by Interfund Transfers	Total
Estimated Revenues:								
Property Taxes	\$185,631,031	\$53,706,669	\$105,764,595	\$26,610,335	\$67,259,571	\$9,013,477	\$0	\$447,985,678
Local Option Sales Tax	77,140,201	0	141,695,295	13,769,108	1,092,000	0	0	233,696,604
Grants & Contributions	100,332,872	0	136,376,398	0	1,530,000	0	0	238,239,270
All Other Revenues	110,503,200	17,304,784	7,438,123	938,801	12,832,693	550,225	(5,144,456)	144,423,370
Fund Balance Appropriations	9,045,543	10,186,384	5,826,343	2,971,661	1,968,817	0	0	29,998,748
Total Revenues	\$482,652,847	\$81,197,837	\$397,100,754	\$44,289,905	\$84,683,081	\$9,563,702	(\$5,144,456)	\$1,094,343,670
Appropriated Expenditures:								
Administrative	\$110,148,244	\$0	\$0	\$0	\$22,514,266	\$0	(\$3,977,456)	\$128,685,054
General Government	23,683,133	0	0	0	0	0	0	23,683,133
Fiscal Administration	15,668,570	0	0	0	0	0	0	15,668,570
Administration of Justice	39,811,907	0	0	0	0	0	0	39,811,907
Law Enforcement & Jails	143,273,853	0	0	0	481,000	0	(481,000)	143,273,853
Fire Prevention & Control	21,129,259	0	0	0	46,413,027	0	0	67,542,286
Regulation & Inspection	6,380,098	0	0	0	0	0	0	6,380,098
Conservation of Resources	350,021	0	0	0	0	0	0	350,021
Social Services	18,743,075	0	0	0	0	0	0	18,743,075
Health & Hospitals	27,054,872	0	0	0	0	0	0	27,054,872
Public Libraries	11,524,527	0	0	0	0	0	0	11,524,527
Recreational & Cultural	29,138,221	0	0	0	0	0	0	29,138,221
Public Works	35,747,067	0	0	0	15,274,788	0	(686,000)	50,335,855
Education	0	0	397,100,754	0	0	0	0	397,100,754
Debt Service	0	81,197,837	0	44,289,905	0	9,563,702	0	135,051,444
Reserves	0	0	0	0	0	0	0	0
Total Expenditures	\$482,652,847	\$81,197,837	\$397,100,754	\$44,289,905	\$84,683,081	\$9,563,702	(\$5,144,456)	\$1,094,343,670
Projected Surplus or (Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

- **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) 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.

Property Tax Rates	
GSD General	1.68
Debt Service	.50
Schools	.96
Schools Debt Service	.25
GSD Rate	3.39
USD General	.74
Debt Service	.11
USD Rate	.85
Combined GSD+USD	4.24
Memo - Fire Transfer	.10

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 \$15,000 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 8.25% rate consists of a 6.00% 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 of the latter going to the GSD General Fund.

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	

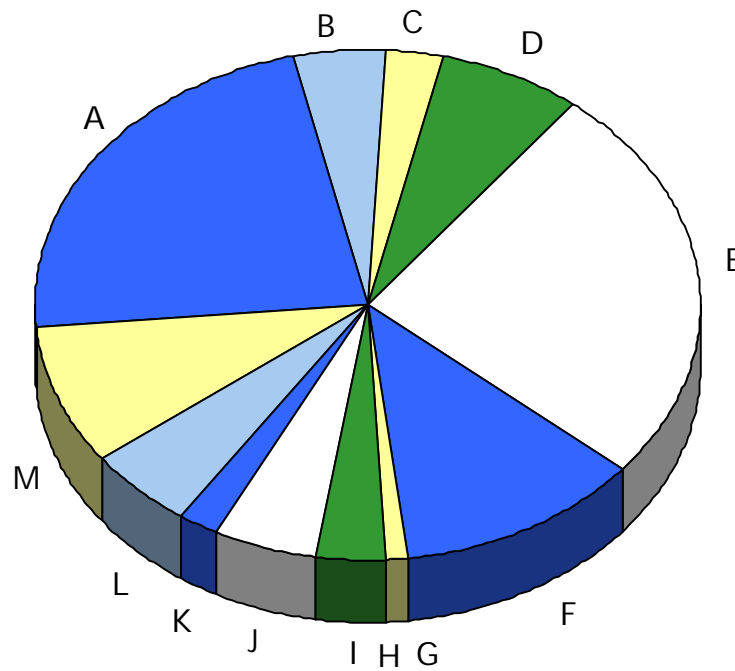
Local Income or Occupational Privilege Tax - None.

Commercial Vehicle Wheel Tax - \$46 per vehicle per year.

Motor Vehicle License Fees - \$35 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.

General Fund Expenditures
 GSD and USD
 \$562.2 million



■	A - Administration - \$128.69 (22.9%)
■	B - General Government - \$23.68 (4.2%)
■	C - Fiscal Administration - \$15.67 (2.8%)
■	D - Administration of Justice - \$39.81 (7.1%)
□	E - Law Enforcement & Jails - \$143.27 (25.5%)
■	F - Fire Prevention & Control - \$67.54 (12.0%)
■	G - Regulation & Inspection - \$6.38 (1.1%)
□	H - Conservation of Resources - \$0.35 (0.1%)
■	I - Social Services - \$18.74 (3.3%)
□	J - Health & Hospitals - \$27.05 (4.8%)
■	K - Public Libraries - \$11.52 (2.0%)
■	L - Recreational & Cultural - \$29.14 (5.2%)
■	M - Public Works - \$50.34 (9.0%)

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.

The last paragraph for each function describes significant changes in the FY 2000 budget. This does not include efficiencies and savings to meet the 5% reductions discussed in the Mayor's letter (page 3 at the front of this booklet), unless those reductions result in material cuts in programs and services.

Administrative **\$128,685,054 - (22.9%) – 0.0 FTE**

Administrative includes miscellaneous activities that are not budgeted in general fund departments; and matching funds, contributions, and transfers of general fund monies to other funds, agencies, or nonprofit organizations where the activities are actually budgeted and accounted for. This includes supplements for Bordeaux Hospital (long term acute and extended care) and General Hospital (lease payment to Meharry for the hospital facility, the Vanderbilt management contract, and indigent medical care for the residents of Nashville and Davidson county).

This is a new category with the FY 2000 change in budget format. It combines the former Miscellaneous, Sundry, Central Employee Benefits functions, and adds the transfers to the Four Percent Reserve Fund (formerly an adjustment to revenue), the hospitals (formerly in the Health and Hospitals function), and Information Systems subsidy (formerly in general fund departments' budgets as charges for information services).

This budget added funds for:

- The Metropolitan Action Commission (MAC) to support a pay plan increase for the lowest paid employees.
 - The Metropolitan Development and Housing Agency (MDHA) to provide support for the Nashville Homestead Corporation and the Front Door Project at MDHA.
 - The Nashville Arena's operating contract with Powers Management.
-

General Government**\$23,683,133 - (4.2%) - 352.8 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 FY 2000 budget includes funds for:

- The Mayor's Office of Emergency Management (OEM) to implement a telephone warning system for flood prone areas in Metro, and a Communications Coordinator and a Response Coordinator to perform multi-agency coordination during major emergencies.
- The Davidson County Election Commission to fund the general election expense for the August 1999 and September 1999 Metro County elections, reimbursable expenses related to the Presidential Preference Primary in March 2000 along with satellite city elections, and start-up costs for the August 2000 State Primary and Metro County elections.
- The Historical Commission for postage and consultant services to conduct a cemetery survey.

Fiscal Administration**\$15,668,570 - (2.8%) - 283.0 FTE**

Fiscal Administration includes the Department of Finance, Tax Assessor, Tax Collections (Trustee), the Office of County Clerk, and Supplemental Appropriations. The Finance Department administers 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 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.

There were no significant changes in FY 2000 Fiscal Administration budgets.

Administration of Justice**\$39,811,907 - (7.1%) – 715.5 FTE**

This category includes the District Attorney, Medical Examiner, Public Defender, Juvenile Court, General Sessions Court, State Trial Courts, Justice Information System, Jury Commission, Bonding Firms Investigation; and the Juvenile, Criminal, Chancery, Circuit, General Sessions, and Probate Court Clerks.

This function receives many adjustments for FY 2000, including:

- The budgets of the District Attorney, Public Defender, Criminal Court Clerk, and General Sessions Court include funds to provide for two (2) months of funding for the General Sessions Court docket expansion funded for only ten (10) months in FY 1999.
- The State Trial Courts budget includes two (2) months of funding for the Circuit Court expansion that had been funded for only ten (10) months in FY 1999, and funds for increased jury pay and meals.
- The D.A.'s budget reflects increased building operating expenses.
- The Medical Examiner includes funds to support a 4% increase in the contract with Forensic Medical Management Services to operate and manage the Medical Examiner's Office.
- The Juvenile Court budget includes funds to cover additional costs of a new management contract to be rebid at a cost per day for 75 youth instead of 45.
- The Justice Information System (JIS) budget includes funds to support 1.50 FTE to provide database administration for the Criminal Justice Information System (CJIS).

Law Enforcement and Care of Prisoners \$143,273,853 - (25.5%) – 2,574.4 FTE

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

The Sheriff's Office budget includes added funds to support increased prisoner populations, part of which is funded by state reimbursements.

Fire Prevention and Control **\$67,542,286 - (12.0%) – 1,211.0 FTE**

The Fire Department provides efficient 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 Fire and Ambulance budget includes funds to pay Professional Adjustment Service (PAS) fees to collect otherwise uncollectable receivable accounts.

Regulation and Inspection **\$6,380,098 - (1.1%) – 114.0 FTE**

The Regulation and Inspection category includes three departments: Codes Administration, Taxicab and Wrecker Licensing Board, and the Beer Board. Codes Administration is charged with ensuring that buildings are constructed and maintained in a safe and sanitary condition. The Taxicab and Wrecker 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.

There were no significant changes in these departments' FY 2000 budgets.

Conservation **\$350,021 - (0.1%) - 9.4 FTE**

The city government participates in the conservation of natural resources through three agencies: the Agricultural Extension Service, Contribution to Forest Fire Control, 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.

There were no significant changes in these departments' FY 2000 budgets.

Social Services**\$18,743,075 - (3.3%) - 352.0 FTE**

Metro Social Services provides general assistance, care, and service on a short or long term basis to residents of Nashville who are unable to support or care for themselves or develop their potentials satisfactorily. Social Services helps them to achieve the highest possible levels of self support, independent functioning and family and social relationships.

Social Services operates a residential facility for the elderly along with an adult day care center, a residential facility for youth, a nutrition program, a homemaker program, a refugee assistance program, and contracts for JTPA/JOBS training.

The Human Relations Commission works to protect and promote all people's personal dignity, safety, health, security, peace, and general welfare. The Human Relations Commission budget includes funds to support the addition of an office receptionist position.

Health and Hospitals**\$27,054,872 - (4.8%) - 466.1 FTE**

Assuring that the citizens of Nashville's health and welfare are protected continues to be of major importance in the budget. The Metro Health Dept. is responsible for promoting the health of the community. Due to the availability of state-funded TennCare services, the department eliminated many of its primary health care services as its resources are focused toward other priorities and traditional preventative programs.

In FY 1996, hospital operations were moved from the general fund to two enterprise funds (General Hospital and Bordeaux Hospital) which generate their own revenues and receive supplements from the GSD General Fund. In FY 2000, these GSD General Fund supplements were moved from this function to the Administrative function (see page 12, above).

The Health Department budget includes funds for the 4% contract increases in Prison Health and Occupational Health Services. Funds were also added to support animal control enhancements.

Public Library System**\$11,524,527 - (2.0%) - 266.8 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, through its 18 branches, strives to enrich and further develop the knowledge of persons undertaking formal education, encourage recreational reading, and meet the day-to-day informational needs of all citizens.

The Library's budget includes funds to support the opening of the Bordeaux and Hermitage Branches, and four (4) months of pre-opening training at the Madison and Green Hills Branches, which will open later in FY 2000.

Recreational and Cultural**\$29,138,221 - (5.2%) - 487.9 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 Municipal Auditorium is a public-service oriented entertainment facility that seeks to attract a broad spectrum of events for the Nashville community and the Middle Tennessee area. 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 FY 2000 Parks and Recreation budget includes funds to expand the operation of the Ice Rink, Antioch Community Center, Warner Park Learning Center and to fund costs for additional responsibilities at the Stadium grounds/East Bank Greenways.

Public Works, Streets, & Refuse Disposal \$50,335,855 - (9.0%) - 423.0 FTE

Public Works is responsible for the engineering, maintenance, construction, and repair of streets, roads, bridges, guard rails, storm sewers, sidewalks, traffic signs and signals, operation of parking facilities, and to manage a stormwater Water Quality Program.

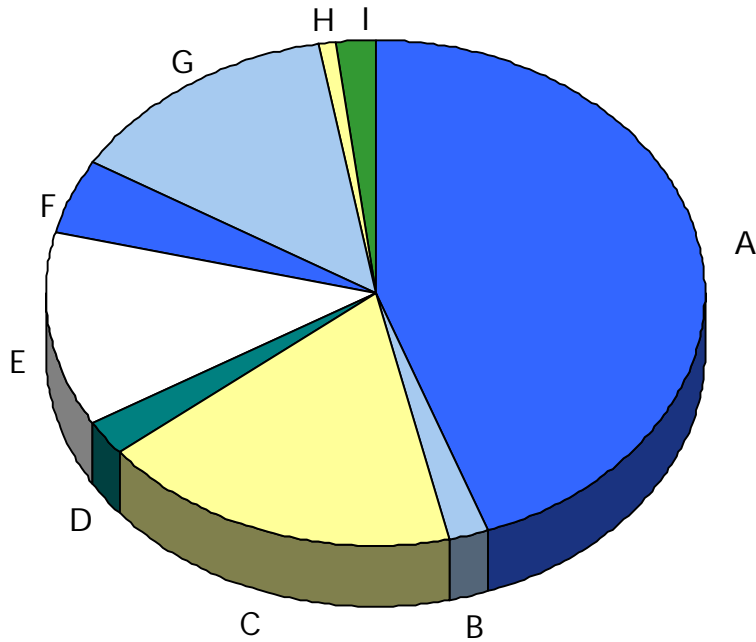
The Public Works GSD budget Adds funds to support contract increases to satellite cities, fly ash handling, and school cleanup refuse disposal. The USD budget adds funds to support contract increases in refuse collection and street lighting and for the vacant lot program.

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 2000 Budgeted Expenditures by Department

<u>Department</u>	<u>GSD General</u>	<u>USD General</u>	<u>Interfund Transfers</u>	<u>Total General</u>	<u>FTEs</u>
01 Administrative	110,148,244	22,514,266	-3,977,456	128,685,054	0.0
02 Metropolitan Council	1,115,438	0	0	1,115,438	47.0
03 Metropolitan Clerk	463,661	0	0	463,661	6.5
04 Mayor	2,671,060	0	0	2,671,060	38.7
05 Election Commission	2,553,420	0	0	2,553,420	22.5
06 Law	3,045,540	0	0	3,045,540	50.9
07 Planning Commission	2,890,857	0	0	2,890,857	48.0
08 Human Resources	1,990,716	0	0	1,990,716	38.4
09 Register of Deeds	270,967	0	0	270,967	0.0
10 General Services	5,643,578	0	0	5,643,578	40.8
11 Historical Commission	413,927	0	0	413,927	7.1
12 Employee Benefit Board	1,755,821	0	0	1,755,821	36.0
13 Community Education Alliance	483,797	0	0	483,797	9.0
14 Metro Information Systems	181,857	0	0	181,857	4.0
15 Finance	5,255,322	0	0	5,255,322	100.0
16 Assessor of Property	5,841,906	0	0	5,841,906	88.0
17 Trustee	1,441,629	0	0	1,441,629	24.0
18 County Clerk	3,129,713	0	0	3,129,713	71.0
19 District Attorney	3,049,012	0	0	3,049,012	85.0
20 Medical Examiner	2,469,192	0	0	2,469,192	0.0
21 Public Defender	3,691,670	0	0	3,691,670	64.0
22 Juvenile Court Clerk	1,050,435	0	0	1,050,435	26.0
23 Circuit Court Clerk	2,751,503	0	0	2,751,503	69.0
24 Criminal Court Clerk	3,974,002	0	0	3,974,002	97.0
25 Clerk and Master - Chancery	1,190,699	0	0	1,190,699	19.0
26 Juvenile Court	7,219,872	0	0	7,219,872	108.6
27 General Sessions Court	7,700,536	0	0	7,700,536	126.0
28 State Trial Courts	5,485,215	0	0	5,485,215	106.5
29 Justice Information System	1,229,771	0	0	1,229,771	14.5
30 Sheriff	44,382,500	0	0	44,382,500	642.7
31 Police	98,891,353	481,000	-481,000	98,891,353	1931.7
32 Fire	21,129,259	46,413,027	0	67,542,286	1,211.0
33 Codes Administration	6,028,801	0	0	6,028,801	107.0
34 Beer Board	351,297	0	0	351,297	7.0
35 Agricultural Extension	278,969	0	0	278,969	8.4
36 Soil and Water Conservation	71,052	0	0	71,052	1.0
37 Social Services	18,570,989	0	0	18,570,989	348.0
38 Health	27,054,872	0	0	27,054,872	466.1
39 Public Library	11,524,527	0	0	11,524,527	266.8
40 Parks	25,600,683	0	0	25,600,683	470.8
41 Arts Commission	1,767,164	0	0	1,767,164	4.6
42 Public Works	35,747,067	15,274,788	-686,000	50,335,855	423.0
44 Human Relations Commission	172,086	0	0	172,086	4.0
45 Taxi & Wrecker License Board	202,494	0	0	202,494	4.0
61 Municipal Auditorium	1,770,374	0	0	1,770,374	12.5
Total - General Funds	\$482,652,847	\$84,683,081	-\$5,144,456	\$562,191,472	7,255.9

General Fund Revenue Sources
 GSD and USD
 \$567.3 million



■ A - Property Taxes - \$252.89 (44.6%)
■ B - Miscellaneous Revenue - \$9.63 (1.7%)
■ C - Federal, State & Other - \$101.86 (18.0%)
■ D - Fines & Penalties - \$11.75 (2.1%)
□ E - Licenses & Permits - \$71.07 (12.5%)
■ F - Fees from Officials - \$26.48 (4.7%)
■ G - Sales Tax - \$78.23 (13.8%)
■ H - Use of Money and Property - \$4.40 (0.8%)
■ I - Fund Balance - \$11.01 (1.9%)

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 (44.6% of total revenues) which is assessed based on the appraised value of real, personal, and public utility property. Federal, state, and other intergovernmental revenue comprises 18.0% of the general funds' revenues, while the local option sales tax contributes another 13.8%. Other revenue sources include licenses and permits, charges for services, fees from officials, fines and penalties, interfund transfers, and miscellaneous revenue. Unlike most states, Tennessee does not have a state income tax.

The FY 2000 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 and national issues are unknown. Metro will monitor these issues as they develop and will be respond to them as necessary.

Funding for the FY 2000 GSD and USD general funds will be derived from the following sources:

Property Tax	\$252,890,602
Federal, State, and Other	101,862,872
Local Option Sales Tax	78,232,201
Licenses and Permits	71,074,451
Fees from Officials	26,483,330
Fines and Penalties	11,750,898
Use of Money and Property	4,401,889
Miscellaneous Revenues	9,625,325
Fund Balance	11,014,360
Total General Funds	\$567,335,928

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 2000 General Purpose School Fund budget totals \$397.1 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 2000, \$.96 of the current real property tax earmarked for the School Fund is expected to generate \$101.3 million. (The School Debt Service fund receives an additional \$.25 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 \$141.7 million in FY 2000. State and federal revenue makes up an additional \$139.2 million of the School Fund budget.

The fund's expenditures are budgeted and controlled by the Metropolitan Board of Public Education. The highlight of the FY 2000 budget is the ability of the school district to balance its budget and to continue to provide the basic instructional services it provided in FY 1999 along with providing all of its employees with a 3% salary increase.

Local Option Sales Tax	\$141,695,295
Federal, State, Other Governments	134,805,163
Property Tax	105,764,595
Licenses and Permits	2,557,575
Charges for Services and Contributions	4,075,554
Revenue from Use of Money or Property	1,502,000
Comp for Loss, Sale, Damage to Property	278,000
Funds Transfers	596,229
Appropriated Fund Balance	5,826,343
Total General Purpose School Fund	\$397,100,754

Enterprise Funds

Convention Center Fund **\$4,992,793 – 49.6 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 **\$971,072 - 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 two restaurants in the interior market and a specialty food market of 15,000 square feet which 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 **\$10,851,950 – 19.0 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 city's only racetrack is located at the fairgrounds and hosts weekly auto racing events. Fan Fair, a world renowned country music event, is held annually at the fairgrounds and attracts people from around the world. The State Fair Fund is supported entirely from rental revenues received for its events.

Water and Sewer Services **\$70,000,000 – 760.0 FTE**

Water and Sewer Services provides quality water services at an economical price. Fund operations include construction, operation, and maintenance of all water and sanitary sewerage facilities of the Metropolitan Government.

Solid Waste Disposal Fund **\$25,673,608 – 114.0 FTE**

The Solid Waste Disposal Fund provides for activities directly related to solid waste and disposal and the curbside collection and processing of recyclable materials in selected areas of Davidson County including both USD and GSD areas; and to collect all tipping fees from the disposal of refuse at the incinerator.

General Hospital Fund **\$62,228,698 – 814.0 FTE**

General Hospital, an acute care hospital with 229 licensed beds, provides quality patient care to the medically needy citizens of Metropolitan Nashville and Davidson County. General Hospital's operations have been moved from the GSD General Fund to allow for flexibility in adjusting operations and activities according to changing revenue issues and sources. The GSD General Fund will contribute local revenue to the fund to supplement other revenues produced by hospital activities. This practice will assure the general fund of a more predictable local funding commitment as hospital issues change.

Bordeaux Hospital Fund **\$32,122,698 - 626.0 FTE**

Bordeaux Hospital, a long term care chronic disease hospital and nursing facility with 636 licensed nursing beds and 60 hospital beds, provides quality patient care to the medically needy citizens of Davidson County. Like General Hospital, Bordeaux Hospital's operations have been moved from the GSD General Fund to an enterprise fund.

Metropolitan Schools Lunchroom Fund **\$21,698,575 - 0.0 FTE**

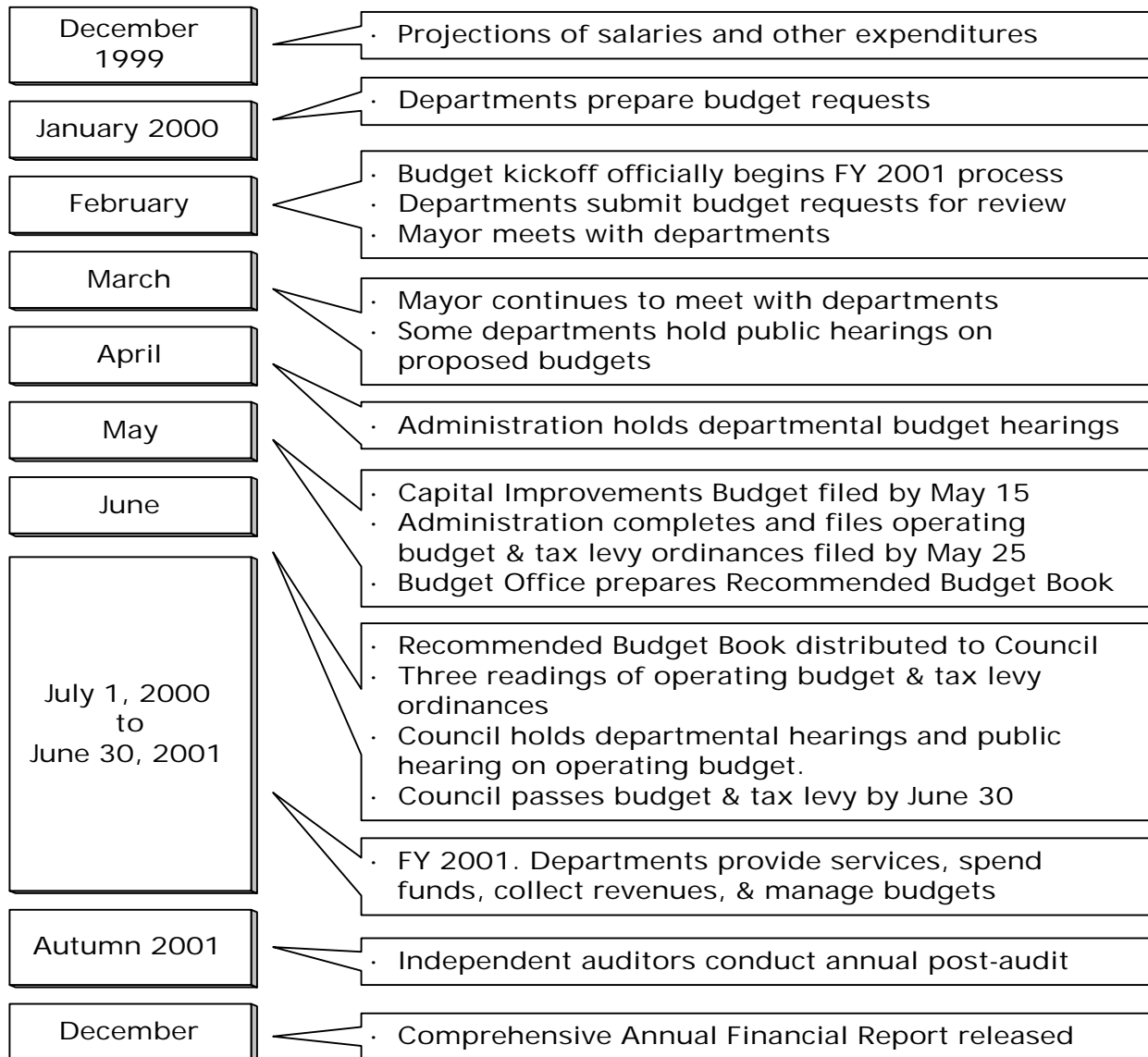
The Metro Schools Lunchroom Fund provides nutrition education for students, teachers, and parents by the Food Service Department's Nutrition Education and Training Coordinator. A biannual newsletter provides nutrition information to administrators, principals, and teachers. Marketing materials are provided to cafeteria managers to encourage and build student participation in the breakfast and lunch programs.

Parks Resale Inventory Fund **\$1,300,000 - 0.0 FTE**

This fund handles sales of food, souvenirs, and athletic equipment at golf courses, gift shops, and concession operations. The net profits of this fund (after payments for inventory sold) are transferred to the GSD General Fund.

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 2001 (July 1, 2000 to June 30, 2001) budget process is:



Profile: Metropolitan Nashville and Davidson County

- Area: 533 square miles
- Elevation: 550 ft. above sea level
- Population: 538,796 (1998 estimate)
- Mayor/Council, consolidated city-county government
- Tennessee State Capital

CLIMATE

- Annual average temperature: 59.2° F

Monthly avg. high temp.:	Jan.	46.3° F	July	89.8° F
Monthly avg. low temp.:	Jan.	27.8° F	July	69.0° F
- Annual average precipitation: 48.5"

SELECTED ECONOMIC INDICATORS

- Sales (1997): \$7,704,883,359 (County), \$12,798,000,000 (MSA estimated)
- Average (mean) per capita income: \$27,812 (1995 estimate)
- Median effective buying income: \$38,224 (1997 estimate)
- Cost of living: 95.3 compared to US average of 100 (1998)
- Unemployment rate: 3.2% (1997)
- 17 Banks and a Federal Reserve Bank branch office
- Major employers (many with corporate or regional headquarters) include organizations in these industries:

State, local, & federal government	Manufacturing
Healthcare	Publishing
Automotive manufacturing	Information distribution
Retail	Education
Restaurants / motels	Distribution
Finance	Transportation
Telecommunications	Electronic funds transfer

EDUCATION

- State and local Industrial/Vocational Training available
- Schools (k-12): 127 Public; 70 Private and Parochial (Nashville MSA)
 - High School Graduates: 2,817 in 1997
 - High School Diploma: 77.2%; Graduates continuing education: 83.7%
- Colleges: 9 (including 2 Medical Schools), 18 in Middle Tennessee region
- Libraries: 858,978 items (total collection)

MEDICAL

- Facilities: 11 Hospitals, 118 Clinics
- Doctors: 2,721 licensed MDs, 429 Dentists (1998)
- Veterans Medical Centers: 2

TRANSPORTATION

- Railroads: Served by CSX Transportation
Motor Freight companies: 143; terminal facilities: 100
Bus Service: 1 intercity, 1 local
- Navigable Waterway - Port of Nashville, Cumberland River (channel depth: 9')
- Nashville International Airport (longest runway 11,000 feet):
Over 360 arrivals & departures daily on 17 airlines
7,600,000 passengers and 59,000 tons of cargo flown (1997)

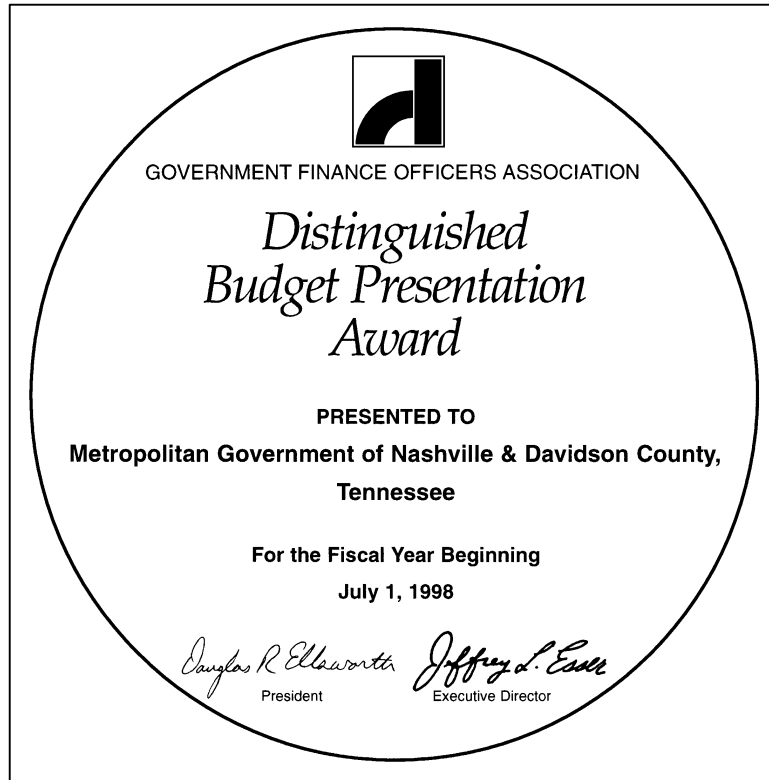
RECREATIONAL FACILITIES

- Parks: 76 (6,650 acres)
- Golf courses: 21 (10 private)
- Swimming pools: 13
- Country clubs: 11
- Tennis courts: 160
- Bowling alleys: 15
- Lakes: 2 (30,000 acres)
- State Fair Grounds
- Wave Pool
- NFL football (Tennessee Titans)
- NHL hockey (Nashville Predators)
- AAA baseball (Nashville Sounds)
- Hotels/motels - 23,000 rooms
- Largest meeting room capacity:
145,000 sq ft
- Restaurants: 1,371
- Nashville Zoo
- Centennial Sportsplex

FINE ARTS

- Tennessee Performing Arts Center
 - Tennessee State Museum
 - Cumberland Science Museum
 - The Parthenon (a full-scale replica of the original)
 - Tennessee Botanical Gardens and Fine Arts Center at Cheekwood
 - Van Vechtan Gallery at Fisk University
 - Blair School of Music, Vanderbilt University
 - Ryman Auditorium (former home of the Grand Ole Opry)
 - Symphony orchestra, symphony chorus, jazz ensembles, ballet, & theaters
 - Music City USA!
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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, 1998.

In order to receive this award, a governmental unit must 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.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

The GFOA is the leading association for government finance professionals in North America. This is our eighth year to win the award; it was given for our three-volume *FY 1999 Operating Budget Book* set (the GFOA does not evaluate this *Budget in Brief* booklet). GFOA's Distinguished Budget Presentation Awards Program is the only national awards program in governmental budgeting. We also hold GFOA's Certificate of Achievement for Excellence in Financial Reporting for our *Comprehensive Annual Financial Report*, most recently for the fiscal year ended June 30, 1998.