

The Metropolitan Government of  
Nashville and Davidson County

Fiscal Year 2001

# Budget in Brief



September 2000

Bill Purcell, Mayor

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## The Metropolitan Government of Nashville and Davidson County

Bill Purcell  
Metropolitan Mayor

### Metropolitan Council

Vice Mayor    Ronnie Steine

At Large	Chris Ferrell	District 16	Amanda McClendon
At Large	Leo Waters	District 17	Ronnie Greer
At Large	David Briley	District 18	Ginger Hausser
At Large	Howard Gentry, Jr.	District 19	Ludye N. Wallace
At Large	Carolyn Baldwin Tucker	District 20	Morris B. Haddox
District 1	Brenda Gilmore	District 21	Edward Whitmore
District 2	Melvin Black	District 22	Norma Hand
District 3	Ron Nollner	District 23	Bob Bogen
District 4	Don Majors	District 24	John Summers
District 5	Lawrence Hall, Jr.	District 25	Jim Shulman
District 6	Eileen Beehan	District 26	Michelle Arriola
District 7	Earl Campbell	District 27	Janis Sontany
District 8	Lawrence Hart	District 28	Jason Alexander
District 9	James Dillard	District 29	Saletta Holloway
District 10	Bettye R. Balthrop	District 30	Michael Kerstetter
District 11	Feller Brown	District 31	Don Knoch
District 12	Phil Ponder	District 32	Craig A. Jenkins
District 13	Tony Derryberry	District 33	Ron Turner
District 14	Bruce Stanley	District 34	Lynn Williams
District 15	J. B. Loring	District 35	Vic Lineweaver

*1999 - 2003 term*

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**Metropolitan  
Government of  
Nashville and  
Davidson  
County**

Bill Purcell Mayor

September 1, 2000

Dear Fellow Citizens:

This ***Budget in Brief*** booklet presents the approved budget for fiscal year 2000-2001 – the first budget for a new mayor, a new Council and a new century. The budget by its terms should define both the needs and priorities of this city.

We established priorities for the future of Nashville that are reflected in the budget objectives:

- To protect the progress in education
- To preserve and enhance public safety
- To assure the quality of life for all of Nashville's citizens

This budget accomplishes these goals. It is balanced and is fully funded without a tax increase. This budget totals \$1,111,207,553, an increase of 1.54% over the budget for fiscal year 2000, less than the rate of inflation.

Education is the largest and most important function of this government. 36.4% of all our dollars are directed to education – an increase of over \$12 million over the last year. Our school board's recommendations are thoughtful, responsible and protect the classroom. The problems of the past are addressed as reserves are repaid and pensions funded. In addition, the needs of the school improvement plan are met.

In order to preserve and enhance public safety, \$1.8 million in funding is added for the new police class that graduated last June 7. This is in addition to the \$2.4 million for our previous commitments for the COPS grants. We expect that another new police class will be scheduled this fall.

These improvements are in addition to new cars and new computers we funded last year. \$360,000 is budgeted to open the new Hermitage Precinct. This budget stops the annual threat to our crossing guards who are now fully funded and ought to be fully funded in the years ahead. You will also find funds here for the new promotional exams and assessment.

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Our Public Works Department is critical to the quality of life in Nashville. Funds are provided for 115 miles of paving while present chipper service is protected. The restoration of the depleted solid waste fund will begin and be completed in the following fiscal year. As a result, our new Solid Waste Director should have the needed funds to establish a comprehensive and effective solid waste policy.

You will also find funding for the new Division of Affordable Housing. Jeff Reynolds has provided just the right leadership to highlight and respond to the need for 35,000 units of affordable housing. It is now critical that this city backs its verbal commitment with real resources. Therefore this budget provides a reserve of \$1 million to boost us toward our goal that every Nashvillian should have access to safe, decent and affordable housing.

This is a conservative and carefully constructed budget that matches the needs of the city to our means. We have pursued every saving we could find, no matter how small. We have questioned every department and every practice and made it clear this city is looking toward better stewardship by every part of the government. At the same time, we have advanced the agenda of the city responsibly. There was nothing "status quo" about this budget, except the bottom line.

We provided a complete budget review in December for the first time. We asked every department to challenge all spending at 90% and 95% levels for the first time. We worked with the Board of Education from the start to provide early revenue estimates and other support, also for the first time.

We have begun work on an annual capital spending plan to be submitted shortly. In that plan we will address the capital needs of the city – from deteriorating public buildings and sidewalks, to police cars, storm warning and other safety equipment, to the many other capital needs that weigh on each of us as we work to better serve our neighbors.

The administration and the Council have taken time to check the math, review priorities, ask questions, and make the decisions that will help Nashville and its people begin our new century on course and together.

Sincerely,

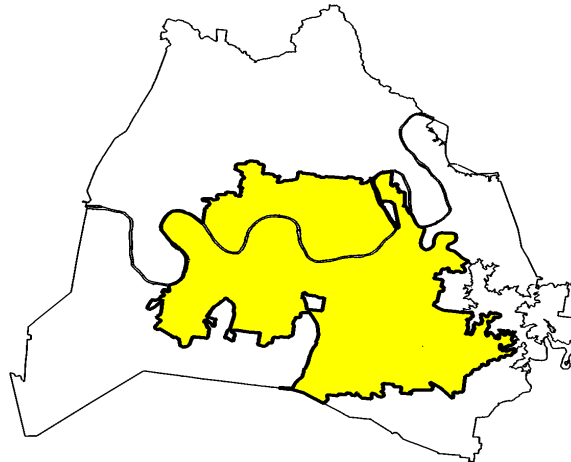
Bill Purcell  
Mayor

## 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.

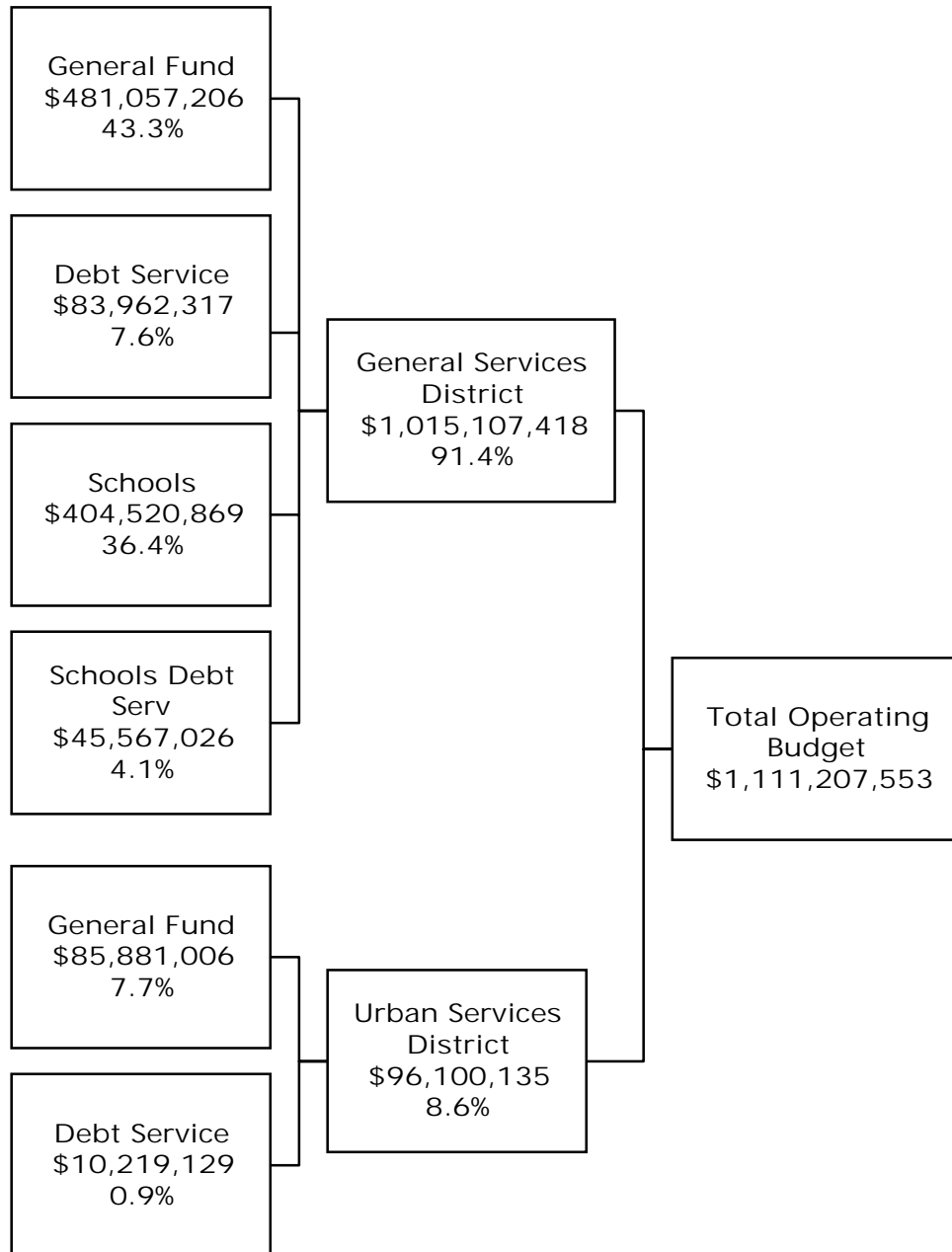
The geographic areas, purposes, and functions of these two districts determine the way services are budgeted and provided in Metro. The two districts relate services provided to taxes paid. The GSD receives a base level of services; its property is taxed at the GSD rate to fund these services. The USD 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)

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**Organization of the Operating Budget  
Six Budgetary Funds**



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

## Budget Summary

On June 22, 2000, the Metropolitan Council approved a Fiscal Year 2001 operating budget of \$1,111,207,553. 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), 51.0% 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 12.6% of the operating budget, finance the payment of interest and principal on long-term general obligation debt of each district.
- The **School Fund**, 36.4% 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.
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**Summary of the FY 2001 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
<b>Estimated Revenues:</b>								
Property Taxes	\$190,096,932	\$54,966,468	\$108,035,404	\$27,231,681	\$68,705,023	\$9,202,617	\$0	\$458,238,125
Local Option Sales Tax	81,305,772	1,975,744	149,346,841	14,512,640	1,092,000	0	0	248,232,997
Grants & Contributions	99,142,631	1,979,898	139,164,579	0	2,059,184	0	0	242,346,292
All Other Revenues	109,883,101	15,032,917	7,974,045	2,200,000	12,826,874	550,175	(5,253,234)	143,213,878
Fund Balance Appropriations	5,882,004	10,007,290	0	1,622,705	1,197,925	466,337	0	19,176,261
<b>Total Revenues</b>	<b>\$486,310,440</b>	<b>\$83,962,317</b>	<b>\$404,520,869</b>	<b>\$45,567,026</b>	<b>\$85,881,006</b>	<b>\$10,219,129</b>	<b>(\$5,253,234)</b>	<b>\$1,111,207,553</b>
<b>Appropriated Expenditures:</b>								
Administrative	\$110,034,997	\$0	\$0	\$0	\$22,676,950	\$0	(\$4,151,234)	\$128,560,713
General Government	23,518,700	0	0	0	0	0	0	23,518,700
Fiscal Administration	17,875,582	0	0	0	0	0	0	17,875,582
Administration of Justice	39,824,701	0	0	0	0	0	0	39,824,701
Law Enforcement & Jails	142,969,737	0	0	0	481,000	0	(481,000)	142,969,737
Fire Prevention & Control	20,664,977	0	0	0	47,911,859	0	0	68,576,836
Regulation & Inspection	6,245,872	0	0	0	0	0	0	6,245,872
Conservation of Resources	391,983	0	0	0	0	0	0	391,983
Public Welfare	17,057,399	0	0	0	0	0	0	17,057,399
Public Health	27,998,618	0	0	0	0	0	0	27,998,618
Public Library System	14,009,275	0	0	0	0	0	0	14,009,275
Recreational & Cultural	28,185,029	0	0	0	0	0	0	28,185,029
Public Works	36,533,570	0	0	0	14,811,197	0	(621,000)	50,723,767
Education	0	0	404,520,869	0	0	0	0	404,520,869
Debt Service	0	83,962,317	0	45,567,026	0	10,219,129	0	139,748,472
Reserves	1,000,000	0	0	0	0	0	0	1,000,000
<b>Total Expenditures</b>	<b>\$486,310,440</b>	<b>\$83,962,317</b>	<b>\$404,520,869</b>	<b>\$45,567,026</b>	<b>\$85,881,006</b>	<b>\$10,219,129</b>	<b>(\$5,253,234)</b>	<b>\$1,111,207,553</b>
<b>Projected Surplus or (Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

- **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.

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.

<b>Property Tax Rates</b>	
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

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

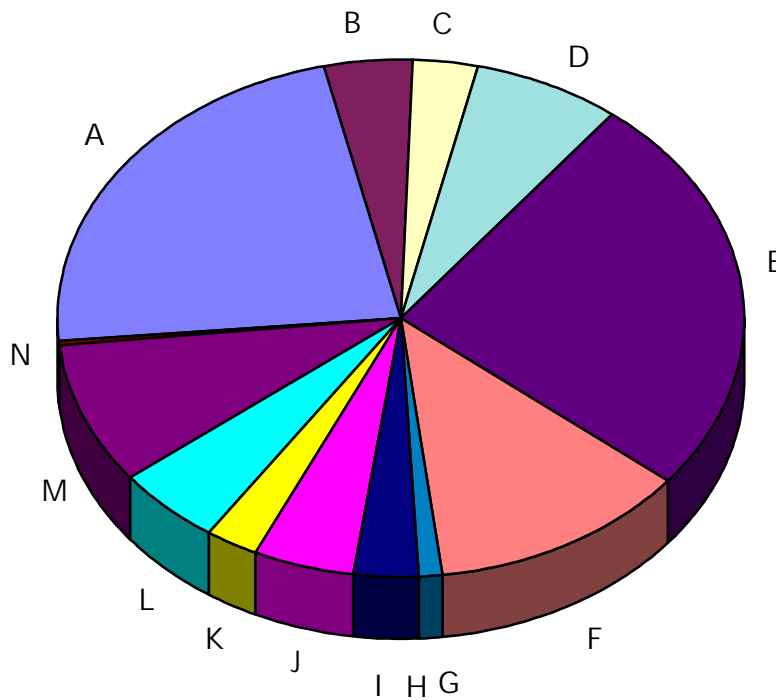
**Local Income or Occupational Privilege Tax** - None.

**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  
\$566.9 million**



■	A - Administration - \$128.56 (22.7%)
■	B - General Government - \$23.52 (4.1%)
■	C - Fiscal Administration - \$17.88 (3.2%)
■	D - Administration of Justice - \$39.82 (7.0%)
■	E - Law Enforcement & Jails - \$142.97 (25.2%)
■	F - Fire Prevention & Control - \$68.58 (12.1%)
■	G - Regulation & Inspection - \$6.25 (1.1%)
■	H - Conservation of Resources - \$0.39 (0.1%)
■	I - Public Welfare - \$17.06 (3.0%)
■	J - Public Health - \$28.00 (4.9%)
■	K - Public Libraries - \$14.01 (2.5%)
■	L - Recreational & Cultural - \$28.19 (5.0%)
■	M - Public Works - \$50.72 (8.9%)
■	N - Reserves - \$1.00 (0.2%)

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## 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 2001 budget. These may include cost-saving initiatives as well as any major changes to the programs administered within each function.

### Administrative

**\$129,560,713 - (22.9%) - 0.0 FTE**

Administrative includes miscellaneous activities that are not budgeted in general fund departments. Major groups within this function include general administrative costs, benefits (matches and other payments), contributions to non-profit organizations, contingencies, subsidies and other transfers.

Subsidies are made to Hospitals (General and Bordeaux), MTA, MIS, the Arena, Metro Action Commission, etc. The main transfer is for \$14,820,846 to the Four Percent Reserve Fund (formerly an adjustment to revenue). In addition to this, \$3,200,000 is transferred to GSD Debt for the stadium, \$2,019,509 for the property tax increment refund, and \$170,099 for the PU tax increment refund. The \$3,200,000 for the stadium debt interfund transfer has been subtracted from the Administrative costs to avoid overstating the budget total.

In addition to the normal funding within Administration, this budget also adds \$1,000,000 to be held in reserve. These funds are to be used for the new "Affordable Housing Initiative". The goal of this program is to give every Nashvillian access to safe, decent and affordable housing. Once the housing plan has been approved by Council, this money will be used to fund the initial phase of its implementation.

A summary of the Administrative group totals is as follows:

- General Administrative - \$3,102,335
  - Employee Benefits - \$47,599,784
  - Contributions to Non-Profit Agencies - \$1,463,223
  - Contingencies - \$5,452,592
  - Subsidies - \$53,581,304
  - Transfers To Other Funds - \$21,512,709
-

**General Government****\$23,518,700 - (4.1%) – 348.7 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 2001 budget includes funds for:

- The Mayor's Office to transfer a position from Public Works for the overall coordination of Metro's compliance with the "Americans With Disabilities" Act.
- The Davidson County Election Commission to fund the general election expenses for the August 2000 and November 2000 Metro elections, one supplemental voter registration held at every public and private high school during the spring of 2001, and satellite city elections in Goodlettsville, Belle Meade, Forest Hills and Lakewood.
- The Historical Commission to maintain its normal operations, with the exception of downgrading one vacant Historical Preservationist II position.

**Fiscal Administration****\$17,875,582 - (3.2%) – 293.7 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.

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The FY 2001 budget includes funds for:

- The addition of \$1,800,000 to transfer Fastnet implementation and support expenses to the Finance Department's operating budget, partially offset by a reduction of \$256,177 in consulting service expense.
- The addition of \$600,000 to enhance internal auditing and accounting functions.
- The addition of \$218,000 in the Assessor's budget for the reappraisal for Hearing Officer Review, overtime, printing and postage.
- The elimination of \$154,811 in costs for the Burrough's system, now replaced by the AssessPro computer system.

### **Administration of Justice**

**\$39,824,701 - (7.0%) – 707.3 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.

The FY 2001 budget includes funds for:

- The reduction of \$249,192 from the Medical Examiner's Office, reflecting savings from its efficient operation by Forensic Medical Management Services, P.C.
  - The elimination of three vacant Office Assistant I positions in the Traffic Violations Bureau.
  - The elimination of \$37,915 from the Clerk and Master of the Chancery court due to salary savings from retiring staff.
  - An increase of \$241,306 to cover expenses related to the Detention Center contract with First Corrections Corporation.
  - Transferring the PEACE and Kelly Miller Smith program budgets from the General Sessions Court budget to the general administrative costs.
  - The addition of \$808,000 for CJIS Phase I and III maintenance costs and \$150,000 in Oracle license costs to the Justice Information System (JIS) budget.
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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 only significant changes in these departments' FY 2001 budgets is a reduction of \$159,094 in positions and \$142,496 in structural demolition in the Codes Department.

**Conservation** **\$391,983 - (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 2001 budgets.

**Public Welfare** **\$17,057,399 - (3.0%) - 325.3 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 only significant change was a reduction of \$924,073 for Social Services, primarily from consolidation of Congregate Meal sites, termination of the Families First Contact and transfer of the Neighborhood Justice program.

**Public Health** **\$27,998,618 - (4.9%) - 450.7 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.

The FY 2001 budget includes funds for:

- Reductions of \$604,561 from transfer of the Dental Health program to the Meharry Dental School, \$126,374 for the elimination of a Medical Doctor position from departmental restructuring and \$101,000 from transfer of the Employee Assistance program to Human Resources.
- Increases of \$250,000 for a new medical services contract for Sheriff's inmates and \$159,380 to staff a new animal control facility in compliance with NACA standards, expected to open in early 2001.

**Public Library System** **\$14,009,275 - (2.5%) - 359.0 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 Library's budget adds \$3,421,558 for the funding of the new branches in Bordeaux, Hermitage, Madison, Green Hills and Edmondson Pike.

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**Recreational and Cultural** **\$28,185,029 - (5.0%) - 456.0 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 Sports Authority acts as financing authority and landlord for the Gaylord Entertainment Center and Adelphia Coliseum.

The FY 2001 Parks and Recreation budget includes the addition of \$158,063 for the opening of the Hermitage Community Center. An additional \$350,000 for repair and maintenance will be offset by revenue from an increase in fees.

**Public Works, Streets, & Refuse Disposal** **\$50,723,767 - (8.9%) - 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 budget adds \$2,200,000 to partially offset the one-time use of the Transportation Fund balance in FY 2000. Various operational cost reductions were identified, primarily \$500,000 for Storm Water Quality consultant costs, \$315,000 for the elimination of a Solid Waste reserve transfer and \$200,000 for disposal fee reduction to match actual costs.

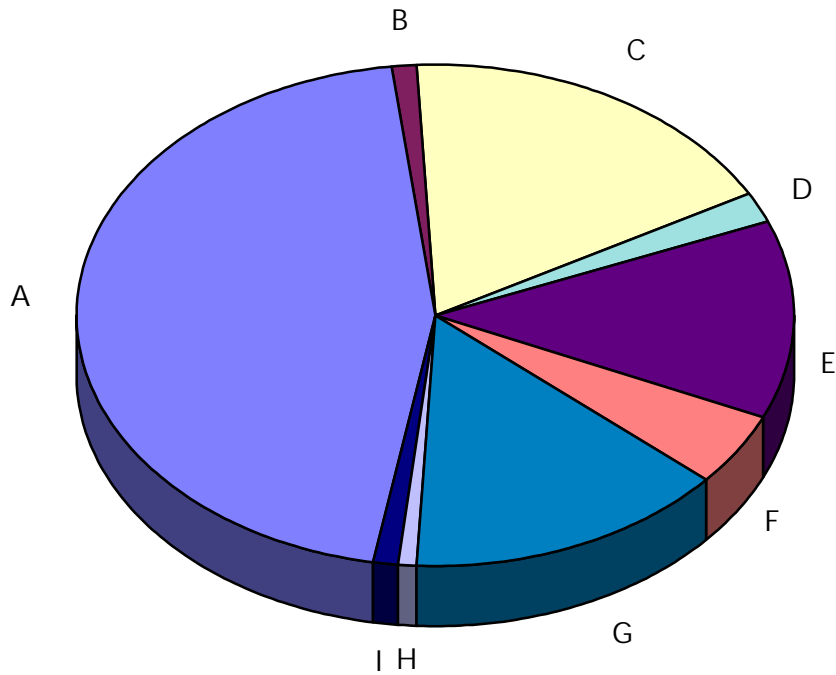
The table on the next page shows the budget for each general fund department by district (GSD and USD). The interfund transfers are budgetary transfers from a department's budget in one district to the same department's district in the other district; these duplications are subtracted to calculate a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

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### General Fund FY 2001 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 (with Reserve)	111,034,997	22,676,950	-4,151,234	129,560,713	0.0
02 Metropolitan Council	1,091,938	0	0	1,091,938	47.0
03 Metropolitan Clerk	463,691	0	0	463,691	6.5
04 Mayor	2,569,887	0	0	2,569,887	38.7
05 Election Commission	2,023,927	0	0	2,023,927	22.5
06 Law	3,045,540	0	0	3,045,540	50.9
07 Planning Commission	2,806,983	0	0	2,806,983	48.0
08 Human Resources	2,071,580	0	0	2,071,580	38.4
09 Register of Deeds	243,870	0	0	243,870	0.0
10 General Services	6,392,777	0	0	6,392,777	40.8
11 Historical Commission	412,731	0	0	412,731	7.1
12 Employee Benefit Board	1,730,122	0	0	1,730,122	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	7,399,145	0	0	7,399,145	100.0
16 Assessor of Property	5,905,095	0	0	5,905,095	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	3,111,272	0	0	3,111,272	85.0
20 Medical Examiner	2,220,000	0	0	2,220,000	0.0
21 Public Defender	3,506,539	0	0	3,506,539	64.0
22 Juvenile Court Clerk	1,046,373	0	0	1,046,373	26.0
23 Circuit Court Clerk	2,735,913	0	0	2,735,913	69.0
24 Criminal Court Clerk	3,974,002	0	0	3,974,002	97.0
25 Clerk and Master - Chancery	1,152,784	0	0	1,152,784	19.0
26 Juvenile Court	7,375,408	0	0	7,375,408	108.6
27 General Sessions Court	7,465,219	0	0	7,465,219	126.0
28 State Trial Courts	5,110,020	0	0	5,110,020	106.5
29 Justice Information System	2,127,171	0	0	2,127,171	14.5
30 Sheriff	43,986,830	0	0	43,986,830	642.7
31 Police	98,982,907	481,000	-481,000	98,982,907	1931.7
32 Fire	20,664,977	47,911,859	0	68,576,836	1,211.0
33 Codes Administration	5,727,211	0	0	5,727,211	107.0
34 Beer Board	316,167	0	0	316,167	7.0
35 Agricultural Extension	320,931	0	0	320,931	8.4
36 Soil and Water Conservation	71,052	0	0	71,052	1.0
37 Social Services	16,885,313	0	0	16,885,313	348.0
38 Health	27,998,618	0	0	27,998,618	466.1
39 Public Library	14,009,275	0	0	14,009,275	266.8
40 Parks	24,654,334	0	0	24,654,334	470.8
41 Arts Commission	1,683,806	0	0	1,683,806	4.6
42 Public Works	36,533,570	14,811,197	-621,000	50,723,767	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	1,703,817	0	0	1,703,817	12.5
64 Sports Authority	143,072	0	0	143,072	12.5
<b>Total - General Funds</b>	<b>\$486,310,440</b>	<b>\$85,881,006</b>	<b>-\$5,253,234</b>	<b>\$566,938,212</b>	<b>7,255.9</b>

**General Fund Revenues  
GSD and USD  
\$572.2 million**



■ A	- Property Taxes - \$258.80 (45.2%)
■ B	- Miscellaneous Revenue - \$7.42 (1.3%)
■ C	- Federal, State & Other - \$101.20 (17.7%)
■ D	- Fines & Penalties - \$11.03 (1.9%)
■ E	- Licenses & Permits - \$72.85 (12.7%)
■ F	- Fees from Officials - \$27.32 (4.8%)
■ G	- Sales Tax - \$82.40 (14.4%)
■ H	- Use of Money and Property - \$4.08 (0.7%)
■ I	- Fund Balance - \$7.08 (1.2%)

## 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 (45.2% 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 17.7% of the general funds' revenues, while the local option sales tax contributes another 14.4%. 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 2001 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 2001 GSD and USD general funds will be derived from the following sources:

Property Tax	\$258,801,955
Federal, State, and Other	101,201,815
Local Option Sales Tax	82,397,772
Licenses and Permits	72,849,086
Fees from Officials	27,323,791
Fines and Penalties	11,031,484
Use of Money and Property	4,082,229
Miscellaneous Revenues	7,423,385
Fund Balance	7,079,929
<b>Total General Funds</b>	<b>\$572,191,446</b>

## 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 2001 General Purpose School Fund budget totals \$404.5 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 2001, \$.96 of the current real property tax earmarked for the School Fund is expected to generate \$108.0 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 \$149.3 million in FY 2001. 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 2001 budget is the ability of the school district to balance its budget while continuing to provide the instructional services it provided in FY 2000.

Local Option Sales Tax	\$149,346,841
Federal, State, Other Governments	139,164,579
Property Tax	108,035,404
Fees From Officials	2,801,500
Licenses and Permits	2,552,575
Revenue from Use of Money or Property	1,663,000
Miscellaneous Revenue	956,970
Funds Transfers	0
Appropriated Fund Balance	0
<b>Total General Purpose School Fund</b>	<b>\$404,520,869</b>

## Enterprise Funds

**Convention Center Fund (60162)** **\$5,206,994 – 51.6 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)** **\$1,026,023 - 7.0 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 (60156)** **\$9,116,185 – 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. The State Fair Fund is supported entirely from rental revenues received for its events.

**Water and Sewer Operations Fund (67331)** **\$66,500,000 – 730.5 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 Operations Fund (30501) \$24,755,301 – 114.0 FTE**

The Solid Waste Operations 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 (62269) \$65,350,883 – 770.0 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 (62270) \$32,291,308 - 628.0 FTE**

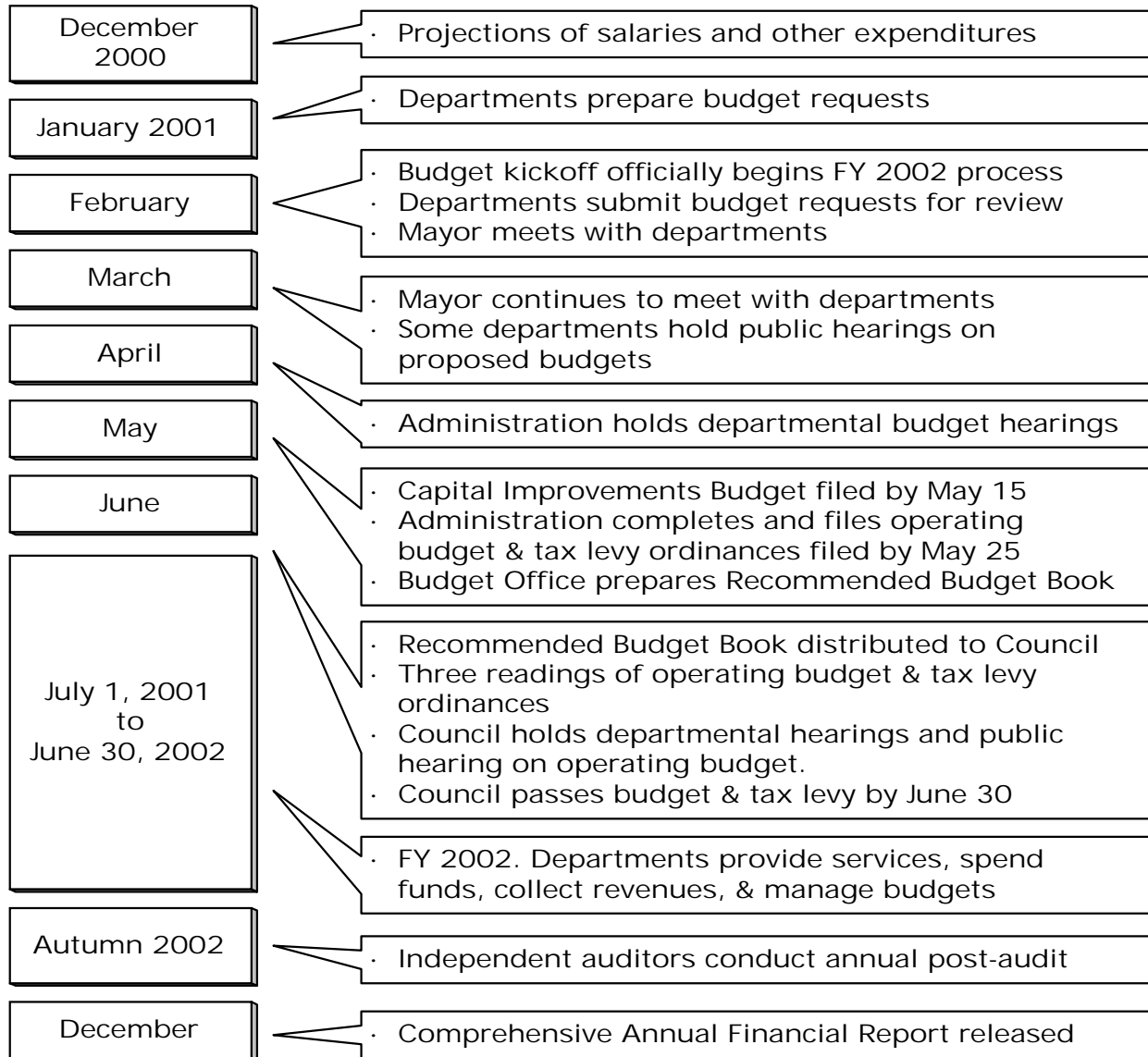
Bordeaux Hospital, a long term care chronic disease hospital and nursing facility with 636 licensed nursing beds and 60 hospital beds, provides quality patient care to the medically needy citizens of Davidson County. Like General Hospital, Bordeaux Hospital's operations have been moved from the GSD General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

**Metropolitan Schools Lunchroom Fund (35158) \$23,796,725 - 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.

## 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 2002 (July 1, 2001 to June 30, 2002) 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: 1,128,077 items (total collection as of 2000)

**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
- Centennial Sportsplex
- NFL football (AFC Champion Tennessee Titans)
- Arena Football (Nashville Kats)
- 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

**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!
-

## 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, 1999.

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 ninth year to win the award; it was given for our three-volume *FY 2000 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 the Certificate of Achievement for Excellence in Financial Reporting from GFOA for our *Comprehensive Annual Financial Report*, most recently for the fiscal year ended June 30, 1999.

The *Budget in Brief* is a condensed version of the Nashville-Davidson County Government's 2000-01 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