



## METROPOLITAN COUNCIL

Metro Council Office

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director  
Metropolitan Council Office

DATE: **October 1, 2013**

RE: **Analysis Report**

Balance As Of:	<u>9/24/13</u>	<u>9/26/12</u>
<u>GSD 4% RESERVE FUND</u>	*\$30,826,675	\$28,866,746

**\* Assumes estimated revenues in fiscal year 2014 in the amount of \$26,373,400**

– RESOLUTIONS –

**RESOLUTION NO. RS2013-861** (STEINE, HUNT & POTTS) – This resolution elects three members to the board of directors of the Industrial Development Board (IDB). State law provides that the directors of the IDB must be elected by the local governing body. Based upon the nominations received at the September 17 council meeting, the members to be elected are Ms. Andrea P. Perry, Mr. Aubrey Gregory, and Mr. Carnell Scruggs.

**RESOLUTION NOS. RS2013-862 & RS2013-863** – These two resolutions approve grants to the mayor’s office for a program to mentor middle school students. This program would involve the use of volunteer coaches to work with students from Bailey, Litton, Jere Baxter, and Gra-Mar Middle Schools through the Nashville AfterZone Alliance (NAZA) to increase reading levels. The Martha O’Bryan Center will be the lead organization for the program with oversight from NAZA. The grants would be used to fund a part-time coordinator position.

**Resolution No. RS2013-862** (Steine) approves an application for a grant in the amount of \$25,000 from Bloomberg Philanthropies. There would be a required in-kind match of \$15,092 to be provided through mayor’s office staffing.

**Resolution No. RS2013-863** (Steine & Pardue) approves an application for a grant in the amount \$17,000 from the state commission on children and youth for the mentoring program. There would be a required in-kind match of \$15,092.

**RESOLUTION NO. RS2013-864** (CLAIBORNE, STEINE & TYGARD) – This resolution approves a grant in the amount of \$12,233.11 from the Friends of Two Rivers Mansion to the Metropolitan parks department to provide partial funding for a parks employee to oversee the activities scheduled at the mansion. The term of the grant is from October 1, 2013 through June 30, 2014. There is a required local match of \$40,863.91 to cover the remainder of the salary and benefits.

**RESOLUTION NO. RS2013-865** (STEINE & MAYNARD) – This resolution approves a sole source contract with Zoetis for animal vaccines for the public health department. Sole source contracts may be awarded under the Metro procurement code when it is determined that there is only one source for the supply or services rendered. The Metro Code was recently amended to require all sole source contracts having a total value in excess of \$250,000 to be approved by the council by resolution.

This is essentially a continuation contract with the same provider. This contract will provide various vaccines for dogs and cats to be used at the animal control facility. The contract is for a term of five years with a total contract amount of \$600,000.

**RESOLUTION NO. RS2013-866** (MAYNARD) – This resolution approves a clinical affiliation agreement between the Metropolitan board of health and Aquinas College to provide clinical experience to nursing students. The health department will provide these clinical training experiences as part of the nursing students' public health training. Students will not receive any compensation and there is no cost to the Metropolitan Government for participating in this program.

The term of the agreement is for five years, but may be terminated by either party upon 90 days written notice. Aquinas is required to provide assurance that the students are covered by health and professional liability insurance, and the school agrees to assume responsibility for all of its students participating in the program.

**RESOLUTION NO. RS2013-867** (STEINE & PARDUE) – This resolution approves an annual Edward Byrne Memorial Justice Assistance grant in the amount of \$490,328 from the U.S. department of justice to the Metropolitan police department for technology upgrades, supplies, and training. The grant does not provide any detail as to how the funds are specifically to be used.

**RESOLUTION NO. 2013-868** (STEINE & PARDUE) – This resolution approves a second amendment to a grant in the amount of \$552,040 from the U.S. Department of Homeland Security to the Metro fire department to create a professional development program and acquire a driver simulator to train fire department personnel in the operation of large vehicles. These funds are to purchase fire service training courses and a new vehicle driver simulator. There is a required local match of \$138,010.

This resolution approves an extension of the term of the grant through March 1, 2014.

**– BILLS ON SECOND READING –**

**ORDINANCE NOS. BL2013-526 and BL2013-527** (STEINE & WESTERHOLM) – These two ordinances approve an amendment to the Metropolitan Code to establish a Metro injury-on-duty (IOD) clinic and to approve an agreement with Concentra Health Services, Inc. for operation of the clinic. Per the Metro Charter, Metro is responsible for covering all of the medical expenses related to employees being injured while on duty. Metro's IOD program is a self-insured program administered by Alternative Service Concepts (ASC). Under the current law, the employee benefit board is authorized to appoint a panel of pre-approved doctors called the "in-line-of-duty-treatment network" to treat injured employees. Employees receiving treatment through the IOD network have 100% of the expenses covered. However, employees can seek treatment using his/her group health provider and pay all applicable co-pays and deductibles, which are reimbursed by ASC.

IOD costs have risen exponentially in recent years. In 2012, Metro had 15,891 IOD claims at a total cost to the government of \$3.95 million. The finance department, Metro human resources, and the department of law have been reviewing the IOD program and considering possible changes to the program to reduce costs while maintaining quality care and treatment. Out of this review, it has been recommended that Metro establish an IOD clinic to handle non-emergency workplace injuries. Such clinics are successfully used in the private sector for large companies.

Metro sought proposals from Concentra Health Services, Inc. for the operation of a Metro IOD clinic. Concentra is a subsidiary of Humana, Inc. that provides occupational medicine, urgent care, physical therapy, and wellness services at more than 320 medical centers, as well as 270 worksite medical facilities. Concentra's clients include Target, Wal-Mart, FedEx, Coca-Cola, and the City of Dallas. Metro HR consultant, Buck Consulting, assisted in the review of Concentra's proposals and determined that an IOD clinic would reduce costs, provide higher quality and efficiency of care, and reduce productivity loss.

**Ordinance No. BL2013-526** approves an amendment to the Metro code to authorize the establishment of an IOD clinic. As required by the Charter, this ordinance provides that emergency treatment for injuries on duty would continue to be given at the nearest available medical facility. From the date of enactment of this ordinance through June 30, 2014, non-emergency and follow-up treatment would be furnished either at an IOD medical clinic or through the existing IOD network. After June 30, 2014, only specialized non-emergency medical treatment not available at the IOD clinic would be furnished through the network. All other treatment would take place at the IOD clinic. The ordinance gives the Metro HR director the authority to develop more detailed rules and protocol regarding use of the IOD clinic.

**Ordinance No. BL2013-527**, as amended, approves a contract with Concentra for operation of the Metro IOD medical clinic for three years, with a possible extension of two additional one year terms. Metro will provide office space for the clinic at 337 21<sup>st</sup> Avenue at a cost of approximately \$100,000 per year. Concentra will provide treatment of occupational injuries and illnesses, care coordination services, wellness programming, and educational/informational support for on-going Metro health and safety initiatives. The scope of services does not specify the types of occupational illnesses and injuries that will be treated at the clinic. Upon mutual consent of the parties, the services provided may be expanded to include physical exams, substance abuse testing, and physical therapy.

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**ORDINANCE NOS. BL2013-526 and BL2013-527** (continued)

Concentra will staff the clinic for 40 hours per week with a doctor, a nurse manager, and a medical assistant. The contract provides that Concentra will also provide x-ray equipment and a radiological technician. However, this ordinance was amended on September 17 to require future council approval by resolution before any radiological services or equipment are to be furnished by Concentra. The company will be compensated approximately \$900,000 during the first year of the agreement. The staffing and labor costs are to increase three percent in the second year and five percent in the third year of the contract. The costs for the first year will be billed as follows:

- \$353,000 for a doctor
- \$56,000 for a medical assistant
- \$126,000 for a nurse manager
- \$120,000 for start-up equipment and supplies
- \$22,500 for training
- \$33,300 for computer hardware/software
- \$16,500 for an annual information technology fee

The estimated costs to Metro for the second and third year of the contract without radiology services would be approximately \$645,000 and \$680,000, respectively. These cost estimates do not include certain costs to be billed through to Metro (plus a five percent administrative fee) for medical supplies, laundry, waste disposal, and lab fees. In addition, the costs for medications will be passed through to Metro with a \$3.00 dispensing fee per medication. Concentra has estimated that Metro will essentially break even during the first year of the agreement, and then save approximately \$400,000 in the second year and \$570,000 in the third year. However, these savings estimates do not factor in the aforementioned pass-through costs that will be billed to Metro, nor do they account for the removal of radiology services from the contract.

Concentra will be solely responsible for its employees working at the clinic, including employee placement, removal, and discipline. Metro has the right to request the removal of an employee. If an employee is removed at Metro's request without cause, Metro will be required to pay a minimum two weeks' severance for the employee. Concentra agrees to indemnify Metro for injuries or damage caused by Concentra's employees, and is required to maintain \$1 million in general liability and \$1 million in professional liability insurance per occurrence naming Metro as additional insured. Either party may terminate the agreement after one year with 90 days written notice. If Metro terminates the agreement during the first year, Concentra would receive an early termination penalty amounting to two months of the average staffing costs. Concentra will be required to provide quality management and oversight reports to Metro on a biannual basis.

Since this is a contract for professional services, it was not required to go through the standard public procurement system. Concentra was selected based upon the company's reputation and prior results. The procurement code provides that contracts for legal services, medical services, accounting services, fiscal agents, financial advisors or advisory services, educational consultants, architectural services, engineering services, and similar services by professional persons or groups of high ethical standards, are not to be based on competitive sealed bids, but shall be awarded on the basis of recognized competence and integrity.

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**ORDINANCE NOS. BL2013-526 and BL2013-527** (continued)

As noted above, Metro has a contract with ASC for IOD claims administration and occupational health related services. Part of the scope of services for this new contract with Concentra includes care coordination for occupational injuries and illnesses. The term "care coordination" is not defined in the agreement. Metro will need to coordinate the services with ASC and Concentra to ensure both companies understand their respective roles.

Ordinance No. BL2013-546 on second reading would approve a lease agreement for the clinic space located at 339 21<sup>st</sup> Avenue North.

**ORDINANCE NO. BL2013-544** (STEINE & WESTERHOLM) – This ordinance is a housekeeping amendment to the Metro Code relative to retiree medical benefits. In December 2012, the council approved various recommendations from the study and formulating committee and the Metro benefit board, which included a change from 10 year to 5 year vesting and a new medical plan premium contribution rate structure based upon years of service for employees hired after January 1, 2013. The contribution rate structure approved in 2012 provides as follows:

<u>Time of Service</u>	<u>Pensioner Percentage</u>	<u>Metro Percentage</u>
10-15 years	75%	25%
15-16 years	50%	50%
16-17 years	45%	55%
17-18 years	40%	60%
18-19 years	35%	65%
19-20 years	30%	70%
20 or more years	25%	75%

The 2012 ordinance inadvertently left out a contribution rate for those employees who had between five and ten years of credited service as of January 1, 2013. This ordinance provides that those vested employees with five to ten years of service would pay 75% of the premium, with Metro paying the remaining 25%.

**ORDINANCE NO. BL2013-545** (STEINE) - This ordinance establishes the property tax relief program for low-income elderly residents of the Metropolitan Government for fiscal year 2013-2014. This is an extension of a program that has been in place for many years. State law provides that funds shall be appropriated from the state general fund to qualifying low-income taxpayers 65 years of age or older to pay or reimburse such taxpayers for all or part of their local property taxes. In addition, state law allows county legislative bodies to appropriate funds for the purpose of providing assistance to low-income elderly residents of the county and to establish guidelines for participation in the program and the disbursement of such funds.

The council appropriated \$3,100,000 in the current fiscal year's operating budget for the property tax relief program for the elderly, which is the same amount as the previous fiscal year.

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**ORDINANCE NO. BL2013-545** (continued)

This ordinance authorizes the Metropolitan trustee to establish rules and procedures for implementation of the program and directs the trustee to disburse the funds accordingly to all eligible taxpayers. All persons who qualify for the state property tax relief program and whose income does not exceed \$27,800 annually will qualify for this program. As this budgetary appropriation is non-recurring funding, this program will expire on June 30, 2014.

**ORDINANCE NO. BL2013-546** (STEINE, HUNT & LANGSTER) - This ordinance approves a lease agreement between the Metropolitan Government and the Christine P. Nall Living Trust for the building located at 339 21<sup>st</sup> Avenue North to be used for an injury-on-duty medical clinic. This lease agreement would provide 4,814 square feet of space for a Metro IOD clinic to be operated by Concentra pursuant to Ordinance No. BL2013-527, which is also on second reading. This building was previously leased by the Metro Hospital Authority for use as a lifestyle counseling clinic, but that lease expired in August of this year. The term of this lease is from October 16, 2013 through September 30, 2018. The rent to be paid by Metro will be as follows:

10/16/13 – 10/31/13	\$4,327.42
11/1/13 – 9/30/14	\$100,612.60
10/1/14 – 9/30/15	\$103,630.98
10/1/15 – 9/30/16	\$106,739.91
10/1/16 – 9/30/17	\$109,942.11
10/1/17 – 9/30/18	\$113,240.37

Rent payments are to be made by Metro monthly. Metro will be responsible for all utilities and janitorial services. Metro has the right to erect signs on the property, which are to be removed by Metro at the end of the lease.

Amendments to this lease agreement may be approved by the council by resolution.

**ORDINANCE NO. BL2013-547** (DOMINY & HUNT) – This ordinance abandons 210 linear feet of an 8 inch sewer main and easement, and accepts 212 feet of a replacement 8 inch sewer main and easement for property located at 4418 Lealand Lane. Future amendments to this ordinance may be approved by resolution. This ordinance has been approved by the planning commission.

**ORDINANCE NO. BL2013-548** (DOMINY, HUNT & S. DAVIS) – This ordinance abandons 172 linear feet of a 12 inch sewer main and easement, abandons 190 feet of a 2 inch water main and easement, and accepts 266 feet of a 12 inch sewer main and easement for property located at 32 McFerrin Avenue and McFerrin Avenue, unnumbered. Future amendments to this ordinance may be approved by resolution. This ordinance has been approved by the planning commission.

**ORDINANCE NO. BL2013-549** (DOMINY, HUNT & JOHNSON) – This ordinance authorizes the acquisition of permanent and temporary stormwater easements for properties located at 171 Bell Road, 2404 Ravine Drive, 904 Flintlock Place, 1009 Flintlock Court, and 1025 Flintlock Court. There is no anticipated acquisition costs for these easements. Future amendments to this ordinance may be approved by resolution. This ordinance has been approved by the planning commission.

**– BILLS ON THIRD READING –**

**ORDINANCE NO. BL2013-528** (CLAIBORNE, STEINE & TYGARD) – This ordinance authorizes the director of public property administration to accept the donation of a 1.47 acre parcel of property located on Massman Drive along Mill Creek to be added as green space in the Mill Creek Greenway system. This property contains the historic Buchanan Station cemetery. The property is being donated by Pinnacle Business Products, LLC. This ordinance has been approved by the parks board and the planning commission.

**ORDINANCE NOS. BL2013-529 and BL2013-530** – These two ordinances amend the official street and alley acceptance and maintenance map by abandoning sections of right-of-way no longer needed by the Metropolitan Government. These ordinances have been approved by the planning commission and the traffic and parking commission. All affected property owners have consented to the proposed right-of-way abandonments.

**Ordinance No. BL2013-529** (Westerholm & A. Davis) abandons a portion of Alley No. 277 off of McFerrin Avenue near the Main Street intersection. This abandonment has been requested by Dean Design Group for the East Side Apartments development. The ordinance retains all utility easements.

**Ordinance No. BL2013-530** (Allen) abandons a portion of Alley No. 968 from Belmont Boulevard to Alley No. 439. This abandonment has been requested by DreamInc., for the purpose of adding a driveway for 2616 Belmont Boulevard. The ordinance also abandons all utility easements.

**ORDINANCE NOS. BL2013-531 THROUGH BL2013-534** – These three ordinances authorize Metro water services to acquire easements for various water/sewer and stormwater projects. There is no anticipated acquisition costs associated with these easements. Future amendments to these ordinances may be approved by resolution. These ordinances have all been approved by the planning commission.

**Ordinance No. BL2013-531** (Dominy, Hunt & Harrison) authorizes the acquisition of permanent and temporary easements for property located at 2532 Whites Creek Pike for the Whites Creek stormwater improvement project.

**Ordinance No. BL2013-532** (Dominy, Hunt & Harrison) authorizes the acquisition of permanent easements for properties located at 1809, 1811, 1813, 1901, 1903, and 1905 County Hospital Road for a stormwater improvement project.

**Ordinance No. BL2013-533** (Dominy, Hunt & A. Davis) authorizes the acquisition of permanent and temporary easements for properties located at 1119 and 1121 McGavock Pike for a stormwater improvement project.

**ORDINANCE NOS. BL2013-534 THROUGH BL2013-537** – These four ordinances abandon public water and sewer infrastructure no longer needed by Metro water services. Future amendments to these ordinances may be approved by resolution. These ordinances have all been approved by the planning commission.

**Ordinance No. BL2013-534** (Dominy, Hunt & Langster) abandons one sewer manhole and 15 linear feet of an existing public sewer main, and accepts a new sewer manhole for properties located along Cartwright Street and Charlotte Avenue for Ascend Federal Credit Union at 1901 Charlotte Avenue. There is a housekeeping amendment for this ordinance clarifying the parcels impacted by the sewer lines.

**Ordinance No. BL2013-535** (Dominy, Hunt & Langster) abandons 160 linear feet of a sewer main and 1,500 linear feet of a water main, and accepts 1,550 linear feet of 8-inch and 12-inch water mains, five fire hydrants, and 207 linear feet of a new 8-inch sewer line for properties located at 1809 Morena Street and 1807 Albion Street. This abandonment and acceptance is needed for Meharry Medical College housing.

**Ordinance No. BL2013-536** (Gilmore, Dominy & Hunt) abandons 140 linear feet of a 96-inch sewer main and 110 linear feet of a 15-inch sewer main, and accepts 180 linear feet of a new 96-inch sewer main for properties located at 1800 Chet Atkins Place and 817 18<sup>th</sup> Avenue South. This abandonment and acceptance is needed for the 18 Hundred development.

**Ordinance No. BL2013-537** (Dominy, Hunt & S. Davis) abandons 436 linear feet of a 108-inch sewer main and 762 linear feet of a 30-inch sewer main for properties located at 5 Main Street and 110 North First Street.

**SUBSTITUTE ORDINANCE NO. BL2013-543** (TYGARD & S. DAVIS) – This ordinance amends the Metro code pertaining to sponsorships on park property and the acceptance of sponsorship funds. The code currently prohibits all types of advertising within Metro parks, which has been interpreted to prohibit sponsorships, as well. Various businesses and organizations from time to time have offered to make a monetary donation or the donation of equipment to the parks department provided the name of the business or organization is included on a sign or other means of public recognition. The parks department continues to take on more and more property to maintain as a result of the acquisition of open space and the construction of new facilities, which has resulted in increased operating costs. The Metro parks master plan contemplates the use of corporate sponsorships to support the financial needs of park facilities without relying solely upon public funds. In order to implement this portion of the master plan, the parks board needs council authority to pursue sponsorships and enter into sponsorship agreements.

This ordinance gives the parks board the authority to adopt rules and regulations to provide for sponsorships of park programs, events, projects, facilities, and sites. The regulations are to include provisions regarding the types of events and facilities that can be sponsored, the size and number of signs, the use of logos, and the types of businesses and products that are not eligible for sponsorship. All sponsorship agreements in excess of \$25,000 would require council approval by resolution.