



## METROPOLITAN COUNCIL

Metro Council Office

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director

Metropolitan Council Office

DATE: **October 15, 2013**

RE: **Analysis Report**

Balance As Of:	<b><u>10/08/13</u></b>	<b><u>10/10/12</u></b>
<u>GSD 4% RESERVE FUND</u>	*\$30,826,675	\$28,756,746

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

**– RESOLUTION ON PUBLIC HEARING –**

**RESOLUTION NO. RS2013-870** (PARDUE) – This resolution approves an exemption for China Cottage Café located at 1795 Gallatin Pike North from the minimum distance requirements for obtaining a beer permit. The Metro code prevents a beer permit from being issued to an establishment located within 100 feet of a church, school, park, daycare, or one or two family residence. However, the code provides a mechanism to exempt restaurants that already have a state on-premises liquor consumption license from Metro’s minimum distance requirements to obtain a beer permit upon the adoption of a resolution by the council. A public hearing must be held by the council prior to voting on this resolution.

**– RESOLUTIONS –**

**RESOLUTION NOS. RS2013-871 and RS2013-872** (STEINE) – These two resolutions approve the issuance of taxable general obligation bonds in a principal amount not to exceed \$200 million for the purpose of reducing Metro’s unfunded pension obligations. Metro’s pension plan covers approximately 13,000 current employees and 9,900 retired and deferred vested employees. The Metro Charter requires that the annual contributions made to the pension plan at least be equal to the normal pension payment cost for that year plus 5% of the unfunded liability. Metro has consistently funded the government’s pension liabilities in excess of the minimum required by the Charter, by funding the normal costs plus 7.5% of the amortization of the unfunded liability as determined by Metro’s actuary. As of June 30, 2012, Metro’s unfunded pension liability was \$395,638,160.

The Tennessee General Assembly enacted legislation earlier this year that allows local governments with a bond rating of at least Aaa to issue general obligation bonds to fund unfunded pension liabilities that have accrued in the past. This state law authority to issue bonds for this purpose is only good through July 1, 2015. The purpose of using bonds to cover pension liabilities would be to issue debt at a fixed rate in hopes that the pension fund itself yields a better rate of return than the interest on the bonds. Over the past fifteen years, the Metro pension fund has yielded an average annual rate of return of 5.7%, and an average rate over the past 23 years of 7.5% per year. Assuming these bonds are issued at an interest rate in the 4% to 5% range, and assuming Metro’s pension fund continues to perform at the level it has in the past, then Metro would realize a financial benefit. The risk to Metro would be that the pension fund does not perform at a level that would generate returns in excess of the interest rate on the bonds, which would cost Metro more money.

The bonds will be paid out of the property tax revenues collected by Metro. The bond proceeds would not be considered part of the annual contribution to the pension fund. Rather, the proceeds would be considered a special additional contribution to reduce the accrued unfunded liability. Metro will continue to pay the contribution rate determined by the actuary, but this amount would be less since the total unfunded liability would have been reduced. Thus, Metro would theoretically see a slight savings to the general fund annually and a long term benefit to the entire pension system.

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**RESOLUTION NOS. RS2013-871 and RS2013-872**, continued

The bond resolution also approves the form of the bond purchase agreement and the preliminary official statement, which is used to market the bonds. These bonds are to be sold at a negotiated sale with J.P. Morgan Securities, LLC serving as the lead underwriter. As part of the bond resolution, the council would be approving a deferral of the principal payment for five years, meaning that the bond payments for the first five years would be interest only. The term of the bonds would be for 14 years, maturing no later than January 1, 2028.

State law requires that a public hearing be held before the council votes on the pension funding bond resolution. At such hearing, there is to be an explanation of the risk exposure associated with the bonds and whether alternate funding options were considered. Since Metro would be using the borrowed money to contribute to a pension fund that is invested, these bonds are taxable due to IRS arbitrage restrictions. As with all general obligation bonds, these pension funding bonds are supported by the full faith and credit of the Metropolitan Government.

These two resolutions are to be deferred one meeting so that they can be set for public hearing.

**Resolution No. RS2013-871** approves an initial resolution to issue general obligation bonds in a principal amount not to exceed \$200 million. This initial resolution is required by state law prior to issuing general obligation bonds.

**Resolution No. RS2013-872** authorizes the execution, issuance, and sale of taxable general obligation pension refunding bonds in an amount not to exceed \$200 million.

**RESOLUTION NO. RS2013-873** (GILMORE & STEINE) – This resolution authorizes the Metropolitan Government to impose an additional "fee" on the sales price of certain goods and services within the downtown central business improvement district (CBID). The CBID comprises a 90 block area whose boundaries are, basically, the Cumberland River to the east, Peabody Street to the south, Ninth Avenue South to the west, and Charlotte Avenue to the north. At the request of the Nashville Convention and Visitors Corp (formerly the Convention and Visitors Bureau), this year the Tennessee General Assembly authorized metropolitan governments having a CBID within a tourism development zone to impose an additional fee not to exceed one quarter of a percent (\$0.0025) on the sales price of services and tangible personal property sold within the CBID for the purpose of convention recruitment, promotion, and enhanced security within the CBID. This would essentially be the equivalent of an increase in the combined state and local sales tax rate in the CBID from 9.25% to 9.50% on items such as restaurant food, clothing, souvenirs, etc. The state law provides that the following goods and services would be exempt from the additional fee:

- Professional services;
- Lodging provided to transients;
- Tickets to sporting events or other live ticketed events;
- Alcoholic beverages which are subject to the liquor by the drink tax in addition to sales tax;
- Newspapers and other publications; and
- Overnight and long term parking.

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**RESOLUTION NO. RS2013-873**, continued

The "fee" is to be collected in the same manner as the state sales tax is collected. Funds generated by the fee could only be used to assist in the recruitment of major conventions and group meetings, the improvement of promotion, and to provide additional focused security in the CBID. The state law includes a protection essentially for Opryland Hotel that prohibits the use of the funds for "recruitment of, directly or indirectly, conventions or group meetings which are considering, or would otherwise consider absent the use of this fee, other meeting and convention venues located in a county in which such fee is imposed."

The state enabling legislation requires that the first \$165,000 of the first year's collections be deposited into the state general fund. After the first year, \$50,000 of the fee would be kept by the state. According to estimates from the Convention and Visitors Corp and state department of revenue, this new fee is expected to generate approximately \$1 million per year.

**RESOLUTION NO. RS2013-874** (STEINE) – This resolution approves a sole source contract with Microsoft for software support and maintenance for the department of information technology services (ITS). 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 contract sets an authorized ceiling on support and consulting engagement services for Microsoft software applications and implementations used by all departments and agencies of the Metropolitan Government. Each engagement through this contract will be defined by specific statements of work and budgets, which collectively cannot exceed \$250,000 per year for a total contract amount of \$1,250,000 over five years.

**RESOLUTION NO. RS2013-875** (STEINE & DOMINY) – This resolution approves an application for a state recycling grant in the amount of \$51,374 and appropriates the funds once received to the department of public works. The state technically calls this a "rebate", but it functions in the same manner as a grant. These funds will be used to defray the cost of operating the Metro recycling centers. There will be a required match of \$51,374 to be provided from the department's operating budget.

**RESOLUTION NO. RS2013-876** (GILMORE) – This resolution authorizes DTG Tennessee Management, dba Bettie Page, to install and maintain an aerial sign encroachment at 400 Broadway. The encroachment consists of a 9' x 6' sign to extend over the sidewalk on the front of the building facing Broadway for the Bettie Page Clothing Store. The applicant must indemnify the Metropolitan Government from all claims in connection with the construction and maintenance of the sign, and is required to post a certificate of public liability insurance with the Metropolitan clerk naming the Metropolitan Government as an insured party.

This resolution has been administratively approved by the planning department staff on behalf of the planning commission.

**RESOLUTION NO. RS2013-877** (STEINE) – This resolution authorizes the department of law to compromise and settle the property damage claim of the Gerdau Company against the Metropolitan Government for the amount of \$45,545.08. On May 11, 2013, a sewer backed up onto the Gerdau Company's property located at 4280 Sidco Drive, which is located downstream from two restaurants that have older grease interceptors. The backup was caused by a grease blockage in the sewer line further downstream from the 4280 Sidco Drive property. An adjacent segment of the line had a history of grease accumulation, which was cleaned by Metro water services every six months. The section of sewer line that caused the damage in this incident had not previously required cleaning.

The Gerdau Company sustained approximately \$90,000 in damage as a result of this blockage. Metro could be held liable for the full amount of the damage if the court found that Metro should have known that the sewer line downstream from two restaurants is prone to grease-related blockages, and therefore should have been inspected and cleaned. The company has agreed to accept \$45,545.08 to settle the claim since there is some evidence that the grease interceptor at one of the upstream restaurants had not been cleaned the month before the backup occurred.

This amount is to be paid out of the self-insured liability fund.

**RESOLUTION NO. RS2013-878** (STEINE) – This resolution authorizes the department of law to compromise and settle the lawsuit brought by Juana Villegas against the Metropolitan Government for \$490,000. On July 3, 2008, a Berry Hill police officer arrested Juana Villegas, who was nine months pregnant at the time, for driving without a license. Ms. Villegas was taken to the criminal justice center and held on a \$4,000 bond, which was set by the judicial commissioner. A federal Immigration and Customs Enforcement (ICE) hold was placed on Ms. Villegas under the former 287(g) program, which prevented her from being eligible for the pretrial release program that would have released her on her own recognizance. Ms. Villegas started to go into labor at approximately 9:00 p.m. on July 5 and was taken by ambulance to Metro General Hospital. Ms. Villegas was restrained in the ambulance and when she arrived at the hospital, which was in accordance with the sheriff's office policies at the time. After changing into a hospital gown, Ms. Villegas was placed in a leg restraint that was attached to the bed and the handcuffs were removed. The leg restraint was removed prior to delivery and remained off until the next morning. For the duration of her hospital stay, Ms. Villegas was in restraints while she was in the hospital bed, and was placed in leg shackles when out of the bed. She returned to the jail on July 8.

Ms. Villegas sued the Metropolitan Government in federal court alleging that the use of the restraints before and after giving birth was a violation of her civil rights. The judge granted the plaintiff's summary judgment motion and the jury subsequently awarded Ms. Villegas \$200,000 in damages. Metro appealed the judge's summary judgment decision and certain evidentiary rulings after the damages hearing. While this appeal was pending, the federal district court judge awarded the plaintiff approximately \$1,200,000 in attorney fees. The 6<sup>th</sup> Circuit federal court of appeals reversed the trial court's summary judgment decision and ruled that certain facts should be  
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**RESOLUTION NO. RS2013-878**, continued

decided by a jury, such as whether Ms. Villegas was a flight risk, which would justify the use of restraints, and whether the sheriff's office staff perceived a serious risk of harm to Ms. Villegas by restraining her. The parties are now awaiting trial pending the settlement.

The department of law is of the opinion that a settlement in the amount of \$490,000 to be paid by Metro is in the government's best interest from a risk management standpoint. This would result in \$100,000 for Ms. Villegas and \$390,000 in attorney fees. The plaintiff's attorneys have incurred an additional \$300,000 in attorney fees since the previous \$1,200,000 attorney fee award. The trial judges' previous evidentiary rulings have not been favorable to Metro, and there is no reason to believe these rulings would change if the case went to trial. Even if Metro prevailed at trial, Metro would still have to spend another \$125,000 for experts and other costs. If Metro lost at trial, the potential total liability could be well over \$2,000,000.

There was no disciplinary action taken against any of the sheriff's office employees involved since all of their actions were in compliance with the policies that were in existence at the time. These policies have now been revised to state that, as a general rule, pregnant, laboring, and post-partum inmates are not to be restrained.

This settlement amount would be paid out of the judgments and losses fund.

**– 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. The 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 339 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 (continued on next page)

**ORDINANCE NOS. BL2013-526 and BL2013-527**, continued

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.

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.

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**ORDINANCE NOS. BL2013-526 and BL2013-527**

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.

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. BL2013-546** (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. BL2013-550** (STEINE & WESTERHOLM) – This ordinance approves an amendment to the Metropolitan Code to clarify that an employee’s pension calculation will not be affected by recent civil service commission changes pertaining to injury-on-duty (IOD) compensation. In June 2013, the civil service commission approved a change to its rules and policies to reduce the amount of IOD compensation for an employee whose injury is deemed “non-catastrophic”. Under the new policy effective October 1, 2013, the compensation for those employees determined to have a non-catastrophic IOD injury would be reduced from 100% of earnings to 75% of earnings as established by the pay plan. The policy considers a catastrophic injury to be an injury that comes as a result of the employee directly putting himself/herself in harm’s way in the performance of his/her duties, and must be severe enough to incapacitate or restrict the employee from performing work of any kind, including light duty, for an extended period.

This ordinance amends the pension provisions in the Code to ensure that the lesser amount of compensation paid to an employee with a non-catastrophic injury will not result in a decrease in pension benefits. An employee’s pension is based upon average earnings, so reducing the amount of compensation while an employee is recuperating from a non-catastrophic injury could otherwise negatively affect the amount of pension payments such employee may receive upon retiring or taking a disability pension. Metro’s actuarial consultant has determined that this change will not have a material impact on the pension plan’s liabilities and would not create a material change in the Metro-wide contribution rate.

**ORDINANCE NO. BL2013-551** (PARDUE & HARRISON) – This ordinance amends the Metro code to allow the traffic and parking commission staff to develop zones for the operation of horse-drawn carriages. The transportation licensing commission has regulated horse-drawn carriages since 2002 much in the same manner as taxi companies are regulated, including background checks for operators and equipment regulations. The code currently requires horse-drawn carriages to operate on fixed routes developed by the traffic and parking commission. This ordinance would allow the traffic and parking commission staff to create zones for the carriages to operate within as an alternative to the fixed routes.

**ORDINANCE NO. BL2013-552** (HARMON) – This ordinance amends the Metro code to limit the parking of vehicles for sale on commercial property. The code currently does not restrict the parking of vehicles for sale in the parking lots of businesses such as grocery and retail stores. Thus, these vehicles can remain on the property indefinitely as long as the property owner does not take action to remove them. This ordinance would prohibit vehicles that have a visible “for sale” sign (or other conspicuous marking informing the public that the vehicle is for sale) from being parked in a commercial parking lot for more than 24 consecutive hours within a seven day period unless the vehicle owner has the written permission of the property owner or is an employee of a business served by the parking lot.

**ORDINANCE NOS. BL2013-553 & BL2013-554** – These two ordinances declare two parcels of property to be surplus and authorize the director of public property administration to sell the property in accordance with the standard procedures for the disposition of surplus property.

**Ordinance No. BL2013-553** (Blalock, Steine & Hunt) authorizes the disposition of a small portion of the McMurray Middle School property located at 520 McMurray Drive. The Metropolitan board of education has determined that this 1.78-acre portion (basically consisting of a drainage ditch) is not needed for school purposes and has transferred it to the director of public property administration. The proceeds of the sale will be credited to the unappropriated school fund.

**Ordinance No. BL2013-554** (Gilmore, Steine & Hunt) authorizes the disposition of the 222 Building located at 222 3<sup>rd</sup> Avenue North. This building has housed a number of Metro departments and agencies over the years, but the department of human resources is the only department currently occupying the building. HR will be relocating to the Parkway Towers Building pursuant to a lease agreement that is the subject matter of Ordinance No. BL2013-555, which is also on second reading. According to information from the property assessor's website, the 222 Building was built in 1890 and has an appraised value of \$5,357,500 (\$1,441,000 for the land and \$3,916,500 for the building). The building has not been updated in a number of years, and significant renovations would be required in order to continue to use the building for government office purposes. The current fiscal year budget includes \$338,160 to operate the 222 Building. Both the finance department and the department of general services have determined that Metro is better off financially and operationally leasing office space than owning and maintaining the 222 Building.

The ordinance provides that the building is to be sold "in accordance with the standard rules and regulations for the disposition of surplus property." This typically means selling the property via an online auction conducted on the Metro eBid site. Proceeds of the sale will be credited to the Metro general fund.

**ORDINANCE NO. BL2013-555** (GILMORE, STEINE & HUNT) – This ordinance approves a lease agreement between the Metropolitan Government and Parkway Towers, LLC (the "lessor") for office space in Parkway Towers located at 404 James Robertson Parkway. The public defender's office and justice information services (JIS) have been leasing a total of 30,236 square feet in Parkway Towers since 2003. The previous lease term expired in August 2013. Metro desires to continue leasing space for these two departments, plus additional space for the department of human resources, the human relations commission, and the internal auditor. Human resources is currently housed in the 222 building, which has been proposed for a surplus declaration by the council so it can be sold. The human relations commission is currently located at the Metro Office Building on the Fulton campus, but this space is needed for the new one-stop permitting facility. The office of internal audit is currently located at the Metro Southeast facility on Murfreesboro Road.

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**ORDINANCE NO. BL2013-555**, continued

Pursuant to this agreement, Metro will lease a minimum of 25,493 square feet for the departments using the building currently. The agreement contemplates Metro leasing an additional 21,000 square feet on the first and tenth floors over the next six months to house the other departments that will be relocating to the building. This lease agreement is for a term of 10 years. The rent to be paid for the first five years will be \$17.16 per square foot, which would amount to \$797,064.84 per year once all of the space is occupied. After the fifth year, the lease payments increase incrementally each year up to a maximum of \$18.97 per square foot in the final year of the lease. Rent for the additional space to be leased will not commence until the space is actually occupied by Metro.

Metro will be accepting the existing leased premises on an "as-is" basis. The lessor will make the necessary improvements to the 1<sup>st</sup> and 10<sup>th</sup> floors to accommodate the new departments/agencies. The lessor will be responsible for furnishing janitorial services and electricity. Metro can make changes to the premises with the written consent of the lessor. Metro will have the right to partially terminate the lease for individual offices with 60 days written notice and payment of a termination fee equal to the unamortized portion of the lessor's improvement costs for the space. Metro can terminate the entire lease agreement after September 1, 2018 with 120 days written notice. The lessor is required to furnish six reserved parking spaces for employees and four visitor spaces in the building's parking garage at no additional cost to Metro. Ten free visitor parking spaces will be provided on Wednesdays. Metro will continue to have the right of first refusal to lease approximately 4,000 square feet of additional office space in the building at the same rental rates.

This lease may be amended upon approval of the council by resolution.

The planning department, acting on behalf of the commission, has recommended approval of this lease agreement.

**ORDINANCE NO. BL2013-556** (STEINE, BAKER & HUNT) – This ordinance approves a vacant property exchange with the Metropolitan Nashville Airport Authority for the purpose of acquiring land for greenway and other recreational purposes. The airport authority is in need of 15.8 acres of Metro Government-owned property located off of Cockrill Bend Circle for an expansion of the John Tune airport. In exchange for this parcel, the airport authority will transfer two parcels to Metro that are located near the intersection of Murfreesboro Pike and McGavock Pike totaling approximately 24 acres. The parcels to be exchanged are of like value. The Murfreesboro Pike property will be used as part of the Metro greenway system.

Future amendments to this ordinance may be approved by resolution. This ordinance has been approved by the board of parks and recreation and the planning commission.

**ORDINANCE NO. BL2013-557** (STEINE & PARDUE) – This ordinance approves an agreement among the public defender’s office, UCLA School of Law, and Gideon’s Promise for a law school partnership project. This agreement will allow the public defender’s office to obtain the services of a 2014 UCLA law school graduate through a fellowship program. UCLA agrees to pay the graduate’s salary for a period of one year. The public defender’s office will be required to pay Gideon’s Promise \$18,000 plus travel expenses to cover the “Fellow’s” participation in a training program, and will be required to move the Fellow into a full-time permanent position at the end of the one year term of the fellowship.

**ORDINANCE NO. BL2013-558** (GILMORE & STEINE) – This ordinance authorizes the Metro arts commission to accept the donation of a mosaic sculpture from Oasis Center, Inc. The sculpture by Sheri Warner Hunter called *The Gathering* is being donated at no cost to Metro, provided that the sculpture is installed and displayed at Edmonson Park or another public location. *The Gathering* is a set of four abstract figures made of fiberglass, concrete, and ceramic tiles. The agreement notes that the artwork has some cosmetic and structural flaws, including cracked tiles, punctures at the base of the sculpture, and an improper repair to one of the figure’s arms. Metro will be responsible for transporting the sculpture from its current location, as well as installing and maintaining it on Metro property.

**ORDINANCE NO. BL2013-559** (STEINE & GILMORE) – This ordinance designates Lyle Avenue between West End Avenue and Division Street as “Mario Ferrari Way”. Mario Ferrari was the owner of the famed Mario’s Ristorante located at the corner of West End Avenue and Lyle Avenue, as well as a number of other eating establishments in Nashville over his long career in the restaurant business. Ordinance No. BL2012-262 established a procedure for the use of honorary street signs whereby the council, by ordinance, can authorize and direct the department of public works to install honorary street signs beneath the official street name sign for any street identified on the official street and alley acceptance and maintenance map.

This ordinance does not officially rename Lyle Avenue, and property owners will not be required to change their address. The designation as “Mario Ferrari Way” is only honorary. The honorary street signs resulting from the ordinance are to be privately funded.

**– BILLS ON THIRD READING –**

**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.

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. BL2013-547** (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.