



## METROPOLITAN COUNCIL

Metro Council Office

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director  
Metropolitan Council Office

DATE: **January 7, 2014**

RE: **Analysis Report**

### **Current Fund Balances Will Be Available Prior To Tuesday's Council Meeting**

Unaudited Fund Balances as of 12/10/13:

4% Reserve Fund	\$31,323,906*
Metro Self Insured Liability Claims	\$4,758,785
Judgments & Losses	\$2,303,799
Schools Self Insured Liability Claims	\$1,382,013
Self-Insured Property Loss Aggregate	\$6,644,409
Employee Blanket Bond Claims	\$627,309
Police Professional Liability Claims	\$2,892,050
Death Benefit	\$774,651

\* Assumes unrealized estimated revenues in fiscal year 2014 of \$21,089,765

**– BILL ON PUBLIC HEARING –**

**ORDINANCE NO. BL2013-629** (BENNETT) – This ordinance amends the Metropolitan code pertaining to the keeping of chickens to remove the sunset provision and remove the prohibition on the keeping of chickens in certain council districts. Substitute Ordinance No. BL2011-47 approved in January of 2012 allows domesticated hens on residential property in certain council districts upon obtaining a permit from the department of health. The permit holder is required to occupy the residence where the hens are kept as his/her personal, primary residence. Unless the property is located on residentially-zoned (R or RS) property within the general services district (GSD) on a lot of five acres or greater, the number of hens that can be kept on the property is as follows:

<b>Max. Number Hens</b>	<b>Parcel Area (sq. ft.)</b>	<b>Acreage</b>
2	0 to 5,009	0.00 to .11
4	5,010 to 10,236	.12 to .23
6	10,237 to 87,119	.24 or more

Other conditions included in BL2011-47 pertaining to the keeping of chickens include:

- o No roosters.
- o No hens in the front yard.
- o The hens must be kept in a predator-proof enclosure that is at least 25 feet away from any residence and 10 feet from the property line.
- o No slaughtering chickens on the property.

The council added a two year "sunset" provision to Substitute BL2011-47 requiring council action to prevent the bill from expiring on March 1, 2014. This ordinance removes this sunset provision. The council approved an amendment to Substitute BL2011-47 to prohibit the keeping of chickens in council districts 12, 20, 28, 29, 30, 31, 32, and 33. This ordinance removes the district prohibition. Although this provision has not been challenged, it is questionable whether Metro could successfully defend such an opt-out provision unless a valid land use reason was given for distinguishing one council district from a similarly situated council district as it relates to the keeping of chickens.

– RESOLUTIONS –

**RESOLUTION NO. RS2014-948** (MITCHELL) – This resolution appropriates \$13,100,000 from the undesignated fund balance of the general fund of the general services district (GSD) to Metro Schools. On November 12, 2013, the Metro board of education voted to authorize the use of \$19,100,000 of the schools undesignated fund balance to fund a teacher retirement incentive and for technology to implement the Common Core standards. On December 17, 2013, the council appropriated \$4,300,000 from the schools undesignated fund balance to Metro Nashville public schools (MNPS) for the teacher retirement buyout incentive, but legislation was not submitted to address the school board's other requests. The Metro schools chief financial officer, Chris Henson, informed the council budget and finance committee on December 16, 2013 that MNPS had decided to pursue other sources of funding for this equipment in the current fiscal year, as opposed to the use of fund balance.

This resolution would appropriate \$13,100,000 that could fund the purchase of laptop computers, teacher technology training, and a universal screener assessment for the implementation of the Common Core testing.

The undesignated fund balance for Metro schools at the end of the fiscal year is estimated to be approximately \$60,600,000 after the recent appropriation for the retirement buyout, which represents roughly 8.2% of the total MNPS operating budget. This resolution would reduce the anticipated fund balance to approximately \$47,500,000, or 6.4%. The Metropolitan Government has established a policy of maintaining a minimum undesignated fund balance of 5% in all reserve funds.

The director of finance has refused to sign this resolution as to the availability of funds, opining that it would be fiscally irresponsible to spend a significant amount from the schools fund balance given the funding deficit projected by MNPS going into fiscal year 2014-2015. A copy of the finance director's letter is attached to this analysis.

**RESOLUTION NO. RS2014-949** (STEINE & BANKS) – This resolution approves a grant in the amount of \$10,000 from the Memorial Foundation for support of the Americans for the Arts convention to be held in Nashville in June 2014. The council approved an agreement in March 2013 with Americans for the Arts obligating the city to cover all costs associated with providing artists throughout the convention, offsite art-related tours, an opening reception, and a board and VIP dinner. The cost for Metro's responsibilities is not to exceed \$250,000. The agreement contemplated that the arts commission would work with the Americans for the Arts staff to raise money to cover the costs of the convention.

Ordinance No. BL2013-606 on third reading would allow the arts commission to accept donations and sponsorships to help cover the convention's costs without requiring such funds to be accepted by resolution.

**RESOLUTION NO. RS2014-950** (JERNIGAN, STEINE & TYGARD) – This resolution authorizes the director of public property to purchase a 101.37 acre parcel of property located on Hurst Drive in Old Hickory for use as part of the park system. The option contract provides that Metro can purchase this property for \$782,000 within 90 days of December 27, 2013. The property was purchased by the current owner, Michael J. Nacarato, Jr., in September 2011 at a foreclosure sale for \$350,000. The \$782,000 option purchase price was negotiated based upon an appraisal from Metro’s appraiser and another appraisal from an appraiser selected by the seller.

The Metro code allows for the acquisition of property through the exercise of a negotiated option to sell at a fixed price, which is subject to approval of the council by resolution. The funding for this purchase will be from capital funds appropriated by the council for open space acquisition. The park board has approved this acquisition.

This resolution has been referred to the planning commission. Pursuant to Section 11.505 of the Charter, this resolution should be deferred if the planning commission recommendation has not been received prior to the January 7, 2014 council meeting, as it has been less than 30 days since the date of referral to the planning commission.

**RESOLUTION NO. RS2014-951** (STEINE) – This resolution extends the existing franchise agreement with Nashville Gas Company for a period of five years. Nashville Gas, whose parent company is Piedmont Natural Gas, has held a franchise to sell and transport natural gas within the area of the Metropolitan Government since 1912. The current agreement was approved by the council in December 2003 for a term of 10 years, with a possible extension of four additional five year periods upon approval of the council by resolution. The agreement was ratified by the voters at a referendum election in February 2004, as required by the Metro charter for the extension of public utility franchise agreements.

Under the existing agreement, Piedmont is required to pay Metro an annual franchise fee of 5% of its gross receipts from the sale, transportation, and distribution of gas. This 5% annual franchise fee amounted to approximately \$10 million in revenue to Metro for calendar year 2013. The franchise fee will continue to remain in effect unless the Metropolitan Government grants a franchise to another company to sell, transport, and distribute gas. In addition, Piedmont pays approximately \$4.2 million in property taxes annually to Metro.

The council office would point out that the Metropolitan Government has no authority over the rates Piedmont Gas customers are charged. Such rates are regulated by the Tennessee Regulatory Authority.

**RESOLUTION NO. RS2014-952** (STEINE & TYGARD) – This resolution approves a grant in the amount of \$5,000 from the Tennessee department of agriculture to the department of public works to re-establish the tree canopy in the downtown Nashville inner loop. All trees purchased through this grant must be planted by April 15, 2014. There is a required local match of \$5,000. The grant, with the requirement match, will allow 72 trees to be purchased and planted.

**RESOLUTION NO. RS2014-953** (STEINE & LANGSTER) – This resolution approves a grant in the amount of \$5,000 from Marathon Petroleum Company LP to the Metropolitan Nashville fire department to purchase equipment. The equipment to be purchased includes foam, foam nozzles, air monitors, and other items to assist in responding to hazardous material incidents.

**RESOLUTION NO. RS2014-954** (STEINE, BANKS & LANGSTER) – This resolution approves an application for an Assistance for Firefighters grant in the amount of \$2,500,736 to purchase approximately 400 self-contained breathing apparatuses to meet current NFPA standards. The existing units, purchased in 1999, are not compliant with the current standards and require significant ongoing repairs. If awarded, there will be a required local match of \$277,859.

**RESOLUTION NO. RS2014-955** (STEINE) – This resolution approves an amendment to a grant from the Greater Nashville Regional Council to the Metropolitan social services commission for meal delivery and transportation services to eligible senior citizens and disabled persons. This grant is a combination of federal and state funds that will be used to provide nutritious meals through meal delivery services and congregate meal sites. This amendment increases the amount of the grant by \$194,947, for a total grant amount of \$928,229. The amendment also increases the total amount of the required cash match by \$19,467.90 to be provided through the social services commission's operating budget.

**RESOLUTION NO. RS2014-956** (STEINE) – This resolution authorizes the department of law to settle the personal injury claim of Dirie Abshir against the Metropolitan Government for the amount of \$18,000. On May 11, 2013, a Metro police officer was attempting to enter traffic from a parking lot on East Thompson Lane when he struck Mr. Abshir's vehicle. Mr. Abshir sustained neck and back injuries resulting in medical expenses in the amount of \$8,031 and lost wages in the amount of \$1,912. This resolution settles the claim for the amount of medical bills and lost wages plus \$8,057 for pain and suffering. Metro has already paid Mr. Abshir's insurance carrier \$1,444.22 for the damage to his vehicle.

The police officer that caused the accident received disciplinary action consisting of a written reprimand.

**RESOLUTION NO. RS2014-957** (STEINE) – This resolution authorizes the department of law to settle the property damage claim of Curt Casassa against the Metropolitan Government in the amount of \$17,214.97. On May 30, 2013, a Metro water services employee ran a red light at the intersection of Leland Lane and Battery Avenue and struck Mr. Casassa's vehicle. The vehicle, valued at \$24,774.72 was determined to be a total loss. This resolution will pay Mr. Casassa's insurance carrier \$17,214.97, which represents the value of the vehicle less the salvage value. There were no injuries as a result of this accident. No disciplinary action was taken against the Metro employee.

**RESOLUTION NO. RS2014-958** (BARRY) – This resolution approves the election of notaries public pursuant to state law.

**– BILLS ON SECOND READING –**

**ORDINANCE NO. BL2013-569** (BEDNE, TENPENNY & OTHERS) – This zoning text change amends the conditions applicable to various automobile related uses. In 2006, the council amended the zoning code to prohibit automotive uses such as automobile repair, service, and used car sales, as well as car washes and wrecker services, from being located in the commercial zoning districts (CS and CA). Car washes were a use permitted with conditions before the 2006 change to SP, while the other uses were permitted by right. The intent of the SP requirement was to give the council more control over the location of automotive-related uses. There were no set conditions included in the code applicable to these uses countywide.

In May 2013, the council enacted Ordinance No. BL2013-418, which basically repealed the SP requirement for automotive uses, added these uses as permitted with conditions, and added a number of specific conditions automotive uses would have to meet in order to obtain a use permit. The conditions for automobile repair; automobile sale, used; and vehicular sales and services, limited are currently as follows:

1. A physical separation between automobile display/parking areas and the right-of-way in the form of a wall or fence not to exceed 3 feet in height.
2. No chain link fencing could be erected within 25 feet of the right-of-way.
3. Service doors facing residential districts must be screened by a solid wall or opaque fence.
4. All buildings, vehicle storage, and repair must take place at least 25 feet from a residential district, and must be screened from residential districts.
5. Inoperable vehicles, outdoor storage, and auto repair activities must be located to the rear or side yard, and cannot be visible from the right-of-way.
6. No billboards or digital signs would be permitted on the property.

The conditions applicable to car washes include:

1. The same physical separation from the right-of-way as noted above.
2. Car wash structures must be at least 50 feet from a residential district.
3. All washing facilities must be within an enclosed structure, and must be separated from the adjacent property by a masonry wall between 6 and 8 feet in height.
4. Operating hours would be restricted to 8:00 a.m. to 10:00 p.m. if the facility is within 100 feet of a residential district.
5. No outdoor speakers would be allowed on the property.
6. No vehicles could be stored or offered for sale.
7. Billboards and digital signs would be prohibited.

This ordinance modifies some of the conditions for automotive uses and adds several new conditions. The primary changes are:

1. Increasing the distance requirement for automotive uses from residential property from 25 feet to 200 feet.
2. Prohibiting more than one car lot or auto repair shop from being located on the same block face.
3. Prohibiting car lots from being located within 1,000 feet of another car lot.
4. Prohibiting car washes from being located within 500 feet of another car wash.
5. Adding a requirement that a community meeting be held prior to submitting a use application to the codes department.

(continued on next page)

**ORDINANCE NO. BL2013-569**, continued

This ordinance would also remove the distinction between used car lots and new car lots so that all car lots would have to abide by the same standards.

This ordinance has been disapproved by the planning commission.

**ORDINANCE NO. BL2013-603** (MITCHELL) – This ordinance amends the Metro code to regulate small outdoor music events on commercial property. Aside from the Metro noise ordinance, the code currently does not regulate or expressly authorize small concerts on commercially-zoned property. Such concerts have become an issue in certain areas that have a mixture of commercial and residential uses within close proximity to each other. This ordinance would allow businesses located within 1,000 feet of residentially-zoned property to apply for an annual permit from the office of film and special events to hold up to six small music events per year.

The ordinance defines "small outdoor music event" as an event held on commercially-zoned property that features live, amplified music for an audience of not more than 150 people. The annual permit would have to be obtained at least 45 days before the first music event. Along with a fifty dollar application fee, the permit application must include the following information:

1. The proposed time, date, and location of the event or events;
2. A description of the proposed event;
3. A list of persons responsible for planning the event, and reliable means of contacting those persons;
4. The estimated attendance at the event; and
5. Whether food or alcoholic beverages will be served.

In evaluating a permit application, the special events office is to consider the impact the event would have on the neighborhood, as well as the impact on pedestrian traffic and safety. Other restrictions on such events would be as follows:

- The event must start no earlier than 11:00 a.m., and must end no later than 10:00 p.m. on weekends and 9:00 p.m. on weeknights.
- The event cannot have more than 150 people in attendance.
- The stage, speakers, and amplifiers must not be oriented toward a single or two family residence within 300 feet.
- The sound for the event would be limited to 60 Decibels as measured from the nearest single or two-family residential property line.
- The permit holder must provide written notice of a small outdoor music event to all properties within 600 feet at least fourteen days prior to a scheduled event.
- The permit must be conspicuously posted on the property at all times during the event.

**ORDINANCE NO. BL2013-631** (MOORE & ALLEN) – This ordinance authorizes Nashville Downtown Partnership to install and maintain two automated bike kiosks within the public right-of-way at 2315 12<sup>th</sup> Avenue South for the "B-cycle" bikes in the bikeshare program. B-cycle member riders will be able to swipe their card at the kiosk to unlock the bike. The kiosks, which will allow up to 13 bikes, will be powered using solar electricity with a battery back-up.

The department of public works has advised that this ordinance should be withdrawn as it has been determined that the property in question is located outside of the public right-of-way.

**ORDINANCE NO. BL2013-632** (STEINE) – This ordinance accepts a donation of three Tennessee walking horses to the Metropolitan police department. These horses will be used by the police department’s mounted patrol unit. The horses are being donated by Linda Foust Grajewski of Culleoka, TN, Gary Smith of Shelbyville, TN, and Stone Wall Investments, Inc. in Ashland City, TN.

**ORDINANCE NO. BL2013-633** (BAKER & PARDUE) – This ordinance amends the Metro code to allow beer sales on Sundays starting at 10:00 a.m. as opposed to noon. State law allows local governments to regulate the hours of permissible beer sales on Sunday by ordinance. In the 1930’s and 1940’s, the sale of beer on Sunday was prohibited. This was repealed in 1946 in lieu of a 1:00 p.m. Sunday beer sales starting time. This was changed to noon on Sundays in 1971.

State law allows restaurants with a state liquor license to begin selling drinks at 10:00 a.m. on Sundays.

**– BILLS ON THIRD READING –**

**ORDINANCE NO. BL2013-604** (CLAIBORNE) – This ordinance amends the Metro noise ordinance to restrict the operation of buses in parking or staging areas next to hotels/motels in the commercial attraction (CA) zoning district. The CA district is essentially the Opryland and the Music Valley Drive areas, which have a high concentration of hotels and tourist attractions. This ordinance would prohibit the operation of buses in a parking or staging area if the noise from the engine, exhaust, or back-up alert beeper is plainly audible from the nearest exterior wall of a CA-zoned hotel or motel.

**ORDINANCE NO. BL2013-605** (STEINE) – This ordinance amends the Metro code to lower the minimum fee limousine/livery services must charge, and to allow the use of internet-based technology to pre-arrange livery service. In June 2010, the council enacted Ordinance No. BL2010-685 to provide specific regulations applicable to non-taxi passenger vehicles for hire. In that ordinance, vehicles and services were divided into three categories: livery, shuttle, and special-purpose passenger vehicles for hire. The regulations in the 2010 ordinance included, in part, a minimum \$45 fee for livery services, a prohibition on the use of leased vehicles, and age/mileage restrictions. Two ordinances were subsequently filed to lower the minimum livery fee, but both ordinances were deferred indefinitely.

While the purpose of the minimum fee was to distinguish livery services from taxicabs, numerous questions have been raised over the past three years as to its fairness. In February 2010, several livery operators sued Metro alleging that the various restrictions in BL2010-685 are unconstitutionally arbitrary and are irrational regulations designed to eliminate competition. Metro was able to successfully defend the existing regulations in court, including the \$45 minimum fee.

Instead of a minimum \$45 fare, the minimum fare livery services could charge under this ordinance would be three times the rate a taxicab can charge for activation of a taximeter, which would result in a minimum fare of \$9. In addition, this ordinance provides that the pre-arrangement of livery services could be via internet-based technology applications, such as Uber. This technology allows customers to use their smart phones to order a livery service and track the vehicle's location while it is en route to pick up the customer.

**ORDINANCE NO. BL2013-606** (STEINE) – This ordinance authorizes the Metro arts commission to accept donations and sponsorships to help cover the costs associated with the Americans for the Arts convention to be held in Nashville June 12-15, 2014. The council approved an agreement in March 2013 with Americans for the Arts obligating the city to cover all costs associated with providing artists throughout the convention, offsite art-related tours, an opening reception, and a board and VIP dinner. The cost for Metro's responsibilities is not to exceed \$250,000. The agreement contemplated that the arts commission would work with the Americans for the Arts staff to raise money to cover the costs of the convention.

This ordinance authorizes the arts commission to accept and use \$25,000 from MarketStreet Enterprises, LLC, \$7,500 from the Metro Nashville airport authority, and \$25,000 from First Tennessee Bank. The ordinance also authorizes the acceptance of funds from future third party businesses/organizations that give money to help cover the costs of the convention.

**ORDINANCE NO. BL2013-607** (GILMORE) – This ordinance abandons a portion of Alley Nos. 384 and 387 from Broadway to Terrace Place between 20<sup>th</sup> Avenue South and 21<sup>st</sup> Avenue South. This closure has been requested by Vanderbilt University to allow for a consolidation of parcels for future needs. This ordinance retains all utility easements in the right-of-way.

This ordinance has been approved by the traffic and parking commission and the planning commission.

**ORDINANCE NO. BL2013-608** (HARRISON, STEINE & OTHERS) – This ordinance authorizes the acquisition of right-of-way, drainage, and temporary construction easements for a portion of 25 parcels located along Baptist World Center Drive and Haynes Meade Circle. These property interests are needed for a sidewalk project. The acquisition costs will be funded out of capital funds previously appropriated for sidewalk projects. This ordinance has been approved by the planning commission.

**ORDINANCE NO. BL2013-609** (ALLEN, STEINE & OTHERS) – This ordinance authorizes the acquisition of right-of-way, drainage, and temporary construction easements for a portion of 14 parcels located along Chesterfield Avenue and Blair Boulevard for a sidewalk project. This ordinance has been approved by the planning commission. The acquisition costs will be funded out of capital funds previously appropriated for sidewalk projects.

**ORDINANCE NOS. BL2013-610 and BL2013-611** – These two ordinances authorize the acquisition of easements for two stormwater projects. The ordinances provide that future amendments to the ordinances may be approved by resolution. These ordinances have been approved by the planning commission.

**Ordinance No. BL2013-610** (Bennett, Dominy & Hunt) authorizes the acquisition of easements for 36 properties located along Saunders Avenue, Saunders Court, Edwards Avenue, and Virginia Avenue for the Saunders Avenue stormwater project.

**Ordinance No. BL2013-611** (Matthews, Dominy & Hunt) authorizes the acquisition of easements for property located at 4300 Clarksville Pike for a stormwater project.

**ORDINANCE NO. BL2013-612** (MOORE, DOMINY & HUNT) – This ordinance abandons approximately 350 linear feet of an existing eight inch sewer main and accepts 421 linear feet of replacement sewer main for properties located at 1400 14<sup>th</sup> Avenue South, and 1441, 1441B, and 1443 12<sup>th</sup> Avenue South. This abandonment is necessary for the construction of the new Midtown police precinct. Future amendments to this ordinance may be approved by resolution. This ordinance has been approved by the planning commission.

**ORDINANCE NO. BL2013-613** (LANGSTER, DOMINY & HUNT) – This ordinance abandons utility easements for properties located at 407 23<sup>rd</sup> Avenue North, and 2300 and 2400 Charlotte Avenue. These easements were retained when two alleys were abandoned many years ago. This ordinance has been approved by the planning commission.

**ORDINANCE NO. BL2013-614** (ALLEN, DOMINY & HUNT) – This ordinance abandons approximately 100 linear feet of an existing unused sewer easement for properties located at 2907A, 2909A, and 2911A West Linden Avenue. This ordinance has been approved by the planning commission.

**ORDINANCE NO. BL2013-615** (GILMORE, DOMINY & HUNT) – This ordinance abandons approximately 720 linear feet of an existing eight inch sewer main and 170 feet of an easement, and accepts 708 linear feet of sewer line and 160 feet of new sewer easement for property located at 541 Spence Lane. Future amendments to this ordinance may be approved by resolution. This ordinance has been approved by the planning commission.

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



KARL F. DEAN  
MAYOR

DIRECTOR OF FINANCE  
METROPOLITAN COURTHOUSE  
ONE PUBLIC SQUARE, SUITE 106  
NASHVILLE, TENNESSEE 37201  
(615) 862-6151  
(615) 862-6156 FAX

**MEMORANDUM**

**To:** Vice Mayor Diane Neighbors

**From:** Richard M. Riebeling *RM*  
Director of Finance

**Date:** December 23, 2013

**Subject:** Resolution Appropriating \$13,100,000 from the Undesignated Fund  
Balance of the Metropolitan Nashville Public Schools General Purpose  
Fund for the benefit of Metropolitan Nashville Public Schools

I am in receipt of a proposed Resolution by Councilman Bo Mitchell regarding the subject matter above. The legislation was sent to me for signature certifying the availability of funds. Pursuant to rules of the Metropolitan Council, I am providing you with a brief statement as to why I have determined I cannot sign the proposed legislation at this time.

For the reasons set forth in the attached letter of November 20<sup>th</sup> to Dr. Jesse Register, I must decline signing the proposed resolution appropriating funds from the undesignated fund balance of MNPS especially when we are only a few weeks away from initiating the budget process for Fiscal Year 2014-15.

Please let me know if you have any questions or need additional information on this matter.

Attachment

Copy: Members of the Metro Council  
Jon Cooper

**ATTACHMENTS RELATING TO RESOLUTION NO. RS2014-948**

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



KARL F. DEAN  
MAYOR

November 20, 2013

DIRECTOR OF FINANCE  
METROPOLITAN COURTHOUSE  
ONE PUBLIC SQUARE, SUITE 106  
NASHVILLE, TENNESSEE 37201  
(615) 862-6151  
(615) 862-6156 FAX

Jesse Register, Ed.D.  
Director of Schools  
Metropolitan Nashville Public Schools  
2601 Bransford Avenue  
Nashville, TN 37204

Dear Dr. Register:

Over the past several years, the Administration has made a concentrated effort to increase the fund balance in the City's operating funds, including Schools. While the 2013 Comprehensive Annual Financial Report is being finalized, we anticipate recognizing a significant increase over the 2012 reserves which is in part a reflection on the overall improvement in the Nashville economy.

When we appropriated fund balance as part of the 2013-2014 operating budget, it was done with the knowledge that revenues were improving, and so long as expenses were controlled, we would end the 2012-2013 fiscal year with an increase in fund balance even after considering fund balance appropriations made for the current fiscal year.

Having worked hard with all Metro departments and agencies to get the City's finances in strong shape after the economic downturn, I don't generally believe it is fiscally prudent to initiate additional spending from fund balance outside the normal budget process. It is my understanding the Board for Metro Nashville Public Schools has proposed spending \$19 million of the Schools operating reserves—or nearly 30 percent of what we estimate will be a fund balance of \$64 million. From our review of the Board's action, it seems that most of the proposed expenditures should be considered as part of the annual budget process. Having read reports of projected funding deficits for Schools months before the budget process begins for fiscal year 2014-2015, I cannot justify spending such a significant amount from the reserves at this time. In my opinion, it would be fiscally irresponsible when there are so many unanswered questions with regard to the 2014-2015 MNPS budget and priorities.

Letter to Dr. Jesse Register

November 20, 2013

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We are prepared, however, to recommend a portion of the request, an appropriation of \$4.3 million from the MNPS reserves, for the purpose of funding a retirement incentive program. The financial benefits of such a program are ongoing and reflect a good use of reserves. It is our intention to seek Metro Council approval of this request at its December 17<sup>th</sup> meeting so MNPS can initiate the retirement incentive program in January.

Sincerely,



Richard M. Riebeling  
Director of Finance

Copy: Mayor Karl Dean  
Mr. Chris Henson