



## METRO COUNCIL OFFICE

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MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Mike Jameson, Director and Special Counsel  
Mike Curl, Finance Manager  
Metropolitan Council Office

COUNCIL MEETING DATE: June 20, 2017

RE: Analysis and Fiscal Notes

Unaudited Fund Balances as of 6/14/17:

4% Reserve Fund	\$32,237,877*
Metro Self Insured Liability Claims	\$5,033,712
Judgments & Losses	\$2,985,953
Schools Self Insured Liability Claims	\$3,976,790
Self-Insured Property Loss Aggregate	\$7,399,607
Employee Blanket Bond Claims	\$671,729
Police Professional Liability Claims	\$2,407,912
Death Benefit	\$1,391,697

\*This assumes unrealized estimated revenues in Fiscal Year 2017 of \$2,823,326.

Note: No fiscal note is included for any legislation without significant financial impact.

**– RESOLUTIONS –**

**SUBSTITUTE RESOLUTION NO. RS2017-682** (COOPER) – This resolution establishes the certified tax rate of the Metropolitan Government. State law requires that once the county reappraisal program is completed, a tax rate be set that will provide the same amount of revenue for the county that was levied during the previous year based on the old assessment values and tax levy. Per the same state law, a government may not realize greater revenue by means of a reappraisal program. Tennessee Code Annotated §67-5-1701, *et. seq.*

The purpose of the reappraisal program is to ensure that property assessments are “equalized” by having all property appraised at the same time. The present certified tax rate for the GSD is \$3.93 per \$100 of assessed value and \$0.59 for the USD, for a total combined rate in the USD of \$4.52. The new certified tax rate to be approved by this resolution will be lowered to \$2.755 in the GSD and \$0.400 in the USD, for a combined rate of \$3.155.

A substitute for this resolution was accepted to reflect the final rates approved by the state board of equalization. This resolution has been previously deferred to track with third reading of the operating budget (BL2017-722).

**RESOLUTION NO. RS2017-685** (COOPER) – This resolution would approve a new fee schedule for Metro Animal Care and Control (MACC). This fee has been approved by the Board of Health.

Section 8.04.130.A of the Metro Code requires these fee schedules and amended schedules to be approved by the Metro Council by resolution. The fees schedule must also set forth amounts to be charged for other incidental costs.

As with RS2017-682, this Resolution has been previously deferred to track with third reading of the operating budget (BL2017-722).

*Fiscal Note: As amended, the new fee schedule would be as follows:*

- *Impound fee* *\$50 per animal*
- *Boarding fees per day (dogs)* *\$18*
- *Boarding fees per day (all others)* *\$4*
- *Duplicate tag* *\$2*
- *Rabies vaccination* *\$10*
- *License fee per year* *\$8*
- *Microchip implant* *\$25*
- *Animal trap security deposit (dogs)* *\$100*
- *Animal trap security deposit (cats)* *\$50*

*The Mayor's proposed FY18 budget for the Health Department, including MACC, includes \$158,000 of increased revenue from this new fee schedule.*

**RESOLUTION NOS. RS2017-717 THROUGH RS2017-719** – These three resolutions would adopt new pay plans for the employees of the Metropolitan Government, with the exception of the Board of Education, to take effect July 1, 2017. The primary effects of these resolutions are to provide a 2.0% across-the-board pay increase effective July 1, 2017, to continue increment pay, and to provide for the possibility of merit pay increases for open range employees.

The pay plan provides step increases known as “increments” for certain employment classifications on a six month, one year, eighteen month, or two year interval, depending upon the position. The Council previously approved a freeze of the increment pay increases and longevity pay, but increments were restored in FY14.

In addition to the step increases, the equivalent of an additional 2% merit pay increase will be available for open range employees (who do not receive increments). The amount of individual raises for increment employees will be determined by the department heads. The pay plan contemplates that open range employees are to be paid based upon merit, not length of service.

In addition to these increases for FY17, the proposed pay plan would continue increments, 3% across-the-board pay increases, and 3% open range increases in FY18 and FY19. Although these additional increases are being proposed for FY19 and FY20, they are not guaranteed. They are subject to the operational budgets that will ultimately be approved by the Council for those years.

These pay plans may not be amended by the Council except by making uniform changes because the relationship between pay grades must remain the same pursuant to the Metro Charter (section 12.10). The pay plan amendments have been approved by the Civil Service Commission, the Finance Director, the Board of Health, and the Mayor.

The proposed pay plans are as follows:

- **Resolution No. RS2014-717** (MURPHY & COOPER) would approve the pay plan for general employees of the Metropolitan Government,
- **Resolution No. RS2014-718** (MURPHY, COOPER, & GILMORE) would approve the pay plan for the Board of Health employees, and
- **Resolution No. RS2016-719** (MURPHY, COOPER, & PARDUE) would approve the pay plan for employees of the Fire and Police departments.

Each of these Resolutions has been previously deferred in order to track with third reading of the operating budget (BL2017-722).

**RESOLUTION NO. RS2017-720** (MURPHY & COOPER) – This resolution would provide longevity pay for Metro employees, including employees of the Board of Health. This has been paid for many years to provide an incentive for employees to remain in the service of Metro Government.

Resolution No. RS2001-642 initially provided for this compensation to be paid to employees on the eighth working day of December of each year. It has been determined that it would be beneficial for employees to receive these payments prior to Thanksgiving.

However, changing the payment date would necessitate moving back the date an employee must be in an active pay status in order to qualify. As a result, some employees could be delayed from qualifying for a particular level of longevity pay.

In order to avoid penalizing any employees, this resolution would shorten the service time requirements by one month for each level of longevity pay. This has been approved by the Civil Service Commissions for the general employees, Police and Fire Departments, and the Health Department.

*Fiscal Note: There would be no change to the longstanding payment amounts. The only change would be to shorten each qualifying interval by one month. Payments would now begin at \$110, awarded at the end of 4 years and 11 months. The amount of the payments would increase with each additional service, finally reaching \$935 after 19 years and 11 months.*

**RESOLUTION NO. RS2017-747** (BEDNE & COOPER) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2017-748** (BEDNE & COOPER) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2017-749** (PRIDEMORE, COOPER, & OTHERS) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2017-750** (COOPER) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2017-751** (COOPER) – This resolution would approve a second amendment to a contract between the Metropolitan Government and the Tennessee Department of Mental Health and Substance Abuse Services. The amendment would reduce rates for the costs of mental health evaluations and treatments ordered by the General Sessions Court for defendants charged with misdemeanor crimes. Under Tenn. Code Ann. § 33-7-301, *et seq*, judges are authorized to order defendants charged with misdemeanors to undergo outpatient or inpatient mental health evaluations and treatment.

The first amendment was approved per Resolution No. RS2016-230. This was essentially a renewal of the agreement whereby the state would provide these evaluations and treatment services to be paid for by Metro, with the termination date of the contract extended to June 30, 2017. The amendment now under consideration would further extend the end date of this agreement to June 30, 2018.

The original agreement outlined the services the state would provide and the cost for each service, which ranged between \$100 and \$900 per outpatient service and \$450 per day for inpatient evaluation and treatment. If the court determined that the defendant has the financial means to pay for part or all of the evaluation treatment services, Metro was to seek reimbursement from the defendant.

**RESOLUTION NO. RS2017-752** (COOPER & PARDUE) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2017-753** (O'CONNELL, PARDUE, & COOPER) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2017-754** (COOPER) – This resolution would approve the second amendment to an agreement between the Tennessee Department of Health and the Metropolitan Health Department for the use of tobacco settlement funds the state received to fund several local programs to address family tobacco use. These programs include: (1) working with landlords, tenants, and the community to voluntarily increase the number of smoke-free multi-family housing properties in Nashville; (2) a youth risk behavioral survey to collect data from middle school students regarding attitudes, beliefs, and usage of tobacco products; (3) the establishment of a youth advisory board for tobacco prevention; and (4) resources for clinicians that provide healthcare to small children to ensure their office environment addresses family tobacco use.

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**RESOLUTION NO. RS2017-754**, continued

The first amendment reallocated \$351,253.55 in unspent funds from FY15 and increased the amount of the funds awarded to Metro by \$337,780 for FY16.

The amendment now under consideration would increase the amount of the grant by no more than \$50,000 for a new total of \$739,033.55. There would still be no local match required.

**RESOLUTION NO. RS2017-755** (COOPER) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2017-756** (COOPER) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2017-757** (WEINER, HENDERSON, & COOPER) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2017-758** (ELROD & COOPER) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2017-759** (HAGAR & S. DAVIS) – Ordinance No. BL2017-673 was introduced on April 4, 2017 to change from RS5 to RM20 zoning on property located at Sharpe Avenue (unnumbered), approximately 800 feet west of Ellington Parkway.

The ordinance was disapproved by the Planning Commission. As a result, 27 or more affirmative votes were required for approval by the Council on third reading. On May 16, 2017, the ordinance failed on third reading by a vote of 26-0-4-10.

Section 17.40.100 of the Metro Code of Laws (MCL) provides that a reapplication for the same or substantially same amendment to the official zoning map previously disapproved by the Council shall not be accepted by the Planning Commission or Metro Clerk for a period of one (1) year following Council's last action. However, the Council may reinstate a rezoning bill at any time. The previous recommendation by the Planning Commission remains valid for two (2) years. (MCL sec. 17.40.070.)

The resolution now under consideration would approve a reapplication for the same amendment to the official zoning map to make the change disapproved by the earlier ordinance.

**RESOLUTION NO. RS2017-760** (O'CONNELL & ELROD) - This resolution would authorize Pinnacle 4th & Peabody, LLC to construct, install, and maintain an aerial encroachment at 415 Fourth Avenue South. The encroachment consists of a 4' wide x 57' long balcony extension, a minimum of 50' above the sidewalk. It would also consist of a 4' canopy at least 12' above the sidewalk and two (2) 6' projecting signs at least 20' above the sidewalk.

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. The applicant must also hold the Metropolitan Government harmless from all claims connected with the installation.

Metropolitan Government retains the right to pass resolutions or ordinances regulating the use of surrounding streets, including the right to construct and maintain utilities, and to order the relocation of facilities at the expense of Pinnacle 4th & Peabody, LLC. Metro further retains the right to repeal approval of the encroachment without liability.

Plans for the encroachment must be submitted to the Director of Public Works for approval, along with all work and materials; and the installation, when completed, must be approved by the Director.

The construction must be carefully guarded and must be completed promptly, so as to cause the least inconvenience to the public.

This proposal has been approved by the Planning Commission.

**RESOLUTION NO. RS2017-761** (ROSENBERG & ELROD) – This resolution would approve an intergovernmental agreement between the Tennessee Department of Transportation (TDOT) and the Metro Department of Public Works establishing a General Maintenance Agreement for a traffic signal at State Route 1 near the intersection of McCrory Lane.

This has been approved by the Planning Commission.

*Fiscal Note: TDOT would pay the entire cost for the installation of this traffic signal. Metro would only be responsible for the cost to maintain the signal after it is placed in service.*

**RESOLUTION NO. RS2017-762** (MURPHY, KINDALL, & ELROD) – This resolution would approve an intergovernmental agreement between the Tennessee Department of Transportation (TDOT) and the Metro Department of Public Works establishing a General Maintenance Agreement for a traffic signal at the I-440 Interchange at Murphy Road, Exit 1, Eastbound Ramp.

This has been approved by the Planning Commission.

*Fiscal Note: TDOT would pay the entire cost for the installation of this traffic signal. Metro would only be responsible for the cost to maintain the signal after it is placed in service.*

**RESOLUTION NO. RS2017-763** (PULLEY & ELROD) – This resolution would approve an intergovernmental agreement between the Tennessee Department of Transportation (TDOT) and the Metro Department of Public Works establishing a General Maintenance Agreement for a traffic signal at the I-440 Exit Ramp, LM 3.27 at State Route 106.

This has been approved by the Planning Commission.

*Fiscal Note: TDOT would pay the entire cost for the installation of this traffic signal. Metro would only be responsible for the cost to maintain the signal after it is placed in service.*

**RESOLUTION NO. RS2017-764** (HAYWOOD) – Section 11-11-201 of the Tennessee Code Annotated (TCA) created a mechanism that can be used by local communities to apply for certification as an "Adventure Tourism District". Once established, businesses within the district may then qualify for tax credits provided by the state.

As defined in Section 11-11-203(1), adventure tourism means "outdoor recreational opportunities such as equine and motorized trail riding, white water rafting and kayaking, rappelling, road biking, rock climbing, hang-gliding, spelunking, shooting sports, mountain biking, canoeing, paragliding, rowing, zip-lining, and other such activities".

Under the state law, a local governing body must authorize the creation of an "Adventure Tourism District" as an area where the promotion of adventure tourism is encouraged. This requires approval by a vote of two-thirds (2/3) or more of the local legislative body. This authorization must then be submitted as part of the application to the Tennessee Department of Tourist Development and the Tennessee Department of Revenue.

After approval, the local governing body may submit the Adventure Tourism District Plan to the state for approval of tax credits pursuant to TCA 67-4-2109 and for promotional support.

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**RESOLUTION NO. RS2017-764**, continued

The resolution now under consideration would approve an application to be submitted to the Tennessee Department of Economic and Community Development and to the Tennessee Department of Revenue for approval of an Adventure Tourism District upon parcels including 4225, 4125, 4241, and 4105 Whites Creek Pike, commonly known as "Fontanel". A copy of the online application lists zip lining, road biking and mountain biking among the activities.

**– ORDINANCES ON SECOND READING –**

**BILL NO. BL2017-691** (MURPHY, ELROD, & ALLEN) – This ordinance would abandon existing easement rights for property located at 3900 Alabama Avenue, formerly 39th Avenue North, between Alabama Avenue and I-40. It has been determined that these easements are no longer needed.

This was approved by the Planning Commission on April 13, 2017. Amendments to this legislation may be approved by resolution.

**BILL NO. BL2017-726** (MENDES, SWOPE, & OTHERS) – This ordinance would amend Title 5 of the Metro Code of Laws (MCL) to add a requirement for the Finance Department to maintain a written debt management policy.

Metro first issued a debt management policy in 2006. This was revised and accepted by the Council per Resolution No. RS2011-94 and approved by the state, but never codified. As a reference, a copy of this policy is attached to this analysis. Although this policy is current, there is no specific requirement in place that would mandate such policy be maintained in the future nor the content of such policy. Additionally, the ordinance under consideration would add certain specific requirements, as follows:

- The maximum amount of outstanding debt and debt service;
- Multiple metrics by which Metro's financial condition is monitored, measured, and evaluated;
- A discussion of available metrics for measuring the amount of debt as well as the reasons why the metrics in use are most appropriate;
- A discussion of available metrics for measuring debt service as well as the reasons why the metrics in use are most appropriate;
- A discussion of what factors regarding financial performance trends must be considered in determining the maximum outstanding amount of debt and debt service;
- A discussion of the purposes for which each debt category may be utilized;
- A strategy for managing Metro's net pension obligation;
- A discussion of what impact, if any, the net pension obligation has on the amount of debt by category;
- A strategy for managing Metro's unfunded Other Post-Employment Benefits (OPEB) obligation; and
- A discussion of what impact, if any, the unfunded OPEB obligation has on the amount of debt by category.

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**BILL NO. RS2017-726**, continued

The Finance Department would be required, per Title 5 of the Code, to maintain a debt management policy meeting the above criteria at all times. This policy would be required to be posted on the publicly-accessible portion of Metro's website.

*Fiscal Note: Metro would be prohibited by this ordinance from issuing or incurring any debt in violation of the debt management policy currently in effect unless approved in advance by Council resolution.*

**BILL NO. BL2017-737** (ELROD & PARDUE) – This ordinance would address the numerous types of motor vehicles known as "platform vehicles" currently operating as vehicles for hire in the downtown area that are not regulated by the Transportation Licensing Commission (TLC). Operators of these vehicles permit passengers to stand, walk, consume alcohol, and dance on open-air elevated platforms while the vehicles are in motion – posing a danger to public safety. The low speed of these vehicles also causes congestion throughout the downtown area.

The ordinance now under consideration would change the language in the Metro Code of Laws (MCL) to prohibit the operation of any vehicle for hire that is not specifically listed in Title 6 or Title 12. The limit on the number of passengers in a vehicle for hire would be increased from 15 to 21. The TLC currently has no authority over vehicles carrying more than 15 passengers, including the driver. By increasing this cap to 21, those unregulated vehicles would now fall under TLC jurisdiction.

A housekeeping amendment is anticipated to correct typographical errors in Section 2.

**BILL NO. BL2017-738** (SYRACUSE) – This ordinance is intended to address hotels and motels that offer "3-hour rates" or stays of similarly brief duration. The ordinance would place a restriction upon the minimum length of time required for the rental of a hotel room, adding section 6.28.040 to the Metro Code.

Specifically, this ordinance would forbid any hotel, motel, or similar establishment from renting a room on an hourly basis or for a period of less than ten (10) hours. It would also forbid any of these establishments from offering a discount or other credit for early checkout within this same ten (10) hour period.

**BILL NO. BL2017-739** (MENDES, SLEDGE, & OTHERS) – – This ordinance would add Chapter 11.34 to the Metro Code of Laws (MCL) to establish the limits of compliance with federal immigration enforcement requests. Section 11.34.020 would expressly prohibit Metro departments, boards, commissions, officers or employees from (a) using any Metro funds, resources, or facilities to assist in the enforcement of federal immigration laws, or (b) expending time or using resources to respond to inquiries from Immigration and Customs Enforcement (ICE) regarding a person's custody status or release or scheduled appearance dates -- unless specifically required by federal or state law or court order.

Additionally, section 11.34.030 would be added to require departments, boards, commissions, officers and employees not to request information about or assist in the investigation of the citizenship or immigration status of any person, unless required by federal or state law or court order.

The above notwithstanding, the ordinance provides that Metro would abide by any duty or obligation imposed by federal or applicable law, would respond to any properly issued warrant, and would honor immigration-related detention requests if accompanied by such warrant.

In recent years, various states, counties and cities have enacted much-publicized “sanctuary city” policies, overtly declining cooperation with federal immigration activities. (There is no specific definition establishing “sanctuary” status, making a complete roster of all such locations difficult.) But the terms of the pending ordinance would not confer “sanctuary city” status here. That is, Metro would not be refusing to comply with federal immigration law. It would instead be declining to provide local resources on a voluntary basis for purposes of immigration enforcement.

Arguments advanced by proponents of similar legislation include (a) the additional drain on limited resources of local law enforcement who otherwise serve as uncompensated immigration agents of the federal government; (b) local law enforcement efforts may be hampered if undocumented residents stop reporting crimes or refuse to assist police for fear of deportation; and (c) purported statistical data indicating crime rates are lower in sanctuary counties compared to non-sanctuary counties.

Various federal statutes may appear at odds with the pending ordinance. Specifically, 8 U.S.C. 1373 provides that federal, state and local governments may not prohibit or restrict any government entity or official from sending to or receiving from the Immigration and Naturalization Service information regarding an individual's citizenship or immigration status. But section 1373 does not *require* states or local governments to obtain or relay information about any individual's immigration status. It simply forbids prohibiting or restricting the provision of such data to federal authorities.

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**BILL NO. BL2017-739**, continued

Additionally, the Immigration and Nationality Act of 1952 (INA) provides, in section 287.7, that immigration officers may issue a detainer “request” to federal, state or local law enforcement agencies to be advised prior to the release of an alien. Despite the reference to a detainer “request”, section 287 subsequently provides that the receiving agency “shall maintain custody of the alien” for at least 48 hours. The oxymoronic description of the “request” as mandatory has vexed federal courts interpreting the language, and courts have reached differing conclusions regarding whether section 287.7 creates a mandatory detention obligation. In Tennessee, two (2) district court decisions have concluded that 287.7 does create a mandatory obligation. But the majority of subsequent decisions since 2015 have concluded that section 287 establishes only voluntary, not compulsory, compliance.

Finally, the Tenth Amendment to the U.S. Constitution establishes principles of federalism and states’ rights applicable to this analysis. While the federal government exercises sole authority to establish immigration law and determine the status of aliens, such authority is not construed as empowering the federal government to compel the allocation of state and local resources toward the enforcement of federal immigration law. The Tenth Amendment provides that powers not specifically bestowed upon the federal government are left to the States and the people. (“The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.”)

Under Tennessee law, local legislative bodies and chief law enforcement officers of each county are authorized to enter written agreements with the U.S. Department of Homeland Security for immigration enforcement. (Tenn. Code Ann. § 50-1-101). State law also prohibits local governments from adopting ordinances or policies that prohibit compliance with federal law pertaining to illegal residents. (Tenn. Code Ann. § 7-68-103). But neither of these state laws *requires* the dedication of local resources or execution of agreements for federal immigration enforcement.

*Fiscal Note: As stories of sanctuary cities and enforcement of immigration policies have grown in the popular press, some politicians have responded by promising to cut federal grants to such sanctuary cities.*

*However, it is not permitted for granting agencies to add unrelated terms and conditions for grant approvals. For example, if the federal government was in the process of awarding grants for road and bridge repairs, they could not add a restriction that the grantee must comply with all ICE requests in order to receive such grants.*

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**BILL NO. BL2017-739**, continued

*On the other hand, if Metro ever accepted a grant for the specific purpose of facilitating compliance with ICE for reporting the status of illegal immigrants, we would be required to follow all related requirements of that grant. Metro could choose not to apply or accept any such grants.*

*To summarize, complying with requests by the federal government to assist as they perform their duties in dealing with illegal immigrants would remain entirely voluntary for Metro. Full cooperation with all legal warrants would continue. The federal government would not be permitted to punish Metro in any way for adopting the restrictions proposed by this ordinance.*

**BILL NO. BL2017-740** (A. DAVIS) – Section 12.52.080 of the Metro Code of laws (MCL) lists restrictions applicable to pedestrians on highways. The ordinance under consideration would make several changes to these restrictions toward broadening “pedestrian rights.”

When neither a sidewalk nor a shoulder is available, the pedestrian would now be defined as having the right-of-way. However, the pedestrian would be required to walk as near as practicable to the outside edge of the roadway. On a two-way roadway, the pedestrian would be required to walk only on the left side (facing oncoming traffic).

In these instances, pedestrians in a residential area would have the right-of-way to the use of a three (3) foot section of the street, measured from the edge of the street. When vehicle drivers overtake or pass a pedestrian complying with these requirements, drivers would be required to leave a distance of at least three (3) feet from the pedestrian. Vehicle drivers would also be required to slow to a reasonable speed and drive with reasonable and due care.

In all other instances not specified in the ordinance, pedestrians must continue to yield the right-of-way to vehicles upon the roadway.

Any person (pedestrian or vehicle driver) violating any of the terms of this section would be deemed guilty of a misdemeanor and subject to a fine between \$25 and \$50.

**BILL NO. BL2017-741** (HURT) – Section 13.40.040 of the Metro Code of Laws (MCL) lists the restrictions currently in effect for the operation of public parking lots, parking garages, public parking decks, basement and underground garages.

This section currently requires a sign to be displayed at the entrance that indicates the parking fee to be charged. The ordinance under consideration would add a requirement to further list the amount of any fines or penalties that may be charged.

The sign listing the charges, as well as possible fines or penalties, would continue to be required to be of adequate size and design to be clearly visible and legible to the motoring public.

**BILL NO. BL2017-743** (MENDES, SLEDGE, & OTHERS) – In 1996, the Mero Council adopted Ordinance No. O96-567 approving an agreement with the U.S. Marshal Service to house federal inmates, effective October 1, 1996. (A copy of that agreement is attached to this Analysis.)

State law requires intergovernmental agreements to be approved by a resolution of the local legislature. Additionally, Metro Code §4.12.160 further provides that contracts for supplies or services may be entered into for any period of time deemed to be in the best interest of the metropolitan government “provided the term of the contract and any renewals or extensions do not exceed sixty months.” This agreement approved by Ordinance no. 096-567 is now over twenty (20) years old.

Per Article V of the agreement, the contract was to remain in effect for ten (10) years, after which it was to remain in effect indefinitely unless otherwise terminated with thirty (30) days’ notice. The ordinance under consideration would terminate the agreement pursuant to this termination provision.

Because the current agreement serves as the basis for housing other federal prisoners, the ordinance further calls for a replacement contract to be negotiated by the Metropolitan Government and to be approved by the Metro Council.

An ancillary issue prompted by this ordinance is whether federal immigration prisoners detained by Immigration and Customs Enforcement (ICE) may be housed pursuant to the agreement approved under Ordinance no. 096-567. A signed cover page affixed to the agreement referenced the “Prisoner type to be included” and designated only “adult male” and “adult female” prisoners – leaving unchecked a category for “Aliens.” In other words, the agreement as originally approved by Council did not expressly allow for the detention of “aliens” or non-citizens who have not been charged with crimes.

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**BILL NO. BL2017-743**, continued

Per Article XII, “[a]ll modifications” to the agreement were to be submitted to the local government for approval. In 2007, a modification to the agreement was attempted in which the Immigration and Customs Enforcement (ICE) was to be added as a rider to the previous agreement. One possible inference from this modification attempt is that the federal government did not intend for the original agreement to apply to ICE in 1996 since they determined a 2007 modification was necessary to add ICE.

Despite the requirements that “[a]ll modifications” were to be submitted to the Metro Council for approval, no Council approval was solicited and the Council never approved the modification. However, it could be contended that the proposed change was not a material modification. The 1996 agreement applied to “other federal user agencies (the Federal Government)”. Therefore, adding ICE -- an agency of the federal government -- was arguably not a material change.

The interpretation of this agreement is the subject of a current federal court action to which the Metropolitan Government is a party.

**BILL NO. BL2017-744** (O'CONNELL, ELROD, & OTHERS) – On November 15, 2016, Resolution No. RS2016-434 was adopted to approve an economic and community development incentive grant to the Industrial Development Board (IDB) for the benefit of Warner Music, Inc. Warner Music Group (WMG) had announced that it would open a new “center of excellence” for Shared Services in Nashville.

This center would initially employ up to 175 people in financial, legal, and administrative functions – resulting from WMG moving its Accounting Operations, Cash Management, and Recorded Music Rights Administration to Nashville. This center would be located in a build-out of approximately 30,000 square feet of office space at the Nashville City Center, due to open in mid-2017.

The ordinance now under consideration would permit Warner to enter and use up to thirty-five (35) parking spaces within the Library Parking Garage. At least sixty (60) days prior to the beginning of the term, the licensee would be required to provide written notice of the number of parking spaces that would be used per this agreement. After that, from time to time, the licensee would be allowed to increase or decrease this number upon not less than thirty (30) days written notice to the Parking Commission. At no time could this number exceed thirty-five spaces.

Cards would be issued for access to these spaces. For each access card, the licensee would pay an amount equal to the monthly parking rate charged to the general public for the month at issue.

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**BILL NO. BL2017-744**, continued

The term of this agreement would be from July 1, 2017 through June 30, 2024. Future amendments to this agreement may be approved by Council resolution.

This agreement has been approved by the Planning Commission.

*Fiscal Note: The rates under this agreement would remain the same as those charged to the general public. The only impact would be the reservation of these spaces for the exclusive use of Warner Music.*

**BILL NO. BL2017-745** (ALLEN & ELROD) – This ordinance would authorize Family and Children's Services, Inc. to install, construct, and maintain an underground encroachment in the right-of-way located at 2400 Clifton Avenue. This encroachment would consist of one staircase encroaching the public right-of-way by approximately two (2) feet on the southern facade of the existing building.

Family and Children's Services, Inc. has agreed to indemnify and hold the Metropolitan Government harmless from any and all claims in connection with the installation and maintenance of the encroachments, and would be required to provide a \$3 million certificate of public liability insurance naming the Metropolitan Government as an insured party.

This proposal has been approved by the Planning Commission.

**BILL NO. BL2017-746** (DOWELL, COOPER, & OTHERS) – This ordinance would authorize Metro to enter into a participation agreement for the design and construction of access roads connecting Cane Ridge Road and Old Franklin Road to the I-24 Interchange at Hickory Hollow Parkway with Century Farms, LLC.

Ordinance No. BL2017-565 approved the original participation agreement with Century Farms, LLC whereby they agreed to fund one hundred percent of the costs of the PE-N and PE-D phases of work on the I-24 Interchange at Hickory Hollow Parkway. In order to continue the efforts to obtain state and federal funding to construct the interchange improvements, Metro must now agree to complete the adjacent connector roads project(s).

Century Farms would be required to complete the engineered drawings for the Connector Roads no later than April 1, 2018 or the date on which the construction contract for the project is let, whichever occurs first. Century Farms would then let the construction contract for the Connector Roads on or before the date on which construction of the interchange is let.

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**BILL NO. BL2017-746**, continued

Century Farms would also be required to furnish separate performance and payment bonds for all work to Metro. Each bond would set forth a penal sum in an amount no less than the cost estimate of the project. If the cost estimate is changed by approved change orders, the bond amounts would be changed by the like amount.

Upon the completion of the construction and installation of the infrastructure improvements, Century Farms would convey ownership of the roads to Metro. Metro would then be responsible for ongoing operation and maintenance.

This ordinance would authorize Metro to contribute \$11,000,000 for their share of the costs of this project. This agreement may be amended in the future by Council resolution.

*Fiscal Note: The costs necessary to complete the project(s) is expected to be \$22,000,000. Century Farms has agreed to pay one-half of this estimated cost, which would be \$11,000,000. Metro would be responsible for the remaining \$11,000,000.*

**BILL NO. BL2017-747** (DOWELL, COOPER, & OTHERS) – This ordinance would authorize the acquisition of certain right-of-way easements, drainage easements, temporary construction easements, and property rights by negotiation or condemnation for public projects, initially for Cane Ridge Road, Old Franklin Road, Preston Road, and Cane Ridge Parkway Roadway Improvements, related to the multi-use development by Century Farms, LLC.

This has been approved by the Planning Commission.

*Fiscal Note: The price to be paid for the easements and property rights has not yet been determined. This would be paid from the FY16 Capital Projects Fund.*

**BILL NO. BL2017-748** (VANREECE, COOPER, & OTHERS) – This ordinance would approve a lease agreement between Metro and Due West Towers, LLC for temporary office space at 610 Due West Avenue in Madison.

The Sheriff's Office needs additional office space. This agreement would lease a total of 18,600 square feet in three areas of the complex. This would include 5,350 square feet in Level 1, 8,769 square feet in Level 4, and 4,481 square feet in the mat room and storage level.

The term of this lease would be from August 1, 2017 through July 31, 2020. Metro would have the right to cancel the lease upon a 90-day written notice after the end of the second lease year on July 31, 2019.

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**BILL NO. BL2017-748**, continued

This was approved by the Planning Department on May 17, 2017.

This agreement may be amended by Council resolution receiving at least twenty-one (21) votes.

*Fiscal Note: The rate for this lease would be \$18.50 per square foot. Based on the total lease area of 18,600 square feet, the annual lease payment would be \$344,100. Due West Towers, LLC would remain responsible for the payment of all utility services, including water, gas, heat, electricity, sewer, and utilities used in common with other tenants. After the first year, the lease rate may be adjusted based on the actual cost of utilities.*

**BILL NO. BL2017-749** (O'CONNELL, ELROD, & ALLEN) – This ordinance would authorize North Gulch Apartments, LLC to install, construct, and maintain underground encroachments in the right-of-way located at Jo Johnston Avenue and 11th Avenue North. These would consist of two (2) protective bollards and irrigation encroaching the right-of-way.

North Gulch Apartments, LLC has agreed to indemnify and hold the Metropolitan Government harmless from any and all claims in connection with the installation and maintenance of the encroachments, and would be required to provide a \$2 million certificate of public liability insurance naming the Metropolitan Government as an insured party.

This proposal has been approved by the Planning Commission.

**BILL NO. BL2017-750** (SLEDGE, ELROD, & ALLEN) – This ordinance would amend the official Geographic Information Systems Street and Alley Centerline Layer by abandoning a portion of Wedgewood Avenue right-of-way.

This has been approved by the Traffic and Parking Commission and the Planning Commission.

**BILL NO. BL2017-751** (HASTINGS, ELROD, & ALLEN) – This ordinance would amend the official Geographic Information Systems Street and Alley Centerline Layer by abandoning Fresno Avenue right-of-way.

This has been approved by the Traffic and Parking Commission and the Planning Commission.

**BILL NO. BL2017-752** (SYRACUSE, ELROD, & ALLEN) – This ordinance would amend the official Geographic Information Systems Street and Alley Centerline Layer by abandoning a portion of McGavock Pike right-of-way.

This has been approved by the Traffic and Parking Commission and the Planning Commission.

**BILL NO. BL2017-753** (FREEMAN, ELROD, & ALLEN) – This ordinance would amend the official Geographic Information Systems Street and Alley Centerline Layer by abandoning a portion of Alley No. 1897 right-of-way.

This has been approved by the Traffic and Parking Commission and the Planning Commission.

**BILL NO. BL2017-754** (O'CONNELL, ELROD, & ALLEN) – This ordinance would amend the official Geographic Information Systems Street and Alley Centerline Layer by abandoning the J M Frost Plaza right-of-way. This was originally known as "Lifeway Plaza", but the name was changed per Ordinance No. BL2016-531.

This has been approved by the Traffic and Parking Commission and the Planning Commission.

**BILL NO. BL2017-755** (HASTINGS, ELROD, & ALLEN) – This ordinance would abandon existing easement rights for former Alley No. 1078 on property located at 2508 Dickerson Pike. It has been determined that these easement rights are no longer needed.

Amendments to this legislation may be approved by resolution.

This was approved by the Planning Commission on April 25, 2017.

**– ORDINANCES ON THIRD READING –**

**BILL NO. BL2017-645** (PARDUE & VANREECE) – Chapter 12.54 of the Metro Code of Laws (MCL) sets forth regulations concerning horse-drawn carriages. Section 12.54.210 provides that it is an offense if the certificate holder or driver of such carriage provides an alcoholic beverage to a passenger for a fee or as part of the passenger transport service. It is further an offense if the certificate holder or driver provides or permits any alcoholic beverage in the carriage.

The ordinance under consideration, as amended, would allow persons who are legally permitted to consume alcoholic beverages to do so while riding as passengers in horse-drawn carriages, so long as the beverage is consumed from a plastic cup, paper cup, or cups made from lightweight, recyclable materials. (Glass, aluminum, or other metal containers would not be allowed.) It would remain an offense for alcoholic beverages to be provided by the certificate holder or driver.

It is currently an offense under the Metro Code to possess an alcoholic beverage in a glass, aluminum or metal container for purposes of consumption while on a street, alley, sidewalk or other public area. (Metro Code § 7.24.040).

**BILL NO. BL2017-722** (COOPER) – This ordinance is the operating budget of the Metropolitan Government for FY18. The budget filed by the Mayor provides for the following proposed funding:

- General Services District General Fund \$977,081,500
- General Services District Schools Fund \$879,299,700
- General Services District General Debt Service Fund \$113,632,100
- General Services District Schools Debt Service Fund \$94,371,300

**TOTAL GENERAL SERVICES DISTRICT BUDGET \$2,064,384,600**

- Urban Services District General Fund \$124,030,900
- Urban Services District General Debt Service Fund \$21,274,600

**TOTAL URBAN SERVICES DISTRICT BUDGET \$145,305,500**

**TOTAL OPERATING BUDGET \$2,209,690,100**

The substitute budget adopted by the Council for FY17 is \$2,087,320,200. The mayor's proposed budget represents an overall increase of \$122,369,900 (5.9%).

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**BILL NO. BL2017-722**, continued

The budget would appropriate a total of \$75,249,600 from the unreserved fund balances of the primary budgetary funds. These amounts are as follows:

• General Fund of the General Services District	\$49,809,300
• Schools Operations Fund of the General Services District	\$19,059,900
• Schools Debt Service Fund of the General Services District	\$1,400,000
• Debt Service – General Services District	\$900,000
• General Fund of the Urban Services District	\$0
• Debt Service – Urban Services District	\$4,080,400

Metro's established policy is to maintain a fund balance equal to or greater than 5% for each of the six budgetary funds, the GSD General Fund, USD General Fund, and General Purpose School Operations Fund, as well as the three related primary debt service funds. The mayor's proposed budget is projected to result in the following fund balance percentages by June 30, 2018:

• General Services District General Fund	5.9%
• General Services District Debt Service Fund	5.3%
• General Services District Schools Operations Fund	5.7%
• Schools Debt Service Fund	5.8%
• Urban Services District General Fund	5.5%
• Urban Services District Debt Service Fund	9.5%

The current property tax rate for the GSD is \$3.924 per \$100 of assessed value. The current rate for the USD is \$0.592, giving a combined rate of \$4.516. Companion Resolution No. RS2017-682 would adopt revised property tax rates due to the reassessment taking place this year. Per the requirements of Tennessee Code Annotated (TCA) section 67-5-1701, the certified property tax rates must be set so as to produce the same ad valorem revenue for Metro as was levied during the previous year, exclusive of new construction, improvements, and deletions.

These property tax rates will be determined following certification by the state of these required rates. They are currently estimated to be \$2.755 for the GSD and \$0.360 for the USD, giving a combined rate of \$3.115

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**BILL NO. BL2017-722**, continued

Even with the reduction in the certified rates, growth is expected to generate a combined increase of \$49.2 million in current and non-current year property taxes over the budgeted FY17 revenue. Local option sales tax revenues are projected to increase by \$25.0 million over the current budget. Expected increases in grants from other governmental entities accounts for an additional \$26.8 million. All other revenue is expected to increase by a net of \$39.4 million.

Public Investment Plans (PIPs) were introduced in FY17 and would continue for FY18. These are non-traditional plans submitted by groups of departments working cooperatively to find opportunities for improvements. Funding for specific PIPs will not be determined until the operating budget is approved by the Council. For FY18, twenty-four (24) plans were submitted. These are as follows:

- A Mother's Place: Infrastructure for Breastfeeding Support
- A Move Toward Diversity through Education
- Animal Welfare
- Art in Private Development Portal
- Community Mental Health Systems Improvement
- Coordinating Pre-K Enrollment
- Cultivating a Community of Hope
- Drive to End Chronic Homelessness
- Engage IT: Preparing Students for IT Careers in the "IT" City
- Envision Nolensville Pike Concept Plan Implementation
- Expand Shower Access and Assess Need for Public Restrooms for Homeless People
- Expanded School Nurse Program
- Food Systems Development Project
- hubNashville - Community Response Management (CRM) Program
- Metro Digital Inclusion Coordination Internships
- Metro Volunteer Coordination & Engagement
- NashvilleMade
- North Nashville Empowerment Zone - McGruder Revitalization
- Protecting Non-Citizen Residents through Planning and Prevention
- Season 2 of Our Nashville
- Southeast Enrichment Collaborative
- Steering Clear - A Driver's License Diversion Program
- Youth Sports Expansion
- Zero Interest Loan Fund for Nashville Main Street Businesses

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**BILL NO. BL2017-722**, continued

The proposed budget would include an increase of \$18.1 million for pay plan improvements. All employees would receive a 2% cost-of-living raise on July 1, 2017. Funding is included for increment increases for all eligible employees on their scheduled increment dates. The proposed budget would also include funding for 2% open-range pay increases, also on July 1, 2017. The department heads have the discretion to determine the actual raises to be given to each open-range employee. The purpose of this additional open-range funding is to provide the equivalent of a step increment for open-range employees who are otherwise ineligible for increments.

The budget would include funding for the first year of a proposed three-year pay plan for employees. In addition to the 2% COLA and open-range increases in the first year, the plan would include 3% COLA and open-range increases in the second and third year. Increments would be funded in each of the three years of the plan for eligible employees on their scheduled increment dates.

As recommended by the Civil Service Commission, the Vice-Mayor and Metro Council members would receive an increase of \$7,000 per member, effective after the next election in 2019. These salaries would become \$24,000 and \$22,000 respectively.

The proposed budget provides a \$36.0 million increase (+4.3%) for Metro Schools, for a total operating budget of \$879,299,700. As noted above, \$19,059,900 would be appropriated from their undesignated fund balance.

The Municipal Auditorium would receive a subsidy of \$350,000 from the General Fund. The State Fair and the Farmers Market are enterprise operations that should not require a subsidy this year.

The Hospital Authority would receive a subsidy of \$35 million in the proposed budget for General Hospital, which is the same as the initial subsidy for the current fiscal year, as well as FY16 and FY15. The Hospital Authority Board has expressed their commitment to implement steps to stabilize the financial position of General Hospital. \$3.5 million would be appropriated in the budget for the contract with Signature for the management of the Bordeaux Nursing Home. Likewise, \$1 million would be appropriated for the contract with Anthem Care to manage the Knowles Assisted living Facility.

The subsidy in the budget for the Metro Transit Authority (MTA) would be \$49 million, an increase of \$7 million over FY17. The increase would be used to eliminate transfer fees, grant matches, local bus passes for residents experiencing homelessness, access ride and mobility-on-demand pilots, including crosstown connections and after-hours service, and extension of the Music City Circuit to the TSU campus along the Jefferson Street corridor.

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**BILL NO. BL2017-722**, continued

There would also be increases for public safety. The Fire Department would receive \$1.9 million for full funding for the EMS Medic ambulances started in FY17. This would also fund 14 full-time equivalent (FTE) employees for new fire recruits and inspectors. The Police Department would receive \$4 million. This would be used to add 70 officers, 48 for precincts and 22 for community policing.

The Public Works Department would receive an additional \$1.5 million to fund annexation, moving trash trucks, downtown glass recycling, and contractual increases.

The Barnes Fund for Affordable Housing will receive \$10 million as part of the continuing commitment for affordable housing and to help the homeless. This commitment would also include \$2 million for the Housing Incentive Pilot Program, \$404,000 for Social Services (outreach workers, warming shelter, direct assistance, and indigent burials), \$225,000 for local bus passes for the homeless, and \$165,000 for a veterans' affairs supportive housing pilot program.

Other increases in the proposed budget include the following:

- Codes Department \$1,000,000
- Parks Department \$1,000,000
- Arts Department \$500,000
- Public Health Department \$334,000
- Historic Preservation Trust Fund \$250,000

The FY18 budget would also include several direct contributions for community support. These include the following:

- Summer Youth Employment Program \$3,000,000
- Community Partnerships Fund \$1,000,000
- Public Education Foundation \$275,000
- Adventure Science Center \$200,000
- Second Harvest \$200,000
- Alignment Nashville \$150,000
- Andrew Jackson Foundation \$135,000
- Nashville Civic Design Center \$125,000
- Sister Cities \$80,000

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**BILL NO. BL2017-722**, continued

Pay plan resolutions for the GSD and USD as proposed in this operating budget will need to be approved. As the next order of business following adoption of the operating budget ordinance, the Urban Council must meet to approve a separate resolution to approve the property tax rate as proposed for the Urban Services District.

Per Rules 15 and 34 of the Metro Council Rules of Procedure, the budget ordinance is amendable on third reading. Per section 6.06 of the Metro Charter, the Council must adopt a substitute operating budget no later than June 30<sup>th</sup>. Otherwise, the budget as originally submitted by the Mayor is adopted.

**SUBSTITUTE BILL NO. BL2017-723** (COOPER) – This ordinance would adopt the property tax levy for FY18. The Metropolitan Charter provides in Section 6.07 that the Council's next order of business upon adopting the annual operating budget is to adopt a tax levy that fully funds that budget.

The property tax rate proposed by the Mayor is being decreased to \$2.755 per \$100 of assessed value in the General Services District (GSD) and \$0.400 per \$100 of assessed value in the Urban Services District (USD), for a total tax rate of \$3.155 in the USD. This tax levy rate is projected to be sufficient to fully fund the FY18 operating budget and is a tax rate reduction to assure compliance with state law providing that total property tax revenues are not increased solely as a result of this year's reassessment of real property values.

A substitute was adopted for this ordinance following certification of the required tax rates per companion Resolution No. RS2017-682.

An amendment to the Charter approved by the voters in 2006 provides that the tax rates cannot be increased above their 2006 levels unless approved by the voters at a referendum election. The 2006 property tax levy was \$4.040 in the GSD and \$0.650 in the USD for a total combined tax levy of \$4.690.

The tax levy is amendable on third reading.

**BILL NO. BL2017-724** (COOPER) – This ordinance establishes the property tax relief program for low-income elderly residents of the Metropolitan Government for FY18. This is essentially an extension of an existing tax relief program that has been in existence for many years.

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**BILL NO. BL2017-724**, continued

Tennessee Code Annotated §5-9-112 authorizes county legislative bodies to appropriate funds for the purpose of providing assistance to low-income elderly residents in the county on an annual basis, based on the particular needs of eligible recipients. The county legislative body is also authorized to develop guidelines for eligibility. Additionally, Tennessee Code Annotated §67-5-702 provides that the general funds of the state shall be paid to certain low-income taxpayers sixty-five (65) years of age or older necessary to pay or reimburse such taxpayers for all or part of their local property taxes. For many years, Metro has provided a double match of the state funds for the program. \$3,900,000 has been included in the proposed FY18 operating budget in the Property Tax Relief Program Account.

This ordinance would direct the Metropolitan Trustee to disburse funds to eligible taxpayers and further authorizes the Trustee to establish rules and procedures for implementation of the program. All persons who qualify for the state property tax relief program and whose income does not exceed \$29,180 annually will qualify for this program. Because this budgetary appropriation is non-recurring, this program would expire on June 30, 2018.

*Fiscal Note: The FY18 operating budget includes \$3,900,000 for the property tax relief program for the elderly, which is \$200,000 more than the appropriation for FY17.*

**BILL NO. BL2017-725** (COOPER & HENDERSON) – Recommendations were included in the 2017 Livable Nashville Report, the 2017 Plan to Play Parks & Greenways Master Plan, the 2015 Nashville Next General Plan, the 2011 Open Space Plan, and the 2009 Green Ribbon Report to establish a fund to facilitate conservation and preservation of properties with great natural, cultural, and environmental importance.

The ordinance under consideration would establish a Conservation Assistance Grant Fund for this purpose. Several changes would be made to the Metro Code of Laws for this purpose, as follows:

- The title of Chapter 2.154 would be amended by adding the words "and Open Space" between the words "Greenway" and "Commission".
- The first sentence of Section 2.154.010 (Establishment/Membership) would be amended by adding the phrase "and open space" between the words "greenway" and "commission".
- Section 2.154.010(A) would be amended by replacing the word "seven" with "eight".
- Section 2.154.010(C) would add Subsection 6 (The Director of the Department of Water and Sewerage Services or his designee) and 7 (The Director of the metropolitan Development and Housing Agency or his designee)

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**BILL NO. BL2017-725**, continued

- Section 2.154.015 would be added to provide for staffing and assistance to the Commission by the Department of Parks and Recreation
- Section 2.154.030(A) would be amended to add oversight of the management and operation of the Conservation Assistance Grant Fund. This would include the process for making grants from the Fund, obtaining interests in real property worthy of conservation or preservation (with Council approval), conducting studies, making recommendations, and promoting public understanding of the benefits of conserving and preserving important natural, cultural, and environmental properties.
- Section 2.154.040 would be added to give the Commission the authority to enter into contracts, elect officers, promulgate bylaws and regulations, solicit, accept, and receive gifts on behalf of the Fund, receive and expend monies for the purposes of the Commission, establish criteria and enter contracts for making grants to nonprofit entities from the Fund, and perform any additional authorized functions consistent with the Commission's purpose.
- Section 2.154.050 would be added to require approval by Council resolution for any grant agreements proposed by the Commission.
- Section 2.154.060 would be added to require reports by the Commission to the Council not later than December 31 of each year.

*Fiscal Note: Initially, \$500,000 would be appropriated to this fund. This would come from the GSD FY15 Capital Projects Fund (#40015).*

**BILL NO. BL2017-727** (POTTS) – The Transportation Licensing Commission (TLC) regulates passenger vehicles for hire. Section 6.72.170 of the Metro Code of Laws (MCL) currently requires every driver to whom a taxicab permit has been issued by the TLC to "display his driver's permit in accordance with commission rules while such driver is operating a taxicab." The TLC has determined that taxicab drivers are failing to display their permits as intended.

The ordinance under consideration would amend section 6.72.170 to require permitted drivers to have such permit "affixed to the interior of the vehicle for hire, in full view of the passengers at all times."

**BILL NO. BL2017-728** (POTTS & HURT) – Chapter 6.81 (Booting Services) of the Metro Code of Laws (MCL) does not currently require any background check before issuing a permit to an individual to engage in the practice of installing and removing booting devices. It also does not give the Transportation Licensing Commission (TLC) or its Director the authority to suspend, revoke, place on probation, or otherwise restrict licenses or permits issued to booting companies or their employees for violation of the Metro Charter or MCL.

The ordinance under consideration would make several changes to Section 6.81.020 of the MCL as follows:

- B.8. The applicant must be at least twenty-one (21) years old;
- C. A criminal background investigation of applicants would be required;
- D. Upon disapproval of a license application, the applicant may file an appeal with the TLC within thirty (30) days; and
- E. Upon denial of an application, no new application could be considered for a period of three (3) months.

The ordinance under consideration would also make several changes to Section 6.81.020 of the MCL as follows:

- Each employee of a booting service must make an application to the TLC for a booting permit;
- The applicant must be at least twenty-one (21) years old;
- The applicant must have a valid Tennessee driver license.
- A criminal background investigation of applicants would be required;
- Upon disapproval of a license application, the applicant may file an appeal with the TLC within thirty (30) days;
- Upon denial of an application, no new application could be considered for a period of three (3) months;
- Permits issued by the TLC shall be for a period of two (2) years and cost \$150, plus \$40 to pay for the investigation;
- No permits could be transferred from one person to another;
- Such permit shall be carried by the employee at all times booting is being performed;
- All persons engaged in the act of booting shall wear a proper ID badge; and
- These permits would be coterminous with the permittee's valid Tennessee driver's license.

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**BILL NO. BL2017-728**, continued

The first sentence Section 6.81.170 of the MCL currently states: "It is declared that the following acts are prohibited and unlawful and the license or permit of any person doing any such acts may be revoked, suspended, placed on probation or not renewed." This ordinance would change "person" in this Section to say "person and/or company". It would also change "doing any such acts" to say "doing any such acts or failing to comply with the provisions of this chapter". Finally, "or not renewed" would be changed to say "or not renewed by the TLC Director or the Transportation Licensing Commission".

**BILL NO. BL2017-735** (COOPER & MURPHY) – This ordinance would create 54 new positions within the Metropolitan Government, enabling them to be a part of the employee pay plan. The Metropolitan Department of Human Resources has determined the need to create these positions in order to place employees effectively in appropriate classifications. Each of these positions would be in the classified service.

In addition to the above, positions of Associate Administrator - Police & Fire and Deputy Director would be added to the unclassified service.

As required by section 12.10 of the Metropolitan Charter, these newly created positions have been recommended by the Mayor and the Civil Service Commission. In order to become official, they must now be approved by Council ordinance.

*Fiscal Note: Each of the positions addressed by this ordinance has been included in the pay plans being considered under separate resolutions. Salary levels for specific individuals may vary, depending on if they continue in their old job classifications or move to one of the classifications now under consideration. However, the total salary dollars included in the recommended operations budget are anticipated to be sufficient.*

**GRANTS AND DONATIONS LEGISLATION - JUNE 20, 2017**

Legislative Number	Parties	Amount	Local Cash Match	Term	Purpose
RS2017-747	<b><u>From:</u></b> Tennessee Administrative Office of the Courts <b><u>To:</u></b> Davidson county Juvenile Court	Not to exceed \$65,250	\$7,250	July 1, 2017 through June 30, 2018	The grant proceeds would be used for the provision of interpreter / translation services for individuals with limited English proficiency.
RS2017-748	<b><u>From:</u></b> Tennessee Administrative Office of the Courts <b><u>To:</u></b> State Trial Courts	Not to exceed \$82,557	\$0	July 1, 2017 through June 30, 2018	The grant proceeds would be used for the provision of interpretation / translation services for court hearings involving individuals with limited English proficiency in the Davidson County trial courts.
RS2017-749	<b><u>From:</u></b> Tennessee Arts Commission <b><u>To:</u></b> Metropolitan Arts Commission	Not to exceed \$34,560	\$34,560	July 1, 2017 through June 30, 2018	The grant proceeds would be used for funding to non-profit organizations to conduct community arts projects in Davidson County.
RS2017-750	<b><u>From:</u></b> Tennessee Department of Correction <b><u>To:</u></b> State Trial Courts	\$2,928,628	\$0	July 1, 2017 through June 30, 2019	If approved, the grant proceeds would be used to divert felony offenders from the Tennessee prison system by providing community supervision and treatment services.  The initial grant term would be for 2 years. If the contract is extended for an additional year by amendment, the total grant amount would be increased by \$1,464,314.
RS2017-752	<b><u>From:</u></b> United States Department of Homeland Security <b><u>To:</u></b> Metro Nashville Fire Department	\$161,905	\$8,095	N/A	If approved, the grant proceeds would be used to implement a department-wide training program designed to increase the investigative capacity needed to determine the act of arson or an arson-related crime.
RS2017-753	<b><u>From:</u></b> Tennessee Highway Safety Office <b><u>To:</u></b> Metro Nashville Police Department	\$10,150.27	\$0	N/A	If approved, the grant proceeds would be used to conduct vehicle and bicycle stops for the purpose of educating the public and gaining compliance with state and local ordinances.

**GRANTS AND DONATIONS LEGISLATION - JUNE 20, 2017**

Legislative Number	Parties	Amount	Local Cash Match	Term	Purpose
RS2017-755	<b>From:</b> Greater Nashville Regional Council <b>To:</b> Metropolitan Social Services Commission	Meals - Not to exceed \$811,554 Transportation - Not to exceed \$70,000	Meals - \$635,246 plus \$81,226 ("in-kind") Transportation - \$74,374	July 1, 2017 through June 30, 2018	The grant proceeds would be used to provide delivered meals that meet RDA nutritional guidelines to eligible seniors and to provide transportation to elderly persons who are unable to drive or have no other available transportation.
RS2017-756	<b>From:</b> Greater Nashville Regional Council <b>To:</b> Metropolitan Social Services Commission	Not to exceed \$80,000	\$0	July 1, 2017 through June 30, 2018	The grant proceeds would be used to provide Nutrition HCBS (Home and Community Based Services) to eligible seniors throughout Davidson County.
RS2017-757	<b>From:</b> Tennessee State Library and Archives <b>To:</b> Nashville Public Library	Not to exceed \$88,000	\$0	July 1, 2017 through June 30, 2018	The grant proceeds would be used to provide access and circulation of special materials formatted for individuals who are hearing-impaired.
RS2017-758	<b>From:</b> Tennessee Department of Environment and Conservation (TDEC) <b>To:</b> Metro Nashville Public Works Department	Not to exceed \$371,540	\$0	July 1, 2017 through June 30, 2018	The grant proceeds would be used to assist in the annual operation, maintenance, and facility improvements of a household hazardous waste collection facility.

RESOLUTION NO. RS2011-94

A resolution adopting the Debt Management Policy for the Metropolitan Government of Nashville and Davidson County as promulgated by the Metropolitan Department of Finance.

WHEREAS, *Tennessee Code Annotated*, Section 9-21-151(b)(1), authorizes the Tennessee State Funding Board to develop model financial transaction policies for local governments and local government instrumentalities; and

WHEREAS, in December 2010, the State Funding Board adopted a statement on debt management and directed local governments and government entities that borrow money to draft their own debt management policies with certain mandatory provisions not later than December 31, 2011; and

WHEREAS, the Metropolitan Government has had a debt management policy in place since 2006 that meets the spirit of the Model Finance Transaction Policies for Public Entities: Debt Management Policy adopted by the State Funding Board; and

WHEREAS, the Metropolitan Department of Finance recently revised the Debt Management Policy for the Metropolitan Government to include the State Funding Board mandatory language relative to transparency, professionals, and conflicts, a copy of which is attached hereto as Exhibit A; and

WHEREAS, the State Comptroller has suggested that the Metropolitan Council adopt the Debt Management Policy for the Metropolitan Government; and

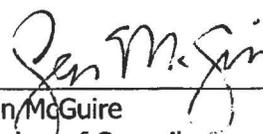
WHEREAS, it is fitting and proper that the Metropolitan Council officially adopt the Debt Management Policy for the Metropolitan Government promulgated by the Department of Finance in September 2011.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. The Metropolitan County Council hereby goes on record as adopting the Debt Management Policy for the Metropolitan Government of Nashville and Davidson County attached as Exhibit A to this Resolution, and incorporated herein by reference.

Section 2. This Resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

  
\_\_\_\_\_  
Sean McGuire  
Member of Council

## Exhibit A

<b>Metropolitan Government of Nashville and Davidson County</b>	<b>Subject: Debt Management Practices</b>	<b>Revision Date: Sept 2011</b>
<b>Finance Dept Policy Effective Date:</b>	<b>Sponsor: Metropolitan Treasurer</b>	

### Purpose

The purpose of this policy is to establish and document the objectives and practices for debt management for the Metropolitan Government and to assist all concerned parties in understanding the Metropolitan Government's approach to debt management.

### Definitions

**Arbitrage** - The difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage on the proceeds from issuance of municipal securities.

**Balloon Maturity** - A later maturity within an issue of bonds which contains a disproportionately large percentage of the principal amount of the original issue.

**Back Loading** - Delaying repayment of principal until late in the financing term.

**Bond Anticipation Notes (BANs)** - Notes which are paid from the proceeds of the issuance of long-term bonds. Typically issued for capital projects.

**Bullet Maturity** - A maturity for which there are no principal and/or sinking fund payments prior to the stated maturity date.

**Call Provisions** - The terms of the bond giving the issuer the right to redeem all or a portion of a bond prior to its stated date of maturity at a specific price, usually at or above par.

**Capitalized Interest** - A portion of the proceeds of a bond issue which is set aside to pay interest on the same bond issue for a specific period of time. Interest is commonly capitalized for the construction period of the project.

**Commercial Paper** - Short-term Bond Anticipation Note issued to pay capital project expenses, secured either by a Letter of Credit or by Metro's own General Obligation Pledge.

**Competitive Sale** - A sale/auction of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities. Contrast to a negotiated sale.

**Conflicts of Interest** - Situations where parties in a transaction have multiple interests or relationships that could possibly corrupt the motivation to act. The existence of a conflict of interest does not automatically indicate wrong doing.

**Continuing Disclosure** - The principle that accurate and complete information material to the transaction which potential investors would be likely to consider material in making investment decisions with respect to the securities be made available on an ongoing basis.

**Costs** – Fees and expenses of professionals and service providers and other similar fees and expenses at the time debt is incurred. Costs also means recurring and nonrecurring fees and expenses during the life of the debt.

**Credit Enhancement** - Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

**Debt service** – Payments including interest and principal required on a debt over time.

**Debt Service Coverage** -Net Revenue available for debt service divided by debt service.

**Debt Service Reserve Fund** - The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

**Deep Discount Bonds** - Bonds which are priced for sale at a substantial discount from their face or par value.

**Derivatives** - A financial product whose value is derived from some underlying asset value.

**Designation Policies** - Outline how an investor's order is filled when a maturity is oversubscribed when there is an underwriting syndicate. The Financial Advisor, senior managing underwriter and issuer decide how the bonds will be allocated among the syndicate. There are three primary classifications of orders which form the designation policy: Group Net orders; Net Designated orders and Member orders.

**Escrow** - A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

**Expenses** - Compensates senior managers for out-of-pocket expenses including: underwriters counsel, DTC charges, travel, syndicate expenses, dealer fees, overtime expenses, communication expenses, computer time and postage.

**Letters of Credit** - A bank credit facility wherein the bank agrees to lend a specified amount of funds for a limited term.

**Management Fee** - The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

**Members** - Underwriters in a syndicate other than the senior underwriter.

**Moody's Median** - Key financial, debt, economic and tax base statistics with median values for each statistic presented.

**Negotiated Sale** - A method of sale in which the issuer chooses an underwriter or a team of underwriters led by a Managing Senior Underwriter to negotiate terms pursuant to which such underwriter/underwriters will purchase and market the bonds.

**Net Revenue** - Defined in greater detail by the Metropolitan Government's Indenture. Net Revenue is the difference between gross revenue and operating and maintenance expenses.

**Original Issue Discount** - The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

**Pay-As-You-Go** - An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

**Paying Agent** - A firm that transfers periodic interest and principal payments from the Metro to investors. Often the same firm as Registrar.

**Present Value** - The current value of a future cash flow.

**Private Placement** - The original placement of an issue with one or more investors as opposed to being publicly offered or sold.

**Rebate** - A requirement imposed by Tax Reform Act of 1986 whereby the issuer of tax-exempt bonds must pay the IRS an amount equal to its profit earned from investment of tax-exempt bond proceeds at rates exceeding the tax-exempt borrowing rate. The tax-exempt borrowing rate (or "bond yield") is calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment.

**Registrar** - A firm responsible for maintaining a record or list of owners or investors in debt. Often the same firm as the Paying Agent.

**Remarketing Agent** - A firm responsible for reselling debt instruments that have been tendered by their holders. Also responsible for resetting the interest rate for variable rate debt.

**Selling Groups** - The group of securities dealers who participate in an offering not as underwriters but rather who receive securities less the selling concession from the managing underwriter for distribution at the public offering price.

**Syndicate Policies** - The contractual obligations placed on the underwriting group relating to distribution, price limitations and market transactions.

**Underwriter** - A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.

**Underwriter's Discount** - The difference between the price at which bonds are bought by the Underwriter from the Issuer and the price at which they are reoffered to investors.

**Variable Rate Debt** - An interest rate on a security which changes at intervals according to an index or a formula or other standard of measurement as stated in the bond contract.

**Verification Agent** – An independent third party that determines the cash flow from investments purchased with proceeds of a refunding debt issues will be sufficient to pay the refunded bonds.

## **General Policies**

### **Policy Statement**

The Policy is intended to guide current and future decisions related to debt issued by the Metropolitan Government. The Metropolitan Government has the right to waive any of the policies included herein. Any such waiver shall be in writing stating the reason for the waiver.

The Policy has also been guided by the policies and practices reflected in the Metropolitan Government's financial planning, management, budget, and disclosure documents.

Since the guidelines contained in the Policy require regular updating in order to maintain relevance and to respond to the changes inherent in the capital markets, the Metropolitan Government will modify this Policy from time to time. Any such modification shall be in writing and shall be formally adopted by the Director of Finance.

In managing its debt, it is the Metropolitan Government's policy to:

- Achieve the lowest cost of capital
- Ensure high credit quality
- Assure access to the capital credit markets
- Preserve financial flexibility
- Manage interest rate risk exposure

### **Goals & Objectives**

Debt policies and procedures are tools that ensure that financial resources are adequate to meet the Metropolitan Government's financing objectives. In addition, the Policy helps to ensure that financings undertaken by the Metropolitan Government satisfy certain clear objective standards which allow the Metropolitan Government to protect its financial resources in order to meet its short-term financing and longterm capital needs. The adoption of clear and comprehensive financial policies enhances the internal financial management of the Metropolitan Government.

The Policy formally establishes parameters for issuing debt and managing a debt portfolio to meet the Metropolitan Government's specific financing needs; assure the ability to repay financial obligations; and provide for consideration of existing legal, economic, and financial and debt market conditions. Specifically, the policies outlined in this document are intended to assist in the following:

- To guide the Metropolitan Government and its managers in policy and debt issuance decisions;
- To maintain appropriate capital assets for present and future needs;
- To promote sound financial management;

- To protect and enhance the Metropolitan Government's credit rating;
- To ensure the legal use of funds obtained through the Metropolitan Government's debt issuance;
- To promote cooperation and coordination with other stakeholders in the financing and delivery of services;
- To avoid conflicts of interest and promote full disclosure of aspects of the transaction and
- To ensure evaluation of debt issuance options.

#### **Issuance Process**

All debt issuance will conform to requirements of the Charter of the Metropolitan Government and Title 9, Chapter 21 of the Tennessee Code Annotated. Other sections of the Tennessee Code Annotated and the Federal Tax Code may govern issuance or structure of the Metropolitan Government's bonds. Each bond issuance resolution of the Metropolitan Council will contain information, in the form of a Preliminary Official Statement, to ensure transparency of cost and use of professionals for the bond issue. The Preliminary Official Statement and the resulting Official Statement will be published on the Finance Department's Investor Relations section of the Metro Web site.

The Metropolitan Government prefers a competitive issuance process for debt issuances. The Metropolitan Government will consider negotiated issuance or private placement where it is clear that such process is in the best interests of the Metropolitan Government. A brief description of preferences for each sale process is listed below:

1. **Competitive Sale.** Bonds are awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.
2. **Negotiated Sale.** The Metropolitan Government will consider negotiated sales if they are in its best interest.
3. **Private Placement.** The Metropolitan Government may elect to privately place its debt. Such placement shall be considered if it is demonstrated to result in a cost savings relative to other methods of debt issuance.

Without regard to the type of sale the Metropolitan Government will comply with all required disclosures including information on cost of the transaction.

These provisions serve as a basis for the Metropolitan Government's affordability guidelines described later in this policy.

#### **Credit Quality and Credit Enhancement**

The Metropolitan Government's debt management activities will be conducted to receive the highest credit ratings possible, consistent with the Metropolitan Government's financing objectives. The Director of Finance will be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the Metropolitan Government's debt. The Director of Finance will provide the rating agencies with periodic updates of the general financial condition of the Metropolitan Government. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The Metropolitan Government, together with the Financial Advisor, shall prepare

presentations to the rating agencies to assist credit analysts in making an informed decision. The Director of Finance shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the major rating agencies will be asked to provide such rating.

The Metropolitan Government will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when clearly demonstrable savings can be shown shall an enhancement be considered. The Metropolitan Government will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:

Metropolitan Government of Nashville Davidson Co.

**Bond Insurance** - The Metropolitan Government may purchase bond insurance when such purchase is deemed prudent and advantageous for negotiated sales. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds. For competitive sales, the purchaser of the bonds will determine whether bond insurance will be used.

The Metropolitan Government will solicit quotes for bond insurance from interested providers, or in the case of a competitive sale, allow bidders to request bond insurance. In a negotiated sale, the Metropolitan Government will competitively select a provider who is most cost effective and whose terms and conditions governing the guarantee are satisfactory to the Metropolitan Government. The winning bidder in a competitive sale will determine the provider of bond insurance.

**Letters of Credit** - The Metropolitan Government may enter into a letter-of-credit (LOC) or standby bond purchase agreement when such an agreement is deemed prudent and advantageous. The Metropolitan Government will prepare and distribute a request for qualifications to qualified banks which includes terms and conditions that are acceptable to the Metropolitan Government.

**Debt Affordability** -It is the intent of the Metropolitan Government to promote the most efficient and cost-effective use of debt financing in order to facilitate long-term access to capital while ensuring that financial leveraging decisions do not negatively impact the Metropolitan Government's annual operations. To this end, the government will periodically review basic measures of debt affordability, including but not limited to, average life of new debt, percentage of principal paid within 10 years, per capita debt/per capita income, per capita debt/per capita assessed value, and debt service/general fund operating expenses.

**Bond Structure** -The Metropolitan Government shall establish all terms and conditions relating to the issuance of bonds, and will invest all bond proceeds pursuant to the terms of the Metropolitan Government's Investment Policy.

Unless otherwise authorized by the Metropolitan Government, the following shall serve as bond requirements:

1. **Term.** Capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements with a maximum of twenty (20) years. In certain circumstances where the debt meets legal requirements and is in the best interest of the Metropolitan Government this period may be extended to a maximum of thirty (30) years.

2. **Capitalized Interest.** From time to time certain financings may require the use of capitalized interest from the issuance date until the Metropolitan Government has beneficial use and/or occupancy of the financed project. Interest shall not be funded (capitalized) beyond three (3) years or a shorter period if further restricted by statute. Interest earnings may, at the Metropolitan Government's discretion, be applied to extend the term of capitalized interest but in no event beyond the term statutorily authorized or three years, whichever is shorter.

3. **Debt Service Structure.** Debt issuance shall be planned to achieve relatively level debt service for an individual bond issue, while still matching debt service to the useful life of the capital asset financed by the debt. The Metropolitan Government shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to make existing overall debt service level or match a specific income stream.

4. **Call Provisions.** In general, the Metropolitan Government's securities will include a call feature, which is no later than ten (10) years from the date of delivery of the bonds. The Metropolitan Government will avoid the sale of long-term non-callable bonds absent careful evaluation by the Metropolitan Government with respect to the value of the call option.

5. **Original Issuance Discount/Premium.** - Bonds with original issuance discount/premium will be permitted.

6. **Deep Discount Bonds** - Deep discount bonds may provide a lower cost of borrowing in certain markets. The Metropolitan Government will carefully consider their value and effect on any future refinancing as a result of the lower-than-market coupon.

7. **Synthetic Debt** - The Metropolitan Government will consider the limited use of swaps, derivatives and other forms of synthetic debt as a hedge against future interest rate risk when appropriate and in accordance with state guidelines. The Metropolitan Government will not use structured products for speculative purposes. The Metropolitan Government will consider the use of structured products when it is able to gain a comparative borrowing advantage and is able to quantify and understand the potential risks or to achieve fixed and/or variable rate exposure targets.

### **Types of Debt**

When the Metropolitan Government determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

### **Structure**

1. **General Obligation Bonds** - The Metropolitan Government may issue general obligation bonds supported by the full faith and credit of the Metropolitan Government. General obligation bonds shall be used to finance capital projects that do not have independent creditworthiness and significant ongoing revenue streams. The Metropolitan Government may also use its general obligation pledge to support other bond issues, if such support improves the economics of the other bond issue and is used in accordance with these guidelines.

2. **Revenue Bonds** - The Metropolitan Government may issue revenue bonds, where repayment of the bonds will be made through revenues generated from other sources. Revenue bonds will typically be issued for capital projects which can be supported from project or enterprise-related revenues.

#### **Duration**

1. **Long-Term Debt** - The Metropolitan Government may issue long-term debt where it is deemed that capital improvements should not be financed from current revenues or short-term borrowings. Long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that financial obligations do not exceed the expected useful life of the project.

a) Serial and Term Bonds may be issued in either fixed or variable rate modes to finance capital infrastructure projects with an expected life of five years or greater.

b) Capital Outlay Notes may be issued to finance capital infrastructure projects with an expected life of three to twelve years.

2. **Short-Term Debt** - Short-term borrowing may be utilized for construction financing, the temporary funding of operational cash flow deficits or anticipated revenues (defined as an assured source with the anticipated amount based on conservative estimates) subject to the following policies:

a) Bond Anticipation Notes (BANs) in the form of Commercial Paper shall be used only for the purpose of providing financing for the cost of all or any of the public purposes for which Bonds have been authorized and for the payment of principal of outstanding commercial paper.

b) Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs) shall be issued only to meet cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to Federal IRS and state requirements and limitations.

c) Lines of Credit shall be considered as an alternative to other short-term borrowing options. The lines of credit shall be structured to limit concerns as to the Internal Revenue Code.

d) Other Short-Term Debt may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable. The Metropolitan Government will determine and utilize the least costly method for short-term borrowing. The Metropolitan Government may issue short-term debt when there is a defined repayment source or amortization of principal.

#### **Interest**

1. **Fixed Rate Debt** - To maintain a predictable debt service burden, the Metropolitan Government will generally give preference to debt that carries a fixed interest rate.

2. **Variable Rate Debt** - The Metropolitan Government, however, may consider variable rate debt if it is in the best interest of the government. The percentage of net variable rate debt outstanding (excluding debt which has been converted to synthetic fixed rate debt and debt matched to assets) shall not exceed 30% of the Metropolitan Government's total outstanding debt.

## **Synthetic Debt**

The Director of Finance will determine whether the use of synthetic debt, such as interest rate swaps or options, is appropriate and will comply with the state statutes regulating the use of synthetic debt.

Swaps may be considered to lock-in a current market fixed rate, produce interest rate savings, alter the pattern of debt service payments, asset/liability matching purposes, or to cap, limit or hedge variable rate payments.

Options granting the right to commence or cancel an underlying swap may be considered to the extent the swap itself is in the best interest of the Metropolitan Government.

Synthetic debt, like all other debt, is subject to the approval of the Metropolitan Council and Mayor.

## **Guidelines for the Use of Swaps and Options**

In connection with the use of any swaps, the Director of Finance shall make a finding that the authorized swaps contemplated herein are designed to reduce the amount or duration of the interest rate risk or result in a lower cost of borrowing when used in combination with the issuance of the Bonds or enhance the relationship between the risk and return with respect to the Metropolitan Government's investments or program of investment.

1. **Rationale for Using Swaps and Options.** The use of derivative financial products should provide a higher level of savings benefit relative to a non-synthetic structure to the Metropolitan Government, or otherwise help the Metropolitan Government to meet the objectives outlined herein, as the Metropolitan Government may determine in its sole discretion.
  
2. **Limitations.** The Metropolitan Government may not use financial instruments that in the Metropolitan Government's sole discretion:
  - Are speculative or create extraordinary leverage or risk
  - Lack adequate liquidity to terminate at market
  - Provide insufficient price transparency to allow reasonable valuation
  
3. **Understanding the Risks.** The Metropolitan Government will consider all risk factors in determining whether to enter into a swap or other derivative transaction, including, but not limited to:
  - Market or Interest Rate Risk
  - Tax Risk
  - Liquidity Risk
  - Termination Risk
  - Risk of Uncommitted Funding (Put Risk)

- Legal Risk
- Counterparty Risk
- Rating Agency Risk
- Basis Risk
- Tax Exemption Risk
- Accounting Risk
- Administrative Risk
- Amortization Risk
- Subsequent Business Conditions

4. **Qualified Swap Counterparties.** The Metropolitan Government shall be authorized to enter into interest rate swap transactions only with qualified swap counterparties. The Director of Finance, in consultation with the Metropolitan Council and the Metropolitan Government's Financial Advisor, shall identify the qualified swap counterparties for each transaction.

5. **Reporting.** A report providing the status of all interest rate swap agreements entered into by the Metropolitan Government will be provided in accordance with the State Funding Board's Guidelines for Interest Rate and Forward Purchase Agreements.

#### **Refinancing Outstanding Debt**

The Director of Finance for the Metropolitan Government, with assistance from the Metropolitan Government's Financial Advisor, shall have the responsibility to analyze outstanding bond issues for refunding opportunities.

The Metropolitan Government will consider the following issues when analyzing possible refunding opportunities:

1. **Debt Service Savings** - The Metropolitan Government establishes a minimum present value savings threshold of 3.5% of the refunded bond principal amount. The present value savings will be net of all costs related to the refinancing. If present value savings is less than 3.5%, the Metropolitan Government may consider the option value captured as a percent of total savings. If the option value exceeds 70% and present value savings is less than 3.5%, the Metropolitan Government may opt to complete a refunding. The decision to take savings on an upfront or deferred basis must be explicitly approved by the Metropolitan Government.

2. **Restructuring** - The Metropolitan Government will refund debt when it is in the best financial interest of the Metropolitan Government to do so. Such refunding will be limited to restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants.

3. **Term of Refunding Issues** - The Metropolitan Government will refund bonds within the term of the originally issued debt. However, the Metropolitan Government may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Metropolitan Government may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

4. **Escrow Structuring** - The Metropolitan Government shall utilize the least costly securities available in structuring refunding escrows. A certificate will be provided by a third party agent, who is not a broker-dealer stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Metropolitan Government from its own account.

5. **Arbitrage** - The Metropolitan Government shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refunding.

#### **Professionals/Consultants**

**The Metropolitan government will use various professionals/consultants as necessary depending upon the type of debt transaction anticipated. These professionals/consultants include:**

- **Bond Counsel** - Metropolitan Government debt will include a written opinion by legal counsel affirming that the Metropolitan Government is authorized to issue the proposed debt, that the Metropolitan Government has met all legal requirements necessary for issuance, and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by counsel with extensive experience in public finance and tax issues. The counsel will be selected by the Metropolitan Government.
- **Counterparty**
- **Financial Advisor** - The Metropolitan Government shall select a financial advisor (or advisors) to assist in its debt issuance and debt administration processes. The financial advisor will assist the Metropolitan Government with the structuring, analysis, planning and execution of debt transactions. The financial advisor will not act as underwriter and/or be permitted to bid on issues. The financial advisor will also assist the Metropolitan Government in assessing debt capacity and other long term debt planning.
- **Paying Agent**
- Registrar
- Remarketing Agent
- Swap Advisor
- Swap Counsel
- Trustee
- Underwriter
- Verification Agent

**Conflict of Interest** - The Metropolitan Government requires that its consultants and advisors provide objective advice and analysis and be free from any conflicts of interest.

Disclosure by professionals/consultants - All professionals/consultants will be required to provide full and complete disclosure, relative to agreements with other professionals/consultants, financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction and will always include disclosure of all compensation (including "soft costs") and considerations received related to the transaction. However, in general terms, no agreements shall be permitted which could compromise the firm's ability to provide independent advice which Metropolitan Government of Nashville Davidson County is solely in the Metropolitan Government's best interests or which could reasonably be perceived as a conflict of interest. Consultants will provide an annual affirmative statement that no such conflicts of interest exist.

**Disclosure**

The Metropolitan Government will provide annual financial and economic information to all Nationally Recognized Municipal Information Repositories (NRMSIRs) designated by the SEC and the State Information Depository (SID).

The Metropolitan Government will also maintain a system of record keeping and reporting which complies with the arbitrage rebate compliance requirements of the federal tax code.

Applicable Local, State or Federal Regulations Charter of the Metropolitan Government of Nashville and Davidson County – Article 7 Bond Issue Tennessee Code Annotated – Title 9 Chapter 21 Local Government Public Obligations Law Internal Revenue Code - TITLE 26, Subtitle A, CHAPTER 1, Subchapter B, PART IV, Subpart B, Sec. 148 Arbitrage

**Effective Date**

This Policy Statement - shall become effective upon issuance and shall be applied to all Metro departments and agencies.

ORIGINAL

METROPOLITAN COUNTY COUNCIL

Resolution No. RS2011-94

2011 NOV 15 PM 3:19

FILED  
METROPOLITAN  
CLERK

A RESOLUTION ADOPTING THE DEBT  
MANAGEMENT POLICY FOR THE  
METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY AS  
PROMULGATED BY THE METROPOLITAN  
DEPARTMENT OF FINANCE.

Introduced DEC 06 2011

Amended \_\_\_\_\_

Adopted DEC 06 2011

Approved DEC 12 2011

By   
Metropolitan Mayor

ORDINANCE NO. 096-567

AN ORDINANCE APPROVING AN AGREEMENT WITH THE UNITED STATES MARSHALS SERVICE FOR THE HOUSING OF FEDERAL INMATES

WHEREAS, the United States Marshals Service is in need of space in which to house federal prisoners; and,

WHEREAS, pursuant to an agreement with The Metropolitan Government of Nashville and Davidson County, the United States Marshals Service has provided the Metropolitan Government with a grant for construction, renovation and/or improvements to jail facilities in exchange for the housing of federal prisoners and has also agreed to reimburse the Metropolitan Government for the costs of housing federal prisoners; and,

WHEREAS, the parties now seek to execute an agreement whereby the Metropolitan Government will be compensated for housing federal prisoners at a per diem rate of fifty-five dollars (\$55.00) per day;

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

SECTION 1: That Intergovernmental Service Agreement No. J-B-75-M-160 with the United States Marshals Service for housing federal prisoners, a copy of which is attached hereto, is hereby approved, and the Sheriff is hereby authorized to execute said agreement.

SECTION 2: That this ordinance shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

RECOMMENDED:

INTRODUCED BY:

Gayle Ray  
Gayle Ray  
Sheriff

Ronnie Stue  
\_\_\_\_\_  
\_\_\_\_\_

APPROVED AS TO AVAILABILITY OF FUNDS:

Joe Huddleston  
Joe Huddleston  
Director of Finance

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Members of Council

APPROVED AS TO FORM AND LEGALITY:

Metropolitan Attorney  
Metropolitan Attorney Zandlenitz

AGREEMENT NUMBER J-B-75-M-160	2. EFFECTIVE DATE 10 / 1 / 96	REQUISITION/PURCHASER/REQUEST NO. 246-95	4. CONTROL NO.
----------------------------------	----------------------------------	---	----------------

ISSUING OFFICE  UNITED STATES MARSHALS SERVICE PRISONER OPERATIONS DIVISION IGA SECTION 600 ARMY NAVY DRIVE ARLINGTON, VA 22202-4210	6. GOVERNMENT ENTITY  NAME AND ADDRESS (Street, city, county, State and ZIP code) Davidson County Sheriff's Office Metro Detention Center 506 Second Avenue North Nashville, TN 37201	FACILITY CODE(S) 4HN
--	--	-------------------------

APPROPRIATION DATA 15X1020	Contact Person Eileen Hosking, Dir. of Administration Area Code & Telephone No. ▶ (615) 862-8238
-------------------------------	---

8. ITEM NO.	9. SUPPLIES/SERVICES	10. QUANTITY	11. UNIT	12. UNIT PRICE	13. AMOUNT
	This Agreement is for the housing safekeeping and subsistence of adult male and female federal prisoners in accordance with the contents set forth herein.	ESTIMATED USMS PRISONER DAYS/YR. 10,950	PDs	PER DIEM RATE \$55.00	ESTIMATED ANNUAL PAYMENT \$602,250

**AGENCY CERTIFYING**

*To the best of my knowledge and belief, data submitted in support of this agreement is true and correct, the document has been duly authorized by the governing body of the Department or Agency and the Department or Agency will comply with ALL PROVISIONS SET FORTH HEREIN.*

15. NAME AND TITLE OF PERSON(S) AUTHORIZED TO SIGN OFFER

SEE NEXT PAGE

\_\_\_\_\_  
(Signature) Date \_\_\_\_\_

\_\_\_\_\_  
Name (Type or Print) Title \_\_\_\_\_

\_\_\_\_\_  
(Signature) Date \_\_\_\_\_

\_\_\_\_\_  
Name (Type or Print) Title \_\_\_\_\_

TYPE OF USE <input type="checkbox"/> Hold Over <input checked="" type="checkbox"/> Regular Support <input type="checkbox"/> Seasonal Support <input type="checkbox"/> Other	17. PRISONER TYPE TO BE INCLUDED UNSENTENCED SENTENCED <input checked="" type="checkbox"/> Adult Male <input type="checkbox"/> Adult Male <input checked="" type="checkbox"/> Adult Female <input type="checkbox"/> Adult Female <input type="checkbox"/> Juvenile Male <input type="checkbox"/> Juvenile Male <input type="checkbox"/> Juvenile Female <input type="checkbox"/> Juvenile Female <input type="checkbox"/> Aliens <input type="checkbox"/> Work Release <input type="checkbox"/> YCA Male <input type="checkbox"/> YCA Female
LEVEL OF USE <input checked="" type="checkbox"/> Minimum <input type="checkbox"/> Medium <input type="checkbox"/> Major	

19. This Negotiated Agreement is Hereby Approved and Accepted for

THE UNITED STATES OF AMERICA  
BY DIRECTION OF THE DIRECTOR OF THE UNITED STATES MARSHALS SERVICE

BY *[Signature]*  
(SIGNATURE OF CONTRACTING OFFICER)

	ANTICIPATED ANNUAL USAGE			
	UNSENTENCED	SENTENCED	ALIENS	TOTAL
No. of Prisoners	_____	_____	_____	_____
Prisoner Days	_____	_____	_____	_____
Guard Hours	_____	_____	_____	_____

21. NAME OF AUTHORIZING OFFICIAL (Type or Print) Vicki Lipov	22. DATE SIGNED SEP, 26 1996
--	---------------------------------

INTERGOVERNMENTAL SERVICE AGREEMENT  
Housing of Federal Prisoners  
IGA No. J-B-75-M-160

Page 1A

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BY:

Gayle Ray  
Gayle Ray, Sheriff

APPROVED AS TO AVAILABILITY OF FUNDS:

Joe Huddleston  
Joe Huddleston, Director of Finance

APPROVED AS TO FORM AND LEGALITY:

Metropolitan Attorney  
Metropolitan Attorney

FILED IN THE OFFICE OF THE METROPOLITAN CLERK:

Marilyn S. Buring  
Date Filed: 12/17/96

ARTICLE I - PURPOSE

The purpose of this Intergovernmental Service Agreement (IGA) is to establish a formal binding relationship between the U.S. Marshals Service (USMS) and other federal user agencies (the Federal Government) and Davidson County (the Local Government) for the detention of persons charged with or convicted of violations of Federal law or held as material witnesses (federal prisoners) at Davidson County Jail (the facility).

ARTICLE II - ASSIGNMENT AND CONTRACTING OF CATEGORICAL PROJECT-SUPPORTED EFFORT

1. Neither this agreement nor any interest therein, may be assigned, or transferred to any other party without prior written approval by the USMS.
2. None of the principal activities of the project-supported effort shall be contracted out to another organization without prior approval by the USMS. Where the intention to award contracts is made known at the time of application, the approval may be considered granted if these activities are funded as proposed.
3. All contracts or assignments must be formalized in a written contract or other written agreement between the parties involved.
4. The contract or agreement must, at a minimum, state the activities to be performed, the time schedule, the project policies and the flow-through requirements that are applicable to the contractor or other recipient, other policies and procedures to be followed, the dollar limitation of the agreement and the cost principles to be used in determining allowable costs. The contract or other written agreement must not affect the recipient's overall responsibility for the duration of the project and accountability to the Government.

ARTICLE III - SUPPORT AND MEDICAL SERVICES

1. The Local Government agrees to accept and provide for the secure custody, care and safekeeping of federal prisoners in accordance with state and local laws, standards, policies, procedures, or court orders applicable to the operations of the facility.
2. The Local Government agrees to provide federal prisoners with the same level of medical care and services provided local prisoners including the transportation and security for prisoners requiring removal from the facility for emergency medical

Intergovernmental Service Agreement Schedule

IGA No.  
J-B-75-M-160

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services. All costs associated with hospital or health care services provided outside the facility will be paid directly by the Federal Government. In the event the Local Government has a contract with a medical facility/physician or receives discounted rates, the federal prisoners shall be charged the same rate as local prisoners. \*

3. The Local Government agrees to notify the U.S. Marshal as soon as possible of all emergency medical cases requiring removal of a prisoner from the facility and to obtain prior authorization for removal for all other medical services required.

4. When a federal prisoner is being transferred via the USMS airlift, he/she will be provided with three to seven days of prescription medication which will be dispensed from the detention facility. When possible, generic medications should be prescribed.

5. Medical records must travel with the federal prisoner. If the records are maintained at a medical contractor's facility, it is the detention facility's responsibility to obtain them before a federal prisoner is moved.

6. Federal prisoners will not be charged and are not required to pay their own medical expenses. These expenses will be paid by the Federal Government. \*

7. The Local Government agrees to notify the U.S. Marshal as soon as possible when a federal prisoner is involved in an escape, attempted escape, or conspiracy to escape from the facility.

ARTICLE IV - RECEIVING AND DISCHARGE

1. The Local Government agrees to accept as federal prisoners those persons committed by federal law enforcement officers for violations of federal laws only upon presentation by the officer of proper law enforcement credentials.

2. The Local Government agrees to release federal prisoners only to law enforcement officers of agencies initially committing the prisoner (i.e. DEA, INS, etc.) or to a Deputy United States Marshal. Those prisoners who are remanded to custody by a U.S. Marshal (USM) may only be released to a USM or an agent specified by the USM of the Judicial District.

3. The Federal Government agrees to maintain federal prisoner population levels at or below the level established by the facility administrator.

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4. Federal prisoners may not be released from the facility or placed in the custody of state or local officials for any reason except for medical emergency situations. Federal prisoners sought for a state or local court proceeding must be acquired through a Writ of Habeas Corpus or the Interstate Agreement of Detainers and then only with the concurrence of the District U.S. Marshal.

ARTICLE V - PERIOD OF PERFORMANCE AND BEDSPACE GUARANTEE

This agreement shall remain in effect for a period of ten (10) years after the project(s) listed in Schedule B of CAP Agreement No. 13-75-95 is completed. The Local Government agrees to provide thirty (30) bedspaces for Federal prisoners, in USMS custody, each day upon the request of the U.S. Marshal commencing on the date of completion and activation of all projects listed in the above mentioned CAP Agreement. After the ten (10) year period provided for in the above mentioned CAP Agreement is completed, the Agreement shall remain in effect indefinitely until terminated or suspended in writing by either party. Such notice will be provided 30 days in advance of the effective date of formal termination and at least two weeks in advance of a suspension or restriction of use unless an emergency situation requires the immediate relocation of prisoners.

ARTICLE VI - PER DIEM RATE AND ECONOMIC PRICE ADJUSTMENT

1. Per diem rates shall be established on the basis of actual and allowable costs associated with the operation of the facility during a recent annual accounting period.

2. The Federal Government shall reimburse the Local Government at the fixed day rate identified on page 1 of this Agreement. The rate may be renegotiated not more than once per year, after the agreement has been in effect for twelve months.

3. The rate covers one (1) person per "prisoner day". The Federal Government may not be billed for two days when a prisoner is admitted one evening and removed the following morning. The Local Government may bill for the day of arrival but not for the day of departure.

4. When a rate increase is desired, the Local Government shall submit a written request to the USM at least 60 days prior to the desired effective date of the rate adjustment. All such requests must contain a completed Cost and Pricing Data Sheet which can be obtained from the USM. The Local Government agrees to provide

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additional cost information to support the requested rate increase and to permit an audit of accounting records upon request of the USM.

5. Criteria used to evaluate the increase or decrease in the per diem rate shall be those specified in the federal cost standards for contracts and grants with State and Local Governments issued by the Office of Management and Budget.

6. The effective date of the rate modification will be negotiated and specified on the IGA Modification form approved and signed by a USMS Contract Specialist. The effective date will be established on the first day of the month for accounting purposes. Payments at the modified rate will be paid upon the return of the signed modification by the authorized local official to the USM.

ARTICLE VII - BILLING AND FINANCIAL PROVISIONS

1. The Local Government shall prepare and submit original and separate invoices each month to the Federal Agencies listed below for certification and payment.

United States Marshals Service  
801 Broadway  
Nashville, TN 37203

2. To constitute a proper monthly invoice, the name and address of the facility, the name of each Federal prisoner, their specific dates of confinement, the total days to be reimbursed, the appropriate per diem rate as approved in the IGA, and the total amount billed (total days multiplied by the rate per day) shall be listed. The name, title, complete address and phone number of the local official responsible for invoice preparation should also be listed on the invoice.

3. The Prompt Payment Act, Public Law 97-177 (96 stat. 85, 31 USC 1801) is applicable to payments under this agreement and requires the payment to the Local Government of interest on overdue payments. Determinations of interest due will be made in accordance with the provisions of the Prompt Payment Act and the Office of Management and Budget Circular A-125.

4. Payment under this agreement will be due on the thirtieth (30th) calendar day after receipt of a proper invoice, in the office designated to receive the invoice. If the due date falls

a nonworking day (e.g. Saturday, Federal holiday), then the due date will be the next working day. The date of the check issued in payment shall be considered to be the date payment is made.

ARTICLE VIII - SUPERVISION AND MONITORING RESPONSIBILITY

All recipients receiving direct awards from the USMS agency are responsible for the management and fiscal control of all funds.

Responsibilities include the accounting of receipts and expenditures, cash management, the maintaining of adequate financial records, and the refunding of expenditures disallowed by audits.

ARTICLE IX - ACCOUNTING SYSTEMS AND FINANCIAL RECORDS

1. The recipient shall be required to establish and maintain accounting systems and financial records that accurately account for the funds awarded. These records shall include both Federal Funds and all matching funds of State, local and private organizations. State and local recipients shall expend and account for funds in accordance with State laws and procedures for expending and accounting for its own funds, as well as meet the financial management standards in 28 Code of Federal Regulations (CFR) Part 66 and current revisions of Office of Management and Budget (OMB) Circular A-87, Cost Principles for State and Local Governments.

2. Recipients are responsible for complying with OMB Circular A-87 and 28 CFR Part 66 and the allowability of the costs covered therein (submission of Form USM-243). To avoid possible subsequent disallowance or dispute based on unreasonableness or unallowability under the specific cost principles, recipients must obtain prior approval on the treatment of special or unusual costs.

3. Requests for prior approval must be in writing and justified with an explanation to permit review of the allowability of the costs. The requests are to be submitted:

- a. Through inclusion in the application; or
- b. As a separate written request to the USMS.

4. Changes in IGA facilities: The USMS shall be notified by the recipient of any significant change in the facility, including significant variations in inmate populations, which causes a significant change in the level of services under this IGA. The notification shall be supported with sufficient cost data to permit the USMS to equitably adjust the per diem rates included in the IGA. Depending on the size of the facility for purposes of

assessing changes in the population, a 10% increase or decrease in the prison population shall be a "significant increase or decrease" for purposes of this subsection.

ARTICLE X - MAINTENANCE AND RETENTION OF RECORDS AND ACCESS TO RECORDS

1. In accordance with 28 CFR Part 66 and OMB Circular A-110, all financial records, supporting documents, statistical records and other records pertinent to contracts or sub-awards awarded with CAP funds shall be retained by each organization participating in the program or project for at least 3 years for purposes of Federal examination and audit.

2. The 3-year retention period set forth in paragraph 1. above, starts from the date of the submission of the final expenditure report. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it or until the end of the regular 3-year period, whichever is later.

3. Access to Records: The USMS and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of recipients or its sub-recipients/contractors, which are pertinent to the award, in order to make audits, examinations, excerpts, and transcripts. The rights of access must not be limited to the required retention period, but shall last as long as the records are retained.

4. Delinquent debt collection: The USMS will hold recipient accountable for any overpayment, audit disallowance or any breach of this agreement that results in a debt owed to the Federal Government. The USMS agency shall apply interest, penalties, and administrative costs to a delinquent debt owed by a debtor pursuant to the Federal Claims Collection Standards.

ARTICLE XI - GOVERNMENT FURNISHED PROPERTY

1. It is the intention of the USMS to furnish excess Federal property to local governments for the specific purpose of improving jail conditions and services. Accountable excess property, such as furniture and equipment, remains titled to the USMS and shall be returned to the custody of the USMS upon termination of the agreement.

2. The Local Government agrees to inventory, maintain, repair, assume liability for and manage all federally provided accountable property as well as controlled excess property. Such property

cannot be removed from the jail without the prior written approval of USMS Headquarters. The loss or destruction of any such excess property shall be immediately reported to the U.S. Marshal and USMS Headquarters. Accountable and controlled excess property includes any property with a unit acquisition value of \$1,000.00 or more, all furniture, as well as equipment used for security and control, communication, photography, food service, medical care, inmate recreation, etc.

3. The suspension of use or restriction of bedspace made available to the Marshals Service are agreed to be grounds for the recall and return of any or all government furnished property.

4. The dollar value of property provided each year will not exceed the annual dollar payment made by the USMS for prisoner support unless a specific exemption is granted by the Chief, Prisoner Operations Division.

#### ARTICLE XII - MODIFICATIONS/DISPUTES

1. Either party may initiate a request for modification to this agreement in writing. All modifications negotiated will be written and approved by the USMS Contracting Officer and submitted to the Local Government on form USM 241a for approval.

2. Disputes, questions or concerns pertaining to this agreement will be resolved between the USM and the appropriate local Government official. Space guarantee questions along with any other unresolved issues are to be directed to the Chief, Prisoner Operations Division, USMS Headquarters.

#### ARTICLE XIII - INSPECTION

The Local Government agrees to allow periodic inspections of the facility by USMS Inspectors. Findings of the inspection will be shared with the facility administrator in order to promote improvements to facility operations, conditions of confinement and levels of services. The mandatory minimum conditions of confinement which are to be met during the entire period of the IGA Agreement are:

1. Adequate, trained jail staff will be provided 24

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- hours a day to supervise prisoners. Prisoners will be counted at least once on every shift, but at least twice in every 24 hour period. One of the counts must be visual to validate prisoner occupancy.
2. Jail staffing will provide full coverage of all security posts and full surveillance of inmates.
  3. Jail will provide for three meals per day for prisoners. The meals must meet the nationally recommended dietary allowances published by the National Academy of Sciences.
  4. Jail will provide 24-hour emergency medical care for prisoners.
  5. Jail will maintain an automatic smoke and fire detection and alarm system, and maintain written policies and procedures regarding fire and other safety emergency standards.
  6. Jail will maintain a water supply and waste disposal program that is certified to be in compliance with applicable laws and regulations.

ARTICLE XIV - CONFLICT OF INTEREST

Personnel and other officials connected with the agreement shall adhere to the requirements given below:

1. Advice. No official or employee of the recipient, a sub-recipient, or a contractor shall participate personally through decisions, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in any proceeding, application, request for a ruling or other determination, contract, grant, cooperative agreement, claim, controversy, or other particular matter in which Department of Justice funds are used, where to his/her knowledge, he/she or his/her immediate family, partners, organization other than a public agency in which he/she is serving as an officer, director, trustee, partner, or employee or any person or organization with whom he/she is negotiating or has any arrangement concerning prospective

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employment, has a financial interest, or less than an arms-length transaction.

2. Appearance. In the use of Department of Justice project funds, officials or employees of the recipient, a sub-recipient or a contractor, shall avoid any action which might result in, or create the appearance of:

- (a) Using his or her official position for private gain;
- (b) Giving preferential treatment to any person;
- (c) Losing complete independence or impartiality;
- (d) Making an official decision outside official channels;  
or
- (e) Affecting adversely the confidence of the public in the integrity of the Government or the program.

ARTICLE XV - PLACE OF PERFORMANCE

Criminal Justice and Hill Detention Centers  
448 Second Avenue North  
Nashville, TN 37201  
Code: 4HN

Metro Davidson County Detention Facility

5115 Harding Place  
Nashville, TN 37211  
Code: 6XX

Correctional Work Center  
5113 Harding Place  
Nashville, TN 37211  
Code: 2AS

FILED  
METROPOLITAN  
COUNCIL

Nov 12 3 30 PM '96

DUPLICATE

METROPOLITAN COUNTY COUNCIL

Bill No. 096-567

AN ORDINANCE APPROVING AN AGREEMENT  
WITH THE UNITED STATES MARSHALS SERVICE  
FOR THE HOUSING OF FEDERAL INMATES.

Introduced NOV 19 1996

Passed first Reading NOV 19 1996

Referred to BUDGET & FINANCE; PUBLIC SAFETY COMMITTEES

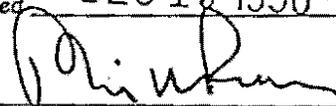
Amended \_\_\_\_\_

Passed second Reading DEC 3 1996

Referred to \_\_\_\_\_

Passed third Reading DEC 17 1996

Approved DEC 19 1996

By  \_\_\_\_\_

Metropolitan Mayor

Departments Notified DEC 20 1996

Advertised \_\_\_\_\_

2017-18 Adventure Tourism Overview

2017-18 Adventure Tourism Application

# 2017-18 Adventure Tourism Application

**Adventure Tourism applications are due June 30, 2017.**

This application is for communities seeking to become certified as adventure tourism districts pursuant to the Tennessee Adventure Tourism and Rural Development Act of 2011. The act allows certain tourism-related businesses within adventure tourism districts to qualify for a jobs tax credit. Please reference the [Guidance Document](#) for instructions on completing the application. Note: No districts will be certified until after July 1.

Address any questions regarding the Adventure Tourism and Rural Development Act of 2011 or the application process to Ramay Winchester at 615-975-4237 or ramay.w.winchester@tn.gov.

**District(s)\***

**Whites Creek Adventure Tourism District**

Name the city or other district name if proposed district is not entire city. An entire county cannot be a district.

**County\***

Davidson

**Mayor\***

**Megan Barry**

**Address\***

**One Public Square**

**One Public Square**

**Nashville** Tennessee **37201**  
City State ZIP Code

Contact Name\*  
**Matthew Wiltshire**

Phone\*  
**(615) 862-6021**

Email\*  
**matt.wiltshire@nashville.gov**

Business Plan (Word Document)\*  
M:\ECD\Whites Creek Adventure Tourism Distct Business Plan.docx **Browse...**

City, County, or Local Government Resolution\*  
M:\ECD\Resolution - Haywood - Adventure Tourism Zone.docx **Browse...**

Parcel Map with Map Key Listing Districts\*  
M:\ECD\Parcel Map with Map Key Listing Districts.pdf **Browse...**

Notarized Letter from Local Government\*  
M:\ECD\Whites Creek Adventure Tourism Distct Mayor Letter.pdf **Browse...**

Activity 1\*

Activity 1\*

Zip lining ▾

Activity 2\*

Mountain biking ▾

Activity 3\*

Road biking ▾

Activity 4\*

Motorized trail riding ▾

Submit Form

Social Media      

**Marketing**

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TDTD 2016 Annual Report

Tourism Grant Opportunities

Tourism Initiatives

SOAMIT Toolkit

**Advertising**

---

Vacation Guide Bulk Orders

2018 Vacation Guide Media Kit

2017 Brochure Policy

**Tourism Headlines**

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What's New for 2017

Official 2017 Vacation Guide

2015 Economic Impact Report

**TN Tourism Committee**

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TnHTA

US Travel Association

**Tennessee Department of  
Tourist Development**  
 Kevin Triplett  
 312 Rosa L. Parks Ave., 13th Fl.  
 Nashville, Tennessee 37243  
 615-741-2159  
 trvacation.com  
 tourdev@tn.gov



# METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



MEGAN BARRY  
MAYOR

OFFICE OF THE MAYOR  
METROPOLITAN COURTHOUSE  
NASHVILLE, TENNESSEE 37201  
PHONE: (615) 862-6000  
EMAIL: mayor@nashville.gov

June 14, 2017

Commissioner Kevin Triplett  
Department of Tourist Development  
312 Rosa L Parks Avenue  
Nashville, TN 37243

Re: Adventure Tourism District Application – Whites Creek

Dear Commissioner Triplett,

I, Megan Barry, Davidson County Mayor, hereby confirm that this application, including all attachments, does not contain any representations of facts which are false or misleading in any respect.

The City of Nashville is a strong advocate and supporter regarding economic development programs that focus on both conservation and community support within Davidson County.

As the result of our commitment, we are supportive of designating parcels along the east side of Whites Creek Pike, north of Green Lane to the southeast corner of the Whites Creek Pike and Knight Drive intersection, specifically including 4225 Whites Creek Pike, 4125 Whites Creek Pike, 4241 Whites Creek Pike, and 4105 Whites Creek Pike of land in Whites Creek as an Adventure Tourism District. We feel this is in the best interest of not only the state, but Davidson County and the citizens of Whites Creek.

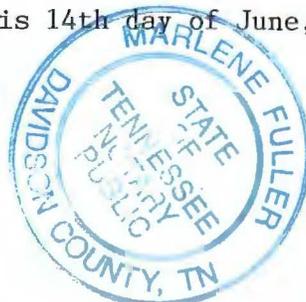
Kind regards,

A handwritten signature in blue ink, appearing to read "Megan Barry".

Megan Barry  
Mayor

Sworn to and subscribed before me this 14th day of June, 2017.

A handwritten signature in blue ink, appearing to read "Marlene Fuller".  
\_\_\_\_\_  
Notary Public  
My commission expires: 3-8-21





## White's Creek Adventure Tourism District

### *Business Plan*

The Inn at Fontanel, a 2013 Southern Living Idea Home, turned luxury boutique hotel has been one of the crown jewels of the Fontanel Attractions property. This year will be the beginning of one of the final stage of creating a truly special and unique resort property right in the backyard of Music City. A destination like no other, Fontanel offer locals and tourists alike the chance to experience true southern charm nestled amongst the Historic Whites Creek Valley just seven miles from downtown.

- Fontanel has committed in excess of 137 acres of land for green space and public use. (Seventy-five percent of all Fontanel property will remains as green space in perpetuity.) The expansion of the Inn will add in excess of 20 more acres.
- Fontanel has allowed nearly four miles of greenway for public use. Two miles are paved and ADA compliant – or will be and two miles are hiking trails. If the expansion is approved, another  $\frac{3}{4}$  mile will be added.
- Working with the architects and designers we will strive to create an energy self sustaining resort. ◦This means augmenting our facility with solar energy and possibly geothermal technologies.
- Local farmer participation will be looked at for servicing expanded on site culinary options. As well as creating seasonal onsite marketplaces for locally produced goods.

### Economic Impact

- Fontanel adds to the tax base by paying \$120,000 in property tax each year.
- Fontanel generates approximately \$750,000 in sales tax annually. ◦With an increase of sales tax revenue of between 20-25% in the first year of the hotel expansion opening.

- Fontanel employs nearly 120 workers on the property. °60 to 70 percent of Fontanel’s employees live in Whites Creek or in very close proximity to Whites Creek Joelton, Ashland City, Madison or Bordeaux.
- The expansion will create an additional 50 full time jobs and between 120 – 140 part time positions.
- Fontanel employs over 100 additional contractors for every special event.
- Fontanel has consistently donated event space for special fundraising events in an effort to help non-profits raise funds and awareness to their causes.



### **Zipline Forest Attractions at Fontanel**

Adventureworks Zipline Forest at Fontanel offers visitors an adrenaline-pumping zip-lining experience soaring through the shaded forest canopy on eight different zip lines while enjoying the breathtaking views of the Fontanel forest and a glimpse of The Mansion at Fontanel.

When current owners Dale Morris and Marc Oswald planned for the expansion of Fontanel, they wanted the attractions to blend with the natural setting to encourage guests to connect with nature. That’s exactly what guests will experience during the canopy zip tour; a 90-minute fun-filled exploration of an enchanting forest in the Harpeth River Valley. The site has zip lines that go up to 85 feet, ranging from 200-700 feet in length. Adventureworks Zipline Forest operates year-round, weather-permitting.

### **The Trails and Greenway at Fontanel**

Trails at Fontanel is over three-miles of wooded and asphalt trails that winds through the historic Whites Creek Valley and Fontanel. The trails offer a tranquil escape and dog-friendly environment just “three

songs” from Downtown Nashville. Guests at Fontanel and the public may enjoy this quiet tree-lined retreat and spend the whole day trekking without paying a fee.

Everyone living in Whites Creek and nearby areas enjoys hiking through the forest, relaxing at the meadows, and listening to the soundscape at dawn at the Trails at Fontanel. Beginning at the Woods at Fontanel music venue, the unpaved trail extends up and over the ridge, overlooking the scenic Whites Creek valley. From the ridge, you can see the Fontanel Mansion. The groomed trail ends at the VIP seating area.

The trails also connects to over two miles of paved Metro Parks Greenway for foot and bike traffic. Bikers and hikers will get a chance to see the beautiful wild flowers that bloom along this lightly trafficked loop trail. In the near future, we plan to expand the area so people can explore other hidden areas of the valley.

From sunup to sundown, the Trails at Fontanel are open for guests’ enjoyment. Some say this is one the largest “privately held public parks” in all of Tennessee.