



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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Fellow Nashvillians,

The past few months have been unlike any other in Nashville's history. I want to express my profound gratitude to every Metro employee for their tireless service in responding to the EF-3 tornado at the beginning of March and serving our city amid the COVID-19 pandemic.

We find ourselves in truly unprecedented times. We remember the lives lost in the storm and we honor the memory of those who've died as a result of the coronavirus. The public health emergency in Nashville has also cost thousands of our neighbors their livelihoods, and our local economy is enduring two simultaneous and historic challenges. As a result, Metro's own longstanding financial difficulties have reached a crisis point. The city has thinned its remaining cash reserves to a point where we find ourselves without a rainy-day fund during a stormy season. This is truly a crisis budget – not a discretionary budget – that will ensure Metro Government and Metro Nashville Public Schools can continue to meet our community's needs.



We entered the final quarter of FY20 with a \$70M non-recurring revenue problem and depleted cash reserves. Looking ahead, Metro Finance Department has projected an estimated revenue shortfall of \$470M over a 16-month time frame. We've taken swift action to shore up fund balances and find savings opportunities wherever possible. Management actions have produced over \$234M in new revenues and savings through spending reductions or deferrals. The FY21 budget also includes a property tax increase of \$1.00 to cover a \$332M shortfall, which will help provide \$100M in much-needed cash for the city and \$16M in net operating needs as part of our "continuity of public services" budget. This tax increase is painful but vitally needed. It is worth noting that our new tax rate still will be significantly below our 25-year average.

While this proposed budget does not include important investments that I had hoped to make in you and the work we do together as a government, it does ensure that we can continue to deliver important Metro services to Davidson County residents without interruption. Were it not for a natural disaster followed shortly by a global pandemic, the recommended FY21 operating budget would look very different than it does today. But this budget will provide much-needed financial stability to Metro Government.

Nashville's growth will return once again, our economy will flourish as it did before the storm, and we will not lose sight of the good work we've set out to do on behalf of all Nashvillians.

Sincerely,

A handwritten signature in blue ink that reads "John Cooper".

John Cooper
Mayor
Metropolitan Government of Nashville and Davidson County



Executive Summary

Introduction

This Recommended Operating Budget for Fiscal Year 2020-2021 was prepared on an expedited schedule due to the many challenges associated with the Covid-19 crisis. Like so many other organizations, the Metro Finance Department has faced numerous obstacles and disruptions to its workflow, including the health of staff and their loved ones, remote working arrangements, limited functionality and access to normal business tools, and sharply reduced opportunities for in-person interviews and interactions.

Government budgets inherently rely on complex computations, assumptions, and estimates, and the difficulties encountered in preparing this budget in such a short period increase the possibility of errors and omissions. Readers are encouraged to promptly contact the Finance Department upon the identification of any issues noted so that corrective actions can be undertaken.

This summary and the remainder of this book present the Metropolitan Government's balanced \$2.45 billion operating budget for FY2021. All funds are required to balance, and total revenues must equal total expenditures.

Budget Approach

Primary goals of the Administration included creating a fiscally prudent budget that is structurally balanced, restoring cash and fund balances, and making adequate provisions for debt service. Despite a challenging environment of both declining revenues and increasing expenditures, this budget accomplishes these and other goals.

The Mayor has characterized this budget as a "crisis budget" since it was prepared during the first intense month of the COVID-19 crisis, which was preceded by a tornado that devastated portions of the Metro area, with unprecedented unknowns about future revenues and expenses. It is foreseeable the budget will be amended if the underlying assumptions do not materialize.



Sales Tax Estimates

This budget adapts to forecasted declines in activity-based revenues - most notably local option sales tax - as a result of the COVID-19 crisis. An abrupt slow-down in economic activity has municipalities across the country facing significant revenue reductions. Nashville is no exception given its heavy reliance on sales and other activity-based taxes, including those generated by tourism. A \$127 million decline in sales tax collections is projected for FY 2021 as compared to the FY 2020 budget. Revenue declines are outlined in more detail in the Revenues section of this summary.

Property Tax Increase

For years Metro has maintained a property tax rate that has been below other large Tennessee city/county rates. There has not been a property tax rate increase since FY 2013 and the Certified Tax Rate experienced a considerable drop in FY 2018 as a result of the reappraisal (see Rate History on pg. A-25). In order to achieve the goals established for this budget, coupled with the COVID-19 crisis' economic impact, this budget recommends a \$1.00 property tax rate increase for a combined USD/GSD rate of \$4.155. Even with this increase, Metro will still have the lowest property tax rate among Tennessee's four largest cities and will be below Metro's average property tax rate over the past 25 years.

The recommended rate increase will generate \$332 million in revenue, and an important component of achieving the goals of the Administration.

Budget Priorities

Structurally Balanced

The State of Tennessee's Comptroller required Metro to file a supplemental FY 2020 budget because it relied on one-time revenues to fund recurring expenditures and was, therefore, not structurally balanced. The FY 2020 budget included \$70 million of non-recurring revenues. The FY 2021 budget does not rely on non-recurring revenues to fund recurring expenditures.

Cash & Fund Balance Restoration

In order to restore cash and fund balances that have been depleted over the past several fiscal years, this budget recommends \$100 million dedicated to restoring those balances.

Cash Balance Restoration (in millions)			
	GSD	USD	MNPS
Operations	\$48.9	\$6.7	\$28.5*
Establish Rainy Day Fund	5.0	-	-
Debt Service	6.6	.62	3.6
Total	\$ 60.5	\$7.3	\$32.1
* Funded by GSD Operational Budget			

Including the projected FY 2020 year-end fund balances, this investment will bring the GSD and USD Operating Funds to 5% of budgeted expenditures, the Metro policy target. The debt service funds and Metro Public Schools (MNPS) will achieve about 4%, and additionally, Schools are expected to receive nearly \$26 million in federal and state relief connected to the COVID-19 crisis which will provide a substantial boost to its available funds. State law requires School's fund balance of just 3%.

Debt Service Expenditures

To ensure Metro's obligations on all outstanding debt, all debt service - including both principal and interest - is fully funded in this recommended budget. Additional details on Debt Service can be found beginning on page J-90-1.

Debt Service Expenditures (in millions)			
	FY2020	FY2021	% Change
GSD	\$207.6	\$206.8	-0.4%
USD	\$18.7	\$20.4	+9.1%
MNPS	\$110.5	\$115.9	+4.9%
Total	\$336.8	\$343.1	1.9%

Savings Targets

During FY 2020 Metro General Government departments were collectively asked to achieve savings targets of \$12 million. Almost all departments are on track to meet their savings targets by the end of the fiscal year. These savings targets were removed from departmental budgets to create a new baseline for FY 2021 that reflect their operational capacity to absorb savings targets over the past two fiscal years. This recommended budget largely makes those savings targets permanent reductions in the departmental budgets.

Maintenance of Effort for Local Education Funding

The State of Tennessee requires local governments to provide the same total dollar level of budgeted revenue for schools as was provided in the previous budget, referred to as "maintenance of effort". This requirement does not change if revenues are projected to decrease, as is the case for projected FY 2021 sales taxes due to the economic impact of the COVID-19 crisis. In order to meet maintenance of effort requirements, additional local property taxes are allocated to MNPS to make up for the projected decline in sales taxes. Further, to make up for forecasted decreases in the State's Basic Education Program (BEP) funding and decreases in other revenue sources, an additional \$2 million of property tax revenues over the maintenance of effort requirement is allocated to MNPS.



MNPS Operating Budget FY2021	
Operating Funds	\$908,948,000
Property Tax Increment	5,944,600
Total Operating	\$914,892,600

Public Safety

Public Safety is a critical component of local government operations. Even though Metro is facing difficult times, this budget recommends key investments to ensure the safety of citizens in the upcoming fiscal year. One way this is being accomplished is through a \$5 million budget for public health and safety contingency accounts that can be allocated by the Finance Director as critical needs arise.

A \$2 million pay plan adjustment was passed by the Civil Service Commission that includes funding for pay increases in several job classifications that are primarily in public safety roles.

The Police Department is recommended to receive an additional \$4 million for training and recruiting of new police officers. This amount represents additional funding for an increase in the number of approved positions in FY 2018 that was not fully funded in that year's budget or in subsequent years.

The Sheriff's Office is recommended to add 20 additional correctional officers at a cost of \$1 million for federal inmate housing. This improvement will enable Metro to collect \$2 million in additional revenues, more than offsetting the additional cost. With the opening of the new Downtown Detention Center, the Sheriff's Office needs an additional \$980 thousand for utilities. Finally, the contract the Sheriff's Office manages for security for several Metro facilities has an escalation of \$85 thousand for the upcoming fiscal year.



The Nashville Fire Department is recommended to receive an additional \$1 million to cover costs associated with fire prevention. Additionally, they are recommended to receive two additional employees in their logistics division at a cost of \$123 thousand. These employees are being transferred from Metro's central fleet operations.

Finally, the Office of Family Safety is recommended to receive \$84 thousand and one additional FTE to replace expiring grant funding to continue critical operations at the Family Safety Center.

Public Health & Hospitals

During the COVID-19 crisis, investments in public health have been funded. This budget recommends funding contractual increases for the Correctional Healthcare contract (\$5 million), the Bordeaux Long-Term Care Facility contract (\$3 million), and the Medical Examiner's contract (\$343 thousand). Additionally, while other Metro departments have absorbed budget reductions for FY 2020 savings targets, Hospital Authority funding has been recommended at \$43 million, which is the same as FY 2020 funding.

Criminal Justice System

The criminal justice system is essential to the functioning of any government. The District Attorney's office is receiving \$282 thousand for the statutorily required pay increases for assistant district attorneys. The District Attorney is also recommended to receive \$30 thousand for eDocs Oracle licensing and \$29 thousand for Victims of Crime Act (VOCA) grant matching funding. Based on these increases to the District Attorney's budget and other adjustments, the Public Defender's Office will receive an increase of \$276 thousand as required by the state law, which requires the Public Defender to receive 75% of any increase in the District Attorney's budget.

The Juvenile Court manages the operations of the Juvenile Detention Center, and the anticipated contract increase for FY 2021 of \$833 thousand is recommended in this budget. Juvenile Court is also receiving \$62 thousand for grant matching funding.

The General Sessions Court is recommended to receive funds for the statutorily required cost of living adjustment for the judges at a cost of \$43 thousand. The Court is also recommended to receive \$75 thousand for court ordered mental health evaluations.

Effective & Sustainable Government

The FY 2021 budget is also focused on ensuring that the Metropolitan government is operating effectively and sustainably. To ensure continuity of essential government services and contractual obligations, several other improvements are being recommended for approval in FY 2021.

- Public Works' Solid Waste Fund is recommended to receive \$4 million for contractual increases for the next fiscal year.
- The Assessor's Office is recommended to receive \$292 thousand in non-recurring funding for the reappraisal, which is conducted every four years. The Assessor's Office is also recommended to receive one additional appraiser at a cost of \$58 thousand.

- General Services is recommended to receive an additional \$363 thousand, with \$134 thousand associated with increased costs at new Metro buildings and \$228 thousand related to various contract escalations.
- The Election Commission is recommended to receive \$122 thousand for increased costs associated with new voting equipment and the voter registration database.
- Social Services is facing increased costs associated with indigent burials, and this budget recommends they receive an additional \$100 thousand.
- The Planning Commission is recommended to receive one additional employee to complete data analysis to redraw districts as a result of the 2020 census at a cost of \$81 thousand.
- Metro departments are collectively anticipated to experience an increase of \$3 million in their water bills due to a recently approved water rate increase, and this budget recommends funding that increase. The improvement is in an Administrative account and will be allocated to departmental budgets as needed.
- The Property Tax Relief Program is recommended to be increased by \$1 million to cover additional needs for eligible taxpayers that may occur due to the recommended property tax rate increase.
- The Injured on Duty (IOD) fund is recommended to receive a \$11 million increase in FY 2021 to cover costs for medical care, case management and other support to Metro employees who are injured while carrying out their job duties.

Budget Reductions

In order to bridge the gap between projected revenues and required expenditures, several budget reductions are recommended in this budget. The goal of these reductions is to partially offset projected revenue decreases in order to minimize the negative impact on direct services provided to the citizens of Nashville.

- The subsidies that Metro provides to the Metropolitan Transit Authority (MTA) and the Regional Transit Authority (RTA) have been reduced by \$22 million in total. This should have no impact on services as these organizations have received funding from the federal government through the CARES Act to maintain current operational levels.
- Metro was able to work with the Metropolitan Development & Housing Authority (MDHA) to refinance tax increment financing (TIF) loans to save \$9 million in the GSD and USD General Funds and in the Schools Fund in FY 2021.
- Longevity payments are recommended to be suspended in FY 2021, and the savings associated with this suspension is \$4 million.
- The body worn camera pilot program has been extended to FY 2021. This will enable all interested stakeholders additional time to establish policies and procedures for full implementation and will generate savings of \$2 million for FY 2021.
- Funding for direct appropriations and for the Community Partnership Fund programs will be adjusted for FY 2021 and will result in savings of \$4 million. Metro will work with impacted agencies to replace \$3 million of Metro funding with funding from the federal government and other sources, to the extent they are eligible. Funding for other non-profit organizations not eligible for federal funding will be continued at 50% of FY 2020 funding levels for additional savings of \$900 thousand in FY 2021.
- Aligning with direction from the Mayor for reducing discretionary spending by 50%, grants awarded through the Arts Commission will be reduced by \$1 million in FY 2021, economic development jobs grants will be reduced by \$1 million, and the Nashville GRAD program will be reduced by \$500 thousand. Likewise, programs under the Nashville Career Advancement Center (NCAC) in FY 2020 will be reduced by \$2 million.
- This budget recommends eliminating the Community Education Commission for a savings of \$517 thousand.
- In March the Administration instituted an out of town travel freeze, and this budget recommends continuing that freeze in FY 2021, which would generate savings of \$423 thousand.

Changes from the FY 2021 operating budget are detailed in the “Highlights” of each department’s narrative in this document. What follows is a summary of Metro-wide issues. This information is also accessible via the Citizens’ Guide to the Budget web site at www.nashville.gov/citizens_budget.

Long Term Planning

In the guidance to elected officials and department heads in January, the Administration acknowledged that various challenges and resource constraints would limit the opportunities for improvements to operational budgets. The Administration also asked departments to submit all known requests so that the full magnitude of their needs and goals could be gauged and used in long term planning forecasts.

FTE Adjustments

The table below illustrates changes in full-time equivalent (FTE) counts for FY 2019 through the recommended FY 2021 budget for positions funded by the general funds.



FTEs by Fund Group				
	FY2019	FY2020	FY2021	FY2020-FY2021 Variance
GSD	6,693.30	6,648.78	6,672.28	23.50
USD	735.50	734.49	734.49	0.00
Total	7,428.80	7,383.27	7,406.77	23.50

Because the focus of this recommended budget is to ensure continuity of public services, there is a very small increase in the number of employees recommended for FY 2021. The largest increase is in the Sheriff's Office for 20 additional correctional officers for federal inmate housing, the cost of which will be offset by an increase in revenue.

Economic Trends

The resources available to Metro are directly and indirectly dependent on the strengths of the national and state economies. Given these relationships, the status of these economies and their expected impact on Metro's revenues are reviewed prior to setting funding levels.

For the second consecutive year, economic growth in Tennessee trailed that of the national economy in 2018, as inflation-adjusted gross domestic product (GDP) expanded by 2.7% statewide, compared to 2.9% nationally. This reversal in growth met economists' expectations, with a continuation of this trend reflected in preliminary 2019 figures. Nominal personal income grew by 5.3%, trailing the nation overall by 0.28 percentage points, mirroring GDP growth that failed to keep pace with the rest of the country. This increase in income resulted in additional taxable sales of 6.8% over the same time period. This growth occurred even as the cost of goods, as indicated by the Consumer Price Index, increased moderately during the year. Consumer confidence, an important component of sales growth, plateaued late in the year before declining slightly before the end of the year.

Unemployment also performed favorably across the state during 2018. The first half of the year experienced mild swings, but a strong fourth quarter resulted in an annualized rate of 3.5%. This finish, even in the face of job participation gains, once again was ahead of the rest of the country, which dropped to 3.9%. Statewide, total employment grew by 1.6%, with an additional 49,000 jobs added during the year. This job creation occurred in a variety of sectors, most notably leisure and hospitality, which added 10,000 jobs. The number of new establishments employing people in Tennessee grew by 3.1%. Middle Tennessee's 4.5% growth in new employers was a contributing factor in the state's overall growth. Collectively, this data, coupled with average annual wage growth of 3.3%, resulted in total payroll growth of 5.0%. Of note, this strength of the state and local economies has been relatively recent, as employment levels for both did not return to pre-recession levels until 2014. The estimated labor force for the State of Tennessee stands at 3,256,382 as of 2019, while the estimated labor force in Davidson County is 414,168, with 404,751 being employed.

Three of the top five employers in Nashville-Davidson MSA are represented by three levels of government: the State of Tennessee (second largest overall) employing 26,795; Metro Nashville-Davidson Co. Government / Public Schools (third) employing 19,700; and the U.S. Government employing 13,253 (fourth). Vanderbilt employs more middle Tennesseans than any other employer, with 34,370 employees. Nissan North America completes the top five with 12,000 employees. Annually, Vanderbilt and more than 900 other companies contribute to a healthcare industry that provides 273,000 total jobs and generates \$47 billion of economic impact locally. Globally, the Nashville-based healthcare cluster employs over 570,000 and generates \$92 billion, earning Nashville the moniker "Healthcare Industry Capital." With healthcare, professional services and hospitality as foundational sectors, Nashville's unemployment level dropped in 2019 from 2.7% the previous year to 2.5%. Previously strong population growth slowed from the previous year, increasing by less than one percent.



As of 2018, there were 319,529 housing units and 277,903 households in Davidson County, which has a homeownership rate of 54.1%. That same year the median sales price of homes sold in the county was \$280 thousand, an increase of 5.7% over the prior year. At the macro level, current GDP (2018) statewide was \$364 billion. Based on the most recent data available from the Bureau of Economic Analysis, the GDP for the Nashville – Davidson MSA was \$125 billion in 2017 and \$132 billion in 2018. This 6.1% increase exceeds the relative production of both the state and the nation during the same time period.

Most recently, economic disruption at the national, state and local levels as a result of the COVID-19 crisis has significantly altered both the short-term

and long-term financial outlook for Metro Nashville. COVID-19 transmission mitigation measures implemented across the country, including Nashville’s Safer at Home order, have closed nonessential businesses and required citizens to remain home, resulting in an unprecedented economic slow-down. As a result, a recent early estimate of national GDP for the first quarter of 2020 indicates a contraction of 4.8%, the first negative GDP reading since 2014. Economists project this figure to potentially double when the GDP for the first quarter of 2020 is finalized. After recently recording a 50-year low in unemployment, over 30 million workers have been laid off over a six-week period ending April 25th.

These recent events have been factored into the revenue projections and funding decisions included in the Mayor’s recommended FY 2021 operating budget. The significant downward projections made to activity-based revenues are further discussed below. Projection assumptions are source-specific and intended to capture the COVID-19 crisis’ economic impact using the best available data under rapidly evolving economic changes.

Property Reappraisal

The Assessor’s Office conducts a property reappraisal every four years under Tennessee state law. The reappraisal estimates the value of all property in Davidson County. This is performed to periodically adjust recorded property assessments to generally reflect market values.

State law also requires that this reappraisal be revenue neutral for local governments. This means that as the aggregate value of property changes, the tax rate must change as well to ensure that the local government receives the same amount of revenue. So, if the property in the county collectively increases in value, the actual property tax rate needs to drop so that the revenue collected remains the same. Considerable market appreciation prior to the last reappraisal (2017) resulted in an unprecedented decrease in the certified tax rate in FY 2018.



Revenues

The tone of any government’s budget is always set by the availability of resources. Revenues and available fund balances must be able to support budgeted expenditures, and both the Metropolitan Charter and Tennessee Law prohibit deficit financing. The largest sources of revenue are property taxes and sales taxes, which are discussed below.

Property Taxes

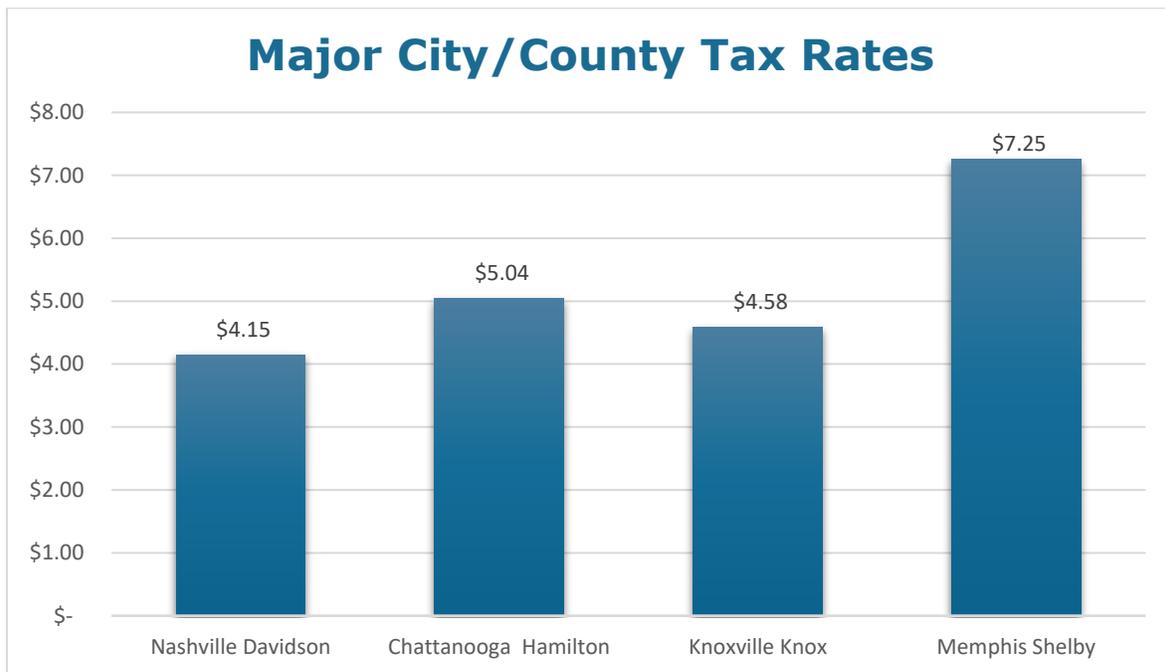
The predominant source of revenue is property tax. Property tax is forecast to increase by 32%, attributed primarily to a recommended \$1.00 increase in the rate. The increase in property tax revenue is also attributed to growth in the tax base from construction activity, market appreciation and new PILOT agreements. Metro’s rate dropped considerably in FY 2018, to a historically low combined rate of \$3.155. The recommended increase still maintains Metro’s place as lowest among the four largest Tennessee city/county governments and will support continuity of public services in FY 2021.

Property Tax Budget	
FY 2020	\$1,065.5 million
FY 2021	\$1,438.2 million
Increase	\$ 372.7 million

The combined USD–GSD rate is the total paid for property in the USD; property outside of the USD is taxed at the GSD rate. Residents of the satellite cities within Metro pay the GSD rate plus the rate set by that satellite city.

FY 2021 Property Tax Distribution (Rates per \$100 of Assessed Value)			
District	Fund	2020 Rate	2021 Recommended Rate
GSD (General Services District)	General	\$1.338	\$1.709
	Schools General Purpose	0.994	1.273
	General Debt Service	0.297	0.567
	Schools Debt Service	0.126	0.206
	Subtotal - GSD	\$2.755	\$3.755
USD (Urban Services District)	General	\$0.334	\$0.326
	General Debt Service	0.066	0.074
	Subtotal - USD	\$0.400	\$0.400
Combined USD/GSD rate		\$3.155	\$4.155

The following chart represents the recommended tax rate for Nashville in FY 2021 and the current tax rates for Chattanooga, Knoxville, and Memphis.



Local Option Sales Tax

The economic impact of the COVID-19 crisis is projected to reduce activity-based revenues, with local option sales taxes projected to be reduced by 26.5%, the most prominent due to its percentage of the overall budget (14.4%). FY 2021's budget projections incorporate research on peer cities' revenue projection approaches, analysis of industries impacted most by the Safer at Home order, and assumptions based on a multiphase reopening plan and a reduced baseline, given the recessionary outlook ahead.

The budget includes no change in the rate of the 2.25% local option sales tax, which is capped at 2.75%. By State law, at least half of the local sales tax must be allocated to schools. The following chart shows local sales tax rates in surrounding counties.

Sales Tax Budget	
FY 2020	\$478.9 million
FY 2021	\$352.1 million
Decrease	\$ (126.8) million



Davidson County's Local Option Sales Tax Rate is 2.25% as of March 20, 2020. By comparison, Robertson, Rutherford, Williamson, and Wilson County rates are higher by 0.50% at 2.75%. Cheatham and Sumner County are the same as Davidson County, at 2.25%.

Federal, State and Other Revenues

Budgeted Federal, State and Other revenues are based on our best estimates of revenues from specific sources.

This category also includes revenues, reimbursements, and grants from other organizations. The decrease of 1.7% in this category is principally from projected COVID-19 crisis related decreases in state sales taxes (\$16 million) and excise taxes (\$13 million), along with the loss of a one-time transfer from another government agency (\$6 million). These decreases are offset by the new Convention Center Authority memorandum of understanding (\$25 million increase over the FY 2020 budget) and an anticipated Sheriff revenue increase from housing federal inmates (\$2 million).

Federal, State, & Other Gov't Agencies Budget	
FY 2020	\$427.3 million
FY 2021	\$420.2 million
Decrease	\$(7.1) million



Other Local Revenues

Other local revenues include a variety of sources ranging from taxes, licenses and permits to revenues from services provided to the public. Transfers from other funds are also included in this category. Other Local Revenues are expected to decrease in FY2021 by 32.8%. The largest projected decrease is from nonrecurring sales budgeted in FY 2020 (\$42 million), followed by revenues impacted by the COVID-19 crisis, including business taxes (\$29 million), hotel occupancy taxes (\$12 million) and construction permitting activity (\$6 million).

Other Revenues Budget	
FY 2020	\$352.7 million
FY 2021	\$237.0 million
Decrease	\$(115.7) million

Fund Balance Appropriated	
FY 2020	\$7.3 million
FY 2021	\$0.0 million
Decrease	\$(7.3) million

Fund Balances

Fund balance growth occurs when revenues received are greater than expenditures. It is Metro's policy that General Fund fund balances as a percentage of expenditures should be above 5% to handle unanticipated contingencies. The FY 2021 budget makes restoring fund balances for all six tax supported funds a priority. Unencumbered fund balances at June 30, 2021 are expected to range between 3.7% and 5.3%, with the GSD and USD General Funds each being at or above 5.0%.

Strategic Planning

Fundamentally, the Mayor and Metro Council set the vision for the city and the government's priorities. These priorities inform the strategies deployed by each Metro department and agency. Starting this year, these strategies are being documented in the form of performance management. Each department has stated their organization's mission, short- and long-term goals, and performance measures that should contribute to goal attainment. Several departments will continue to spearhead key strategic plans such as Parks' "Plan to Play", and Public Works' sidewalk and bikeway plan "WalknBike", and at the same time new plans will arise gaining strategic relevance in areas such as transportation, education, and public safety.



In the face of citizen demand for greater government accountability and visibility, Metro is moving to a new strategic management system, which provides opportunities to give feedback and avenues to engage in the governing process. Metro is responding with new and improved processes to develop, measure, and report the results of its operations and strategic initiatives. In FY 2020 Metro established the Office of Performance Management (OPM) to work with departments to build up accountability and promote greater efficiency, providing guidance and support to improve programming and serving as a bridge between budgeting and operational management using performance data. OPM is in the process of providing residents with tools and resources that measure and report the status of Metro operations on an open platform.

Currently, OPM is working with departments to report on services provided to residents to ensure that Metro remains on a firm fiscal foundation while managing its economic challenges and continuing to serve residents at current or improved levels. Every year, as part of the budgeting process, departments will set metric targets for the upcoming fiscal year, strengthening transparency and accountability within Metro as well as setting service level expectations to the public.

Metro is fully committed to deliver on the demand for greater government accountability and visibility, opportunities to give feedback, and avenues to engage in the governing process. With initiatives like OPM and HubNashville, Metro allows residents to connect to the government and have visibility to its operating performance.

Conclusion

The FY 2021 Recommended Operating budget is structurally balanced, restores cash and fund balances, and meets debt service obligations while providing funding for critical public health and safety needs to ensure continuity of public services to the citizens of Nashville.



Metro Nashville and its Budget

Metro Government

The Metropolitan Government was formed in 1963 with the merger of the governments of the former City of Nashville and Davidson County. Metro Nashville is a friendly, forward thinking city with a diverse economy, strong transportation links, and many institutions of higher education. It is the capital of Tennessee, the largest city in the mid-state, and the hub of a state of nearly 6.9 million residents.

As a consolidated government, Metro provides all services and performs all functions normally associated with Tennessee city and county governments. This also means that the government and its budget are more complex than those of most other cities and counties.

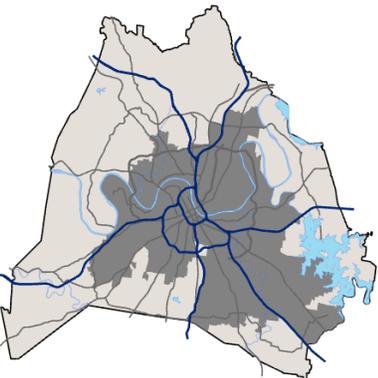


Services Districts

The Charter requires that Metro’s operating budget be divided into two districts: The **General Services District (GSD)** and the **Urban Services District (USD)**. The GSD is synonymous with Davidson County; the USD comprises the old City of Nashville plus certain areas added since Metro was formed.

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

The General and Urban Services Districts in a Nutshell



District	GSD	USD
Size	327.4 square miles 196,137* people	197.8 square miles 498,007* people
<i>Sources: U.S. Census Bureau American Community Survey 5-year estimates, the 2010 Decennial Census</i>		
Services	General government, financial management, schools, justice administration, law enforcement and incarceration, basic fire and ambulance, regulation and inspection, social services, health, hospitals, libraries, public works, traffic control, recreation.	GSD services plus additional police protection, additional fire protection, and additional public works (refuse collection & street lighting)

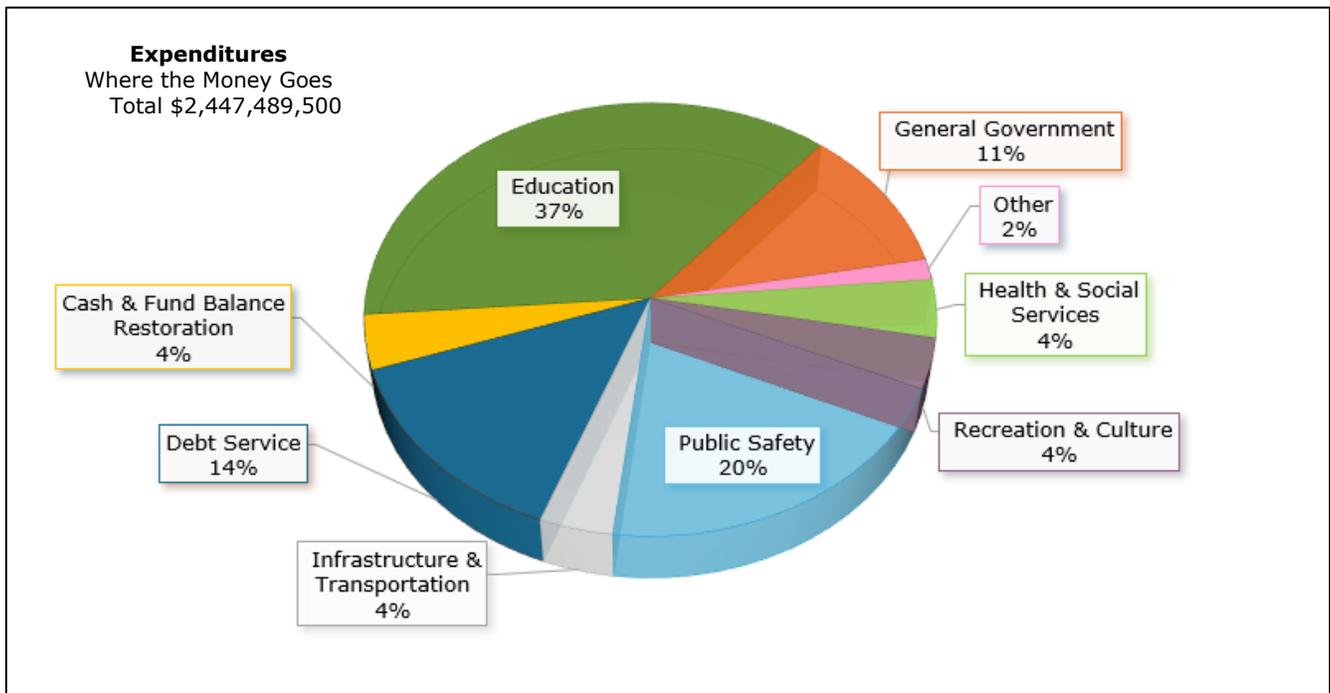
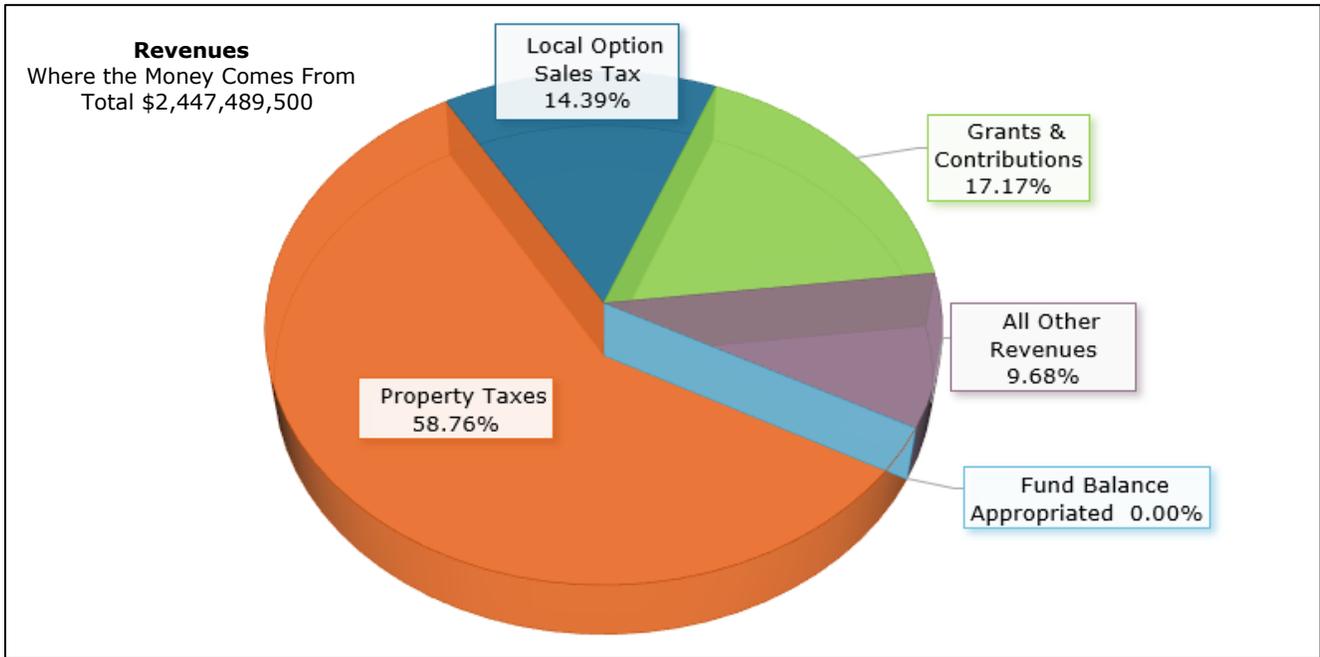
A variety of services are provided to Metro citizens directly by the federal, state, and other local governments. This book does not cover those services. However, information on them is available from various web sites.

- For federal services, see the U.S. Government site at www.usa.gov/.
- For state services, see www.tn.gov
- For any of the seven satellite cities within Davidson County, some basic information is provided under the listing for Satellite Cities in the Glossary (Appendix 2). For more current and detailed information, contact the satellite city directly.
- For additional information on the Board of Education budget, see their web site at <http://www.mnps.org>

Metro Nashville and its Budget

At a Glance

The \$2.45 billion FY 2021 budget for the Metropolitan Government's six budgetary (tax-supported) funds supports a wide range of public services. This budget represents a 4.97% increase from the FY 2020 budget.



Metro Nashville and its Budget

Summary of the FY2021 Budget – Six Budgetary Funds

Per Budget Ordinance

	GSD General Fund	GSD Debt Service	GSD School Debt Svc	GSD School Fund	USD General Fund	USD Debt Services	Duplicated by Interfund Transfers	Total
Property Taxes	\$619,152,400	\$188,054,000	\$68,147,300	\$426,330,100	\$117,491,600	\$19,026,600	-	\$1,438,202,000
Local Option Sales Tax	125,114,300	1,202,000	49,745,100	176,061,400	-	-	-	352,122,800
Grants & Contributions	126,223,600	4,596,000	-	288,977,800	402,600	-	-	420,200,000
All Other Revenues	175,442,400	19,640,000	1,599,600	23,523,300	20,463,000	1,957,900	(5,661,500)	236,964,700
Reserves								-
Fund Balance Appropriated								-
Total Revenues	<u>\$1,045,932,700</u>	<u>\$213,492,000</u>	<u>119,492,000</u>	<u>\$914,892,600</u>	<u>\$138,357,200</u>	<u>20,984,500</u>	<u>(5,661,500)</u>	<u>2,447,489,500</u>
General Government								
General Government	214,085,900	-	-	-	25,334,100	-	-	239,420,000
Fiscal Administration	27,739,800	-	-	-	-	-	-	27,739,800
Public Safety								
Administration of Justice	71,861,100	-	-	-	-	-	-	71,861,100
Law Enforcement & Jails	290,642,200	-	-	-	481,000	-	(481,000)	290,642,200
Fire Prevention & Control	60,570,200	-	-	-	72,874,600	-	-	133,444,800
Other								
Regulation & Inspection	39,317,800	-	-	-	2,031,900	-	(3,200,000)	38,149,700
Health & Social Services								
Social Services	7,408,000	-	-	-	-	-	-	7,408,000
Health & Hospitals	98,481,100	-	-	-	-	-	-	98,481,100
Recreation & Culture								
Public Libraries	31,402,200	-	-	-	-	-	-	31,402,200
Recreational & Cultural	59,601,300	-	-	-	465,500	-	(188,900)	59,877,900
Infrastructure & Transportation	\$62,439,900	-	-	-	\$30,500,100	-	-	92,940,000
Education	-	-	-	\$914,892,600	-	-	(1,791,600)	913,101,000
Debt Service	-	206,848,500	115,895,500	-	-	20,367,300	-	343,111,300
Other Appropriations	33,484,300	-	-	-	-	-	-	33,484,300
Cash & Fund Balance Restoration	48,898,900	6,643,500	3,596,500	-	6,670,000	617,200	-	66,426,100
Total Expenditures	<u>1,045,932,700</u>	<u>213,492,000</u>	<u>119,492,000</u>	<u>914,892,600</u>	<u>138,357,200</u>	<u>20,984,500</u>	<u>(5,661,500)</u>	<u>2,447,489,500</u>
Projected Surplus (Deficit)	-	-	-	-	-	-	-	-

Metro Nashville and its Budget

Comparison of the FY2020 and FY2021 Budget Ordinances - Six Budgetary Funds

	FY2020	FY2021	Change	% Change
GSD General Fund	993,609,000	1,045,932,700	52,323,700	5.27%
GSD Debt Service Fund	207,650,400	213,492,000	5,841,600	2.81%
GSD Schools Fund	914,475,600	914,892,600	417,000	0.05%
GSD Schools Debt Service Fund	110,554,700	119,492,000	8,937,300	8.08%
USD General Fund	124,876,200	138,357,200	13,481,000	10.80%
USD Debt Service Fund	18,667,600	20,984,500	2,316,900	12.41%
Duplicated by Interfund Transfers	(38,215,500)	(5,661,500)	32,554,000	(85.19%)
Total Budget	2,331,618,000	2,447,489,500	115,871,500	4.97%

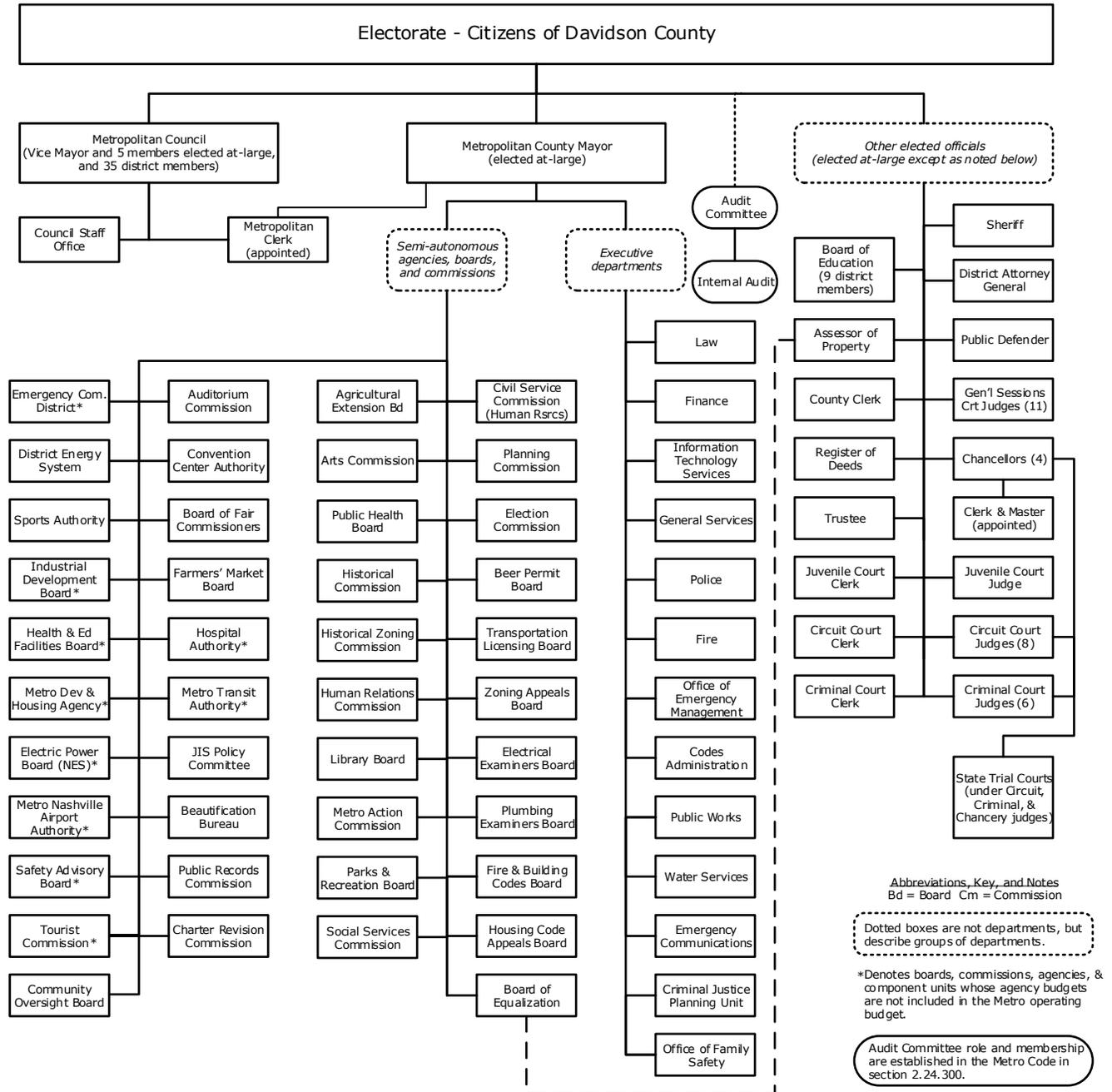
Metro Nashville and its Budget

Organization Structure

The following organization chart presents a high-level view of Metro's structure. The structure of each department is shown in that department's budget description, later in this book.

Metro has a "strong-mayor" form of government, in which the popularly elected mayor is the city's chief executive and is independent of the Council. Both the Mayor and Council are elected on a nonpartisan basis.

Within this framework, operations are conducted by executive departments (reporting to the Mayor), independent elected officials (including the elected Board of Education), and appointed boards, commissions, and agencies. The variety of elected officials, boards, and commissions facilitate citizen involvement in the government's operations.



Metro Nashville and its Budget

Financial Organization

Since the budget is a financial planning and policy document, it is organized according to Metro's financial accounting and coding structure. That coding structure – the chart of accounts – corresponds roughly to the government's administrative organization and service structure, while meeting the legal and accounting requirements of the government. It forms the basis for Metro budgeting, accounting, and financial reporting, and is used in both the budget ordinance and this book.

The entire budget is organized by fund. Revenues of each fund are organized by type and source. Expenditures of each fund are organized by business units, object accounts, classifications, and positions.

The Fund Structure

A "fund" is an accounting entity with assets, liabilities, equities, revenues, and expenditures, held separate in the budget for certain specific activities or to accomplish definite objectives.

Budgetary Funds

Most of Metro's tax dollars are deposited into and spent out of six basic funds in the two districts:

- GSD General Fund (fund number 10101)
- GSD Debt Service Fund (20115)
- Schools (MNPS) General Purpose Fund (35131)
- Schools (MNPS) Debt Service Fund (25104)
- USD General Fund (18301)
- USD Debt Service Fund (28315)

These six budgetary funds provide the basic local government services to Davidson County. They are financed primarily through sales and property taxes, and their expenditures are controlled based on appropriations in the budget ordinance.

The two *General Funds* provide for the traditional operating services of the government. These funds receive property and sales taxes, charges for services, fees, fines, penalties, and other revenues.

The three *Debt Service Funds* finance the payment of interest and principal on long-term general obligation debt of each district. Per the Charter, debt service budgets must be sufficient each year to pay the principal and interest due on outstanding bonds.

The *School Fund* is Metro's biggest special revenue fund (described more generically below). It receives a dedicated portion of the property tax and, by state law, a portion of the local option sales tax. This fund's expenditures are budgeted and controlled by the Metropolitan Board of Public Education (MBOE) for the Metropolitan Nashville Public Schools (MNPS).

The two districts and six funds make it possible to allocate taxes and services in each district and fund. Revenue collected for each district can be spent only for purposes prescribed for that district. After the budget is passed, appropriations cannot be transferred between funds and/or districts except as specifically authorized in the budget ordinance.

Proprietary Funds (Special Purpose Funds)

Metro uses other types of funds for special purposes. Non-budgetary fund expenditures are limited to revenues received by and balances in each fund, rather than appropriations. Monies in these funds generally cannot be used to support other funds. These non-budgetary funds are explained below.

Internal Service Funds provide services to Metro departments on a cost reimbursement basis.

Enterprise Funds provide services to the public on the same basis. The primary enterprise funds are the Farmers' Market, State Fair, Municipal Auditorium, Community Education and Water Services funds.

Capital Projects Funds account for costs related to capital projects. These are not generally included in the operating budget.

Permanent Funds and *Fiduciary Funds* account for monies held for others. These are not generally included in the operating budget.

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted for expenditure for specified purposes. These include the Schools Fund (mentioned above), Waste Management, grants, and the General Fund Reserve Fund (usually called the Four Percent Reserve Fund).

Accounting & Budgeting

This budget conforms to guidelines of the Charter and standard municipal budgetary practices, while the year-end *CAFR* conforms to governmental Generally Accepted Accounting Principles (GAAP), so they are not strictly comparable to each other. Specifically:

- This budget recognizes that Metro operates in two general funds, as required by the Charter and Tennessee law. Governmental GAAP recognizes only one general fund per government.
- This budget treats transfers to and from any fund as revenues and expenditures, respectively, of that fund. Governmental GAAP classifies them as "Other Sources & Uses of Funds."
- This budget does not include certain "component units" that are required to be included in the *CAFR*.

Metro Nashville and its Budget

Departments and Their Budget Fund Types

Department	Dept. Number	GSD General Fund	USD General Fund	Special Revenue Fund (s)	Proprietary Fund (s)
Administrative	01	✓	✓	✓	
Agricultural Extension	35	✓			
Arts Commission	41	✓		✓	
Assessor of Property	16	✓			
Beer Board	34	✓			
Circuit Court Clerk	23	✓			
Clerk and Master	25	✓			
Codes Administration	33	✓		✓	
Community Education Commission	70	✓		✓	
Community Oversight Board	52	✓			
County Clerk	18	✓		✓	
Criminal Court Clerk	24	✓		✓	
Criminal Justice Planning	47	✓			
DES- District Energy System	68				✓
District Attorney	19	✓		✓	
Department of Emergency Communications	91	✓			
Election Commission	05	✓			
Farmers' Market	60				✓
Finance	15	✓		✓	✓
Fire	32	✓	✓	✓	
General Services	10	✓			✓
General Sessions Court	27	✓		✓	
Health	38	✓		✓	
Historical Commission	11	✓		✓	
Human Relations Commission	44	✓			
Human Resources	08	✓			
Information Technology Systems	14				✓
Internal Audit	48	✓			
Justice Integration Services	29	✓			
Juvenile Court	26	✓		✓	
Juvenile Court Clerk	22	✓		✓	
Law	06	✓			
Mayor's Office	04	✓		✓	
Metro Action Commission	75			✓	
Metropolitan Clerk	03	✓			
Metropolitan Council	02	✓			
Metropolitan Nashville Public Schools	80	✓		✓	✓
Municipal Auditorium	61				✓
Music City Center	71				✓
Nashville Career Advancement Center	76			✓	
Office of Emergency Management	49	✓		✓	
Office of Family Safety	51	✓		✓	
Parks	40	✓		✓	
Planning Commission	07	✓		✓	
Police	31	✓	✓	✓	✓
Public Defender	21	✓			
Public Library	39	✓		✓	
Public Works	42	✓	✓	✓	
Register of Deeds	09	✓		✓	
Sheriff	30	✓		✓	
Social Services	37	✓		✓	
Sports Authority	64	✓			✓
State Fair Board	62				✓
State Trial Courts	28	✓		✓	
Trustee	17	✓			
Water and Sewer	65			✓	✓

Metro Nashville and its Budget

The Budget Process

The Operating Budget, Capital Improvements Budget (CIB), and Capital Plan are developed through a multi-step information gathering and priority setting process that establishes objectives and priorities of the city and creates a financial plan for the operations of the government for the fiscal year. The Charter defines much of the process. The Mayor's Office, Finance Department, Office of Management & Budget (OMB), agency officials, and the Metropolitan Council are key participants. The FY2021 operating budget calendar is, as scheduled:

January 6: The Mayor's Office and Finance Department introduced the operating/capital budget process for FY2021. Instructions and forms for budgeting were released to departments.

January 6 - January 24: Departments submit their operating budget proposals in the form of Investment Requests and Revenue Estimates to the OMB in the Hyperion system.

January 24 - April 27: Mayor's Office, Finance Director and OMB staff review budget submissions, discuss budget issues with Metro Departments.

February 11 - February 27: The Mayor's Office and Finance Director hold budget discussions with agency heads to discuss Investment Requests and Revenue Estimates.

April 28: Mayor John Cooper and Metro Finance Department File Fiscal Year 2021 Budget with Video Conference Presentation to Metro Council

April 28: Operating Budget Ordinance and Tax Levy filed by Mayor.

May 1: Charter deadline to file the Operating Budget and tax levy ordinances.

May 5: First reading of the Mayor's Recommended Operating Budget, tax levy ordinances and Capital Improvements Budget by the Council.

May 11 - May 21: Council Budget and Finance Committee hold committee meetings and hearings regarding departmental budgets.

May 15: Charter deadline to file the CIB; Mayor's Office files CIB.

June 2: Public hearing on Budget and CIB. Second reading of the Operating Budget and CIB by the Council.

June 9: Third and final reading of the CIB by the Council.

June 15 - Charter deadline for the Council to pass the CIB

June 16: Third and final reading of the Operating Budget Ordinance; the Council is scheduled to adopt a Substitute Operating Budget Ordinance (with changes to the Mayor's Recommended Budget) and the recommended tax levy ordinance.



Prior to June 30 - Amending the budget

For the budget ordinance to be amended, it must occur before the third reading of the ordinance is complete. Typically, changes to the recommended budget are discussed between the Council Office and the OMB a few days prior to the scheduled third reading of the budget ordinance. OMB incorporates these changes into a substitute budget ordinance that is presented to the Budget and Finance Committee of the Council for review prior to the third reading. Council members also have the opportunity to file amendments with the Budget and Finance Committee prior to the third reading.

Amending the Budget After Council Approval - Once Council has passed the Final Budget, any further changes to budget totals must be approved by Council via Resolution, which requires only one reading.

June 30: Charter deadline for the Council to pass balanced budget and property tax levy ordinances.

July 1, 2020 - June 30, 2021: Agencies provide services to customers and citizens. The FY 2020-2021 budget may be amended as permitted by the Charter, the budget ordinance, and internal controls.

Late 2020 - An Independent CPA firm conducts the annual audit for FY 2019-2020.

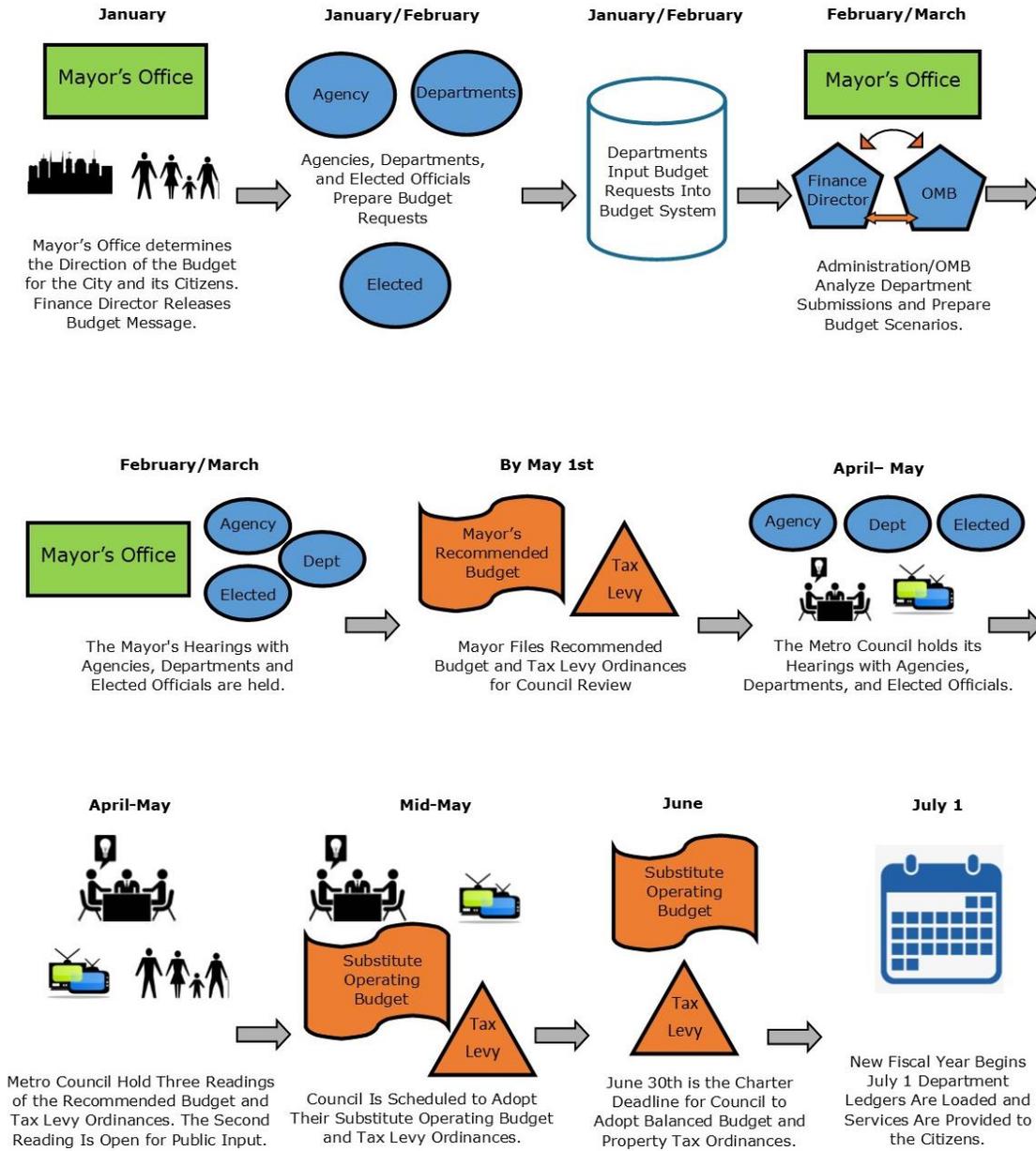
Late autumn 2020: The Division of Accounts issues the *Comprehensive Annual Financial Report (CAFR)*, summarizing the government's financial condition and results of operations for Fiscal Year 2019-2020. This process is very public. All budget hearings and council meetings are televised by the Metro Nashville Network Government Access Channel and by internet streaming video. Budget documents, the CAFR, and streaming video are available at www.nashville.gov.



Metro Nashville and its Budget

Operating Budget Process

Metropolitan Government of Nashville and Davidson County



All Meetings Are Open to the Public and Are Televised on the Metro Nashville Network Government Access Channel As Well As Internet Streaming Video on Nashville.gov

Metro Nashville and its Budget

Long-Term Financial Planning

The current Administration has established guiding principles in the context of the COVID-19 crisis and of concerns raised by the State of Tennessee Comptroller during the prior administration. These guiding principles prioritize our crisis response while maintaining a foundation on which to build Nashville and Davidson County's future.

The guiding principles are:

- Deliver strong Public Health and Safety Responses, including COVID-19 crisis and Tornado
- Restore cash and fund balances
- Maximize outside funding resources
- Maintain Continuity of Public Service
- Implement budget management and performance management practices to strengthen Nashville and Davidson County

The COVID-19 crisis and the March 3rd, 2020 tornado have placed many long-term financial plans on hold as the government focuses on responding to these. The budget being recommended for FY 2021 places emergency response as the highest priority, moves Nashville toward improved fiscal stability by restoring cash and fund balances, and ensures citizens will experience continuity of public services.

Developing a structurally balanced budget, meeting debt service and contractual obligations and funding Schools at or above state required levels were among the primary financial objectives for the FY 2021 budget. At the same time Metro is in the process of implementing a new performance management system. This new performance management system will enable Metro to develop, measure, and report the results of its daily operations to guide and improve programming using performance data. This year as part of the budgeting process departments set measurable targets for FY 2021, strengthening transparency and accountability within Metro as well as setting service level expectations to the public. These initiatives build the foundation for both current and long-term operational and financial planning and management.

Financial Policies

The budget is governed by policies set out in the Charter and by executive decision. These policies are enforced by the Department of Finance through ongoing processes, internal control systems, special analyses, and in the annual independent audit.

The primary fiscal policies stated in the Charter are:

- **Fiscal year** - The fiscal year begins on July 1 and ends on the following June 30. (Charter §6.01) By custom, each fiscal year can be referenced in two ways: by using both years (e.g., "2020-2021") or by the calendar year in which the fiscal year ends (e.g., "FY2021" for 2020-2021).
- **Budget Preparation** - The budget process (described on the previous page) must begin by March 1. All officers and agencies must furnish such information as the Finance Director requests in the format he or she specifies. Agencies are entitled to a hearing before the Director on any contemplated changes in their budgets (§6.02); this is assured through the Mayor's budget hearings, in which all departments are generally asked to present their budgets to the Mayor and the Director. Operationally, most budget preparation is coordinated by the Office of Management and Budget (OMB).
- **Scope of the Operating Budget/ Balanced Budget** - The budget ordinance is organized by district, fund, and account number. Each fund's budget must be balanced: estimated revenues plus estimated fund balances must cover all budgeted expenditures (§6.03).
- **Public Inspection** - The Mayor's recommended budget is submitted to the Council by May 1 as an ordinance accompanied by a transmittal message. The Metropolitan Clerk publishes the ordinance's revenue and expenditure summaries in major local newspapers. The operating budget, the capital improvements budget, the budget message, and all supporting schedules are public records in the Office of the Metropolitan Clerk and are open to public inspection (§6.04). The OMB also prepares a Recommended Budget Book, intended primarily for the Council but also useful to the media and the public, containing more information on the recommended budget. Copies of the ordinance are available in the Clerk's office and from the Finance Department; the budget is available at www.nashville.gov/citizens_budget.
- **Council Hearings** - Once in the Council's hands, the budget goes through three readings. Between first and third readings, the Budget and Finance Committee holds a public series of departmental hearings, and the Council holds a Charter-mandated hearing for public comment (§6.05).
- **Council Action** - The Council may approve the Mayor's budget, amend it, or create a substitute. They cannot change revenue estimates except to correct errors. A balanced budget must be approved by midnight June 30, or the Mayor's budget and proposed tax rate take effect by default (§6.06).
- **Authorized Spending** - Departments cannot overspend their budgets. The amount set out in the adopted operating budget for each organizational unit, purpose, or activity constitutes the annual appropriation for such item; no expenditure shall be made or encumbrance created in excess of the otherwise unencumbered balance of the appropriation or allotment to which it is chargeable (§6.06).

Metro Nashville and its Budget

- **Property Tax Levies** - The budget is accompanied by a property tax levy ordinance that sets a tax rate sufficient to fund the budget (§6.07).
- **Allotments** - Annual appropriations are divided into quarterly allotments based upon estimated needs (§6.08).
- **Administrative Impoundments** - Unencumbered funds in each account at the end of each quarter may be unallocated through "administrative impoundments." These are merely allotment adjustments, not the "charter impoundments" discussed immediately below in §6.09.
- **Impoundment of Funds** - If the Finance Director certifies that the revenues or other resources actually realized for any fund are less than was anticipated and are insufficient to meet the amounts appropriated from such fund, the Mayor is obligated to impound such appropriations as may be needed to prevent deficit operation (§6.09). Such impoundments reduce appropriations and allotments in order to keep the budget balanced.
- **Additional Appropriations** - The Council may make appropriations in addition to the current operating budget, but only from an existing, unappropriated surplus in the fund to which it applies (§6.10). This is done by resolution based on available fund balance or previously unbudgeted revenue.
- **Intradepartmental Budget Transfers** - Funds may be transferred within a department's expenditure budget by the department head and the Mayor and are available for use when allotted (§6.11). As an administrative matter, the Deputy Finance Director also approves the transfer.
- **Interdepartmental Budget Transfers** - At the end of any quarter, the Council may, by resolution, transfer the unencumbered balance of any appropriation (or any portion thereof) to another appropriation within the same district and fund (§6.11).
- **Lapse of Appropriations** - At the end of the fiscal year, all unencumbered balances of appropriations in the current operating budget lapse into the unappropriated fund balance or reserves of the fund or funds from which such appropriations were made (§6.12). Unencumbered appropriations cannot be carried over from one fiscal year to the next.
- **Capital Improvements Budget Preparation** - By March 1, the Planning Commission shall begin to prepare a Capital Improvements Budget (CIB). The CIB includes a program of proposed capital expenditures for the ensuing fiscal year and the next five fiscal years thereafter, accompanied by the Commission's report and recommendations with respect to the program. By May 15, the Mayor shall submit the CIB to the Council and shall recommend those projects to be undertaken during the ensuing fiscal year and the method of financing them, and shall include in the appropriate current operating budget any projects to be financed from current revenues for the ensuing fiscal year. By June 15, the Council shall accept, with or without amendment, or reject, the proposed program and proposed means of financing (§6.13).
- **Capital Improvements Budget Expenditures** - Expenditures for the construction of any building, structure, work or improvement must be included in the CIB, except to meet a public emergency (§6.13).
- **Capital Improvements Budget Amendments** - Amendments to the CIB may be made by recommendation of the Mayor, Planning Commission, and a two-thirds vote of Council (§6.13).
- **GSD General Fund Reserve (Four Percent Reserve Fund)** - Four percent of original revenues are deposited to the Four Percent Reserve Fund. The Mayor and Council may appropriate money from this fund by resolution for the purpose of equipment for any department that derives its operating funds from the general fund budget (§6.14).
- **Advance Planning and Research Fund** - The APR Fund, established for the use of the planning commission to prepare plans for capital projects and studies and research, must be at least \$50,000 at the start of each year (§6.14).
- **USD General Fund Reserve** - The Council has not exercised its ability to create a contingent reserve fund not to exceed five (5%) percent of the general fund revenue of the USD (§6.14).
- **Post Audit** - The Council shall provide annually for an independent audit of the accounts and other evidences of financial transactions of the government and of every department, office and agency. The audit shall be made by a certified public accountant (CPA) or firm of CPAs thoroughly qualified in governmental accounting to perform the audit; the auditor shall be chosen by a three-member audit board consisting of the presiding officer of the Council, the chairman of the finance committee of the Council, and the chairman of the board of education. The audit report shall be available to the public and to the press. In addition, the Council may at any time order an examination or special audit of any department, office or agency of the government (§6.15).
- **Mayor's Veto Power** - The Mayor has line-item veto power, that is, the ability to reduce or veto specific appropriations or parts of appropriations within an ordinance. The Council may override such a veto by the affirmative vote of 27 members (§5.04).
- **Bond Issues** - Bond issues and debt service shall be prepared and administered in accordance with Article 7 of the Charter (§7.01 et seq.).
- **Transfer of School Funds Within School Budget** - Within the constraints of general law, the Metropolitan Board of Public Education (MBOE) has authority over the distribution of, and transfer of funds within, its budget (§9.12).
- **Referendum as to School Budget** - The MBOE may initiate a referendum to levy additional property taxes for schools (§9.04(3)).

Metro Nashville and its Budget

- **No Diversion of School Funds** - No funds that are appropriated for the use of, or transferred to, the school system shall be diverted from that use for any other purpose (§9.11).
- **Transfers to School Fund from General Funds; Borrowing Money** - The Council and the Mayor may advance cash or transfer monies from the general fund to the school fund, provided the advance or transfer is reimbursed the following year (§9.13). An advance involves a loan of cash with the establishment of an asset (a receivable or a "due from") on the books of the loaning fund and a liability (a debt or a "due to") on the part of the recipient. A transfer would include appropriation of one fund's revenues or fund balance to another, handled through the budget as if it were an expenditure to one fund and a revenue (or source of operating resources) to the other.

Other important policies include:

- **Functions of Director of Finance** - The Director of Finance is responsible to the Mayor for the administration of financial affairs and shall supervise the divisions of budgets, accounts, purchasing, collections, and treasury. The Director of Finance, or his designee, shall compile for the Mayor the current budget of estimated revenues and proposed expenditures for each of the operating funds and assist in the preparation of the capital improvements budget (§8.103).
- **Functions of Budget Officer** - The budget officer compiles the departmental estimates and other necessary data and assists in the preparation of the budgets. The budget officer monitors departmental budgets as compared to actual activity and alerts the Finance Director of any significant issues. Along with the chief accountant, the budget director writes, revises, and maintains a proper standard procedure manual to be followed by all departments to insure uniform accounting and budgetary procedures (§8.104).
- **Funds Budgeted** - The budget ordinance and book contain annually budgeted governmental operating funds, debt service funds, enterprise funds, internal service funds, and special revenue and other grant funds with fiscal years beginning July 1. It does not include grant funds with non-Metro fiscal years, capital projects, bond funds, fiduciary funds, permanent funds, component unit funds (unless the component unit receives significant general fund money), and other funds with multi-year budgets. The budgets of funds that are not included in the annual operating budget are approved through other processes as required by law.
- **Basis of Budgeting and Accounting** - All annually budgeted funds are budgeted using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the fiscal year or soon enough thereafter to pay liabilities of that year (collected within 60 days of the end of the fiscal year). Property taxes, franchise taxes, licenses, interest, and certain portions of special assessments associated with the fiscal year are accrued. All other revenue items are measurable and available only when Metro receives the cash.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to non-vested sick pay, compensated absences and other long-term commitments and contingencies, are recorded only when payment is due.

Actual revenues and expenditures of governmental funds are presented in this book using the same modified accrual basis. Actual revenues and expenditures of proprietary funds are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which the levy is assessed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

- Accounting and financial reporting shall conform to generally accepted accounting principles (GAAP) for governments as promulgated by the Governmental Accounting Standards Board (GASB), the federal Office of Management and Budget, the Federal Comptroller General, and the State of Tennessee.
- Current operating costs will be financed by current operating revenues. Only capital goods will be financed by long-term debt, and then, only as provided by the Charter. The government shall refrain from using nonrecurring revenue to fund ongoing operations of the three operating funds. Nonrecurring revenue shall be those funds not normally accrued to the benefit of the operating funds each year, including transfers from special, enterprise, and internal service funds. Any nonrecurring revenue received shall be utilized to fund activities that do not require ongoing funding or to build reserves. To protect the financial position of this government in the event of unexpected emergencies or unforeseen downturns in revenue collection, fund balances will not be appropriated in any budgetary fund unless the audited unreserved undesignated fund balances of that fund are at least 5% of the fund's budgeted expenditures (Resolution R89-959 adopted 11/21/1991).
- The government will strive to maximize service efficiency and effectiveness to its citizen taxpayers in a manner consistent with practices of sound financial management.
- Revenue estimates will be realistic and accurate without being optimistic. Operationally, this means that estimates will be based on objective judgment and should be 95% to 100% of actual collections without exceeding those actual collections.
- The government will not commit to programs with significant future costs without first identifying those costs and the sources of funds to finance those programs.
- Generally, the government will not use local funding to make up for lost state and federal categorical grants.

Metro Nashville and its Budget

- Adjustments and amendments to the operating budget will be done in accordance with provisions of Article 6 of the Charter.
- Staffing levels will be limited to final position counts and FTEs noted in this book. Exceptions to this policy (as for new grant-funded staff) are strictly regulated by the Finance Department.
- USD tax-supported debt will be no more than 15% of the total assessed valuation of USD property, per § 7.08 of the Charter.
- Capital expenditures are authorized through an annual Capital Plan. Major capital expenditures for General Fund departments shall be funded through issuance of bonds or notes. Smaller capital expenditures for GSD General Fund departments shall be made from the Four Percent Reserve Fund. Capital expenditures for grants will be made through the grant's operating budget. Capital expenditures for enterprise and internal service fund operations will be made from those funds.
- The Four Percent Reserve Fund will maintain a minimum fund balance of \$1,000,000: \$500,000 by Administration policy and an additional \$500,000 by Council policy.
- The government will control costs by appropriate competitive bidding (as specified in the purchasing ordinance).
- Investments shall be made in conformance with the government's investment policy (available at www.nashville.gov) and instructions given to the government's investment manager. Those documents establish a hierarchy of objectives of (1) preserving principal, (2) maintaining liquidity, and (3) maximizing return. They also define allowable types of investments, required collateralization, custody, internal controls, diversification, and operation of the Metro investment pool.
- Indirect Cost Planning and Recovery - Where allowable under Federal, State and Local statutes and grant regulations, Metro departments and agencies shall develop an annual indirect cost recovery plan which must include both cost identified in the Local Cost Allocation Plan (LOCAP) and departmental indirect cost allocations. Indirect costs must be recovered when funding is made available through reimbursement or draw-down processes, in accordance with the terms of each departmental indirect cost rate proposal or cost allocation plan and applicable Federal, State and Local grantor's regulations. Departments and agencies shall make provisions for indirect costs in their grant budgets both during the application submission and in the general ledger. Funds collected from grantors for indirect cost recovery shall be deposited into the General Fund based on guidance provided by the Finance Director or his designee.
- Debt Management Policy establishes the objectives and practices for debt management within Metro and assists concerned parties in understanding Metro's approach to debt management. A more detailed overview of the Debt Management Policy can be found with the Debt Service Fund pages.
- Self-Funding Policy establishes uniform guidelines for use of self-funding as a designated source for capital assets that are determined to either provide cost savings to Metro to cover the cost of funding assets or provide specific benefits to one or more agencies such that the cost for an asset should be recovered from the operating budgets of the beneficiaries.
- Disallowed Cost Policy provides guidelines on ensuring costs charged to grants are allowable and an appropriate course of action in situations where costs are questioned.
- Grant Drawdown and Reimbursement Policy ensures that Metro departments and agencies that are grant recipients receive revenue as early and as often as is allowable under the terms of the grant contract.
- Grants Management Policy establishes the responsibilities of the Metro departments and agencies as well as the Division of Grants Coordination in developing funding opportunities that are well suited to local needs while controlling costs associated with financial assistance.
- Unclaimed Property Policy establishes uniform guidelines across Metro for the disposition of unclaimed property.

Budget Overview

The following pages provide background information on Metro's revenues and ongoing expenditures. Revenue projections and expenditure changes are discussed in the Executive Summary at the beginning of this section.

Revenues

Deficit financing is prohibited by both Tennessee Law and the Metropolitan Charter; expenditures must be matched by equal dollars of revenue and appropriated fund balances.

The operating budgets for the GSD and the USD are supported by a variety of revenue sources. The primary sources are presented in the Executive Summary and discussed on the following pages.

Detailed revenue projections are included in the budget ordinance, which is included in the Executive Summary. Recent revenue trends can be seen in Appendix 1 in Schedule 1 - Summary of Revenues, Expenditures, and Changes in Fund Balances.

Metro Nashville and its Budget

Property Taxes

The largest single source of operating revenue is the property tax. The property tax is authorized by the State Constitution as an *ad valorem* ("according to value") tax based on the market value of property. This tax is levied based on the assessed value of various types of property, including:

- real property (land, structures, and leasehold improvements),
- personal property (business equipment, excluding inventories for resale), and
- public utility property (real and personal property owned by utilities and organizations regulated by the State).

Property tax law and policy are set by the State Constitution, legislature, courts, and Board of Equalization. The Legislature makes laws which govern the administration of the tax. The State Board of Equalization establishes rules and regulations to be followed by local assessors, and the entire process is subject to court interpretation.

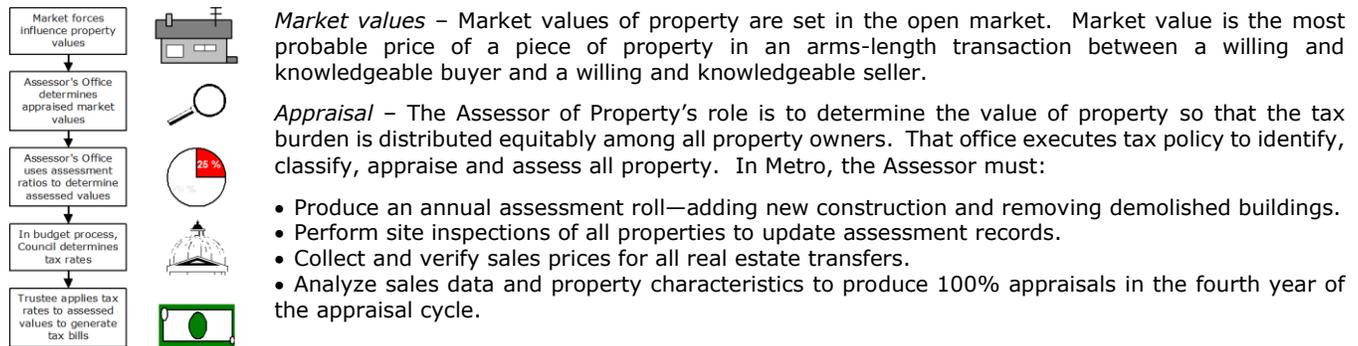
The tax bill for a property is determined by:

- The appraised value of the property – what it would bring if sold on the open market – and its classification – whether it is used for residential, utility, commercial, industrial or farm purposes, which determines the percentage of assessment;
- The assessment - applying the classification percentage against the appraised value to arrive at an assessed value; and,
- The tax rate set by the local governing body which is applied to the assessment to calculate your property tax bill.

Certain types of property (governmental, religious, educational, etc.) are exempt from property taxes.

How the Property Tax Works

The following diagram shows the appraisal and budgetary process.



Metro's Assessor of Property determines the appraised value of all real and personal property in the county, except public utilities (whose values are determined by the State Comptroller's Office). Appraised value is the estimated market value of the property at a certain point in time (currently 2017).

The appraised value of a property is an estimate of its market value. Three appraisal methods are used to estimate each property's market value:

- The estimated *cost* to replace a structure, referred to as "replacement cost new," adjusted for depreciation based on the property's age and condition, yielding the "depreciated replacement cost."
- The *market value* or sale prices of similar properties that have recently sold.
- The *present value of the future net income* that can be generated by that or similar properties, sometimes called the "capitalization of income" method.

When used together, these three methods give the appraiser the best indication of what a property is worth. With the aid of modern computer systems, the Assessor has adapted these traditional appraisal techniques to produce large-scale reappraisal projects with accurate and cost effective results.

In most years, appraised values on existing real property do not change unless there are substantial taxable additions or improvements to the property, the property is rezoned, or the owner files and wins an appeal from the county or state Board of Equalization. New construction between reappraisals is valued at levels consistent with tax roll appraisals of similar existing properties.

However, over time, the market values of properties may change considerably and at different rates. The resulting inconsistency within the market causes some property owners to pay taxes based on appraisals that exceeded the current value of their property, while others pay on appraisals that reflected only a portion of the current value.

So, in accordance with state law, the Assessor's Office conducts a county-wide reappraisal every four years to bring appraised values up to current market values. (Current law allows for reappraisals on a four-year or six-year cycle; the Metro Assessor has chosen the former. The last reappraisal was for tax year 2017 or FY2018). After the reappraisal, all properties should be

Metro Nashville and its Budget

appraised consistently at 100% of their current market values. Periodic reappraisals are designed to equalize the appraised values of all property.

Tennessee's property tax laws protect taxpayers against an automatic or arbitrary increase in their tax bills after a reappraisal. Local governments must lower the tax rate to a level which will produce the same amount of revenues from the new appraisals as was generated from the old rates and appraisals - except for new construction. This is called the certified tax rate. Therefore, under the state law, your property tax bill can't be raised by reappraisal unless your property value has grown more in value than the average for all other property in the county.

In between reappraisals, the state performs a biennial analysis of appraised values conducted for all counties in the state. This analysis, known as a sales ratio study, compares sales prices with appraised values to determine both the level and equity of appraisals. However, this ratio is not used to increase residential property appraisals.

Assessment: In Tennessee the assessed value upon which taxes are levied is a fraction (percentage) of the appraisal. The percentage varies depending on the classification of the property, which is determined by its use. The assessed value, not the appraised value, is applied to the tax rate to produce a tax bill.

One of the reasons the Assessor inspects all property is to verify how it is used. The Tennessee Constitution mandates assessment percentages to be applied to the appraised value of different classes of property. These percentages are:

The appraised values are multiplied by percentages defined in the state constitution to arrive at assessed values, which are then multiplied by the tax rate to determine the taxes owed. This is described in detail later in the section on Property Reappraisal.

For example, the assessed value of a residential property with an appraised value of \$100,000 would be \$25,000 (.25 X \$100,000), while a commercial property of the same appraised value would have an assessed value of \$40,000 (.40 X \$100,000).

Assessments must be compiled annually on assessment rolls for the GSD, USD, and each of the seven satellite cities within the county.

Property Class	Assessment Rate
Residential & Farm	
• Real Property	25% of appraised value
Commercial & Industrial	
• Real Property	40% of appraised value
• Personal Property	30% of appraised value
• Public Utility	55% of value set by the State Comptroller

If the value of a piece of property changes (usually because of an improvement to or demolition of the property), notices of the property's new appraised value, the classification in which it is now placed, and the resulting assessment are mailed by the Assessor. There is a process established for appeals of the appraisal, but the Assessor can only consider information about value, not tax bills.

Tax rate set through budget process: The tax rate is set through the budget process in the form of a tax levy ordinance that is recommended by the Mayor and approved by the Council. That ordinance (printed in the Executive Summary of this book) sets the GSD and USD rates per \$100 of assessed value.

Tax bills are generated: The Trustee's office prepares and distributes tax bills based on the assessed value of each property and the tax rate for its district.

To calculate your property tax bill, divide the assessed value by \$100 and then multiply that amount by the tax rate. For example, a property classified as residential and appraised at \$100,000 would be assessed at \$25,000 (the \$100,000 appraised value times the 25% residential assessment ratio). With FY 2021's proposed tax rate of \$4.155, the calculation would be:

$$\begin{aligned}
 \text{tax} &= (\$25,000/\$100) \times \$4.155 \text{ per } \$100 \\
 &= \$250 \times \$4.155 \\
 &= \$1,038.75
 \end{aligned}$$

Property tax bills are mailed to property owners and, if taxes are paid through an escrow account, also to the mortgage holder. This normally occurs in late September or early October. Tax payments are due by the end of the following February and can be mailed to the Office of the Trustee or made online at www.nashville.gov/trustee.

Metro and the state assist the elderly and disabled with property taxes on the first \$25,000 appraised value of their homes through the Property Tax Relief program administered by the Trustee. The program also assists disabled veterans with the first \$25,000 of assessed value of their property.

Property Value Trends: Driven by construction activity and significant market appreciation, total assessed values experienced a historic increase following FY2018's reappraisal.

This trend continued into FY2020, bolstered by high demand, steady permitting numbers and considerable growth in commercial property. FY 2021's projected growth in assessed value is less certain given the COVID-19 crisis, but figures to increase at a steady pace given real estate's resiliency.

Property Tax Rates: FY 2020 and FY 2021 recommended tax rates are shown in the Executive Summary and in the tables on the following pages. The combined rate is the total paid for property in the USD; property outside the USD is taxed at the GSD rate. Residents of the seven satellite cities within Metro pay the GSD rate plus the rate set by that satellite city.

Metro Nashville and its Budget

Nashville's property tax rates are currently the lowest of the four major Tennessee cities, and competitive with those of surrounding communities.

Historic property tax rates, tax rate changes, and property values are presented in the following tables.

The **History of Property Tax Rates** table presents historic nominal property tax rates along with a summary of changes that have taken place. If no changes occurred, then the fiscal year is not presented.

The **Property Tax Rate Changes** table on the following page shows the history and type of tax rate changes, whether from budget-related tax increase, redistribution of the rate between funds, changes in the fire tax or county-wide property reappraisals.

Metro Nashville and its Budget

History of Property Tax Rates (FY 2021 Recommended)

Tax Year	Fiscal Year	GSD					USD			Totals	
		General Fund	School Fund	Debt Service Fund	School Debt Service	GSD Total	General Fund	Debt Service Fund	USD Total	Combined Total GSD+USD	Fire District Transfer*
1971	1972	1.71	2.08	0.32	-	4.11	1.60	0.29	1.89	6.00	-
1972	1973	1.63	2.08	0.40	-	4.11	1.57	0.32	1.89	6.00	-
1973	1974	1.63	2.02	0.46	-	4.11	1.55	0.34	1.89	6.00	-
1974	1975	1.63	2.02	0.46	-	4.11	1.55	0.34	1.89	6.00	-
1975	1976	1.63	2.02	0.46	-	4.11	1.59	0.30	1.89	6.00	-
1976	1977	1.63	2.02	0.46	-	4.11	1.55	0.34	1.89	6.00	-
1977	1978	1.96	2.02	0.46	-	4.44	1.22	0.34	1.56	6.00	0.33
1978	1979	1.99	2.02	0.43	-	4.44	1.29	0.27	1.56	6.00	0.33
1979	1980	1.99	2.02	0.43	-	4.44	1.29	0.27	1.56	6.00	0.33
1980	1981	2.39	2.08	0.45	-	4.92	1.64	0.27	1.91	6.83	0.33
1981	1982	2.39	2.08	0.45	-	4.92	1.64	0.27	1.91	6.83	0.33
1982	1983	2.39	2.08	0.45	-	4.92	1.64	0.27	1.91	6.83	0.33
1983	1984	2.39	2.08	0.45	-	4.92	1.64	0.27	1.91	6.83	0.33
1984	1985	1.11	0.96	0.21	-	2.28	0.76	0.13	0.89	3.17	0.16
1985	1986	1.45	1.09	0.35	-	2.89	0.90	0.13	1.03	3.92	0.16
1986	1987	1.45	1.09	0.35	-	2.89	0.90	0.13	1.03	3.92	0.16
1987	1988	1.47	1.07	0.35	-	2.89	0.90	0.13	1.03	3.92	0.16
1988	1989	1.97	1.24	0.43	-	3.64	1.02	0.15	1.17	4.81	0.16
1989	1990	1.97	1.24	0.43	-	3.64	1.02	0.15	1.17	4.81	0.16
1990	1991	1.97	1.24	0.43	-	3.64	1.02	0.15	1.17	4.81	0.16
1991	1992	1.92	1.29	0.43	-	3.64	1.02	0.15	1.17	4.81	0.16
1992	1993	1.92	1.29	0.43	-	3.64	1.02	0.15	1.17	4.81	0.16
1993	1994	1.95	1.01	0.43	0.11	3.50	0.88	0.12	1.00	4.50	0.12
1994	1995	1.95	1.01	0.43	0.11	3.50	0.88	0.12	1.00	4.50	0.12
1995	1996	1.91	1.01	0.47	0.11	3.50	0.88	0.12	1.00	4.50	0.12
1996	1997	1.91	1.01	0.47	0.11	3.50	0.88	0.12	1.00	4.50	0.12
1997	1998	1.69	0.96	0.49	0.13	3.27	0.74	0.11	0.85	4.12	0.10
1998	1999	1.68	0.96	0.50	0.25	3.39	0.74	0.11	0.85	4.24	0.10
1999	2000	1.68	0.96	0.50	0.25	3.39	0.74	0.11	0.85	4.24	0.10
2000	2001	1.68	0.96	0.50	0.25	3.39	0.74	0.11	0.85	4.24	0.10
2001	2002	1.97	1.24	0.43	0.20	3.84	0.64	0.10	0.74	4.58	0.09
2002	2003	1.94	1.27	0.43	0.20	3.84	0.64	0.10	0.74	4.58	0.09
2003	2004	1.94	1.27	0.43	0.20	3.84	0.64	0.10	0.74	4.58	0.09
2004	2005	1.94	1.27	0.43	0.20	3.84	0.64	0.10	0.74	4.58	0.09
2005	2006	2.00	1.33	0.54	0.17	4.04	0.56	0.09	0.65	4.69	0.08
2006	2007	2.07	1.33	0.47	0.17	4.04	0.56	0.09	0.65	4.69	0.08
2007	2008	2.06	1.33	0.48	0.17	4.04	0.56	0.09	0.65	4.69	0.08
2008	2009	2.06	1.33	0.48	0.17	4.04	0.53	0.12	0.65	4.69	0.08
2009	2010	1.82	1.17	0.42	0.15	3.56	0.46	0.11	0.57	4.13	0.07
2010	2011	1.82	1.17	0.42	0.15	3.56	0.46	0.11	0.57	4.13	0.07
2011	2012	1.82	1.17	0.42	0.15	3.56	0.46	0.11	0.57	4.13	0.07
2012	2013	1.96	1.40	0.43	0.25	4.04	0.51	0.11	0.62	4.66	0.08
2013	2014	1.905	1.416	0.423	0.180	3.924	0.480	0.112	0.592	4.516	0.080
2014	2015	1.905	1.416	0.423	0.180	3.924	0.480	0.112	0.592	4.516	0.080
2015	2016	1.905	1.416	0.423	0.180	3.924	0.495	0.097	0.592	4.516	0.080
2016	2017	1.905	1.416	0.423	0.180	3.924	0.495	0.097	0.592	4.516	0.080
2017	2018	1.338	0.994	0.297	0.126	2.755	0.334	0.066	0.400	3.155	0.050
2018	2019	1.338	0.994	0.297	0.126	2.755	0.334	0.066	0.400	3.155	0.050
2019	2020	1.338	0.994	0.297	0.126	2.755	0.334	0.066	0.400	3.155	0.050
2020	2021	1.709	1.273	0.567	0.206	3.755	0.326	0.074	0.400	3.155	0.050

* The Fire District transfer of the GSD General Fund to the USD General Fund for fire protection.

** Reappraisals took place in tax years 1973, 1984, 1993, 1997, 2001, 2005, 2009, 2013 and 2017 (fiscal years 1973-74, 1984-85, 1993-94, 1997-98, 2001-02, 2005-06, 2009-10, 2013-014, 2017-18).

Metro Nashville and its Budget

Property Tax Rate Changes (FY 2021 Recommended)

Tax Year	Fiscal Year	Type Chng	General Fund	School Fund	GSD Debt Service Fund	School Debt Service	GSD Total	General Fund	USD Debt Service Fund	USD Total	Totals Combined Total GSD+USD	Fire District Transfer*
1971	1972	T	0.31	0.30	-	-	0.61	-	0.09	0.09	0.70	-
1972	1973	D	(0.08)	-	0.08	-	-	(0.03)	0.03	-	-	-
1973	1974	D	-	(0.06)	0.06	-	-	(0.02)	0.02	-	-	-
1977	1978	F	0.33	-	-	-	0.33	(0.33)	-	(0.33)	-	0.33
1978	1979	D	0.03	-	(0.03)	-	-	0.07	(0.07)	-	-	-
1980	1981	T	0.40	0.06	0.02	-	0.48	0.35	-	0.35	0.83	-
1984	1985	R	(1.28) <i>1.11</i>	(1.12) <i>0.96</i>	(0.24) <i>0.21</i>	-	(2.64) <i>2.28</i>	(0.88) <i>0.76</i>	(0.14) <i>0.13</i>	(1.02) <i>0.89</i>	(3.66) <i>3.17</i>	- <i>0.16</i>
1985	1986	T	0.34	0.13	0.14	-	0.61	0.14	-	0.14	0.75	-
1987	1988	D	0.02	(0.02)	-	-	-	-	-	-	-	-
1988	1989	T	0.52	0.15	0.08	-	0.75	0.12	0.02	0.14	0.89	-
1988	1989	D	(0.02)	0.02	-	-	-	-	-	-	-	-
1991	1992	D	(0.05)	0.05	-	-	-	-	-	-	-	-
1993	1994	R	(0.43) <i>1.49</i>	(0.28) <i>1.01</i>	(0.09) <i>0.34</i>	-	(0.80) <i>2.84</i>	(0.22) <i>0.80</i>	(0.03) <i>0.12</i>	(0.25) <i>0.92</i>	(1.05) <i>3.76</i>	- <i>0.12</i>
1993	1994	T	0.46	-	0.09	0.11	0.66	0.08	-	0.08	0.74	-
1995	1996	D	(0.04)	-	0.04	-	-	-	-	-	-	-
1997	1998	R	(0.39) <i>1.52</i>	(0.21) <i>0.80</i>	(0.10) <i>0.37</i>	(0.02) <i>0.09</i>	(0.72) <i>2.78</i>	(0.18) <i>0.70</i>	(0.02) <i>0.10</i>	(0.20) <i>0.80</i>	(0.92) <i>3.58</i>	- <i>0.10</i>
1997	1998	T	0.17	0.16	0.12	0.04	0.49	0.04	0.01	0.05	0.54	-
1998	1999	T	(0.01)	-	0.01	0.12	0.12	-	-	-	0.12	-
2000	2001	R	(0.21) <i>1.47</i>	(0.12) <i>0.84</i>	(0.07) <i>0.43</i>	(0.03) <i>0.22</i>	(0.43) <i>2.96</i>	(0.10) <i>0.64</i>	(0.01) <i>0.10</i>	(0.11) <i>0.74</i>	(0.54) <i>3.70</i>	(0.01) <i>0.09</i>
2001	2002	T	0.50	0.40	-	(0.02)	0.88	-	-	-	0.88	-
2002	2003	D	(0.03)	0.03	-	-	-	-	-	-	-	-
2005	2006	R	(0.24) <i>1.70</i>	(0.16) <i>1.11</i>	(0.04) <i>0.39</i>	(0.03) <i>0.17</i>	(0.47) <i>3.37</i>	(0.08) <i>0.56</i>	(0.01) <i>0.09</i>	(0.09) <i>0.65</i>	(0.56) <i>4.02</i>	- <i>0.08</i>
2005	2006	T	0.30	0.22	0.15	-	0.67	-	-	-	0.67	-
2006	2007	D	0.07	-	(0.07)	-	-	-	-	-	-	-
2007	2008	D	(0.01)	-	0.01	-	-	-	-	-	-	-
2008	2009	D	-	-	-	-	-	(0.03)	0.03	-	-	-
2009	2010	R	(0.24) <i>1.82</i>	(0.16) <i>1.17</i>	(0.06) <i>0.42</i>	(0.02) <i>0.15</i>	(0.48) <i>3.56</i>	(0.07) <i>0.46</i>	(0.01) <i>0.11</i>	(0.08) <i>0.57</i>	(0.56) <i>4.13</i>	(0.01) <i>0.07</i>
2010	2011	N	-	-	-	-	-	-	-	-	-	-
2011	2012	N	-	-	-	-	-	-	-	-	-	-
2012	2013	T	0.14	0.23	0.01	0.10	0.48	.05	-	.05	0.53	0.01
2013	2014	R	(0.055) <i>1.905</i>	0.016 <i>1.416</i>	(0.007) <i>0.423</i>	(0.07) <i>0.180</i>	(0.116) <i>3.924</i>	(0.030) <i>0.480</i>	0.002 <i>0.112</i>	(0.028) <i>0.592</i>	(0.144) <i>4.516</i>	- <i>0.080</i>
2014	2015	N	-	-	-	-	-	-	-	-	-	-
2015	2016	D	-	-	-	-	-	0.015	(0.015)	-	-	-
2016	2017	N	-	-	-	-	-	-	-	-	-	-
2017	2018	R	(0.567) <i>1.338</i>	(0.422) <i>0.994</i>	(0.126) <i>0.297</i>	(0.054) <i>0.126</i>	(1.169) <i>2.755</i>	(0.161) <i>0.334</i>	(0.031) <i>0.066</i>	(0.192) <i>0.400</i>	(1.361) <i>3.155</i>	(0.030) <i>0.050</i>
2018	2019	N	-	-	-	-	-	-	-	-	-	-
2019	2020	N	-	-	-	-	-	-	-	-	-	-
2020	2021	T	.371	.279	.270	.080	1.00	(.008)	.008	-	1.00	-

Nominal rates per \$100 of assessed value from tax levy ordinances, not adjusted for appraisal (sales) or assessment ratios.

* The Fire District transfer of the GSD General Fund to the USD General Fund for fire protection.

** Reappraisals took place in tax years 1973, 1984, 1993, 1997, 2001, 2005, 2009, 2013 and 2017 (fiscal years 1973-74, 1984-85, 1993-94, 1997-98, 2001-02, 2005-06, 2009-10, 2013-14, 2017-18).

T = Tax increase; D = Redistribution between funds; F = Fire tax change; N = No change in rates; R = Reappraisal (next line is new certified rate).

Metro Nashville and its Budget

Property Tax Base, Assessment, Levy, and Appraisal Ratios Property Taxes

Tax Year	Fiscal Year	Tax Base (billions) \$	Assessment (billions)		Tax Levy (in millions)			Uncollected %	Appraisal Ratio	
			GSD \$	USD \$	GSD \$	USD \$	Total \$			
1971	1972	n/a	1.298	0.728	53.6	13.9	67.5	3.79%		
1972	1973	n/a	1.365	0.736	56.3	14.0	70.3	4.08%		
1973	1974	**	1.449	0.765	58.7	15.3	74.0	5.33%		
1974	1975	n/a	1.590	1.009	64.3	18.7	83.0	4.63%		
1975	1976	n/a	1.670	1.056	68.1	19.8	87.9	4.70%		
1976	1977	n/a	1.726	1.087	70.5	20.4	90.9	4.99%	0.6500	
1977	1978	n/a	1.742	1.266	72.9	23.7	96.6	4.48%	0.6500	
1978	1979	n/a	1.794	1.328	74.9	25.0	99.9	3.13%	0.6660	
1979	1980	n/a	1.868	1.376	78.0	25.9	103.9	4.03%	0.6100	
1980	1981	n/a	1.940	1.428	90.3	32.0	122.4	3.06%	0.6100	
1981	1982	n/a	1.955	1.435	91.0	32.2	123.2	3.19%	0.4480	
1982	1983	n/a	2.020	1.487	94.0	33.4	127.4	3.07%	0.4480	
1983	1984	n/a	2.060	1.521	96.2	34.3	130.4	2.54%	0.4305	
1984	1985	**	4.497	3.298	96.8	34.5	131.3	3.68%	1.0000	
1985	1986	n/a	4.944	3.606	132.2	41.4	173.5	2.65%	0.9476	
1986	1987	n/a	5.159	3.749	143.1	44.6	187.7	3.18%	0.9476	
1987	1988	n/a	5.644	4.089	156.6	48.7	205.2	6.26%	0.8138	
1988	1989	21.405	5.920	4.271	208.7	56.8	265.5	5.02%	0.8138	
1989	1990	23.350	5.985	4.259	211.1	56.6	267.7	5.70%	0.7766	
1990	1991	23.979	6.132	4.561	215.9	60.7	276.6	5.83%	0.7766	
1991	1992	23.986	5.975	4.408	210.4	58.6	269.1	6.35%	0.7767	
1992	1993	23.711	6.032	4.438	212.5	59.0	271.5	4.92%	0.7767	
1993	1994	**	24.155	7.646	261.7	62.0	323.7	4.67%	1.0000	
1994	1995	n/a	24.555	7.809	5.543	266.7	62.1	328.8	3.04%	1.0000
1995	1996	n/a	26.686	7.949	5.567	271.5	62.4	333.9	2.87%	0.9054
1996	1997	n/a	27.908	8.193	5.692	279.9	63.7	343.7	2.97%	0.9054
1997	1998	**	33.706	10.648	7.303	340.9	69.4	410.3	3.46%	1.0000
1998	1999	n/a	34.408	10.896	7.491	361.8	71.1	433.0	3.65%	1.0000
1999	2000	n/a	38.576	11.087	7.579	368.2	72.0	440.2	3.61%	0.9098
2000	2001	n/a	39.576	11.390	7.752	378.4	73.6	452.0	3.50%	0.9098
2001	2002	**	42.634	13.373	9.029	504.5	75.8	580.4	3.85%	1.0000
2002	2003	n/a	42.989	13.463	9.022	508.9	74.9	583.8	3.90%	1.0000
2003	2004	n/a	45.151	13.280	8.792	502.1	73.0	575.0	3.27%	0.9455
2004	2005	n/a	45.746	13.432	9.168	507.5	76.1	583.6	3.08%	0.9455
2005	2006	n/a	50.477	15.534	10.514	619.2	76.7	695.5	3.28%	1.0000
2006	2007	n/a	51.736	15.968	10.920	633.5	79.7	713.3	0.64%	1.0000
2007	2008	n/a	60.386	16.237	11.053	643.7	80.7	724.4	0.77%	0.8780
2008	2009	n/a	61.881	16.413	11.309	659.8	82.6	742.3	1.01%	0.8780
2009	2010	n/a	63.157	19.222	13.253	675.0	84.8	759.9	1.45%	1.0000
2010	2011	n/a	63.281	19.209	13.220	674.6	84.6	759.2	1.07%	1.0000
2011	2012	n/a	63.128	19.104	13.245	670.8	84.8	755.6	1.35%	0.9982
2012	2013	n/a	63.259	19.161	13.283	763.5	93.0	856.4	1.29%	0.9982
2013	2014	n/a	65.810	20.210	14.287	781.6	96.0	877.6	1.56%	1.0000
2014	2015	n/a	66.271	20.376	14.405	788.0	96.8	884.8	0.89%	1.0000
2015	2016	n/a	67.533	20.743	14.703	802.1	98.8	900.9	1.24%	.8822
2016	2017	n/a	78.263	21.315	15.126	824.4	101.8	926.3	0.83%	.8822
2017	2018	n/a	99.660	31.145	23.743	853.4	107.9	961.3	1.87%	1.0000
2018	2019	n/a	102.920	32.221	24.546	875.6	110.5	986.1	0.51%	1.0000

** Tax Levy - Assessment per \$100 x Tax Rate

*** Appraisal Ratio - Assessed value and market value

Note: In June 2007 the Metropolitan Government sold the majority of the 2006-07 and 2005-06 real estate property taxes outstanding to an outside party.

Source: Comprehensive Annual Financial Report

Metro Nashville and its Budget

Local Option Sales Tax

Local option sales tax collections provide the second largest source of revenue to the operating budget. Nashville's 9.25% sales tax rate consists of a 2.25% local option tax and a 7.00% state tax (the total rate is 6.25% on unprepared food, because the state rate for such food is 4.00%). The tax is levied on all retail sales in Davidson County, although the local portion is limited to the first \$1,600 of the cost of each item. Tennessee Code Annotated, Title 67, Chapter 6, Part 7 states, at least 1/2 of the local sales tax must be allocated to schools. The local option rate can be raised by referendum. Sales and sales taxes should reflect economic activity at the national and local levels, although some activities are not subject to the tax.

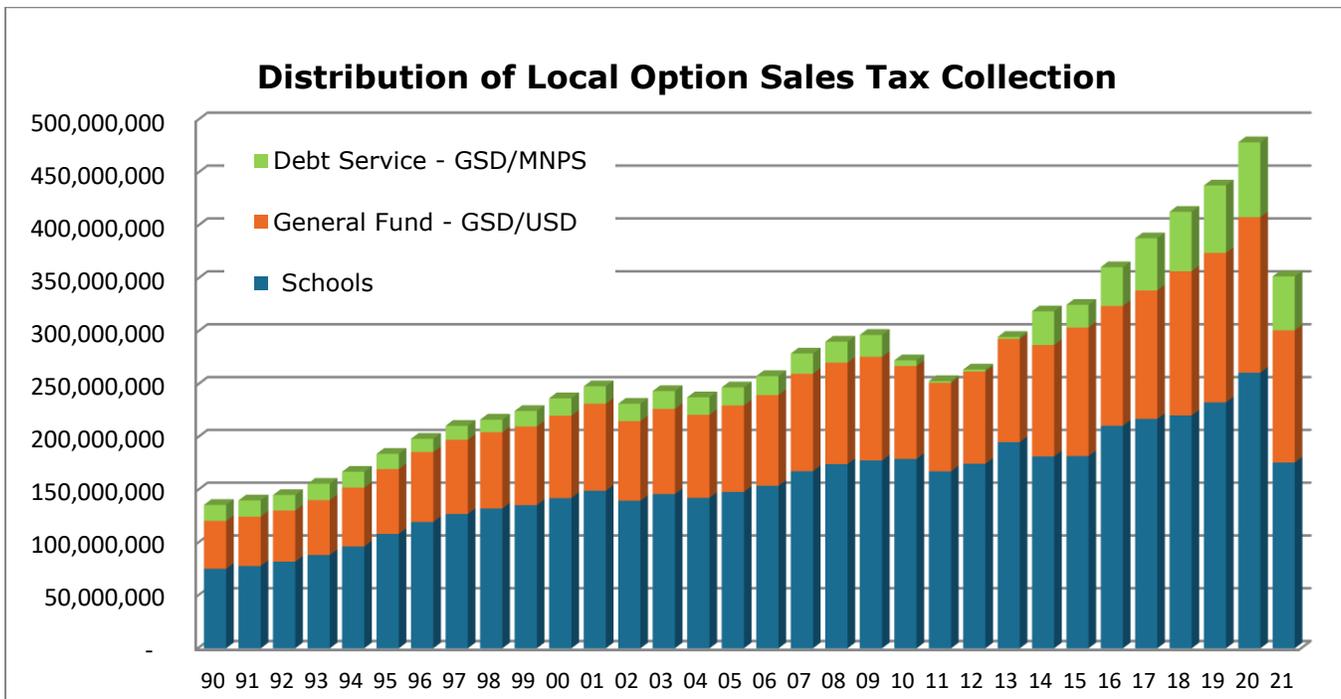
State & Federal Revenues

Major sources of revenue from the State of Tennessee are equalizing funds for education (based on average daily school attendance), healthcare-related revenues, and Metro's share of the gasoline tax. Most of these funds are categorical, being tied to specific functions and services.

The primary sources of federal funds received by Metro are categorical grants such as education funding, Title XX, Title III, and USDA nutrition funds, and reimbursements for services provided by Metro agencies such as the Health Department and Social Services. Most federal funds (including the entire Schools Special Grants Fund) are nondiscretionary in that their receipt requires Metro to carry out certain specified programs. Unrestricted grants such as revenue sharing are now rare.

Federal funds received by the government are subject to federal government single audit provisions. These provisions provide that grants are audited as part of the city's annual independent audit. In an effort to properly reflect federal and state revenues that may be subject to such audit, the Finance Department has reclassified many revenues from other categories to this "State and Federal" category.

The Finance Department has moved most grant revenues and expenditures from the general funds to various grant special revenue funds. This practice began in FY 2000.



Sources: FY90-03 Comprehensive Annual Financial Reports; FY04-20 Budget Ordinances

Metro Nashville and its Budget

Other Local Revenues

The Metropolitan Government generates various revenues locally.

Licenses and Permits include the Business Tax, Wholesale Beer Tax, Motor Vehicle Regulatory License, Hotel Occupancy Privilege Tax, building permit and franchise fees.

Charges for Current Services are derived from user fees and charges levied in return for specific services provided by Metro. Among the many fees and charges collected are revenues generated for health services, parking fees, ambulance fees, dog registration charges, vehicle emission test charges, fees for the use of parks' facilities, and waste disposal fees. Most of these fees are set by Metro, by the Council, or by action of oversight boards and commissions.

Fines, Forfeitures, and Penalties are collected by the various court clerks, the Sheriff, and the Police Department for fines, court costs, Sheriff's fees, DUI safety education, litigation taxes, and proceeds from confiscated property.

Revenue from the Use of Money or Property includes interest on investments and the rental of Metro-owned land and buildings. Metro investment practices emphasize safety, prudence, and liquidity; the government does not engage in speculative high-risk investments such as derivatives.

Commissions and Fees from Certain Officials consist of processing charges for services provided by the clerks of the courts and by the County Register. These fees are generally set by Metro or the state.

Transfers from Other Funds

Transfers may be made into the general funds of the GSD or USD from time to time from surpluses that have accumulated in certain special and working capital funds. Transfers are also made to reimburse various funds for services that are provided by those funds but are rightfully chargeable to another fund.

Fund Balances

Fund balances are the difference between the government's assets and liabilities. They result from receiving more revenue than estimated and/or expending less than budgeted in prior years. They provide some protection against unexpected expenditures or revenue losses and help to stabilize the government's finances.

Fund balances frequently increase by the end of the year due to actual revenues being higher than actual expenditures, often because of unspent appropriations and/or higher-than-estimated revenue collections. It is Metro's policy that General Fund fund balances as a percentage of expenditures should be above 5% to handle unanticipated contingencies. The FY 2021 budget makes replenishing fund balances for all six tax supported funds a priority. Unencumbered fund balances at June 30, 2021 are expected to range between 3.7% and 5.3%, with the GSD and USD General Funds each being at or above 5.0%.

Conclusion

We anticipate revenues sufficient to fund budgeted expenditure appropriations in FY2021 and will monitor the ongoing economic implications of the COVID-19 crisis for any material changes.

Expenditures

The budget ordinance defines the operating budgets of the two general funds by department. It defines the operating budgets of the other budgetary and non-budgetary funds at the fund level, with a few funds (such as debt service) defined at more detailed levels. It defines the Administrative accounts at the business unit level.

Normal Cost Increases

The budget began with FY 2021 baseline budget that made the savings targets of the prior year permanent. Departments requested their savings targets back as budget improvements.

The budget was initially projected with no inflation or other increases. During the process, adjustments were made as follows:

- Adjustments to create a baseline budget prior to approving improvements
- Elimination of FY 2020 nonrecurring budgeted expenditures from the FY 2021 projections.
- Pay plan improvements implemented & other adjustments that occurred in FY 2020 were carried forward to FY 2021 during this fiscal year.
- Limited department improvements were approved, the focus for FY 2021 is continuity of public services and ensuring public health and safety
- Administrative improvements were recommended in central Administrative accounts of the two general funds, these funds will be allocated & distributed to departments' budget based on need
 - Fringe benefits – Costs for active employees in the open benefit plans (FICA, medical, dental, life, and Metro pension) are carried in departmental budgets. Departmental fringe benefits will change during the year due to medical plan increases during the fiscal year.
 - Utility costs- Metro Water had a rate in 2020, the budget for this increase will be distributed based on use and need to departmental budgets.
 - Pay Plan Improvements- The Civil Service Commission approval class adjustments for several public safety classes, these improvements will be allocated to the impacted departments.

Metro Nashville and its Budget

- Public Health & Safety Contingency- This account was established to allocate throughout FY 2021 for unforeseen expenses in the areas of critical public health & safety as they arise.
- Reductions were required in order to match the Expenditures with the forecasted Revenues. These reductions were made in areas of discretionary funding so that essential services were not impacted.
- Adjustments for grant funding changes in FY 2021.

Expenditure numbers are presented in the budget ordinance, which is included at the end of this executive summary, and in the three schedules of Appendix 1; more detail is presented in each department's "Financial" pages.

Conclusion: Within its budget, each department must cover all its operating costs. The overall operating budget restores cash & fund balances, pays debt service and maintains services to citizens.

Metro Nashville and its Budget

The Capital Improvements Budget and Capital Plan Process

Capital improvements (capital expenditures) are any expenditures requiring Council authorization regarding the acquisition, replacement, construction, renovation or modification to any equipment, land, building, public utility, public thoroughfare, or place of public activity; and, which has a useful life expectancy of ten years or greater.

Capital improvements are planned and authorized in a process that is related to, but independent of, the operating budget process.

The Capital Improvements Budget

As specified in § 6.13 of the Charter, the capital improvements budget (CIB) must be prepared annually to “include a program of proposed capital expenditures for the ensuing fiscal year and the next five fiscal years thereafter...”

The capital improvements program is a tool for implementing long-range policies of the General Plan through timely scheduling of infrastructure and facilities in coordination with general development needs. The CIB is prepared annually by the Planning and Finance Departments.

Departments submit project requests through an internet-based budgeting system to the Planning staff. The Planning Department, Finance Director and staff along with the Mayor review the CIB requests, edit as needed and then submit a Recommended CIB to Council by May 15th. The Council has 30 days to review, amend and approve by June 15th.

The CIB is strictly a planning document; it does not appropriate funds or authorize or approve any projects. The **Capital Spending Plan** is where funding and approval to commence a project is authorized. The CIB document is available separately from the Planning Department or at the Nashville.gov web site.

The FY 2020 CIB Ordinance was approved on June 12, 2019; [BL2019-1654]. Details on the FY 2020 CIB are provided below and on the pages that follow.

The FY 2020 Capital Spending Plan was approved on March 18, 2020; [RS2020-213] in the amount of \$181,778,000. The FY 2019 Capital Spending Plans were approved on September 5th and October 22, 2018 in the amounts of \$50,000,000 [RS2018-1328] and \$351,100,000 [RS2018-1454] respectively. Details on the FY 2020 and FY 2019 Capital Spending Plans are provided on the pages that follow.

FY2019-2020 to FY2024-2025 Capital Improvements Budget - Final - By Agency									
Departments	% of '19-'20		FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	Total	% of '20-'25
	FY2019-20	Total							
Agricultural Extension	\$222,000	0.007%						\$222,000	0.002%
Arts Commission	2,170,000	0.066%	\$2,995,000	\$1,205,000				6,370,000	0.058%
Council Office	693,646,300	21.009%	43,523,000	17,000,000			\$465,000	754,634,300	6.850%
County Clerk	1,714,400	0.052%						1,714,400	0.016%
District Attorney	5,464,300	0.166%						5,464,300	0.050%
District Energy System - USD	3,419,800	0.104%	622,500	2,335,100	\$495,000			6,872,400	0.062%
Elections Commission	1,800,000	0.055%						1,800,000	0.016%
Farmers Market	2,700,000	0.082%	150,000					2,850,000	0.026%
Finance	45,576,000	1.380%	545,000	192,500				46,313,500	0.420%
Fire Department	59,580,200	1.805%	29,000,000	29,500,000	29,500,000	\$21,000,000		168,580,200	1.530%
General Hospital	54,234,600	1.643%						54,234,600	0.492%
General Services	424,009,500	12.843%	26,000,000	21,000,000	8,000,000	8,000,000	8,000,000	495,009,500	4.493%
Health Department	1,350,000	0.041%						1,350,000	0.012%
Historical Commission	150,000	0.005%						150,000	0.001%
Information Technology Services	45,135,100	1.367%	16,875,000					62,010,100	0.563%
Justice Integration Services	200,000	0.006%						200,000	0.002%
Juvenile Court	100,000	0.003%						100,000	0.001%
MDHA	65,167,000	1.974%	36,352,000	36,352,000	36,352,000	36,352,000	36,352,000	246,927,000	2.241%
Metro Action Commission	12,776,000	0.387%	23,746,000	110,400				36,632,400	0.333%
MNPS (Schools)	651,968,100	19.747%	639,644,400	574,366,500	623,345,800	671,097,300	967,265,700	4,127,687,800	37.466%
MTA	51,100,000	1.548%	40,500,000	35,700,000	35,200,000	36,000,000		198,500,000	1.802%
Municipal Auditorium	8,525,000	0.258%	4,700,000	3,900,000	2,000,000	1,500,000		20,625,000	0.187%
Office of Emergency Mgmt	1,673,600	0.051%						1,673,600	0.015%
Parks & Recreation	597,318,800	18.092%	260,558,000	245,558,000	245,108,000	245,108,000	245,108,000	1,838,758,800	16.690%
Planning	1,600,000	0.048%	300,000	300,000	300,000	300,000	300,000	3,100,000	0.028%
Police	90,501,500	2.741%	22,700,000					113,201,500	1.028%
Public Library	77,291,000	2.341%	48,153,000	47,353,000	47,851,000	60,173,000	62,564,000	343,385,000	3.117%
Public Defender	3,800,000	0.115%						3,800,000	0.034%
Public Works - GSD / USD	226,161,600	6.850%	141,872,400	140,072,200	134,771,200	135,425,700	3,000,000	781,303,100	7.092%
Social Services	936,900	0.028%						936,900	0.009%
Sports Authority	76,000,000	2.302%						76,000,000	0.690%
Fairgrounds Nashville (State Fair)	25,000,000	0.757%						25,000,000	0.227%
Water & Sewer GSD / USD	70,309,300	2.130%	76,117,000	413,320,000	302,570,000	381,580,000	347,850,000	1,591,746,300	14.448%
Totals	\$3,301,601,000	100.000%	\$1,414,353,300	\$1,568,264,700	\$1,465,493,000	\$1,596,536,000	\$1,670,904,700	\$11,017,152,700	100.000%

Metro Nashville and its Budget

Areas of Emphasis

The Administration has announced six priorities for Metro Nashville / Davidson County. Any projects not falling within one of the six priorities is captured within Central Government Operations. For more details on the Mayor's priorities go to <http://www.nashville.gov/Mayors-Office.aspx>.

The six areas of emphasis:

- **Economic and Community Development** – (1) National and Global Business Development. (2) Small Business Development. (3) Music City Music Council. (4) Affordable Housing – Barnes Fund. (5) Housing Incentives Pilot Program.
- **Diversity and Inclusion** – (1) New Americans. (2) Leadership. (3) Business Diversity. (4) Workforce and Place Diversity.
- **Education** – (1) Early Childhood Education. (2) Nashville GRAD Program.
- **Neighborhoods and Community Engagement** – (1) Youth. (2) National Night Out Against Crime. (3) REAL Nashville Dialogue. (4) Community Beautification.
- **Public Safety and Justice** – (1) Community Oversight Board. (2) Body Camera Pilot Program. (3) Reducing Disparities.
- **Transportation, Infrastructure and Sustainability** – (1) Livable Nashville Recommendations. (2) Food Saver Challenge.
- **Central Government Operations**

The alignment of the capital plan to the Administration's priorities is detailed on the following pages.

Capital Funding Sources

Metro has fourteen different types of funding for capital projects.

The "Capital Improvement Budget Funding Sources" table [following page] and "Funding Type Distribution" graph on this page show the amounts estimated by type and year in the *2019-2020 to 2024-2025 CIB*.

Possible funding sources for specific projects include:

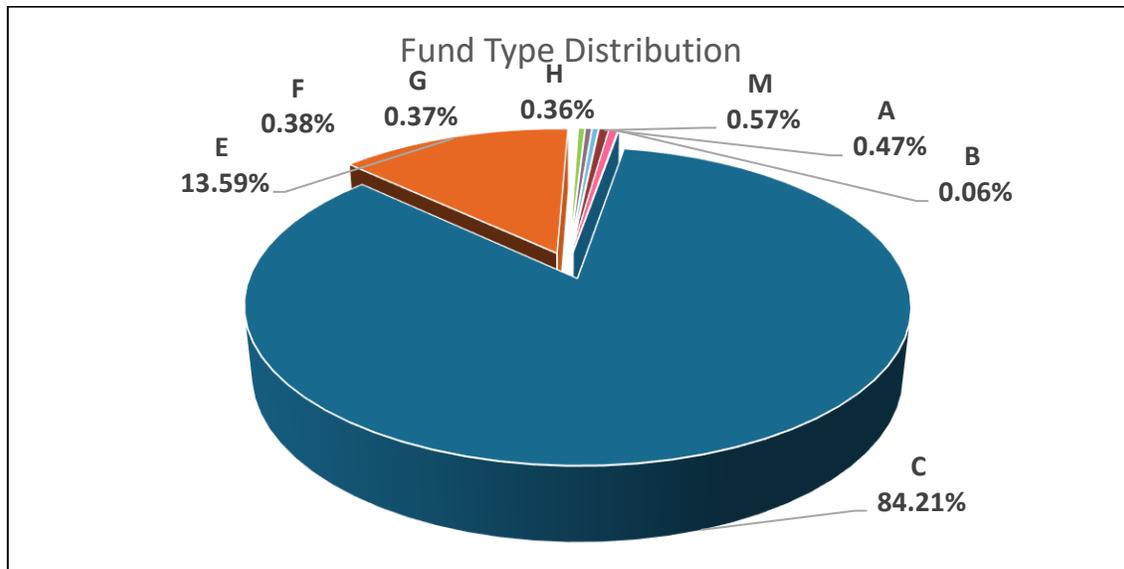
- Bond and note authorizations (described in Section J of this book) for the Debt Service funds, approved by the Council, including:
 - Approved General Obligation (B) and,
 - Proposed General Obligation (C) bonds and notes.
- Four Percent Reserve Fund (Fund 30003 in section J of this book) appropriations by the Council throughout the year, including:
 - Approved 4% (L) and,
 - Proposed 4% (M) funding.
- Grant operating budgets included in the operating budget, added grant contingency transfers, or Council resolutions denote funds as:
 - Federal (F) and,
 - State (G);
 - Approved Community Development (I) and,
 - Proposed Community Development (K).
- Revenue bond authorizations or operations for enterprise-type activities, approved in the budget or by Council resolution; including:
 - Approved Revenue (D),
 - Proposed Revenue (E) and,
 - Enterprise (H) funds.
- Other sources, including:
 - Miscellaneous funds (A) and,
 - Approved Miscellaneous funds (O), which, individually, do not comprise major funding categories, and
 - Operating budget funds (P).

The proposed funding for these requests is summarized on the following table and pie chart.

Metro Nashville and its Budget

Capital Improvement Budget (CIB) Funding Sources 2019-20 through 2024-25

FUND DESCRIPTION	TYPE	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL
Miscellaneous	A	\$47,213,000	\$852,000	\$852,000	\$852,000	\$852,000	\$852,000	\$51,473,000
Approved General Obligation Bonds	B	2,170,000	2,995,000	1,205,000				6,370,000
Proposed General Obligation Bonds	C	3,074,358,600	1,321,364,300	1,155,047,700	1,166,182,000	1,218,374,000	1,341,702,700	9,277,029,300
Approved Revenue Bonds	D							0
Proposed Revenue Bonds	E	123,379,300	52,667,000	382,390,000	271,230,000	351,280,000	316,600,000	1,497,546,300
Federal Funds	F	12,300,000	7,265,000	7,280,000	7,295,000	7,310,000		41,450,000
State Funds	G	8,400,000	8,015,000	8,030,000	8,045,000	8,060,000		40,550,000
Enterprise	H	6,400,000	5,220,000	8,260,000	6,850,000	6,060,000	7,000,000	39,790,000
Approved Community Development	I							0
Proposed Community Development	K							0
Approved 4%	L							0
Proposed 4%	M	27,380,100	15,975,000	5,200,000	5,039,000	4,600,000	4,750,000	62,944,100
Approved Miscellaneous	O							0
Operating	P							0
Totals by Year		\$3,301,601,000	\$1,414,353,300	\$1,568,264,700	\$1,465,493,000	\$1,596,536,000	\$1,670,904,700	\$11,017,152,700



Financial Considerations

Metro’s short- and medium-term capital requests, as identified by the individual departments, far exceed its capacity to raise funds to pay for those needs.

Financial projections determine the constraints for programming the projects according to a schedule that is fiscally and administratively practical. The Department of Finance annually develops two programs based on financial considerations:

- (1) The current debt level program assumes no change in the amount or distribution of tax rates. Projects scheduled in this program are either committed or are considered to have the highest priority in meeting community needs.
- (2) The essential needs program assumes additional revenues would be available to retire general obligation bonds, but total outstanding indebtedness would remain below limits set by Metro.



The scale of general obligation (GO) bond funding in the recommended program depends upon resources available under present tax levels but may reflect additional funding requirements to meet priority needs. In recommending a program whose funding would exceed present tax-level resources; the Planning Commission may advise the Mayor of estimated additional tax levy needed for debt service.

Metro Nashville and its Budget



The Capital Spending Plan: Approval and Appropriation

The CIB is strictly a planning document; it does not appropriate funds, authorize spending or approve any projects.

The **Capital Spending Plan** is a compilation of projects from the CIB that have been selected by the Mayor, Finance Director and staff for recommendation to the Council for approval and funding. The capital spending plan typically recommends \$200 million to \$400 million worth of projects that align with the Mayor's and Metro's areas of emphasis described on previous pages. The Capital Spending Plan selects, specifies, and recommends for funding the CIB projects to be developed.

Currently, Metropolitan Government of Nashville has no significant, non-recurring capital expenditures.

March 2020 Tornado and COVID-19 Contingency Funds – In a substitute filing, \$21.75 million in tornado funding as well as \$5.0 million in Covid-19 contingency funds were added to the FY 2020 Capital Spending Plan.

Highlights of the FY 2019-2020 and FY 2018-19 Capital Spending Plans – The FY 2019-20 Capital Spending Plan [RS2020-213] was approved on March 18, 2020 in the amount of \$181,778,000. The FY 2018-19 Capital Spending Plans were approved on September 5th and October 22nd in the amounts of \$50,000,000 [RS2018-1328] and \$351,100,000 [RS2018-1454] respectively. The plans align with the current Administration's priorities as follows:

FY 2019-2020:

- Education - \$72,000,000
- Neighborhoods & Community Engagement – \$7,700,000
- Public Safety & Justice - \$31,250,000
- Transportation, Infrastructure & Sustainability – \$38,828,000
- Central Government Operations - \$32,000,000.

FY 2018-19 and FY 2018-19 B:

- Economic & Community Development - \$77,200,000
- Education - \$60,000,000
- Neighborhoods & Community Engagement – \$50,900,000
- Public Safety & Justice - \$34,400,000
- Transportation, Infrastructure & Sustainability – \$129,500,000
- Central Government Operations - \$49,100,000.

Details on these FY 2019-20 and FY 2018-19 capital allocations are shown below.

FY 2019-20: Education – 18 projects totaling \$72,000,000. [Operating Budget Impact - \$60,000]

- Goodlettsville Elementary – Replace - \$22,860,000
- Lakeview Elementary – Design - \$2,400,000
- Pearl-Cohn – Track & Stadium Upgrades - \$1,240,000
- School Improvements – Small Projects - \$500,000
- Central Services – Furniture / Equipment - \$100,000
- School Safety / Security - \$200,000
- Bus and Fleet – Vehicle Replacements - \$4,800,000
- Technology – Facility Infrastructure Projs. - \$6,900,000
- ADA Compliance - \$500,000
- Emergency Construction / Contingency - \$1,500,000
- Electrical Upgrades - \$7,430,000
- HVAC Upgrades / Repairs - \$20,700,000
- Roofing – Repair / Replace - \$1,000,000
- Exterior Building Improvements - \$700,000
- Interior Building Improvements - \$500,000
- Plumbing Upgrades - \$400,000
- Asbestos / Environmental Repairs - \$200,000
- Building Energy Upgrades - \$2,000,000

FY 2019-20: Neighborhoods and Community Engagement – 2 projects totaling \$7,700,000. [Operating Budget Impact-\$0]

- Parks: Davidson Street / Shelby Park Improvements – \$2,900,000
- Parks: Sevier Mansion / Related Buildings - \$4,800,000

FY 2019-20: Public Safety and Justice – 7 projects totaling \$31,250,000. [Operating Budget Impact-\$0]

- Gen. Svcs: Sheriff's Hdqtrs – Construction Contngcy – \$17,200,000
- Gen. Svcs: Criminal Justice Center – Close-out – \$5,800,000
- Gen. Svcs: Police Precinct – Murfreesboro Road – Planning - \$1,000,000
- Health: Woodbine Clinic – Planning Replace - \$1,000,000
- Finance: Emergency Response Funds - Finance – \$4,000,000
- Finance: Emergency Response Funds – ITS - \$1,000,000
- Fire: Fire Stations #2 & #25 – Planning Replace – \$1,250,000



Metro Nashville and its Budget

FY 2019-20: Transportation, Infrastructure and Sustainability – 18 projects totaling \$38,828,000. [Operating Budget Impact - \$0]

- Public Works: Traffic Management Program - \$1,250,000
- Public Works: Paving - \$6,000,000
- Public Works: Sidewalks - \$4,000,000
- Public Works: Roads Program - \$2,200,000
- Public Works: Solid Waste / Equipment - \$500,000
- MTA: MTA Grant Matching Funds - \$4,000,000
- MTA: RTA Grant Matching Funds - \$600,000
- MNPS: Tornado Damage Funds - Churchwell – \$1,144,000
- MNPS: Tornado Damage Funds - Lockeland – \$198,000
- MNPS: Tornado Damage Funds – Meigs Magnet – \$6,380,000
- MNPS: Tornado Damage Funds – Misc. Small Repairs / Clean-up – \$154,000
- MNPS: Tornado Damage Funds – Technology – \$250,000
- MNPS: Tornado Damage Funds – Large Repairs & Contingency – \$624,000
- Finance: Tornado Damage Funds – Police - \$500,000
- Finance: Tornado Damage Funds – Farmers Market – \$732,000
- Finance: Tornado Damage Funds – General Services – \$6,092,000
- Finance: Tornado Damage Funds – Parks - \$1,204,000
- Finance: Tornado Damage Funds – Public Works – \$3,000,000



FY 2019-20: Central Government Operations – 7 projects totaling \$32,000,000. [Operating Budget Impact - \$658,000]

- Gen. Svcs: Fleet Replacements - \$3,110,000
- Gen. Svcs: Major Maintenance - \$1,270,000
- Finance: R12 Assessment & Phase 2.1 - \$2,500,000
- Police: Replace 2 Helicopters - \$12,000,000
- Police: Mounted Patrol – Barn Replacement - \$1,620,000
- Admin: GSD Project Contingency - \$6,000,000
- Admin: MNPS Project Contingency - \$5,500,000

FY 2018-19 and FY 2018-19 B: Economic Opportunity – 4 projects totaling \$77,200,000 [Operating Budget Impact - \$0]

- Fairgrounds-Nashville: Improvements – \$25,000,000
- Sports Auth: Major League Soccer (MLS) – Infrastructure – \$25,000,000
- General Services: McGruder Center – Renovations and Upgrades – \$2,200,000
- Finance: Affordable Housing – Funding – \$25,000,000



FY 2018-19B: Education – 21 projects totaling \$60,000,000. [Operating Budget Impact - \$30,000]

- Hillwood High School – Planning/Design - \$10,000,000
- ADA Compliance - \$400,000
- Asbestos / Environmental Repairs - \$280,000
- Bus and Fleet Replacements - \$5,000,000
- Electrical Upgrades - \$2,900,000
- Emergency Construction / Contingency - \$4,000,000
- Exterior Building Improvements - \$1,000,000
- Interior Building Improvements - \$1,000,000
- HVAC Upgrades / Repairs - \$9,900,000
- Paving Upgrades - \$1,000,000
- Plumbing Upgrades - \$1,820,000
- Roofing – Repair / Replace - \$1,000,000
- School Safety / Security - \$250,000
- Technology–Infrastructure Improvements - \$15,000,000
- School Improvements - \$2,000,000
- Central Services – Furniture / Equipment - \$150,000
- Pre-K & K-4 Playgrounds - \$300,000
- Project Management Services - \$100,000
- Athletic Site Upgrades - \$1,900,000
- Site Improvements - \$1,000,000
- Casework – Lab Upgrades - \$1,000,000



FY 2018-19B: Neighborhoods and Community Engagement – 7 projects totaling \$50,900,000. [Operating Budget Impact-\$606,000]

- Gen. Services: Donelson Library – Construction - \$15,000,000
- Parks: Greenways – New/Upgrades - \$10,000,000
- Parks: Mill Ridge Park – Phase 1-A - \$12,000,000
- Parks: Ravenwood Park – Phase 1-A - \$12,000,000
- Library: Richland Park – Planning/Design - \$200,000
- Library: Main Library – Renovations - \$500,000
- Farmers Market: HVAC Replace / Repairs - \$1,200,000

Metro Nashville and its Budget

FY 2018-19B: Public Safety and Justice – 4 projects totaling \$34,400,000. [Operating Budget Impact - \$0]

- Gen. Svcs: Criminal Justice Ctr (CJC) – Construction Contingency - \$10,000,000
- Gen. Svcs: Emergency Communications Ctr (ECC) Redundant Power Supply - \$5,000,000
- Gen. Svcs: Police Hdqtrs. / Family Justice Ctr – \$17,000,000
- Gen. Hospital: Misc. Repairs / Maintenance / Equipment – \$2,400,000

FY 2018-19B: Transportation, Infrastructure and Sustainability – 11 projects totaling \$129,500,000. [Operating Budget Impact - \$0]

- Public Works: Paving - \$30,000,000
- Public Works: Sidewalks - \$30,000,000
- Public Works: Roads Program - \$15,000,000
- Public Works: Bridges Program - \$4,000,000
- Public Works: Solid Waste / Recycling - \$2,000,000
- Public Works: Traffic Management Program - \$3,000,000
- Public Works: Traffic Calming - \$1,500,000
- Public Works: Bikeways - \$1,500,000
- Public Works: East Bank / Cowan Street - \$20,000,000
- MTA: Grant Matching Funds - \$2,500,000
- Water: Stormwater – Infrastructure - \$20,000,000

FY 2018-19B: Central Government Operations – 15 projects totaling \$49,100,000. [Operating Budget Impact - \$3,025,000]

- Elections: Voting Machine Replacement - \$3,000,000
- Finance: R12 Financial Software – Accounting System – \$4,000,000
- Finance: R12 Financial Software – General Government – \$600,000
- Finance: R12 Financial Software – Schools - \$400,000
- Gen. Svcs: Voting Machine Warehouse - \$1,800,000
- Gen. Svcs: Fleet – Heavy Fleet Replace - \$15,000,000
- ITS: Tech Infrastructure for Construction Projects – \$2,100,000
- ITS: Fiber-Optic Cable Network - \$1,200,000
- ITS: Info Security Mgmt Prgm. Consultants - \$90,000
- ITS: Server and Storage Space - \$416,000
- ITS: Mgmt Security / Event Mgmt - \$572,600
- ITS: 800MHz Radio Expansion / Upgrade - \$1,918,000
- Parks: Deferred Maintenance - \$8,000,000
- Contingency: GSD Projects - \$7,003,400
- Contingency: Schools Projects - \$3,000,000



Metro Nashville and its Budget

Operating Budget Impacts

Approved capital expenditures affect the budget in three ways.

- First, Four Percent Reserve Fund expenditures are drawn from a reserve pool representing 4% of the locally generated revenues to the GSD General Fund.
- Second, debt service – the repayment of principal and interest owed on general obligation debt from the debt service fund – is an operating budget expenditure. The debt service budget is discussed in Section J of this book. Capital debt capacity is determined before any capital spending plan is proposed.
- Third, potential improvements may commit Metro to operating costs that will be reflected in future years' departmental operating budgets. These costs are considered in the process of considering and approving prospective capital improvements.

Operating costs for completed or soon-to-be-completed capital plan projects are identified in that respective department's operating budget section elsewhere in this budget book.

Most projects replace existing facilities and do not create additional operating costs.

Details, program descriptions, and estimated operating budget impacts of each prospective capital improvement project are noted in the *Capital Improvements Budget* (CIB) book available on the Planning Department's as well as the Finance Department's Capital Improvements webpages. The estimated operating budget impact for recently approved capital projects are noted in the tables presented below.

Summary

Capital projects are budgeted in a multi-step process. The CIB, approved around mid-June of each year, proposes more capital projects than the government can afford from all funding sources. It is from this CIB that the individual projects will be selected, approved, and funded in what is known as a Capital Plan or Capital Spending Plan. When the capital projects are approved and/or completed, their operation may or may not affect future operating budgets.

A flowchart of the CIB and Capital Spending Plan process, the estimated operating budget impact of FY 2019-20 and FY 2018-19 Capital Spending Plans projects, and their approved project lists are presented on the following pages.

Again, at this time, the Metropolitan Government of Nashville has no significant, non-recurring capital expenditures.



Estimated Operating Budget Impacts of the recently approved Capital Spending Plans:

FY 2019-2020 Capital Spending Plan = \$ 718,000 Estimated Operating Budget Impact
FY 2018-2019 Capital Spending Plan = \$3,661,000 Estimated Operating Budget Impact

FY2019-2020 Capital Projects – Estimated Operating Budget Impact Details:

Education - \$60,000

- Goodlettsville Elementary – Design for Replacement - \$30,000 Addnl. Sq. Footage Costs for Utilities, Custodial and Maint.
- Lakeview Elementary – Design for Replacement - \$30,000 Addnl. Sq. Footage Costs for Utilities, Custodial and Maint.

Central Government Operations - \$658,000

- General Services – Fleet – Heavy Fleet Replacements – \$508,000 Addnl. Mechanics / Service Personnel for Fleet Add-Ons
- Finance – R12 Assessment and Phase 2.1 - \$100,000 Annual Maintenance and Support Fees
- Police – Replace Two Helicopters - \$50,000 Annual Maintenance and Equipment

Metro Nashville and its Budget

FY2018-2019 Capital Projects – Estimated Operating Budget Impact Details:

Education - \$30,000

- Hillwood High School – Phase 1: Planning & Design – \$30,000 Addnl. Sq. Footage Costs for Utilities, Custodial and Maint.

Neighborhoods and Community Engagement - \$606,000

- Farmers' Market – Repairs and HVAC Replacement – \$50,000 Warranty and Maintenance Costs
- Parks – Mill Ridge Park – \$200,000 Planning and Design for New Projects
- Parks – Ravenwood Park – \$300,000 Planning and Design for New Projects
- Parks – Greenways – New and Upgrades - \$56,000 Planning and Design Fees and Additional Mowing / Maintenance

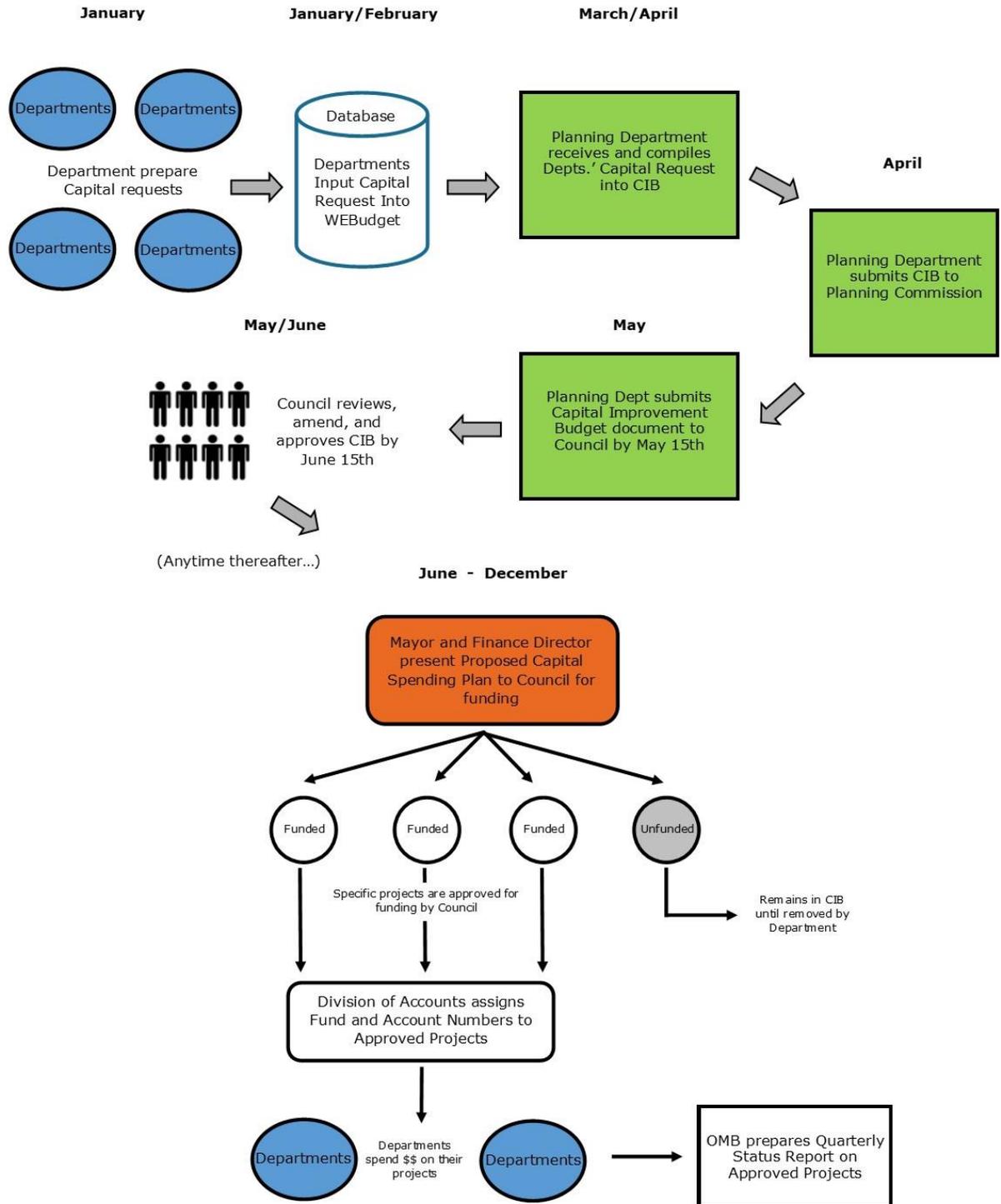
Central Government Operations - \$3,025,000

- Elections – Voting Machine Replacement - \$175,000 Annual Maintenance and Support Fees
- Finance – R12 Financial System – \$100,000 Annual Maintenance and Support Fees
- General Services – Fleet – Heavy Fleet Replace – \$2,540,000 Addnl. Mechanics / Service Personnel for Fleet Add-Ons
- Parks – Deferred Maintenance – System-wide – \$210,000 Maintenance Costs



Metro Nashville and its Budget

Flowchart of Capital Improvement Budget (CIB) and Capital Spending Plan Process:



Metro Nashville and its Budget

FY 2019-2020 CAPITAL SPENDING PLAN				
AGENCY / PROJECT NAME	DESCRIPTION	ALLOCATION	PRIORITY CATEGORY	OPERATING BUDGET IMPACT
METRO SCHOOLS				
<u>CONSTRUCTION / DESIGN PROJECTS</u>				
GOODLETTSVILLE ELEM - REPLACE	Goodlettsville Elem - Replace	\$22,860,000	Education	\$30,000
LAKEVIEW ELEM (DESIGN)	Lakeview Elem - Design / Replace	2,400,000	Education	30,000
PEARL-COHN - TRACK & STADIUM	Track & Stadium Upgrades	1,240,000	Education	
<u>DISTRICT-WIDE PROJECTS</u>				
SCHOOL IMPROVEMT PROJS	Small Projects / Improvements	500,000	Education	
CNTRL SRVCS-FURNITURE & EQUIP	Furniture & Equip District-Wide	100,000	Education	
SCHOOL SAFETY & SECURITY	Safety And Security Projects	200,000	Education	
BUS & FLEET VEHICLE REPLACE	Bus & Fleet Vehicle Replacement	4,800,000	Education	
TECH - FACLTY INFRASTRUCTURE	Facility Infrastructure Tech Projs	6,900,000	Education	
ADA COMPLIANCE	ADA Compliance Projects	500,000	Education	
EMERGNCY CONSTRCTN/CONTGCY	Emergency Construction & Contg	1,500,000	Education	
<u>MISC. DEFERRED MAINTENANCE DISTRICT-WIDE PROJECTS</u>				
ELECTRICAL UPGRADES	Electrical Upgrades	7,430,000	Education	
HVAC UPGRADES	HVAC Upgrades	20,700,000	Education	
ROOF REPAIR / REPLACEMENT	Roof Repair / Replacement	1,000,000	Education	
EXTERIOR BLDG IMPROVEMENTS	Exterior Building Improvements	700,000	Education	
INTERIOR BLDG IMPROVEMENTS	Interior Building Improvements	500,000	Education	
PLUMBING UPGRADES	Plumbing Upgrades	400,000	Education	
ENVIRONMENTAL REMEDIATION	Environmental Remediation	200,000	Education	
BUILDING ENERGY UPGRADES	Building Energy Upgrades	70,000	Education	
<u>TORNADO DAMAGE FUNDS</u>				
CHURCHWELL		1,144,000	Infrastructure	
LOCKELAND		198,000	Infrastructure	
MEIGS MAGNET		6,380,000	Infrastructure	
MISC. SMALL REPAIRS / CLEAN-UP		154,000	Infrastructure	
TECH REPAIRS		250,000	Infrastructure	
TORNADO LARGE REPAIRS & CONTINGENCY		624,000	Infrastructure	
TOTAL -- MNPS Projects		\$80,750,000		\$60,000
GENERAL SERVICES				
SHERIFF'S HEADQUARTERS	Constrtn Contgcy for Sheriff's	\$17,200,000	Justice	
CJC CLOSEOUT	Contingency Funds for Close-Out	5,800,000	Justice	
FLEET - REPLACEMENT	Replace Vehicles & Equipment	3,110,000	Central Govt	\$508,000
MAJOR MAINTENANCE	Planned & Unplanned Major Maint	1,270,000	Central Govt	
POLICE - MURFREESBORO RD PRECINCT (PLANNING)	Planning for New Police Precinct	1,000,000	Justice	
HEALTH DEPARTMENT				
REPLACE WOODBINE CLINIC (PLANNING)	New Woodbine Replacement Clinic	1,000,000	Public Safety	

Metro Nashville and its Budget

FY 2019-2020 CAPITAL SPENDING PLAN				
AGENCY / PROJECT NAME	DESCRIPTION	ALLOCATION	PRIORITY CATEGORY	OPERATING BUDGET IMPACT
FINANCE				
R12 - ASSESSMENT AND PHASE 2.1	Phase 2.1 Enterprise Acct. System	2,500,000	Central Govt	100,000
EMERGENCY RESPONSE FUNDS	COVID-19 Contingency Funds			
- Finance		4,000,000	Public Safety	
- ITS		1,000,000	Public Safety	
TORNADO DAMAGE FUNDS	March Tornado Contingency Funds			
- Farmers Market		732,000	Infrastructure	
- General Svcs - Buildings		6,092,000	Infrastructure	
- Police		500,000	Infrastructure	
- Parks		1,204,000	Infrastructure	
- Public Works		3,000,000	Infrastructure	
FIRE DEPARTMENT				
REPLACE FIRE STATION #2 & #25 (PLANNING)	Planning & Design in Accordance Tri-Data Master Plan Study	1,250,000	Public Safety	
PUBLIC WORKS				
TRAFFIC MANAGEMENT	Includes Signals, Traffic Calming,	1,250,000	Transportation	
PAVING PROGRAM	Resurfacing, Paving, Preservation	6,000,000	Transportation	
SIDEWALK PROGRAM	Construct/Improve-Walk N Bike	4,000,000	Transportation	
ROADWAYS / IMPROVE / MAINT.	Engineering, ROW, Intersections, Signals, Signage, Marking, Irrigation, Bridges, Culverts, etc.	2,200,000	Transportation	
SOLID WASTE - EQUIPMENT	Landfill / Convenience Ctr /	500,000	Infrastructure	
POLICE DEPARTMENT				
REPLACE 2 HELICOPTERS	MNPD Aviation Unit Replacements	12,000,000	Central Govt	50,000
MOUNTED PATROL BARN (PLANNING / CONSTR)	Planning & Construction of a New Mounted Patrol Facility	1,620,000	Central Govt	
PARKS DEPARTMENT				
DAVIDSON ST ALONG CUMBERLAND RIVER	General Repairs / Paving	2,900,000	Neighborhoods	
SEVIER MANSION / RELATED BUILDINGS	Restoration of Mansion, and parking improvements	4,800,000	Neighborhoods	
METRO TRANSIT AUTHORITY				
MTA GRANT MATCHES	Matching funds to leverage	4,000,000	Transportation	
RTA GRANT MATCHES	Matching funds to leverage	600,000	Transportation	
TOTAL -- General Government Projects		\$89,528,000		\$658,000
CONTINGENCY ACCOUNTS				
GSD CAPITAL CONTINGENCY	Contingency Funds for GSD	\$6,000,000	Central Govt	
MNPS CAPITAL CONTINGENCY	Contingency Funds for MNPS	5,500,000	Central Govt	
GRAND TOTAL		\$181,778,000		\$718,000

Metro Nashville and its Budget

FY 2018-2019-B CAPITAL SPENDING PLAN				
AGENCY / PROJECT NAME	DESCRIPTION	ALLOCATION	PRIORITY CATEGORY	OPERATING BUDGET IMPACT
METRO SCHOOLS				
CONSTRUCTION PROJECTS / NEW SCHOOLS:				
HILLWOOD HS - PHASE 1	Phase 1 - Planning & Design	\$10,000,000	Education	\$30,000
DISTRICT-WIDE PROJECTS:				
ADA COMPLIANCE	ADA Compliance Projects	400,000	Education	
ASBESTOS / ENVIRONMENTAL	Removal and Safety Issues	280,000	Education	
BUS AND FLEET REPLACEMENTS	Fleet - New and Replacements	5,000,000	Education	
ELECTRICAL UPGRADES	Electrical Upgrades	2,900,000	Education	
EMERGENCY CONSTRUCTION	Emergency Repairs & Contingency	4,000,000	Education	
EXTERIOR BLDG IMPROVEMENTS	Upgrades to Bldg Exteriors	1,000,000	Education	
INTERIOR BLDG IMPROVEMENTS	Upgrades to Bldg Interiors	1,000,000	Education	
HVAC UPGRADES / REPAIRS	HVAC Upgrades and Repairs	9,900,000	Education	
PAVING UPGRADES	Paving System-Wide	1,000,000	Education	
PLUMBING UPGRADES	Plumbing Repairs System-Wide	1,820,000	Education	
ROOFING - REPAIR / REPLACE	Roofing	1,000,000	Education	
SCHOOL SAFETY / SECURITY	Safety & Security Projects	250,000	Education	
TECHNOLOGY - INFRASTRUCTURE	Tech - Facility Upgrades	15,000,000	Education	
SCHOOL IMPROVEMENTS	Small Projects	2,000,000	Education	
CENTRAL SERVICES - FURNITURE	Furniture & Equipment	150,000	Education	
PRE-K & K-4 PLAYGROUNDS	Repair and Replace Playgrounds	300,000	Education	
PROJECT MANAGEMENT SRVCS	Project Management Services	100,000	Education	
ATHLETIC SITE UPGRADES	Maplewood and Others	1,900,000	Education	
SITE IMPROVEMENTS	Various Site Improvements	1,000,000	Education	
CASEWORK - LAB UPGRADES	Furniture and Lab Upgrades	1,000,000	Education	
TOTAL -- MNPS Projects		\$60,000,000		\$30,000
PUBLIC WORKS				
PAVING	Various Roadways	30,000,000	Transportation	
SIDEWALKS	New and Replace - GSD	30,000,000	Transportation	
ROADS PROGRAM	New and Repair	15,000,000	Transportation	
BRIDGES PROGRAM	New and Repair	4,000,000	Transportation	
SOLID WASTE	Landfills and Recycling	2,000,000	Infrastructure	
TRAFFIC MGMT PROGRAMS	Traffic Management Projects	3,000,000	Transportation	
TRAFFIC CALMING	Traffic Calming Projects	1,500,000	Transportation	
BIKEWAYS	New and Repair	1,500,000	Transportation	
EAST BANK / COWAN STREET	Infrastructure Projects	20,000,000	Transportation	
GENERAL SERVICES				
CRIMINAL JUSTICE CTR-CONTGNCY	Construction Contingency - CJC	10,000,000	Public Safety	
VOTING MACHINE WAREHOUSE	Warehouse for Voting Machines	1,800,000	Central Govt	
EMERGENCY COMM CTR	Back-Up Power Supply for ECC	5,000,000	Public Safety	
POLICE / FJC - CONTINGENCY	Construction Contingency	17,000,000	Public Safety	
MCGRUDER CENTER	Renovations and Upgrades	2,200,000	Economic Oppty	
FLEET - HEAVY FLEET REPLACE	Replacement of Heavy Fleet	15,000,000	Central Govt	2,540,000
DONELSON LIBRARY	Construction	15,000,000	Neighborhoods	

Metro Nashville and its Budget

FY 2018-2019-B CAPITAL SPENDING PLAN				
AGENCY / PROJECT NAME	DESCRIPTION	ALLOCATION	PRIORITY CATEGORY	OPERATING BUDGET IMPACT
PARKS				
DEFERRED MAINTENANCE	Deferred Maintenance	8,000,000	Central Govt	210,000
GREENWAYS	New and Upgrades	10,000,000	Neighborhoods	56,000
MILL RIDGE PARK	Phase 1-A	12,000,000	Neighborhoods	200,000
RAVENWOOD PARK	Phase 1-A	12,000,000	Neighborhoods	300,000
METRO TRANSIT AUTHORITY (MTA)				
MTA GRANT MATCHING	Fed / State Grant Match Funds	\$2,500,000	Transportation	
PUBLIC LIBRARY				
RICHLAND PARK BRANCH	Planning/Design of Richland Park	200,000	Neighborhoods	
LIBRARY - MAIN RENOVATIONS	Renovations in Main Library	500,000	Neighborhoods	
INFORMATION TECHNOLOGY SERVICES (ITS)				
TECH FOR CONSTRUCTION	Tech for Construction Projects	2,100,000	Central Govt	
FIBER-OPTIC CABLE NETWORK	Fiber-Optic Cable Networks	1,200,000	Central Govt	
INFO SECURITY MGMT PROGRAM	Consultants for Info Security	90,000	Central Govt	
SERVER & STORAGE SPACE	Expansion of Servers / Storage	416,000	Central Govt	
MGMT SECURITY / EVENT MGMT	Systems and Events Security	572,600	Central Govt	
800MHZ RADIO EXPAND/UPGRADE	Expansion / Upgrades to 800MHZ	1,918,000	Central Govt	
FINANCE				
R12 FINANCIAL - SOFTWARE	New Accounting System - Addnl	4,000,000	Central Govt	\$100,000
R12 FINANCIAL SW - GEN GOVT	Accounting Software - Gen Govt	600,000	Central Govt	
R12 FINANCIAL SW - MNPS	Accounting Software - Schools	400,000	Central Govt	
ELECTIONS				
VOTING MACHINES - REPLACE	Replacement of Voting Machines	3,000,000	Central Govt	175,000
FARMERS MARKET				
HVAC REPLACEMENT / REPAIRS	HVAC Replacement / Repairs	1,200,000	Neighborhoods	50,000
GENERAL HOSPITAL				
MISC REPAIRS / MAINTENANCE	Maintenance / Repairs / Equipmt	2,400,000	Public Safety	
WATER				
STORMWATER	Stormwater Infrastructure	20,000,000	Infrastructure	
AFFORDABLE HOUSING				
AFFORDABLE HOUSING	Funds for Affordable Housing	25,000,000	Economic Oppty	
TOTAL -- General Government Projects		\$401,096,600		\$3,691,000
CONTINGENCY ACCOUNTS				
GSD CAPITAL CONTINGENCY	Contingency Funds for GSD	\$7,003,400	Central Govt	
MNPS CAPITAL CONTINGENCY	Contingency Funds for MNPS	3,000,000	Central Govt	
GRAND TOTAL		\$411,100,000		\$3,691,000

Metro Nashville and its Budget

FY 2018-2019 CAPITAL SPENDING PLAN				
AGENCY / PROJECT NAME	DESCRIPTION	ALLOCATION	PRIORITY CATEGORY	OPERATING BUDGET IMPACT
FAIRGROUNDS - NASHVILLE				
MISC. IMPROVEMENTS	Facility / Grounds Improvements	\$25,000,000	Economic Oppty	
SPORTS AUTHORITY				
MAJOR LEAGUE SOCCER (MLS)	Infrastructure Improvements	25,000,000	Economic Oppty	
GRAND TOTAL		\$25,000,000		