

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director
Metropolitan Council Office

DATE: **June 16, 2009**

RE: **Analysis Report**

Balances As Of:	<u>6/10/09</u>	<u>6/11/08</u>
<u>GSD 4% RESERVE FUND</u>	* \$5,842,251	\$3,740,451
<u>GENERAL FUND UNDESIGNATED FUND BALANCE</u>		
GSD	\$17,889,167	\$23,429,103
USD	\$13,510,632	\$15,945,572
<u>GENERAL PURPOSE SCHOOL FUND UNRESERVED FUND BALANCE</u>		
	\$41,740,740	\$61,509,540

* Assumes estimated revenues in fiscal year 2009 in the amount of \$1,972,821

– RESOLUTIONS –

RESOLUTION NO. RS2009-743 (FORKUM) – This resolution establishes the certified tax rate of the Metropolitan Government. State law requires that once the county reappraisal program is completed, a tax rate be set that will result in the same amount of revenue that was received in the previous year based on the old assessment values and tax levy, as a government may not realize greater revenue by means of the reappraisal program. The purpose of the reappraisal program is to ensure that property assessments are “equalized” by having all property appraised at the same time. The certified tax rate for the GSD is \$3.54 and \$0.56 for the USD for a total rate in the USD of \$4.10.

RESOLUTION NO. RS2009-744 (FORKUM) – This resolution approves an intergovernmental agreement between the Metropolitan Government and the Metropolitan hospital authority for the Davidson County sheriff’s office to provide security services at the hospital authority facilities. In June 2008, the hospital authority issued a request for proposal for the privatization of its security services. The sheriff’s office expressed interest in providing the security services described in the RFP, since it has provided on-site security for many years at Nashville General Hospital for the inmates receiving medical care at the hospital.

Pursuant to this agreement, the sheriff’s office will oversee the management of the hospital authority’s security services for fiscal year 2009-2010. This will include the assumption of all responsibilities for providing the security services at Nashville General Hospital, the Bordeaux Long-Term Care facility, and the Knowles Home. The contract includes a long list of training that must be provided by the sheriff’s office to its employees providing the security services, including training for prevention/protection, enforcement, emergency procedures, and special equipment training. Further, the sheriff’s office employees must undergo additional annual training.

As compensation for providing the security services, the fiscal year 2010 operating budget proposes to reduce the hospital authority’s annual subsidy an additional \$885,800 on top of the ten percent reduction, and transfer this amount to the sheriff’s office budget. The term of this agreement is from July 1, 2009 through June 30, 2010, but may be terminated by either party upon 120 days written notice.

State law provides that intergovernmental agreements may be approved by resolution of the council.

SUBSTITUTE RESOLUTION NO. RS2009-769 (GOTTO) – This resolution approves a new fee schedule associated with the review and processing of specific plan (SP) district applications by the planning department. The Metropolitan zoning code provides that standardized fee schedules may be established to partially defray the processing and administration costs for zoning applications. Such a fee schedule must be approved by resolution of the council in order to be effective. In June 2007, the council adopted the current fee schedule, which in part increased the application fee for SP zone changes from \$1,600 to \$6,195. Since this change in 2007, Members of Council and property owners alike have complained about the SP fee being an impediment to development.

The planning department has recommended a new SP fee schedule, which breaks these SP applications down into three categories:

1. The fee for a "minor" SP plan application will be \$1,400. This includes an application to reuse an existing building, to obtain preliminary approval of a development plan for which no final plan is required, to allow an auto-related use on property currently zoned CS, to allow two detached dwelling units on one lot, or to allow alternative sign standards.
2. The fee for a "general" SP plan application will be \$1,400 when the applicant is seeking approval of a preliminary development plan. In addition, the initial final site plan application for the SP would be an additional \$1,100.
3. The fee for a "housekeeping" amendment to a SP plan will be \$700.

RESOLUTION NOS. RS2009-802 through RS2009-804 – These three resolutions amend the pay plan for the employees of the Metropolitan Government, with the exception of the board of education, to delay increment raises for one year beginning July 1, 2009, in accordance with the mayor's proposed fiscal year 2010 operating budget. The existing pay plan for Metro employees was approved by the council in June 2005. The pay plan currently provides that during the first five years of employment, incremental raises are to be provided on an annual basis of about 3%. After five years, incremental step raises occur every two years for a maximum of ten incremental steps.

As part of the fiscal year 2008 operating budget, the previous mayor proposed that the pay plan be modified to provide a 2% across-the-board raise for all Metro employees, as was provided in the 2005 plan, but to eliminate the incremental step increases for fiscal year 2008. The substitute budget adopted by the council in June 2007 fully funded the pay plan for 2008 to give the 2% across-the-board raise plus the incremental step increases for eligible employees, as was promised in the 2005 pay plan.

Given the significant reduction in sales taxes and other revenues anticipated for next fiscal year, the mayor has proposed freezing the increment pay increases and longevity pay for one year. In order to implement this proposal, the council must amend the pay plan to delay the increment raises. This will result in a savings to the Metropolitan Government for fiscal year 2010 of approximately \$4.5 million for the increment delay.

These resolutions provide that the increments will be reinstated effective July 1, 2010. The pay plans may not be amended by the council except by making uniform changes by increasing or decreasing the percentage of pay increases, as the relationship between pay grades must remain the same. These resolutions have been approved by the civil service commission or the health board and the mayor.

Resolution No. RS2009-802 (Forkum & Moore) approves the amendment to the pay plan to delay increment step increases for general employees of the Metropolitan Government.

Resolution No. RS2009-803 (Forkum, Bennett & Moore) approves the amendment to the pay plan to delay increment step increases for employees of the fire and police departments.

Resolution No. RS2009-804 (McGuire & Forkum) approves the amendment to the pay plan to delay increment step increases for the board of health.

RESOLUTION NO. RS2009-805 (MOORE & FORKUM) – This resolution repeals the payment of longevity pay for fiscal year 2010. In previous years, longevity pay has been granted to employees with more than five years service in an annual amount ranging from \$110.00 to \$935.00, based upon the total number of years of service. The mayor's proposed fiscal year 2010 budget proposes that longevity pay be postponed for the next fiscal year, which will result in a savings to the general fund of \$3.1 million.

RESOLUTION NO. RS2009-807 (FORKUM) – This resolution appropriates \$15,960,200 in supplemental appropriations from the undesignated fund balance and other sources to various departments to balance their fiscal year 2008-2009 operating budgets.

The amount of \$1,500,300 is to be appropriated from the undesignated fund balance of the general fund of the general services district to the state trial courts as follows:

- \$3,200 to clean up several grant accounts where more expenses were posted than could be reimbursed from the grant funds.
- \$870,900 for drug court administration. Over the past couple of years, the drug court has been operating at a deficit, which has grown to the point that a supplemental appropriation is necessary.
- \$470,000 for general administration of the state trial courts. This is the result of six positions being transferred from the circuit court clerk to the state trial courts without budget authorization. This essentially will have no net effect on the total operating budget, since the circuit court clerk will be able to return this \$470,000 he did not spend to the Metro general fund. However, this technically caused the state trial courts to be over budget, as these positions were not included in their fiscal year 2009 budget.

The amount of \$131,500 is to be appropriated from the undesignated fund balance of the general fund of the general services district to the Nashville career advancement center for some internal service fee adjustments that cannot be recovered.

The amount of \$10,813,900 is to be appropriated from the schools undesignated fund balance to balance the operating budget for the school system. This appropriation is necessary as a result of the sales tax collections being well below budgeted projections.

The amount of \$2,014,500 is to be appropriated to the Metropolitan Nashville public schools from additional state department of education funding to cover the state-required teacher bonuses that were paid earlier this fiscal year.

The amount of \$1,500,000 is appropriated from the state fair undesignated fund balance to cover expenses associated with salaries for state fair employees, temporary services, and advertising/promotion services.

Appropriating these amounts from the undesignated fund balance of the general fund will bring the fund balance further below the five percent minimum policy established by the council. After these appropriations are approved, the undesignated fund balance of the general fund of the general services district is estimated to be 2.2 percent going into fiscal year 2010.

Based upon the projections included in the fiscal year 2009 budget, the school's undesignated fund balance after this supplemental appropriation will be 8.6 percent. However, the schools have proposed using \$12,431,400 to balance their fiscal year 2010 budget, resulting in an estimated balance of 4.9 percent.

RESOLUTION NO. RS2009-811 (CLAIBORNE, TODD & FORKUM) – This resolution authorizes the director of public property administration to exercise an option to purchase property located at 3005 Fernbrook Lane as an expansion of Heartland Park. Metro has an option to purchase this 40-acre tract for \$250,000 from Donelson Church of Christ. The deed will include a restrictive covenant that the property be used as a greenway or open space. Any structure erected on the property must not exceed 5,000 square feet.

The Metro Code allows for the acquisition of property through the exercise of a negotiated option to sell at a fixed price, which is subject to approval of the council by resolution.

This resolution has been approved by the board of parks and recreation and the planning commission.

RESOLUTION NO. RS2009-812 (BENNETT & FORKUM) – This resolution approves a grant in the amount of \$433,305 from the state department of finance and administration to the district attorney to provide services to Hispanic victims of crimes. These funds will be used to provide coordinators to help Hispanic victims navigate the criminal justice system, since such victims often find the system daunting as a result of their language limitations. There is a required local match of \$108,324.

RESOLUTION NO. RS2009-813 (FORKUM & BENNETT) – This resolution approves an application for a grant in the amount of \$145,230 from the state department of finance and administration to the Metropolitan public defender to provide aid to at-risk youth. This grant will fund the salary of an attorney in the public defender's office for two years who will provide assistance to troubled youth, including attendance at school disciplinary meetings, individual education plan meetings, and other meetings pertaining to mental health or social services. This program is modeled after a program in Seattle, Washington.

RESOLUTION NO. RS2009-814 (FORKUM & BENNETT) – This resolution approves an application for an Edward Byrne Memorial Assistance grant in the amount of \$327,382 from the state department of finance and administration. If awarded, these federal pass-through funds will be used to hire three re-entry specialists to work at the sheriff's office correctional facilities. These re-entry specialists will work with offenders who are within 90 to 120 days of release.

RESOLUTION NO. RS2009-815 (GILMORE & FORKUM) – This resolution approves an application for a federal stimulus grant in the amount of \$250,000 from the U.S. department of energy to the general services department for the purpose of reducing fossil fuel emissions and improving energy efficiency. If awarded, these funds will be used to develop an energy efficiency and conservation strategy plan in order to qualify the government for an additional \$6,225,400 grant. The funds will also be used to hire an engineer and conduct an assessment on the Metro Courthouse for energy retrofits and LEED certification.

RESOLUTION NO. RS2009-816 (FORKUM) – This resolution approves an application for a grant in the amount of \$576,000 from the Greater Nashville Regional Council to the Metropolitan social services commission for meal delivery services to eligible senior citizens. These federal pass-through funds will be used to provide home delivered meals to homebound persons, as well as transportation services to the congregate meal sites. Metro social services will be responsible for a local match in the amount of \$45,100.

RESOLUTION NO. RS2009-817 (FORKUM & MCGUIRE) – This resolution approves an amendment to a contract between the Metropolitan board of health and Hands On Nashville to coordinate the training of community volunteers to be used in preparedness activities. Pursuant to this contract, Hands On Nashville is responsible for recruiting and training up to 2,000 volunteers to staff the activation, operation, and de-activation of points-of-dispensing during widespread emergencies such as a flu epidemic or bioterrorism attack. These volunteers will be responsible for performing tasks ranging from setting up dispensing stations to handing out vaccinations. The term of the contract is from the date of approval by the council through July 31, 2010, with a possible extension of three additional one-year terms.

This resolution increases the amount of the compensation for Hands On Nashville from \$40,000 to \$65,000, and increases the number of the volunteer pool.

RESOLUTION NO. RS2009-818 (FORKUM & MCGUIRE) – This resolution approves an amendment to a grant from the U.S. department of health and human services to the Metropolitan board of health to address the AIDS epidemic. These grant funds are used to provide direct financial assistance to clinical and social service providers in Nashville to address the AIDS epidemic. This amendment increases the amount of the grant by \$2,714,812, for a new grant total of \$4,206,311.

RESOLUTION NO. RS2009-819 (FORKUM & MCGUIRE) – This resolution approves a grant in the amount of \$606,400 from the state department of health to the Metro health department to provide TENNderCare outreach services for enrolled children. These funds will be used to pay salaries and indirect costs of health department employees to conduct community outreach activities designed to reach pre-teen, teen, and young adult populations. The term of this grant is from July 1, 2009 through June 30, 2010.

RESOLUTION NO. RS2009-820 (FORKUM & MCGUIRE) – This resolution approves an annual grant in the amount of \$1,398,900 from the state department of health to the Metropolitan health department for tuberculosis (TB) control, outreach and prevention services. These funds will be used to operate the health department's tuberculosis program consisting of direct patient care, the monitoring of existing and suspected TB cases, and operation of the TB clinic. The term of the grant is from July 1, 2009 through June 30, 2010. This grant is made up of \$1,074,477 in state funds and \$324,423 in federal funds. Approximately \$1,200,000 of these funds will be used to pay the salaries and benefits of the health department employees providing these services.

RESOLUTION NO. RS2009-821 (MCGUIRE & FORKUM) – This resolution approves a grant in the amount of \$116,000 from the state department of health to the Metropolitan health department for health promotion services. These federal funds will be used to pay the salaries of the two health department employees that provide various health promotion programs with the goals of reducing health disparities and increasing the quality of life for the citizens of Nashville. The term of the grant is from July 1, 2009, through June 30, 2010.

RESOLUTION NO. RS2009-822 (FORKUM) – This resolution approves a grant in the amount of \$1,806,189 from the state department of labor and workforce development to the Nashville career advancement center (NCAC) to establish programs and deliver services to youth workers. This federal pass-through grant award provides part of the operational funds for the NCAC. The term of the grant is from April 1, 2009 through June 30, 2011.

RESOLUTION NO. RS2009-823 (ADKINS, TOLER & FORKUM) – This resolution approves an amendment to a grant in the amount of \$547,635 from the state emergency management agency to the department of water and sewerage services to acquire and demolish homes located at 5405 and 5409 San Marcos Drive. The federal pass-through grant funds will be used for the acquisition and demolition of the homes, plus the cost of appraisal, legal fees and disconnection of water and sewer. Metro is responsible for a 25% match of \$182,545 to be provided through the stormwater division.

This resolution approves technical amendments to the contract language that do not change the substantive provisions of the contract.

RESOLUTION NO. RS2009-824 (FORKUM & BENNETT) – This resolution approves an application for an Assistance for Firefighters grant in the amount of \$917,432 from the U.S. department of homeland security to the Metropolitan Nashville fire department to purchase equipment and provide training for firefighters. The equipment to be purchased includes monitoring and sampling devices, logistical support equipment for hazmat teams, and various tools. The training will include an incident management course, as well as firefighter safety and survival training. If awarded, there will be a required local match of \$229,358.

RESOLUTION NO. RS2009-825 (FORKUM & BENNETT) – This resolution approves a grant in the amount of \$96,812.76 from the state emergency management agency to the mayor's office of emergency management for reimbursement of public assistance provided to Hurricane Gustav evacuees. This grant reimburses Metro for labor, equipment, materials, medical transport, and emergency room care by General Hospital due to the sheltering of the hurricane evacuees. The term of the grant is from August 27, 2008 through August 26, 2010.

RESOLUTION NO. RS2009-826 (FORKUM & TOLER) – This resolution approves the surcharge for treating ammonia that is placed into our sewer system. The Metro Code provides that the department of water and sewerage services is to set the amount of the ammonia surcharge on an annual basis, based on the actual cost of treatment, subject to approval by resolution of the council receiving twenty-one affirmative votes. The current surcharge is \$37.36 per 100 pounds of ammonia, which was last approved by the council in 2005. The new rate will be \$34.14 per 100 pounds of ammonia. This new rate was recommended by Raftelis Financial Consultants, Inc., based upon their analysis of the cost to Metro water services for providing the service.

RESOLUTION NO. RS2009-827 (FORKUM & TOLER) – This resolution approves a contract between the state department of transportation (TDOT) and the Metropolitan department of public works for the receipt of federal stimulus funds for infrastructure projects in Davidson County. The projects to be funded with the stimulus money under these agreements are as follows:

- o Sidewalks on West End Avenue \$544,006
- o Multi-modal traffic signals \$1,000,000
- o Various intersection improvements \$1,000,000
- o Roadway resurfacing \$7,334,125
- o Signal timing \$1,000,000
- o Tennessee State University greenway \$1,000,000

Ordinance No. BL2002-945 allows such contracts with TDOT to be approved by resolution.

RESOLUTION NO. RS2009-828 (FORKUM & TOLER) – This resolution authorizes the director of public property administration to exercise options to purchase two flood prone properties. This purchase is part of the department of water services' on-going program to purchase flood prone properties using federal grant funds. Metro has acquired options to purchase the following properties for the following amounts:

- 135 Wimpole Drive \$200,000
- 377 Wimpole Drive \$210,000

This resolution has been approved by the planning commission.

RESOLUTION NO. RS2009-829 (FORKUM & TOLER) – This resolution approves an amendment to a contract between the U.S. army corps of engineers and the Metropolitan Government for stabilization and improvements to the Metro Center levee, and for the construction of a greenway. The original contract, which was approved in 2001, provided that the corps of engineers was to stabilize approximately 2.8 miles of the levee, and, in addition, construct a greenway at a total cost of \$7.5 million. Metro's share of the cost was to be \$2,195,080.

Pursuant to this amendment, the corps of engineers further agrees to clear the vegetation from the banks, repair and improve the levee, and construct a new levee on the south side of Interstate 65. The amendment increases Metro's required contribution to \$2,639,067.

RESOLUTION NO. RS2009-830 (FORKUM) – This resolution authorizes the department of law to compromise and settle the personal injury claim of Hoa Duong against the Metropolitan Government for the amount of \$12,000. On January 22, 2008, Ms. Duong was a passenger in a rental car driven by Ha Parks when the vehicle was rear-ended by a public works truck after Ms. Parks stopped to avoid a tire in the road. The accident report states that the public works employee caused the accident.

Ms. Duong was transported to Southern Hills Medical Center complaining of neck and head pain. Her medical bills total \$8,195.49.

The department of law recommends settling this claim for \$12,000, as the Metropolitan Government was clearly at fault. The public works employee involved in the accident received disciplinary action consisting of a two day suspension.

RESOLUTION NO. RS2009-831 (FORKUM) – This resolution authorizes the department of law to compromise and settle the personal injury claims of Yolanda and Ashley Walker against the Metropolitan Government for the amount of \$10,000. On June 29, 2007, Ms. Walker was driving on Whites Creek Pike with her five year old daughter, Ashley, when her vehicle was rear-ended by a Metro police captain causing her to collide with the vehicle in front of her. Ms. Walker and her daughter were transported to the hospital, incurring medical bills of \$3,557.30. In addition, Ms. Walker’s 1994 Buick valued at \$3,500 was a total loss. The accident report states that the police captain contributed to the cause of the accident by following too closely.

The department of law recommends settling this claim for \$10,000, since the plaintiffs would likely receive more if the case went to trial.

RESOLUTION NO. RS2009-832 (LALONDE) – This resolution authorizes American Cellular, Inc. (Verizon Wireless) to install, construct and maintain an aerial awning encroachment over the right-of-way at 2801 West End Avenue. This awning will measure three feet, six inches tall by thirty feet wide. American Cellular has agreed to indemnify the Metropolitan Government from all claims in connection with the construction and maintenance of the sign, and is required to post a \$1 million certificate of public liability insurance with the Metropolitan clerk naming the Metropolitan Government as an insured party. Ordinance No. O87-1890 authorizes aerial encroachments to be approved by resolution rather ordinance.

This resolution has been approved by the planning commission.

– BILLS ON SECOND READING –

ORDINANCE NO. BL2009-442 (RYMAN, BAKER & OTHERS) – This ordinance amends the Metro Code by amending the 2006 National Fire Prevention Association (NFPA) fire code and life safety code, as recommended by the firefighters union. Ordinance No. BL2008-350, which was deferred indefinitely on May 19, 2009, would adopt the 2006 edition of the International Fire Code in place of the National Fire Prevention Association (NFPA) fire code and life safety code. Rather than adopting a new fire code, this ordinance proposes to amend the existing fire code to address some of the concerns that have been raised regarding the current code pertaining to fire-flow requirements and sprinkler retrofitting.

Many of the substantive changes proposed in this ordinance are addressed in the proposed substitute to be offered for Ordinance No. BL2008-350. This ordinance would give bars and nightclubs providing live music with an occupancy load of more than 100 persons until June 1, 2012 to retrofit for sprinklers. The proposed substitute for Ordinance No. BL2008-350 would give such establishments with an occupancy load of more than 200 until September 30, 2012. The high rise provisions are essentially the same as are included in the proposed substitute for BL2008-350, requiring those high rises that have yet to come into compliance with the sprinkler retrofit requirement to have until September 30, 2012 to install the sprinklers if they have a fire watch in place and are equipped with a standpipe and hose system. The ordinance also includes similar provisions pertaining to the exception from the fire-flow requirements for new homes constructed on infill lots, provided such homes are within 500 feet of a fire hydrant that flows at least 750 gallons per minute (or have a secondary hydrant within 1,000 feet if the first hydrant pumps less than 750 gallons per minute).

ORDINANCE NO. BL2009-459 (BENNETT) – This ordinance amends the Metropolitan beer code to add the state law requirements under the Responsible Vendor Act of 2006. The state legislature adopted the Responsible Vendor Act with the purpose of reducing the off-premises sale of beer to persons under the age of twenty-one, to encourage vendors to be prudent in their selling practices of beer, and to reduce the sanctions that may be imposed in administrative proceedings by local beer boards against those vendors who voluntarily comply with responsible practices. The state law allows vendors to become certified by the state alcoholic beverage commission as “responsible vendors” in order to obtain favorable treatment when faced with a first offense related to the sale of beer to minors. In order to become certified, the vendor must require all clerks to successfully complete a responsible vendor training program within 61 days of being hired. The vendor must also provide instruction to its employees regarding methods for dealing with underage customers and procedures for refusing to sell to minors.

Once a vendor has been certified by the state as a responsible vendor, the beer board would be limited to assessing a penalty of \$1,000 for a first offense charge of selling to a minor, and would be unable to suspend or revoke the license for the first offense. Suspension or revocation would be an option if a business certified as a responsible vendor has one or more such offenses within a twelve month period. Those vendors that do not participate in the responsible vendor program could be fined up to \$2,500 for a first offense, or have their beer permit suspended or revoked. The state must be notified whenever the beer board takes disciplinary action against a responsible vendor.

This ordinance modifies the Metro beer code to essentially bring the code up to date in light of the Responsible Vendor Act, and to clarify the penalties that can be assessed.

There is a housekeeping ordinance that should be adopted for this ordinance.

ORDINANCE NO. BL2009-467 (CRAFTON) – This ordinance amends the Metropolitan Code of Laws to require that all new employees of the Metropolitan Government be residents of Davidson County. For many years, the Metro Code required that all employees be residents of the area of Metropolitan Government. However, the council repealed that requirement in 1994 and replaced the residency requirement with one that required employees to be residents of the State of Tennessee only.

This ordinance would require all Metropolitan Government employees hired after the effective date of this ordinance to live within the area of the Metropolitan Government. New employees that do not live within the county at the time they are hired would have 90 days in which to relocate to Davidson County. Existing employees living outside of Davidson County would be grandfathered in. As of May 20, 2009, there were 3,285 Metro employees living outside of Davidson County, excluding the board of education employees.

The United States Supreme Court has ruled that it is constitutional to require that employees of local governments be residents of the jurisdiction of the government, provided that such residency requirement is uniformly applied to similarly situated employees.

ORDINANCE NO. BL2009-468 (MOORE) – This ordinance abandons an unnumbered alley from W. Argyle Avenue northeasterly to Alley No. 658. According to the application to close the alley filed by Delia Seigenthaler, this alley is currently not being maintained by Metro and is frequented by drug users. The Metropolitan Government will retain all easements. Signatures of the affected property owners consenting to the alley closure are on file with the department of public works. This ordinance has been approved by the planning commission and the traffic and parking commission.

ORDINANCE NOS. BL2009-469 (JAMESON) – This ordinance abandons a portion of North Second Street from Howerton Avenue northwestward to the dead end. This closure has been requested by Elm Hill Development Corporation. This section of right-way is no longer needed for government purposes. The ordinance does retain all Metro easements. This ordinance has been approved by the planning commission and the traffic and parking commission.

– BILLS ON THIRD READING –

ORDINANCE NO. BL2009-456 (FORKUM) – This ordinance is the operating budget of the Metropolitan Government for the Fiscal Year 2009-2010. The budget filed by the mayor provides for the following proposed funding:

• General Fund of the General Services District	\$ 664,769,300
• Schools Fund of the General Services District	620,762,100
• Schools Debt Service Fund	54,900,500
• Debt Service – General Services District	<u>84,946,800</u>
TOTAL GENERAL SERVICES DISTRICT BUDGET	\$1,425,378,700
• General Fund of the Urban Services District	\$ 102,964,000
• Debt Service – Urban Services District	<u>13,820,000</u>
TOTAL URBAN SERVICES DISTRICT BUDGET	\$ 116,784,000
TOTAL OPERATING BUDGET	\$1,542,162,700

The substitute budget adopted by the council for the current fiscal year is \$1,570,199,400. The mayor's proposed budget is an overall decrease of \$28,036,700 (-1.8%). The GSD general fund provides the funding for the majority of the general government operations.

No increase in the GSD general fund nor the USD general fund property tax rate has been proposed by the mayor. The companion ordinance that will specify the tax levy for FY 2009-2010 will reflect the reduction in the tax rates due to the reappraisals that were completed this year.

The amount of \$35,996,400 is appropriated from the total GSD unappropriated fund balance, compared to a total of \$31,394,900 in the current year's budget. This consists of an appropriation from the unappropriated fund balance in the amount of \$12,431,400 from the schools fund and \$23,565,000 from the schools debt service fund. No funds are appropriated for use from the unappropriated fund balance of the GSD general fund nor from the USD fund balance, as was the case in the current year's budget.

Resolution R89-959 established a policy that the GSD General Fund, the USD General Fund, and the General Purpose School Fund maintain a fund balance equal or greater than 5% of the budget. This policy was expanded per OMB Policy #8 on July 1, 2006 to include the three primary budgetary debt funds in addition to these operation funds. The mayor's proposed budget is projected to result in the following fund balance percentages by June 30, 2010:

• General Fund of the General Services District	2.2%
• Debt Service – General Services District	0.5%
• Schools Fund of the General Services District	4.9%
• Schools Debt Service Fund	25.4%
• General Fund of the Urban Services District	10.4%
• Debt Service – Urban Services District	17.2%

The proposed budget does not fund any pay increases for Metro employees, except for the funding of incremental step raises that were given during the current year for employees who do not fall within

open range classifications. The budget includes \$503,500 in the GSD General Fund and \$13,800 in the USD General Fund for these incremental increases. In order to freeze the incremental step raises for the next fiscal year as proposed in the mayor's budget, the council must adopt Resolution Nos. RS2009-802 through RS2009-804. In addition, the mayor's budget also proposes to freeze longevity pay for the next fiscal year, which is the subject matter of Resolution No. RS2009-805.

The budget provides that \$2,150,000 of the appropriations is contingent upon increases in parking meter rates to be approved by the traffic and parking commission.

One of the most substantive changes initiated in the substitute FY2008-2009 budget was the elimination of certain "internal service fees". The remaining internal service fund functions are proposed to be continued in the budget for FY2009-1010. These remaining internal service fund functions are as follows:

- Information Technology Services
- Fleet Management
- Facilities Maintenance
- Radio Shop
- Postal
- Surplus Property (e-Bid)

Another important change in the substitute budget for FY2008-2009 was a new system for appropriating most grants to non-profit organizations, known as community enhancement grants. The proposed budget for FY2009-2010 would also provide funding to be awarded to those agencies that best meet the priorities of the city, but would provide ten percent less funding than the FY2008-2009 budget. The three community enhancement grant categories and the corresponding proposed funding are as follows:

- Domestic violence agencies \$675,000
- Education and afterschool care \$675,000
- Miscellaneous community agencies \$450,000

The budget includes reductions averaging approximately 10% for many of the general fund departments, with a few exceptions. The reductions for the police department and fire department are 0.88% and 1.84%, respectively. The overall budget reductions were originally projected to result in the elimination of as many as 125 filled positions, but the final number is still to be determined.

All travel, tuition, and registration budgets are being eliminated from departmental budgets. A new appropriation of \$350,000 is being added as an administrative appropriation to pay for essential travel that may occur during the year. All travel would be required to be approved by the finance director's office to access these funds. The net effect expected by this travel reduction is \$800,000 in the GSD.

With the passage of the new stormwater fees which go into effect on July 1, 2009, the budget provides for an increase in the stormwater funding from \$11,435,100 in FY2008-2009 to \$14,827,700 in FY2009-2010.

This budget includes a subsidy of \$41,690,700 for the hospital authority. This is a reduction of \$4,730,700 from the subsidy for the current fiscal year. In addition, \$885,800 for hospital security costs is being transferred to the sheriff's office. Also, the budget proposes to forgive the current balance of approximately \$32 million that the hospital authority owes from previous lines of credit.

This will result in a direct savings to the authority of the interest payments for this amount in addition to the principal amount being forgiven.

There are several appropriations from the hotel occupancy tax that are included in the proposed budget. These appropriations are as follows:

• Adventure Science Center	\$200,000
• Arts Commission	\$100,000
• Convention Center	\$631,900
• Country Music Hall of Fame and Museum	\$150,000
• Farmers Market	\$119,700
• Historical Commission Conference	\$25,000
• Metropolitan Transit Authority (MTA)	\$1,400,000
• Municipal Auditorium	\$668,400
• Nashville Convention And Visitors Bureau	\$425,100
• Nashville Sports Council	\$100,000
• Opryland Tourist Development Zone	\$399,600
• Partnership 2010	\$300,000
• Police – Special Events Overtime	\$850,000
• Regional Transit Authority (RTA)	\$1,164,900
• Sister Cities	\$40,000
• Sommet Center	\$7,351,500

In addition to the hotel occupancy tax appropriation, there is a proposed increase of \$2.3 million for MTA resulting in a general fund subsidy of \$17,512,600.

The proposed budget for the Schools General Purpose Fund is \$620,762,100, which is the same as the current year's budget. There is also a separate line in the ordinance appropriating \$648,700 for administrative support for Metro schools, down from \$750,300 in the current budget. \$12,431,400 of the proposed increase in the Schools General Purpose Fund budget would come from their unappropriated fund balance. Even with this appropriation, the reserve fund is projected to have a balance of \$30,309,300 at the end of FY2009-2010, or 4.9% of the operational budget. According to state law, this balance must remain above 3%.

The budget ordinance is amendable on third reading.

ORDINANCE NO. BL2009-457 (FORKUM) – This ordinance adopts the property tax levy for the fiscal year 2009-2010. The Metropolitan Charter requires that the council's next order of business upon adopting the annual operating budget is to adopt a tax levy that fully funds the operating budget. The property tax proposed by the mayor is \$3.54 per \$100 assessed value in the general services district (GSD) and an additional \$0.56 per \$100 assessed value in the urban services district (USD), for a total tax of \$4.10 in the USD. This is a reduction of \$0.50 in the GSD rate and a reduction of \$0.09 in the USD rate as a result of county-wide property reappraisal mandated by the state. State law prohibits local governments from realizing greater revenue by means of the reappraisal program.

Resolution No. RS2009-743 establishes these rates as the certified tax rate of the Metropolitan Government.

ORDINANCE NO. BL2009-458 (FORKUM) – This ordinance amends the Metropolitan code to give the sheriff’s office the authority to provide security services at hospital authority facilities. The Charter provides that the sheriff has the duties prescribed by general law, except for law enforcement responsibilities. The Metro Code currently provides that the sheriff’s only duties are the custody and control of the Metropolitan jail and workhouse.

The sheriff and the hospital authority have reached an agreement, which is the subject matter of Resolution No. RS2009-744, whereby the sheriff’s office will provide all of the security services at the hospital authority’s three facilities. In order to allow for the implementation of this agreement, the Code needs to be amended to expand the duties of the sheriff to include these hospital security services.

ORDINANCE NO. BL2009-460 (BENNETT) – This ordinance amends the animal provisions of the Metropolitan Code to establish an animal offender school. This school, which would be similar to the traffic school and DUI school currently in existence, would be operated under the supervision of the animal control division of the department of health. This ordinance would give the environmental court the discretion to order a person found to be in violation of any ordinance pertaining to animals to attend the animal offender school in addition to, or in lieu of, any monetary fine. The purpose of the school would be to provide education about proper animal care and cruelty prevention. Persons ordered to attend the school would be responsible for paying a fee up to sixty-five dollars, which would be used to cover the expenses of the school. The health department has stated that the cost of providing the class would be approximately sixty dollars per attendee.