

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director
Metropolitan Council Office

DATE: **June 14, 2010**

RE: **REVISED Analysis Report For Proposed
Substitute Operating Budget**

Proposed Substitute Budget

The Chair of the Budget and Finance Committee will propose a substitute budget that provides for some changes in appropriations, but no change is being made in the GSD or USD property tax rates.

The substitute budget essentially restores funding for three departmental budgets based on discussions that occurred during the budget hearings. First, the substitute would increase the appropriation for the Election Commission by \$96,500 to provide funding for early voting sites. Second, \$75,500 is being appropriated to the Juvenile Court to restore the diversion/mediation program. This will enable the juvenile court to mediate 300 cases this year that otherwise would require formal court resolution. Finally, the substitute budgets provides an additional \$60,000 to the State Trial Courts to restore jury lunches and parking.

In order to fund these improvements, the substitute budget provides for the following reductions to four contingency accounts in the GSD General Fund for a total reduction of \$232,000:

- \$50,000 – Contingency Local Match (GSD)
- \$50,000 – Contingency Account (GSD)
- \$71,500 – Contingency Utility Expense (GSD)
- \$60,500 – ADM Travel (GSD)

The substitute budget also shifts \$50,000 from the generic USD contingency account to the USD contingency for utilities to help offset the utility reduction.

Another key provision in the substitute is to enable \$5,000,000 of the hospital authority subsidy to be allocated for the purpose of drawing down additional federal funding. This does not increase the total amount of the hospital authority subsidy, but makes a portion of the subsidy eligible for use as matching funds.

Language is being added to the substitute budget ordinance to authorize the carrying forward of \$270,000 by Public Works for the purchase of salt. A supplemental appropriation was given to Public Works per Resolution No. RS2010-1183, but this purchase was not able to be completed before the end of FY10 as a result of the flood. Authorization is also being given to the Office of Internal Audit to carry forward the required funding from their FY10 budget to complete any audits that were begun, but not yet completed, during this fiscal year.

The substitute budget also includes provisions regarding flood relief. The budget will authorize the convention visitors bureau to spend up to \$250,000 of its fund balance to assist with the relocation of conventions from Opryland Hotel to downtown Nashville. The budget will also include language authorizing the expenditure of funds for flood relief that are to be reimbursed by FEMA, the state and/or insurance proceeds. All state and FEMA grants will be submitted to the council for approval once the funds are awarded. In addition, the finance director will be required to provide a monthly report to the council detailing the flood recovery expenditures and the amount of reimbursements received.

Finally, the substitute budget makes a couple of other housekeeping accounting transfers from fund balances, which have no impact on the Metropolitan Government general fund.

The budget ordinance is amendable on third reading. Pursuant to Council Rules, no amendment to the budget may be offered unless it has been submitted to the Budget & Finance Committee for a recommendation. The Budget & Finance Committee will meet at 4:00 p.m. on Monday, June 14th to consider the substitute budget. The full council will consider the substitute at the regular council meeting on June 15th.