

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director
Metropolitan Council Office

DATE: **October 2, 2012**

RE: **Analysis Report**

Balances As Of:	<u>9/26/12</u>	<u>9/29/11</u>
<u>GSD 4% RESERVE FUND</u>	*\$28,866,746	Unavailable
 <u>GENERAL FUND UNDESIGNATED FUND BALANCE</u>		
GSD	Unavailable	Unavailable
USD	Unavailable	Unavailable
 <u>GENERAL PURPOSE SCHOOL FUND UNRESERVED FUND BALANCE</u>		
	Unavailable	Unavailable

*** Assumes estimated revenues in fiscal year 2012 in the amount of \$25,514,400**

– BILLS ON PUBLIC HEARING –

ORDINANCE NO. BL2012-249 (A. DAVIS & WESTERHOLM) – This ordinance amends the zoning code to add “nano brewery” as a use permitted with conditions in the mixed-use and commercial zoning districts. Prior to 2008, the zoning code considered the manufacturing of alcoholic beverages to be a “medium manufacturing” use, which is only permitted in the industrial zoning districts. In September 2008, the zoning code was amended to create a new use called “microbrewery” to be permitted by right in the downtown, IR (industrial restrictive) and IG (industrial general) zoning districts. The code defines “microbrewery” as the production of beer in quantities not to exceed 5,000 barrels per month. The zoning code was subsequently amended to also allow microbreweries in the downtown area and the IWD (industrial warehouse/distribution) zoning district.

Several smaller craft breweries, known as “nano breweries”, that brew less beer than the standard microbrewery have expressed interest in locating in certain commercial and mixed-use areas of the city, as opposed to the downtown or industrial areas. This ordinance would allow breweries producing less than 1,250 barrels per month to be located in the mixed-use and commercial (CL and CS) districts if the following conditions are satisfied:

1. No outdoor storage.
2. All beer production activities must be within completely enclosed structures.
3. Loading docks cannot be oriented toward the street or toward property zoned R, RS, RM, OR, MUN, or MUN-A. Where these districts abut all sides of the nano brewery, the loading dock must be screened by a solid wall or opaque fence.
4. Service doors facing a public street or a zoning district permitting residential use must also be screened by a solid wall or opaque fence.
5. All by-products or waste from the production of the beer must be disposed of off-site.

This ordinance has been referred to the planning commission.

– RESOLUTIONS –

RESOLUTION NO. RS2012-429 (MATTHEWS & DOWELL) – This resolution approves a line of credit arrangement between the sports authority and First Tennessee Bank (“the bank”) for capital improvements to the Bridgestone arena, approves a loan agreement between Metro and the sports authority, and authorizes Metro to enter into a subordination agreement with the bank. This loan was contemplated at the time the sports authority approved a renegotiated contract with the Predators in June 2012.

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RESOLUTION NO. RS2012-429 (continued)

A summary of the agreements to be approved by this resolution is as follows:

I. Revolving Credit Note and Loan Agreement between Sports Authority and Bank

The revolving credit note makes a maximum \$10 million line of credit available to the sports authority to be used for capital projects at the arena. The line of credit will be repaid using proceeds from the \$2 ticket tax on arena events, and will also be secured by the early termination fee that would be paid to the sports authority in the event the Predators left Nashville. The ticket tax is estimated to generate approximately \$2 million per year, assuming the National Hockey League lockout is resolved. The amount of the early termination fee pursuant to the revised arena use agreement would be \$10 million plus 50% of the outstanding capital improvement debt.

Prior to any drawdown, both the sports authority and the finance director must approve the capital improvement need. The termination date of the loan is September 30, 2017, but may be extended by agreement with 60 days prior written notice. The interest rate on the note will be a variable rate using an index based upon the London Interbank Offered Rate (LIBOR), which on September 24 would have resulted in an interest rate of 3.27%. In the event of a default on the note, the entire unpaid principal and accrued interest would be due and payable immediately at the bank's option.

The amount of the credit immediately available has been reduced to \$3 million as a result of the NHL player lockout. The \$3 million maximum will remain if the NHL collective bargaining agreement is not renewed or extended. If the lockout is resolved, the bank would make \$7.5 million available for the remainder of this year, increasing to \$10 million next year. The sports authority must pay a \$40,000 "commitment fee" at closing, as well as cover the bank's attorney fees and expenses incurred in connection with the preparation of the loan documents and enforcement of the agreement. The agreement stipulates that the bank's attorney fees for preparing the loan documents and the attorney's closing fees are not to exceed \$22,500.

Approximately \$2.5 million of the initial \$3 million installment will be used to reimburse the Predators for capital improvements they made to the Metro-owned arena since fiscal year 2008. A list of these improvements is attached to this analysis.

The sports authority is warranting in the agreement that there has been no material adverse change in circumstances since June 30, 2012, which would include a failure to renew the NHL collective bargaining agreement. Given the current lockout situation, this provision should be amended, as the lockout would otherwise constitute a default by the sports authority.

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RESOLUTION NO. RS2012-429 (continued)

II. Loan Agreement and Promissory Note between Metro and Sports Authority

Metro is committing to loaning \$2 million to the sports authority to be used to repay the bank loan in the event the ticket tax proceeds are not sufficient to pay off the loan. In the event of a default situation requiring Metro to pay the money, Metro would be repaid from future ticket tax revenues after the sports authority's obligation to the bank is paid. This interest rate on this loan will be the same as the interest rate on the revolving line of credit with the bank.

III. Subordination Agreement

This agreement spells out that the \$2 million Metro loan is intended to be drawn down by the sports authority only in the event of a default. Metro agrees that the Metro loan will be subordinate to the bank's loan, meaning the bank will get paid before Metro is repaid.

RESOLUTION NOS. RS2012-430 through RS2012-433 (A. DAVIS) – These four resolutions confirm the reappointment of members to serve on the board of directors for the convention center authority. State law provides that the convention center authority is to be governed by a board of directors of not less than seven registered voters of the municipality to serve staggered terms. The directors are to serve without compensation, and cannot be an elected official or employee of the municipality. Such directors are appointed by the mayor and confirmed by a resolution adopted by the council. The board is to be composed of members who are diverse in professional and educational background, ethnicity, race, gender, and area of residency within the municipality. At least one of the directors must be female and at least one must be a minority.

RS2012-430 confirms the reappointment of Francis Guess for a term expiring September 30, 2016.

RS2012-431 confirms the reappointment of William Simmons for a term expiring September 30, 2016.

RS2012-432 confirms the reappointment of Mona Warren for a term expiring September 30, 2016.

RS2012-433 confirms the reappointment of Leo Waters, Vonda McDaniel, and William McDonald. The council approved the reappointment of these three members in 2011 at the recommendation of the rules-confirmations-public elections committee, but they were not submitted in the form of a resolution. This resolution ratifies the council's prior action and extends the term through September 20, 2015.

RESOLUTION NO. RS2012-434 (MOORE & MATTHEWS) – This resolution approves an application for a grant in the amount of \$25,000 from Bloomberg Philanthropies to the mayor’s office for home energy retrofits in the Chestnut Hill community. If awarded, these funds will be used to partner with Hands On Nashville, Village Fund, LetterLogic, Urban Land Institute, and Vanderbilt University to retrofit 26 homes. The project will rely on volunteer labor to assist with the retrofits. There would be a required in-kind match of \$15,000 to be provided through mayor’s office staffing.

RESOLUTION NO. RS2012-435 (BENNETT & MATTHEWS) – This resolution approves a grant in the amount of \$67,000 from the Tennessee administrative office of the courts to the state trial courts for interpreter services for indigent defendants with limited English proficiency. The interpreter services to be provided through this grant will only be available to those indigent defendants involved in a legal proceeding in which they have a constitutional or statutory right to appointed counsel. The term of the grant is from July 1, 2012 through June 30, 2013.

RESOLUTION NO. RS2012-436 (MATTHEWS) – This resolution approves an application for a grant in the amount of \$19,256 from the March of Dimes Birth Defects Foundation to the metropolitan community education commission to offer perinatal care classes. The community education commission is seeking funding to provide a total of six classes on perinatal care. Each class is to have a maximum of 20 participants.

RESOLUTION NO. RS2012-437 (MATTHEWS) – This resolution approves an annual grant in the amount of \$178,600 from the state department of transportation to the Davidson County sheriff’s office for litter and trash pick-up along roads and highways, and litter prevention education. These grant funds will be used to fund a program that has been in place for nineteen years that uses misdemeanor offenders under the custody of the sheriff’s office to pick up roadside litter. The grant budget provides that \$53,500 of the funds will be used for litter prevention and recycling education programs. The term of the grant is from July 1, 2012 through June 30, 2013.

RESOLUTION NO. RS2012-438 (MOORE & MATTHEWS) – This resolution approves an application for a grant in the amount of \$43,000 from the Tennessee Civil War National Heritage Area to the Metropolitan historical commission to complete a historic structure report for Fort Negley. This study is needed to serve as a guide for making prioritized repairs and stabilization to Fort Negley. If awarded, there will be a required local cash match of \$40,000 and an in-kind match of \$3,000.

RESOLUTION NO. RS2012-439 (MATTHEWS & CLAIBORNE) – This resolution approves an application for a grant in the amount of \$58,000 from the state historical commission to the Metro historical commission to revise and improve the local design review process. These funds would be used to revise design guidelines, conduct a historic review survey, scan archived photographs, and purchase equipment. There would be a required local in-kind match of \$39,500.

RESOLUTION NO. RS2012-440 (MATTHEWS & CLAIBORNE) – This resolution approves an application for a grant in the amount of \$19,000 from the Tennessee Civil War National Heritage Area to the Metropolitan historical commission to research, design, and print 250,000 brochures that tell Nashville's Civil War story through the eyes of ten people that lived in Nashville during the war. The historical commission plans to partner with the Metro parks department, Davidson County Historian, the Nashville Convention and Visitors Bureau, Travellers Rest Mansion, Belle Meade Mansion, Belmont Mansion, Inc., Battle of Nashville Preservation Society, Trevecca University, University of the South, Lipscomb University, Fisk University, Tennessee State Museum, and the Land Trust for Tennessee for this project. The project partners have agreed to provide a cash match totaling \$7,500, with an in-kind match of \$13,600 to be provided by the historical commission. These funds are made available through the National Park Service.

RESOLUTION NO. RS2012-441 (GILMORE & WESTERHOLM) – This resolution approves an amendment to an agreement between the state department of transportation and the Metropolitan department of public works for improvements to Korean Veterans Boulevard (formerly Gateway Boulevard). The project consists of the widening of Korean Veterans Boulevard from two lanes to six lanes between 4th and 8th Avenues. The project also includes the construction of a median, sidewalks, and bike lanes. TDOT is providing \$14,206,010 in federal pass-through funds, which represents 80% of the project. Metro is responsible for the remaining 20% (\$3,551,503) to be provided through general obligation bond funds allocated for road construction.

This resolution approves an extension of the completion date for the project from October 1, 2012 to October 1, 2017.

RESOLUTION NO. RS2012-442 (MATTHEWS) – This resolution authorizes the department of law to compromise and settle the personal injury claim of Latonya Davidson against the Metropolitan Government in the amount of \$15,000. On October 10, 2011, a Metro water services employee accidentally took his foot off the brake while stopped at a traffic light on Rosa L. Parks Boulevard when he reached for something in the truck. The Metro vehicle struck the rear of Ms. Davidson's vehicle causing soft tissue injuries to her neck and back. Ms. Davidson incurred medical expenses totaling \$6,062.75. The \$1,800 in damage to her vehicle has already been paid by Metro. The department of law recommends settling this claim for the amount of the medical bills plus \$8,937.25 for pain and suffering to be paid out of the self-insured liability fund.

No disciplinary action was taken against the Metro employee that caused the accident.

RESOLUTION NO. RS2012-443 (MATTHEWS) – This resolution authorizes the department of law to compromise and settle the personal injury claim of Sonja West against the Metropolitan Government in the amount of \$22,500. On August 16, 2011, a Metro police officer exited I-65 onto Rosa L. Parks Boulevard when he struck the rear of Ms. West’s vehicle resulting in personal injuries to her. Ms. West incurred medical expenses totaling \$9,457.30. The department of law recommends settling this claim for the amount of the medical bills plus \$13,042.70 for pain and suffering to be paid out of the self-insured liability fund.

The police officer that caused the accident received disciplinary action consisting of a one day suspension.

RESOLUTION NO. RS2012-444 (MATTHEWS) – This resolution authorizes the department of law to compromise and settle the property damage claim of Wolf Tree, Inc. against the Metropolitan Government in the amount of \$83,000. On February 8, 2012, a Metro water services truck ran a stop sign on Tennessee Avenue and struck the side of a 2004 International Forestry truck owned by Wolf Tree, Inc., causing the truck to hit a NES pole. Both the truck and the elevator aerial unit on the back of truck were totaled. Wolf Tree’s property damage expenses resulting from the accident total \$84,186. The department of law recommends settling this claim for \$83,000 to be paid out of the self-insured liability fund.

The Metro employee that caused the accident received disciplinary action consisting of a two day suspension, and was required to retake a driving course.

RESOLUTION NO. RS2012-445 (LANGSTER) – This resolution authorizes HCA Health Services of Tennessee to install, construct, and maintain three directional signs projecting over the right-of-way on 23rd Avenue North and 21st Avenue North for Centennial Medical Center. The applicant has agreed to indemnify the Metropolitan Government from all claims in connection with the construction and maintenance of these signs, and is required to post a certificate of public liability insurance with the Metropolitan clerk naming the Metropolitan Government as an insured party. This resolution has been approved by the planning commission.

RESOLUTION NO. RS2012-446 (GILMORE) – This resolution authorizes Rodizio Grill Nashville Order and Progress, LLC to install, construct, and maintain a sign over the public right-of-way at 166 Second Avenue North for Rodizio Grill. The sign would measure 6’4” x 7’ in size, at a height of 17’9’ above the sidewalk. The applicant has agreed to indemnify the Metropolitan Government from all claims in connection with the construction and maintenance of this sign, and is required to post a certificate of public liability insurance with the Metropolitan clerk naming the Metropolitan Government as an insured party. This resolution has been approved by the planning commission.

– BILLS ON SECOND READING –

ORDINANCE NO. BL2012-250 (GARRETT, BENNETT & OTHERS) – This ordinance, as amended, amends the Metropolitan Code to provide for the care of retired law enforcement animals. The police department currently uses dogs for the K-9 unit and horses for the mounted patrol unit to assist officers in the performance of their duties. In 2002, the council enacted an ordinance allowing the chief of police to donate horses and dogs deemed unfit for use by the Metropolitan Government and not suited for sale to the public “to other law enforcement agencies able to care for and use these animals and/or to not-for-profit organizations or individuals willing and able to care for and control these animals.” A dog is often donated to the officer that partnered with the dog once the dog is no longer fit for service. The police department has continued to cover the veterinary expenses for these dogs after they are donated, but this policy is not set forth in the Metro code.

This ordinance provides that it is the policy of the Metropolitan Government that former police department K-9 unit dogs and mounted patrol horses be adequately cared and provided for following their service to the Metropolitan Government. The police department would be responsible for covering the veterinary and shoeing expenses up to \$2,500 per year per animal for current and future “retired” police dogs and horses. Former K-9 unit dogs would be allowed to temporarily board at the police department’s canine facility at no cost to the active or retired police officer to whom the dog has been donated, provided notice is given to the facility at least 48 hours prior to the dog being boarded and adequate space is available at the facility. The division commander would have the authority to deny a boarding request for any dog with a contagious disease or a dog that is deemed by the division commander to be disruptive to the other dogs at the facility.

The ordinance also provides that the police department would be responsible for providing food for every former police dog or horse in the custody and control of an active or retired police officer at such officer’s request for the life of the animal. All persons, organizations, or agencies accepting a donated animal from the police department must sign a general release form prepared by the department of law releasing the Metropolitan Government from any liability for the future actions of the animal and indemnifying the Metropolitan Government. Such a release form is currently being used by the police department.

Finally, the ordinance gives the officer that last worked with the animal at the time it is retired the right of first refusal to accept the animal. If the officer declines, the animal is to be offered to the person that donated the animal to Metro, if any, before the animal is given to someone else.

ORDINANCE NOS. BL2012-253 through BL2012-255 – These three ordinances abandon sections of right-of-way no longer needed by the Metropolitan Government. These ordinances have been approved by the planning commission and traffic and parking commission. Consent of the affected property owners is included as an attachment to the ordinances.

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ORDINANCE NOS. BL2012-253 through BL2012-255 (continued)

Ordinance No. BL2012-253 (Blalock) abandons a triangular portion of Cherrywood Drive right-of-way adjacent to property located 476 McMurray Drive. This closure has been requested by St. Mina Coptic Church to make room for expansion. The ordinance retains all existing utility easements.

Ordinance No. BL2012-254 (Bennett) abandons a portion of Saunders Court from Saunders Avenue southeastward to its terminus. This closure has been requested by Barge, Waggoner, Sumner and Cannon to facilitate a consolidation of lots. The ordinance retains all existing utility easements.

Ordinance No. BL2012-255 (Gilmore) abandons a 613-foot strip of Franklin Street right-of-way adjacent to 400 Fifth Avenue South. This closure has been requested by Barge, Waggoner, Sumner and Cannon. All easements are being retained.

ORDINANCE NO. BL2012-256 (BEDNE, GILMORE & MATTHEWS) – This ordinance authorizes the exchange of a Metro right-of-way easement for property on Culbertson Road next to Mill Creek for use by the department of parks and recreation. Sugar Valley G.P. and SAF Properties own 16.2-acres of property that they are interested in transferring to Metro in exchange for a 0.05-acre right-of-way easement to be used as part of the proposed extension of Blake Drive.

This property exchange has been approved by the parks board and the planning commission. Future amendments to this ordinance may be approved by resolution.

ORDINANCE NO. BL2012-257 (MATTHEWS & JERNIGAN) – This ordinance amends the stormwater provisions in the Metro code to allow existing commercial or industrial facilities within the floodway of the Cumberland River to be modified or enlarged. In December 2010, the council enacted an ordinance to prohibit development from having an adverse impact as it relates to flooding, which included a prohibition on the construction of any new structure within the floodway. A structure that is already located in the floodway may be repaired in the event of a casualty loss up to fifty percent of the appraised value of the property.

The code was subsequently amended to give the stormwater division of Metro water services the ability to allow the construction of certain types of structures within the floodway as long as the structure is designed and constructed so as to have no adverse impact on other properties along the same waterway and will not result in a rise in flood elevation. The structures for which a variance may be granted include surface parking lots, temporary structures less than 100 square feet in size that are not used as a dwelling unit, athletic facilities, water-related features (such as bridges, wharfs, docks, and boat ramps), and water/sewer infrastructure.

This ordinance would allow an existing building or structure located within the floodway of the Cumberland River to be modified or enlarged so long as such building or structure was in active commercial or industrial use as of July 1, 2012, and modification of the building would have no adverse impact on downstream properties. The MWS stormwater division will have the authority to determine whether a proposed structure will have an adverse impact or not, which decision may be appealed to the stormwater management committee.

ORDINANCE NO. BL2012-258 (GILMORE & POTTS) – This ordinance abandons approximately 265 feet of existing 10-inch sewer line and 135 feet of 12-inch sewer line, and authorizes the acquisition of an easement for 307 feet of a new 12-inch sewer line for property located at 615 Nestor Street needed for a Metro water services project. This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2012-259 (JERNIGAN & POTTS) – This ordinance abandons a Metro water services pumping station and the associated easement located at 801 Stoner Mill Lane. This pumping station is no longer being used by Metro water services. The abandonment has been requested by the property owner. This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2012-260 (JERNIGAN, MATTHEWS & POTTS) – This ordinance authorizes the acquisition of utility easements for properties located at 3009 Darrington Road and Chandler Road, unnumbered. These easements are needed to construct a 6-inch water line as a result of the Hidden Hills Reservoir being taken out of service. The estimated total cost for these easement acquisitions is \$20,000, which is to be paid from the water and sewer extension and replacement fund. The acquisition of additional easements for this same project may be approved by resolution.

This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2012-261 (EVANS, WEINER & GILMORE) – This ordinance amends or deletes a number of outdated code provisions that are either no longer enforced or are not consistent with current laws and practices. The idea behind this ordinance is to acknowledge the fiftieth anniversary of Metro by drawing attention to some of these anachronistic code provisions. The ordinance would make the following modifications to the code:

- Clean up some outdated language pertaining to the Metro jail and workhouse to clarify that the sheriff determines the personnel needs of the jail. The ordinance also deletes provisions pertaining to the refusal of prisoners to work, which are not consistent with state law.
- Re-writes the “school mothers’ patrol” ordinance. First, it reflects the name that has been assigned to the division for many years, which is the school crossing guard division. An amendment to the Charter formally renaming the division will be on the November 2012 ballot. Second, it deletes the outdated job requirements, such as a letter of reference requirement from a minister and the 50-year-old age limitation.
- Deletes the licensing requirements for “motion picture projectionists”. The Code currently provides that the board of electrical examiners is supposed to be licensing the operators of movie projectors, though this has not been done in years.
- Deletes the inspection and permitting requirements for “coin-operated or self-service dry cleaning establishments”.
- Deletes the requirement that billiard rooms close at midnight.

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ORDINANCE NO. BL2012-261 (continued)

- Deletes the Code licensing provisions for charitable solicitors. Metro was enjoined from enforcing this ordinance over a decade ago because it was found to be unconstitutional. Keeping it in the Code has caused much confusion over the years.
- Deletes the provisions governing "nursing, convalescent and old age homes". Such establishments are now regulated by state law, as well as the fire and building code.
- Deletes the requirement that Metro post signs within "public conveyances" alerting the public that spitting is illegal.
- Deletes an ordinance prohibiting throwing "stones or other missiles likely to cause breakage of windows of glass or the destruction of property". Such activity is already prohibited by other trespass and vandalism laws.
- Deletes the antiquated definition of "trackless trolley coach". This is defined as "every motor vehicle which is propelled by electric power obtained from overhead trolley wires but not operated upon rails."
- Amends the Code provisions pertaining to attire within Metro parks. The Code currently prohibits "appearing in bathing costume or any other than ordinary attire" unless at a swimming pool. This ordinance would provide that no person "shall bathe, wade or swim, or appear in any such area unless covered with a bathing suit which must be kept in place at all times, and appropriate public park attire must be worn outside of such areas."
- Deletes the requirement that sidewalks in the downtown area be constructed so as to accommodate flag poles for use on "patriotic and other special occasions". Current federal ADA requirements would not allow flag poles to be in the sidewalk.
- Eliminates the Code provision prohibiting dragging timber "on the public square" or on any street in the USD. This law has been on the books since at least 1917. The penalty at the time was one dollar per offense.
- Deletes the provisions pertaining to the old curb market that was located on what is now Public Square Park. These code provisions date back at least to the 1930's. The use of this property was restricted to "bona fide farmers and growers" including those selling live poultry.
- Amends the Code to clarify that residents can perform "work or labor" on their own property on Sunday. The law would still restrict contractors from working on Sunday without permission of the Codes department.

ORDINANCE NO. BL2012-262 (MATTHEWS) – This ordinance amends the Metropolitan Code to establish a procedure for the use of honorary street signs. The code currently prohibits all types of honorary street signs. This ordinance would allow the council, by ordinance, to authorize and direct the department of public works to install honorary street signs beneath the official street name sign for any street identified on the official street and alley acceptance and maintenance map. Such honorary street signs would be brown in color with white lettering. No honorary street sign could be installed honoring a living person, and no more than five honorary street names could be approved by the council in each calendar year.

– BILLS ON THIRD READING –

ORDINANCE NO. BL2012-213 (GARRETT) – This ordinance, as amended, amends the Metropolitan Code to require board and commission members to provide a telephone number for posting on the nashville.gov website. The Metropolitan clerk’s office currently provides a roster of all board and commission members on its website containing names and addresses, and provides an opportunity through the website for a person to contact all members of a particular board or commission by email at one time. Individual email addresses and phone numbers are not posted. Additional contact information for board and commission members can be obtained by calling the clerk’s office.

This ordinance would require all persons appointed to a board or commission to provide the Metropolitan clerk with a valid home, business, or mobile telephone number for publication on the nashville.gov website. Members of boards and commissions would be required to notify the clerk of any change in the phone number to be posted.

The ordinance provides that the Metropolitan clerk is to notify the council rules-confirmations-public elections committee of the failure of any member of a board or commission to comply with the provisions of this ordinance. Upon receiving such notification from the metropolitan clerk, the chair of the rules-confirmations-public elections committee is to place the matter on a publicly-noticed committee agenda, at which the board or commission member in question would have the opportunity to address the committee.

ORDINANCE NO. BL2012-237 (BARRY, MCGUIRE & MATTHEWS) – This ordinance, as amended, amends the Metro Code to implement a number of the recommendations of the study and formulating committee pertaining to employee and retiree benefits and pensions. The charter requires the mayor to appoint a study and formulating committee every five years to “study benefits, contributions, extent of coverage, actuarial soundness and related matters in connection with the system of benefit plans and to submit to the employee benefit board such amendments as such study may indicate as necessary.” The current study and formulating committee was appointed by the mayor and confirmed by the council in the spring of 2011. The committee met for approximately one year and made a number of recommendations to the benefit board. The benefit board in turn has reviewed these recommendations and at this point has approved some, but not all, of such recommendations. This ordinance would make the following changes to the Metro benefit and pension system:

10-year pension and health insurance vesting

Prior to 2001, Metro employees “vested” in the pension system and retiree healthcare insurance coverage after ten years of credited service. In 2001, at the request of the mayor and recommendation of the benefit board, the council reduced the vesting requirement for both pension and retiree health insurance coverage to five years, which matched the Tennessee state government vesting provisions. The stated purpose of the move to five year vesting was to attract talented employees. While Metro may have been successful in attracting workers, especially from the state, the change to five year vesting came at a significant financial cost to Metro.

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ORDINANCE NO. BL2012-237 (continued)

Changing from five to ten year vesting for retiree medical benefits is estimated to save \$9.3 million per year, with a present value decline in future benefits of \$170.4 million. Had Metro not moved to five year vesting in 2001, our unfunded liability for retiree health benefits would be decreased by \$75.7 million.

Reverting to ten year vesting for the pension system is estimated to reduce Metro’s annual pension contribution amount by \$4.1 million, with a present value decline in future benefits of \$33.9 million. If Metro had not made the change to five year vesting, our unfunded pension liability would be \$17.3 million less.

The ten year vesting would only be applicable to employees hired after January 1, 2013. Existing Metro employees would not be affected.

Expand salary supplement provisions for disability pensions

Under the existing law, when an employee on a disability pension returns to work at a lower paying job, the Metro pension system makes up the salary differential. This ordinance expands the supplement to include employees who can continue working in a lower paid position who otherwise would take a disability pension. This would allow a salary supplement for a disabled employee *before* he/she takes a disability pension, which would reduce the amount of time the employee is on disability. This change is estimated to save the system approximately \$23,000 per year.

Retiree medical plan premium contribution percentage based upon years of service

Service pensioners currently receive health insurance at the same subsidized rate as Metro employees, which is 75% paid by Metro and 25% paid by the employee. This ordinance adds a new contribution rate structure for pensioners hired after January 1, 2013 that is based upon years of service, as follows:

<u>Time of Service</u>	<u>Pensioner Percentage</u>	<u>Metro Percentage</u>
10-15 years	75%	25%
15-16 years	50%	50%
16-17 years	45%	55%
17-18 years	40%	60%
18-19 years	35%	65%
19-20 years	30%	70%
20 or more years	25%	75%

The cost savings for this change is unknown, but will be very substantial over time.

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ORDINANCE NO. BL2012-237 (continued)

Eliminate retiree medical benefits for employees leaving Metro before retirement

The code currently allows vested employees who leave Metro to participate in the Metro health insurance program when they retire at the same subsidized rate as those who move directly from Metro employment into a service pension. For example, suppose a 30-year-old Metro employee with five years of credited service quits her job today to go work in the private sector and works for the next 35 years for that private company. Since she is vested in Metro's pension system, she will be eligible to participate in Metro's health insurance when she retires and pay only 25% of the premium with Metro picking up the other 75%.

This ordinance would provide that employees hired after January 1, 2013, or those re-hired after January 1, 2013 who were not already vested, would not be eligible for retiree health benefits unless he/she had ten years of credited service and was eligible to retire at the time he/she left the employment of the Metropolitan Government.

Allow retirees to opt out of health coverage

Metro employees are currently allowed to opt out of the Metro health insurance system if they have other insurance coverage, such as through a spouse's job. This ordinance would specifically allow retirees to opt out of Metro's health and dental insurance plans and then opt back in as long as they maintain continuous non-Medicare health coverage.

Implement Employer Group Waiver Plan (EGWP)

Metro pensioners are currently required to take Medicare Parts A and B when they become eligible. This makes Medicare the primary payer and Metro the secondary. As a result of the federal Healthcare Reform Act approved by Congress in 2010, it is to Metro's advantage to require pensioners to participate in a Medicare Part D plan or an EGWP (commonly referred to as an "Egg Whip"). This would involve creating a new prescription drug plan for Metro retirees that would closely resemble Metro's existing Blue Cross-Blue Shield drug plan. However, by implementing an EGWP, Metro will be able to receive a greater subsidy from the federal government, which will result in over \$1 million more coming to Metro every year. Such plan would have to be implemented not later than January 1, 2014. Metro's actuaries estimate that the EGWP will reduce our unfunded accrued post-employment benefit liability by \$378 million, which is a decrease of approximately 15%.

ORDINANCE NOS. BL2012-242 & BL2012-243 – These two ordinances authorize the acquisition and acceptance of right-of-way easements for public works projects. Funding for the acquisitions will be from capital funds designated for the projects. These ordinances have been approved by the planning commission.

Ordinance No. BL2012-242 (Langster, Matthews & Potts) authorizes the acquisition of right-of-way easements by negotiation or condemnation for intersection improvements at Jefferson Street and 28th Avenue North, and Jefferson Street and 21st Avenue North.

Ordinance No. BL2012-243 (Matthews & Potts) authorizes the acquisition and acceptance of right-of-way easements and property rights for sidewalk/bikeway improvements along White Bridge Road. This will consist of the acquisition of 0.01 acre of property and a 15-foot temporary construction easement.

ORDINANCE NO. BL2012-251 (DOWELL & MATTHEWS) – This ordinance approves a facilities use agreement between the Metropolitan Nashville public schools (MNPS) and Nashville State Community College for the use of approximately 4,000 square feet of space at 5248 Hickory Hollow Parkway to serve as the temporary location for the Academy at Hickory Hollow. The Academy at Hickory Hollow is a program specifically to serve young adults that dropped out of high school in their senior year. The program enables these students to continue outside employment while working toward obtaining their high school diploma in a non-traditional school setting.

The Academy at Hickory Hollow will be moving into a new permanent Hickory Hollow Mall space once the space is complete. In the meantime, Nashville State Community College is allowing the Academy to use space at Nashville State's Hickory Hollow site at no cost. The term of the agreement is through December 31, 2012.

This agreement has been approved by the planning commission. Future amendments to the agreement may be approved by resolution.

ORDINANCE NO. BL2012-252 (GILMORE & MATTHEWS) – This ordinance abandons 250 feet of a sanitary sewer main and easement and accepts 590 feet of relocated 8" sanitary sewer pipe on properties located at 1600 Rosa L. Parks Boulevard and Rosa L. Parks Boulevard, unnumbered. This abandonment and acceptance of the sewer main is needed to facilitate construction of the Evergreen at Worthen project. This ordinance has been approved by the planning commission.