



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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Fellow Nashvillians,

Last year, in the face of long-standing financial challenges and a COVID-19 induced recession, I presented a “crisis” budget. Over the course of FY21, we implemented a hiring freeze, a non-essential capital spending freeze, and a non-essential operational spending reduction. We also made the difficult—but necessary—decision to increase property tax rates.

Strong fiscal stewardship, a growing economy, and collective sacrifice made this year’s “investment” budget possible. In this budget, we are making historic commitments to public education, transportation, community safety, economic opportunity, and Metro’s workforce. At the heart of our budget, we’re putting people first, fixing problems, and investing in our neighborhoods.

With our strong growth in property values, the effective property tax rate is dramatically falling back to \$3.288 after equalization. In fact, Nashville will have the lowest tax rate of any major city in Tennessee, and our new tax rate will be more than one dollar (\$1.00) less than our own average rate over the past 25 years.

When activities taxes, such as sales and business taxes, are factored in, Metro’s overall revenues for FY21 are expected to exceed budget projections by nearly 5%, at the time budget submission. This better than expected budget environment, along with federal stimulus funds, enables Metro to make \$180 million in strategic investments in FY22.

No one could have predicted the events of the past year, but I’m grateful for Nashville’s resiliency. Despite a period of difficulty and loss, we remain a city on the rise. Our local economy is rebounding, and more and more companies and families are eager to call Nashville home. My job as your mayor is to ensure Nashville’s prosperity is felt by every resident in every neighborhood. This budget reflects that commitment. The work ahead will be difficult, but together, I know we can make Nashville a city that works for everyone.

Sincerely,

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

John Cooper
Mayor
Metropolitan Government of Nashville and Davidson County





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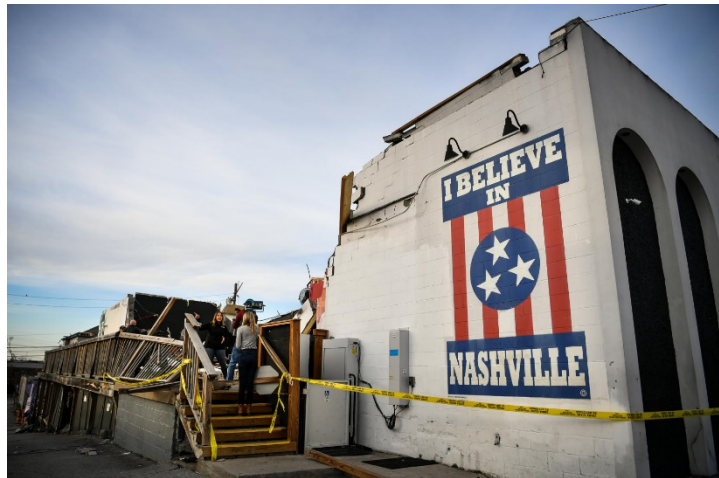
Introduction

The Operating Budget for Fiscal Year 2022 was created in a different environment than the FY 2021 Operating Budget when the world was still beginning to understand the impact of COVID-19. That budget was developed as Nashville was implementing plans to manage health, safety and economic impacts of the virus while focused on developing a more fiscally sound government. In addition, Nashville was beginning to recover from the immediate aftermath of a severe tornado that traversed the county.

Since that time Nashville has managed several other emergency responses- a derecho & civil unrest in May 2020, a December 2020 bombing, a February 2021 ice storm and March 2021 wind and hailstorm, followed by severe flooding. As a government, Nashville has proven to be both adaptable and resilient. Departments and agencies actively engaged with each other and the community to employ the best skills and specialties of each. Partnerships with various non-profits and the broader Nashville community were integral to meeting the immediate needs of Nashvillians in response to each emergency.

Available outside funding resources including Federal Emergency Management Agency (FEMA) funding, insurance claims and other grants have been utilized to respond to the emergencies. Remaining costs have been covered by capital spending and the rainy-day fund established in the FY 2021 budget.

Nashville's current financial position is stable and looking ahead to FY 2022. Core trends regarding revenue, spending, debt, cash & fund balances, and other post-employment benefit liabilities are favorable. The final FY 2022 Operating Budget reflects the recent history and looks forward to a successful future.



The summary and the remainder of this book present the Metropolitan Government's balanced \$2.465 billion operating budget for FY2022. All funds balance as required, and total revenues equal total expenditures.

Budget Approach

Development of the FY 2021 Operating Budget was hampered by uncertainty and focused on establishing fiscal stability. Now looking ahead to FY 2022 with the goals of the FY 2021 budget accomplished, Metro is on firm financial footing and able to resume investments for the growing city.

At the beginning of each budget cycle, main priorities for investments are outlined for departments and agencies in building the budget. The main priorities outlined for FY 2022 are:

- Ensure Emergency Response to Pandemic
- Investment in Key Recovery Priorities
- Sustain and Further Neighborhood Infrastructure.

One year ago Metro faced its greatest level of uncertainty with respect to revenues. The pandemic was in its infancy, with limited information available on estimated impacts to all aspects of everyday life; this, of course, extended to Metro's operations and its revenue collections.

While economic recovery is still ongoing, with expectations for pre-pandemic revenue levels remaining uncertain, Metro's revenues, particularly its activity-based taxes, have rebounded from the lows experienced during the height of necessary stay-at-home orders, but are not expected to completely rebound in FY 2022.

Stability, with a focus on moving toward sustainability, is the central theme of FY 2022's revenue outlook. Due to property reappraisals in 2021, FY 2021's property tax rate, a critical component in reestablishing Metro's fiscal

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stability, reset at an equalized rate of \$3.288 in FY 2022. This rate has been approved by the State Board of Equalization. A product of revenue neutrality requirements, this rate ensures that additional revenue will not be generated due to appreciating values tied to this year's reappraisal. Metro will look to a combination of its most stable source, property taxes, and the continued recovery of activity taxes to bolster its financial position and achieve sustainability.

Budget Priorities

Ensure Emergency Response to Pandemic

Throughout the FY 2022 budget preparation, a primary goal was to ensure that funding remains available for government response to the pandemic as well as recovery for the community. Since the pandemic began, Nashville has utilized outside grants and aid for pandemic needs to protect the fiscal stability of the government.

The CARES Act provided \$121.1 million in support of the Nashville' emergency response, Metro Nashville Public Schools (MNPS), the health & economic welfare of individuals, and the infrastructure of Nashville's economy. The CARES Act funds were allocated and approved through a collaboration process by the COVID-19 Financial Oversight Committee.

Metro agencies such as MNPS, WeGo, Metropolitan Development and Housing Agency (MDHA), and others received additional grants in direct support of their operations in response to COVID-19. Nashville's response could not have been successful without teamwork across the government agencies, healthcare providers, and nonprofit providers.

Looking ahead, the next significant federal investment through the American Rescue Plan will provide additional support in response to the negative impacts of COVID-19 pandemic on the government and citizens. A preliminary framework of the use of funds is:

- Continued response to public health response related to pandemic,
- Minimal support of FY 2022 Operating Budget,
 - Funding for community nonprofits
 - Subsidies for Enterprise Funds
- Replenishment and reinvestment in Metro's emergency response infrastructure,
- Filling gaps in community needs caused by and exacerbated by the pandemic,
- Other one-time expenses, studies, and projects.



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Invest in Key Recovery Priorities

Metro Government & MNPS Fiscal Sustainability and Strengthening

It continues to be our primary charge to deliver a structurally balanced budget. This includes matching recurring expenses with recurring revenues and maintaining fund balances at least at minimum policy level. The FY 2021 budget focused on restoring fund balances up to a minimum of 5% of expected expenditures. This, combined with current year revenues exceeding expectations, has allowed for significant improvement in Nashville’s fund balance position. The FY 2022 budget includes neutral fund balance projections, indicating neither use of nor building of fund balances. While a large increase over recent history is represented here, this fund balance projection is still slightly below recommended best practices and do not represent excess.

Fund Balance				
(in millions)	FY2020 Year Amount	FY2021 Projected	FY2022 Projected	FY2021-2022 Variance
GSD	\$52.3	\$143.8	\$143.8	\$0
GSD Debt	17.0	22.4	22.4	0
MNPS	27.7	95.1	95.1	0
MNPS Debt	16.4	41.7	41.7	0
USD	8.8	9.0	9.0	0
USD Debt	.9	2.3	2.3	0
Total	\$123.1	\$314.3	\$314.3	\$0

A second key factor to fiscal sustainability is ensuring Metro’s obligations on all outstanding debt, all debt service - including both principal and interest - is fully funded in this budget. Additional details on Debt Service can be found beginning on page J-90-1.

Debt Service Budget			
(in millions)	FY2021*	FY2022	FY2021-2022 Variance
GSD Debt	\$213.5	\$225.1	\$11.6
MNPS Debt	119.5	115.9	(3.6)
USD Debt	21.0	19.0	(2.0)
Total	\$354.0	\$360.0	\$6.0

* Includes Cash & Fund Balance Restoration

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Education



The FY 2022 Operating Budget will strengthen Nashville’s public schools by addressing needs highlighted and challenged by our emergencies, supporting our teachers, and ensuring all students from every neighborhood have access to quality educational experiences. The increase in MNPS’s Operating Budget for FY 2022 is \$81 million. The Operating Budget provides funding for the Board of Education’s requested continuity budget, which was the minimum needed to maintain existing operations. Costs included in the continuity budget include increased fringe benefit costs, insurance premiums, and payments to charter schools. On top of the continuity budget, an investment of \$2.5 million for Social Emotional Learning Advocacy Centers and Specialists is also included in the budget.

Most importantly, the FY 2022 Operating Budget funds targeted investments in employee pay. The investments also funds steps and a cost of living adjustment for support staff. The total cost of the salary investment in MNPS is \$55.8 million.

Upon Council approval, the Board of Education will approve the line-item budget for MNPS.

MNPS Operating Budget FY2022	
Operating Funds	\$1,007,601,900
Property Tax Increment	7,059,700
Total Operating	\$1,014,661,600

Public Safety and Justice

The second key recovery priority of the FY 2022 Operating Budget is targeted investments in public safety and justice. These investments will help ensure community safety by meeting the needs of our first responders, reducing crime, and quickly responding to emergencies. What follows are selected highlights for the departments that support the public safety and justice system in Nashville.

FIRE As the population of Nashville continues to grow, it is integral for public safety that additional resources are invested in the fire department. As such, this budget includes funding for 40 additional firefighting personnel at a cost of \$3.5 million. This additional staff will reduce response times as well as improving responder safety and response quality. The second major function of the fire department is to provide countywide emergency medical services (EMS) this budget includes 20 new employees to staff EMS units at a cost of \$1.8 million, this investment will reduce response times and improve patient care. Additionally, partial year funding of \$1.1 million was added by Council action for 25 additional fire fighters, paramedics, and EMTs.

Additional investments for the fire department to support efficient operations, includes six instructors at a cost of \$635 thousand to train employees on a regular basis and eliminate the need to reassign field staff to lead classes. This also includes a new information technology analyst to support use of technology in field operations as well as contractual increases for software at a cost of \$511 thousand.

OFFICE OF EMERGENCY MANAGEMENT (OEM) The vital role of OEM has never been more clear as Nashville has weathered the previously mentioned series of emergencies, the budget includes an additional \$276 thousand for four FTEs to ensure that their mission is supported into the future. The additional staff will enable OEM to respond to emergencies and coordinate more effectively with all stakeholders. Also, OEM will receive \$130 thousand to replace reliance on grant funding and provide fiscal stability for agency.

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DEPARTMENT OF EMERGENCY COMMUNICATIONS (DEC) This operating budget includes additional overtime expenses of \$254 thousand for DEC, these costs are associated with implementation of paid family leave and will guarantee the department is fully staffed around the clock and able to promptly respond to emergency calls. To allow DEC to integrate with HUBNashville and improve Metro wide coordination, the department is receiving \$184 thousand for 110 software licenses.



STATE TRIAL COURTS The operating budget adds one FTE to provide technical support to address the increasing needs for technology during courtroom proceedings at a cost of \$74,100.

CRIMINAL COURT CLERK To bolster staff coverage at the Warrant & Bond Office, the Criminal Court Clerk is receiving 2 more FTEs to effectively maintain 24/7 operations at a cost of \$115 thousand. This improvement will contribute to the goal of ensuring a fair and equitable justice system.

OFFICE OF FAMILY SAFETY The operating budget adds 5 FTEs to its general staff as Victims Advocates that were previously funded by expiring grants at a cost of \$389 thousand.



POLICE The Operating Budget for FY 2022 includes an initial funding of \$4.2 million for the new 9th Precinct to build infrastructure and adds 40 FTEs dedicated to this project. More resources are expected to be deployed in future fiscal years as the Precinct gets closer to opening.

This budget also includes a commitment for an additional 9 FTEs for bringing supervisory and technical support to the ongoing deployment of the Body-Worn Camera Program. As the deployment continues to expand into more Precincts, the budget adds \$3 million for implementation costs and administration of smartphone technology for all Metro Police Officers.

To reduce backlogs, the Operating Budget includes an investment of \$589 thousand to add 2 more forensic scientists to the Crime Lab to enhance operational efficiency and additional supplies for the lab.

To enhance the efficacy of ongoing recruitment efforts, the Police budget includes \$824 thousand for continued funding for background investigators and psychological evaluations for new recruits.

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Sustain and Further Neighborhood Infrastructure

Transportation

Metro is in process of restructuring Public Works as a Department of Transportation to bring greater focus and accountability to how we connect our residents, businesses, schools, and neighborhoods

DEVELOPMENT AND DELIVERY A critical component of this work is an increased focus on planning, designing, and delivering improved mobility for all residents and visitors. This \$1.4 million investment includes 22 new employees, primarily engineers, and supplies to support their work. This staff expansion will allow for the implementation the transportation plan and provide additional support for ongoing programs, including permitting and right of way inspections.

OPERATIONS AND ASSET MANAGEMENT The second component of transportation that needs significant investment is the operation and management of transportation assets. The addition of 20 employees and \$1.6 million will improve service and response times for services related to pavement, signs, signals, poles, culverts, guardrails, etcetera throughout the county.

WeGo The Operating Budget includes \$53.4 million funding allotment for WeGo Public Transit services and will provide better service for Nashvillians. WeGo emphasizes equity in the operations of the public transit system in Nashville. Operations of WeGo are also in alignment with the recently adopted Nashville Transportation Plan.

Neighborhoods

The FY 2022 Operating Budget makes strategic investment that will ensure we are getting the basics right to foster livable communities. Nashville is a vibrant city due to the unique character of its neighborhoods, where citizens live, work, and play. As such, this budget includes significant investment for expanded services in across the county.

PARKS AND RECREATION After years of under investment concurrent with system expansion, a \$3 million investment in the park system is include in this budget. This will fund 32.19 additional FTEs in a wide variety of positions across the dynamic system for direct program expansions, including: DisABILITIES program, community sports, nature centers, park police, Sportsplex, and golf courses. Additional positions and supply funding are also includes for maintenance of facilities and land for adequate safety and full enjoyment of patrons. Additionally, partial year funding of \$663 thousand was added by Council action for 21.55 additional FTEs for maintenance staff and other programs that will improve quality of service for Nashvillians.



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PUBLIC LIBRARY The Public Library consistently proves adept at pivoting to changing service demands of citizens and harnessing technology to meet those needs. The improvements for the library system reflect the broad range of programs offered. Investments are included to provide an additional 9.49 FTE's for \$522 thousand at branch libraries across the county for circulation and children's librarians; these branches are in neighborhoods and provide easy access for the public to the library's services. As more content moves align, one additional staff member is recommended for the NPL Universe to produce online programming that proved popular during COVID-19 closures and one additional staff member to digitize materials in the library's collection and create multi-media exhibits, for a cost of \$131 thousand. Additionally, partial year funding of \$644 thousand was added by Council action for 24.49 additional FTEs for curbside service and to open community branches on Fridays.



PLANNING As Nashville continues to experience high rates of development, continued investment in the planning department is integral to managing the development so that it reflects the values of the neighborhoods and is completed with environmental sustainability in mind. As such, this budget includes five additional staff members for \$508 thousand to devote time to community plan updates, specialized reviews of hillside developments, and landscaping standards.

CODES A second department that faces significant increases in demand due to the high levels of development and population growth and therefore requires significant investment is the Codes, which is responsible for property code enforcement. In the past year a pilot program has been underway to utilize rental cars instead of fleet vehicles for the inspectors, this program has proven extremely successful at improving inspection response times, \$481 thousand is included in this budget to continue the program. Due to the growth, \$601 thousand for ten additional staff members for the department to cover a wide range of programs in order to keep up with increased demand, including: translation assistance, building safety inspectors, property standards enforcement, public information, zoning and plans examination.



PUBLIC HEALTH The COVID-19 pandemic has shown everyone the critical services that are provided by public health agencies across the world, and Nashville is no exception; therefore, this budget includes continued investment in public health. Access to mental healthcare continues to be a problem across the nation, to address the issue in Nashville, this budget includes a \$2.1million investment in mental health through a partnership with the Mental Health Co-op for expanded services in the crisis treatment center and the crisis stabilization unit.

An existing need that was pushed to the forefront by the pandemic, is the need for the public health department to implement electronic health records to provide improved and efficient care of patients, this \$306 thousand investment for software expenses and add one additional staff member. The pandemic has further exposed health inequities in several specific communities, to begin to address those inequities and engage with stakeholders, \$220 thousand is being invested in three staff members are to work specifically with the communities.

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Affordable Housing



Key to maintaining vibrant communities in years ahead, is the support of building, funding, and preserving of housing options via implementation of recommendations from the Affordable Housing Task Force. The Operating Budget is just one of many methods for accomplishing this goal. Within the Operating Budget, the Barnes fund is the primary funding source for affordable housing. The FY 2022 budget includes continuing existing momentum in the successful program, by contributing an additional \$12.5 million to the fund in FY 2022. Additionally, to further affordable housing planning efforts, two new positions are included for the Planning Department’s staff at a cost of \$317 thousand.

Sustainability

The FY 2022 Operating Budget makes additional strides in ongoing effort to implement recommendations of the Sustainability Advisory Committee. These investments will strengthen preservation of our natural resources and position Metro for a healthy future. Alignment with sustainability goals was a factor in decision making throughout the budget process. A significant investment to meeting demand for increased frequency of curbside recycling pick up, to accomplish this goal, the budget includes, 14 new employees and \$920 thousand dollars to increase the recycling services to every other week.

Changes from the FY 2021 operating budget are detailed in the “Highlights” of each department’s narrative in this document. This information is also accessible online via the Citizens’ Guide to the Budget at <https://www.nashville.gov/departments/finance/management-and-budget/citizens-guide-budget>.

FTE Adjustments

The table below illustrates changes in full-time equivalent (FTE) counts for FY 2020 through FY 2022 budget for positions funded by the general funds.

For the first time in several years, a significant increase in Metro staffing is being included, these increases will result in higher quality of services for citizens throughout the county. While several departments received significant increases, the majority of the increases are driven by additional investment in Fire & EMS, Transportation, and Police.

FTE by Fund Group				
	FY2020	FY2021	FY2022	FY2021-2022 Variance
GSD	6,655.88	6,708.69	7,088.89	380.20
USD	734.49	740.49	752.49	12.00
Total	7,390.37	7,449.18	7,841.38	392.2

Fifty five additional fire firefighters were approved, as well as 30 additional staff for EMS units. As Metro works towards emphasizing improvements in transportation services, 42 FTEs across a wide range of disciplines, including engineers and maintenance workers, are funded. The increase in staffing is driven by 40 new FTEs to staff a new police precinct in Southeast Nashville. Remaining FTE increases are targeted for positions that would result in direct improvement in existing services offered to the public or that would provide expanded or new services.

Additional position details can be found with each department’s pages as well as Appendix 1.

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Revenues

The feasibility 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 Reappraisal

The Assessor’s Office conducts a property reappraisal every four years under Tennessee state law, with FY 2022 serving as the most recent. 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.

Exclusive of new construction, state law requires that this reappraisal be revenue neutral for local governments. This means that as the aggregate value of existing 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. The FY 2022 reappraisal’s results are representative of the exceptional growth that has occurred throughout the county, nearly matching the historic growth of its predecessor in FY 2018. Due to this appreciation, FY 2022’s rate will decrease considerably, falling to \$3.288.

Property Taxes

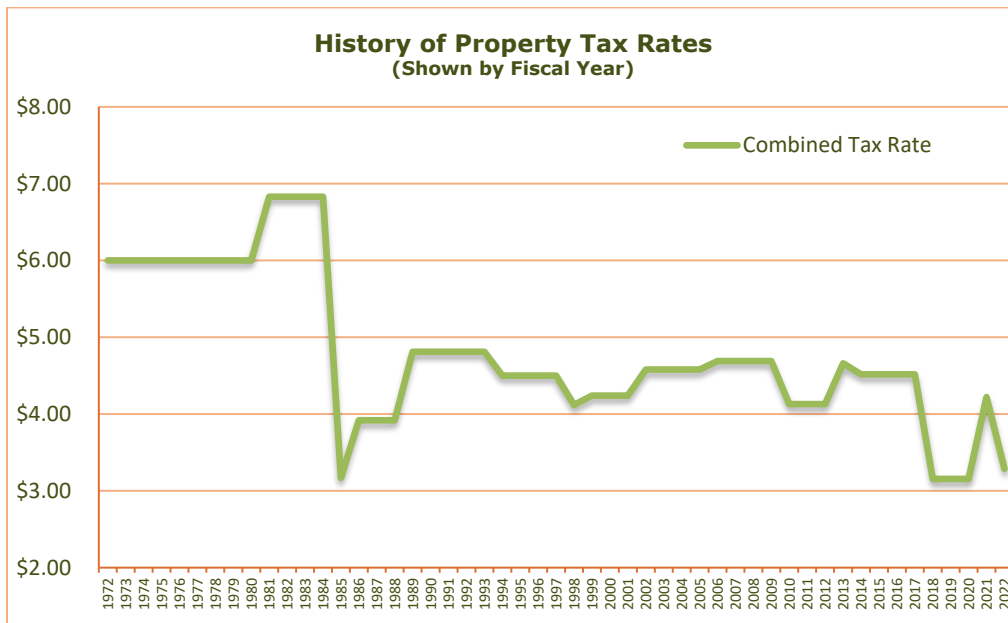
Property Tax Budget	
FY 2021	\$1,457.0M
FY 2022	1,504.8M
Change	\$47.8M

Property taxes are Metro’s predominant, and most stable, source of revenue. FY 2022’s projected increase is a combination of better than anticipated projected collections during FY 2021 and the continued boon of new construction throughout the city.

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.

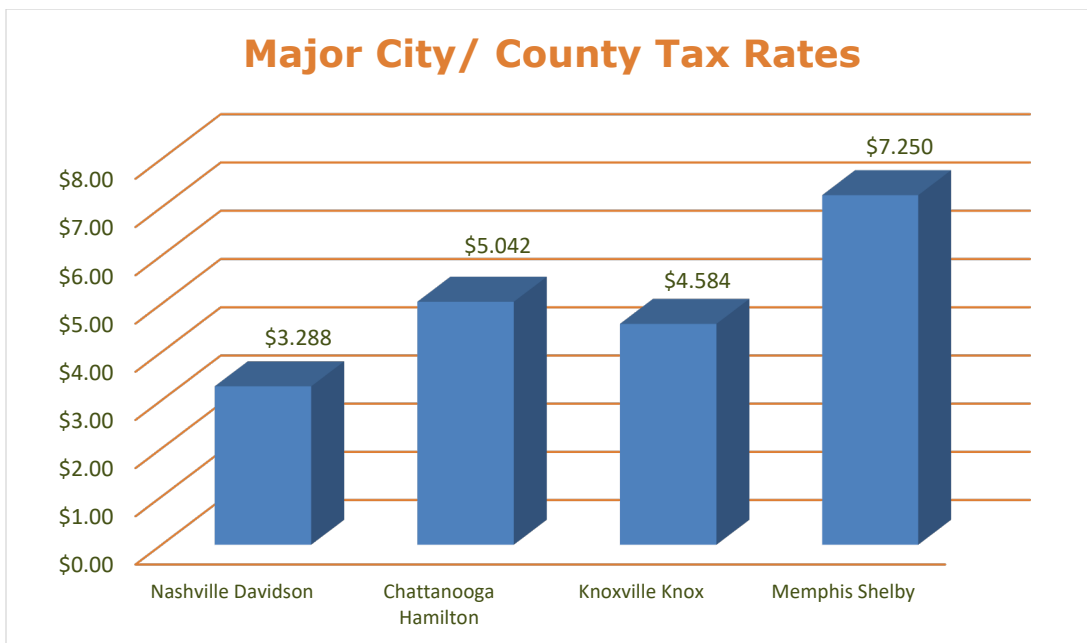
FY 2022 Property Tax Distribution (Rates per \$100 of Assessed Value)			
District	Fund	2021 Rate	2022 Rate
GSD (General Service District)	General	\$1.725	\$1.296
	Schools General Purpose	1.290	1.030
	General Debt Service	0.567	0.467
	Schools Debt Service	0.206	0.160
	Subtotal- GSD	\$3.788	\$2.953
USD (Urban Service District)	General	\$0.359	\$0.283
	General Debt Service	0.074	0.052
	Subtotal- USD	\$0.433	\$0.335
Combined USD/GSD Rate		\$4.221	\$3.288

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Over the course of the last 50 years, as with any major city, Metro has seen changes in its property tax rate. The need to stabilize overall revenues, fund critical initiatives and weather economic downturns have each served as driving factors. COVID-19's occurrence, in the face of existing financial challenges, necessitated the most recent increase, which occurred in FY 2021.

FY 2022's reappraisal has resulted in a Certified Tax Rate of \$3.288, which makes it the third lowest in Metro's history. This mark would also be \$1.00 less than the average rate over the previous quarter century and maintains Metro's highly competitive rate relative to other major cities in Tennessee.



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Local Option Sales Tax

Sales Tax Budget	
FY 2021	\$352.1M
FY 2022	454.6M
Change	\$102.5M

At the onset of the pandemic, the general consensus among economists apparent to us pointed to a prolonged recovery, one marred with concerns over virus containment and vaccine development. Many factors contributed to a quicker than expected recovery, chief among them, record federal stimulus, vaccine deployment and consumption shifts.

FY 2022's budget assumes continued source stability, rather than the run of impressive prepandemic growth.

Federal, State and Other Revenues

Federal, State, & Other Gov't Agencies Budget	
FY 2021	\$420.2M
FY 2022	415.4M
Change	\$(4.8)M

Budgeted Federal, State and Other revenues are based on our best estimates of revenues from specific sources, to include state-shared revenues, reimbursements, and grants from various other organizations.

COVID related revenue increases in State Sales Taxes (\$16.7M) and Excise Tax (\$9.8M), combine with revenue from the Metro Detention Facility absorbing Core Civic Operations (\$11.7M), to offset eliminated revenues from the Convention Center Authority MOU (\$35.0M) and the Hall Income Tax (\$6.9M).

Other Local Revenues

Other Revenues Budget	
FY 2021	\$236.9M
FY 2022	271.7M
Change	\$34.8M

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.

COVID's impact is also prominent in this category's projected increase, driven by anticipated additional collections of Business Taxes (\$26.1M) and various Construction Activity Permits (\$8.2M).

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 many reasons, 2020 has made a lasting impact in the minds of most, particularly those in Middle Tennessee. Difficult as it may be, setting aside the human element to focus on the economic implications of the COVID-19 pandemic, an EF3 tornado, derecho storm, flooding and civil rights protests, reveals a litany of fiscal results that staked claim to record-breaking levels of volatility. Without question, the public health response necessary to reduce virus transmission, and in turn save lives, was the principal driver of the abrupt halt in economic activity, with the remaining events merely exacerbating pandemic-related difficulties and presenting Metro with unforeseen financial challenges.

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For perspective, prior to lockdowns that began in March of 2020, the nation experienced its longest economic expansion on record, stretching back to mid-2009, until mandatory business closures resulted in an immediate, and sharp, contraction. This is highlighted by an annualized 2nd quarter decline in US GDP of 31.4%, a swing in stark contrast to what had previously been positive single-digit quarterly growth since Q1 2014. Although remarkable, this historically unprecedented decline was, to some degree, relatively unsurprising, as many once thriving prepandemic local economies across the country transformed into virtual ghost towns overnight. Few sectors of the economy escaped unscathed, as the virus altered previously entrenched societal norms regarding work, education, social gatherings and consumer spending.

Nearly equal to the velocity of the pandemic-induced economic decline of the 2nd quarter, was the positive momentum of the 3rd quarter, as GDP nationwide expanded 33.1%. This drastic swing is indicative of the extraordinary stop-start economic pressures applied by the pandemic. At the state level, Tennessee experienced more pronounced volatility, with an annualized 2nd quarter GDP decline of 40.4%, followed by 3rd quarter growth of 46.5%. In the span of one month, the state's record low unemployment of 3.3% ballooned to 15.5%, as nearly 400,000 residents lost their jobs. Despite this, personal income across the state more than tripled during the 2nd quarter, as combined salary and other labor income declines of 49% were offset by a 463% increase in income associated with federal stimulus. This federal cash infusion worked as intended, as taxable sales that dropped 14.3% statewide during the 1st quarter, despite only one month of stay-at-home measures, fell just 2.1% in Q2, before ultimately growing 24.4% in Q3.

Assessing the macro level effects of COVID-19 experienced by the state is integral to understanding any potential downward pressure for Metro; however, as the ever-growing economic engine of the state, it's important not to overlook Nashville's unique exposure given its industry composition, specifically its tourism component. Data published by the Tennessee Department of Labor & Workforce Development (TDLWD) reports that statewide nearly four times as many jobs were lost in service-providing industries versus the goods producing sector, with the largest losses for the former occurring in leisure and hospitality, which accounted for nearly one out of every two jobs lost.

In reviewing the TDLWD's Davidson County unemployment rate estimates for January 2020 versus January 2021, this impact becomes apparent, as the former stood at 2.7% and the latter nearly twice as high, at 4.9%. Looking to available statewide data, this significant increase in unemployment correlates to 2020 Q2 taxable sales decreases at restaurants and hotels of 24% and 65%, respectively; of note however, is that these categories represented nearly 14% of taxable sales statewide in 2019, compared to roughly 25% of sales taxes generated locally during the same period. This notable difference speaks to the importance of Nashville's robust tourism industry relative to the city's overall economic performance, and sheds light on its role in the city's continuing recovery. While the economic outlook currently projects to be more positive than that of a year ago, it is decidedly tied to influences such as less restrictive public health measures, ongoing vaccine deployment, and both fiscal and monetary policy decisions.

Strategic & Long-Term 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. Each year specific priorities are outlined in the budget letter that is sent to department heads and elected officials to commence the budget cycle. The priorities selected set the basis for the budget cycle and consider fiscal health as well as priority areas for increased investment.

The budget improvements outlined above were carefully selected for their alignment with long term priorities that, when combined, will allow Nashville to emerge from recent emergencies stronger than before. Encompassing all budget priorities is an enhanced and consistent focus on correlating spending to improved services for the residents of Nashville. Each investment request made by agencies at the beginning of the budget process was required to include an alignment with a long-term priority and a plan to measure positive performance if the request was approved.

Responding to residents' interest in greater government accountability and visibility, Metro has implemented a new strategic management system, which provides opportunities to give feedback, sheds light on the cost of government, and allows the community 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 accountability and promote greater efficiency, providing guidance and support to improve programming and

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serving as a bridge between budgeting and operational management using performance data. After one year, OPM has created tools and resources that measure and report the status of Metro operations on an open platform.

With over 11,000 data points, 368 department metrics, and four dashboards, OPM has established the baseline system for tracking operating performance variations, identifying items that require immediate attention, and supporting data-based decision making. Currently, OPM works with departments to submit data on each service 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 by 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, transparency, and to give feedback in avenues to engage the governing process. With initiatives like OPM and HubNashville, Metro allows residents to connect to the government and have visibility to its operating performance.

Several departments will continue to spearhead key strategic plans such as Parks' "Plan to Play", Public Works' sidewalk and bikeway plan "WalknBike". Simultaneously, new plans will arise gaining strategic relevance in areas such as transportation, infrastructure, education, and public safety which aligns with the Mayor's priorities. Metro's Transportation Plan proposes investments that reflect our communities' and the region's stated priorities: Mass transit, neighborhood infrastructure (sidewalks, bikeways, greenways), a "state of good repair" for roads and bridges, traffic operations and signals, and safety/Vision Zero. Departments will be delivering on recommendations made in the Sustainability Advisory Committee 2021 Report, including the Energy Savings Program supporting energy-efficiency retrofits in Metro General Government facilities.

More information on departmental data, including dashboards allow the public to view performance of standard services, see the Office of Performance Management [website](#).

Conclusion

Having achieved its goals of maintaining essential services through the pandemic and other natural disasters, replenishing critical cash and fund balances, and servicing debt and other contractual obligations in FY 2021, the overall operating budget looks forward to a successful FY 2022 that maintains Metro's reestablished strong fiscal foundation while also delivering on key investments that will enable improved departmental operations and that directly improve quality of life for all Nashvillians.

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.

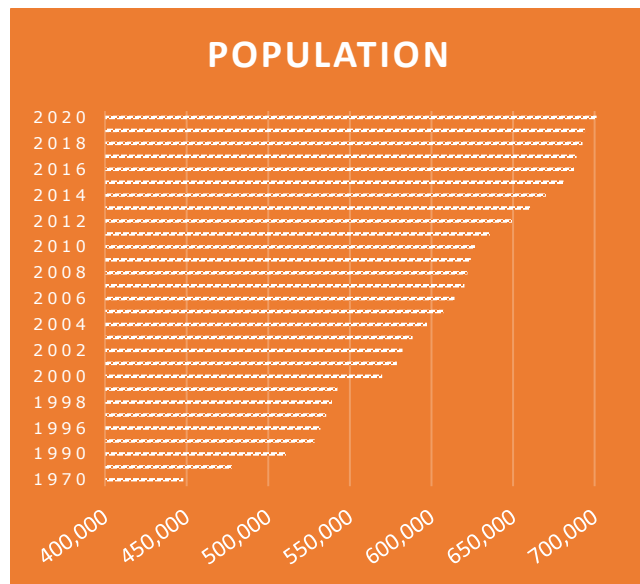
As a consolidated government, Metro provides all services and performs all functions normally associated with Tennessee city and county governments. This also means that the government and its budget are more complex than those of most other cities and counties.



About Nashville - The city was founded on Christmas Day of 1779 on the banks of the Cumberland River as Fort Nashborough. The community changed its name to Nashville in 1784, which incorporated as a town in 1806 and was permanently established as the capital of Tennessee in 1843.

The city is a center for music, healthcare, hospitality, publishing, banking, and transportation industries. It is also home to some of the top U.S. universities, notable among which are Vanderbilt University and Belmont University. Nashville was the second hottest job market in 2019 according to *The Wall Street Journal*, one of the 15 best U.S. cities to live according to U.S. News & World Report and ranked among the 15 best places for business and careers in 2019 by *Forbes* magazine. Frequently cited are the area's low cost of living, a variety of residential opportunities, abundant recreational and tourist opportunities, a lively cultural base, diverse economy closely mirroring that of the nation, a regional hub for health care, and many institutions of higher education. Transportation is available by air, train, water, and road – 50% of the nation's population lives within 650 miles via one of the three interstate highways (I-65, I-40, and I-24) that converge in the city. Although it has a diverse and balanced economy with manufacturing, transportation, education, financial, healthcare, and other services, Nashville may be best known as the home of country music – Music City USA.

Nashville's weather and temperature range are fairly moderate compared to many other cities in the United States, and while Nashville has recorded temperatures as low as -17°F and as high as 109°F, that is not the norm—temperatures in Nashville typically range from an average low of 28°F in January to an average high of 89°F in July. The best seasons to visit this Tennessee city are spring, summer, and fall, especially between the months of April and October when the Music City comes to life with a variety of outdoor events and attractions.



Source: U.S. Census Bureau QuickFacts

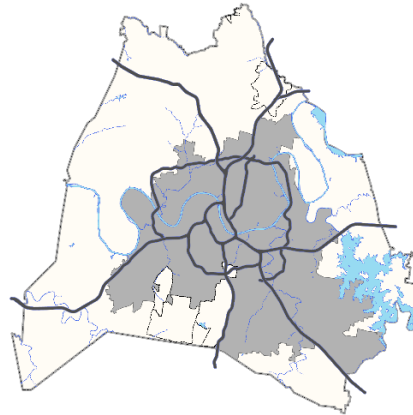
White	55.4%
Black or African American	27.6%
Hispanic or Latino (of any race)	10.5%
Asian	3.7%
American Indian and Alaska Native	0.2%
Native Hawaiian and Other Pacific Islander	0.1%
Other or Two or More Races	2.6%
0-19 Years	23.4%
20-29 Years	17.9%
30-39 Years	17.2%
40-49 Years	12.1%
50-64 Years	17.2%
65+ Years	12.2%

Metro Nashville and Its Budget

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.



General Service District (GSD)	Urban Service District (USD)
<p>327.4 Square Miles</p> <p>208,570* people</p> <p>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.</p>	<p>197.8 Square Miles</p> <p>507,314* people</p> <p>GSD Services plus additional police protection, additional fire protection, and additional public works services including trash and recycling collection and street lighting.</p>
<p>*Source: U.S. Census Bureau American Community Survey 5-year estimates, the 2020 Decennial Census</p>	

Other Governments

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 website at www.mnps.org

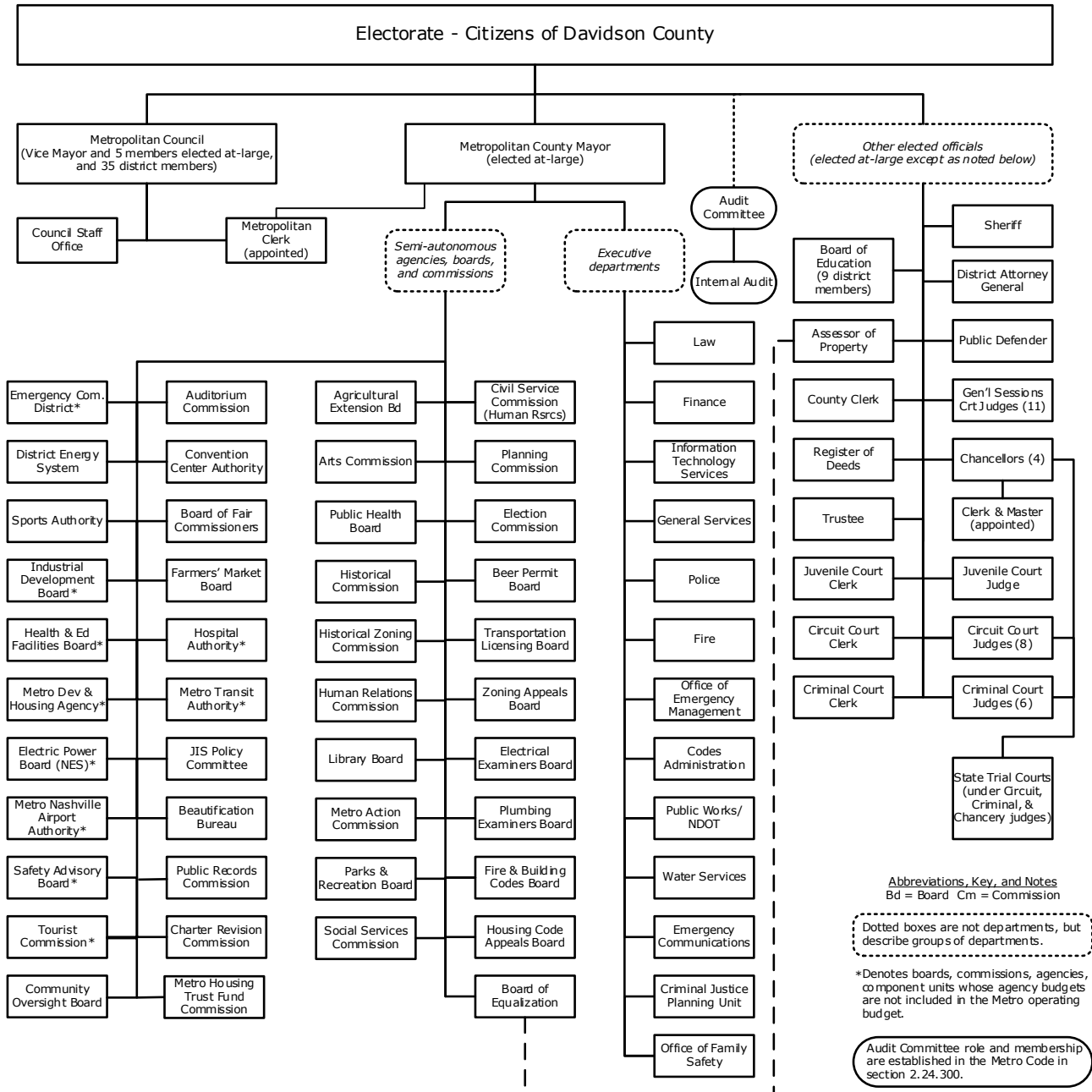
Metro Nashville and Its Budget

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

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 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				✓
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 / NDOT	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			✓	✓
Waste Services				✓	

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.

Comparison of the FY2021 and FY2022 Budget Ordinances - Six Budgetary Funds				
	FY2021	FY2022 Operating	Change	% Change
GSD General Fund	1,056,008,000	1,135,078,000	79,070,000	7.49%
GSD Debt Service Fund	213,492,000	225,074,700	11,582,700	5.43%
GSD School Fund	922,470,600	1,014,661,600	92,191,000	9.99%
GSD Schools Debt Service Fund	119,492,000	115,942,200	(3,549,800)	(2.97%)
USD General Fund	139,476,600	140,832,000	1,355,400	0.97%
USD Debt Service Fund	20,984,500	19,053,700	(1,930,800)	(9.20%)
Duplicated by Interfund Transfers	(5,661,500)	(4,061,900)	1,599,600	(28.25%)
Total Budget	2,466,262,200	2,646,850,300	180,318,100	7.31%

Metro Nashville and Its Budget

Summary of the FY2022 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	\$621,435,200	\$206,117,900	\$70,832,100	\$458,308,900	\$131,050,500	\$17,019,300	-	\$1,504,763,900
Local Option Sales Tax	161,049,600	-	43,510,500	250,083,200	-	-	-	454,643,300
Grants & Contributions	123,937,400	4,843,400	-	286,129,700	522,600	-	-	415,433,100
All Other Revenues	228,655,800	14,113,400	1,599,600	20,139,800	9,258,900	2,034,400	(4,061,900)	271,740,000
Reserves								-
Fund Balance Appropriated								-
Total Revenues	<u>\$1,135,078,000</u>	<u>\$225,074,700</u>	<u>115,942,200</u>	<u>\$1,014,661,600</u>	<u>\$140,832,000</u>	<u>19,053,700</u>	<u>(4,061,900)</u>	<u>2,646,580,300</u>
General Government								
General Government	283,082,500	-	-	-	27,162,200	-	-	310,244,700
Fiscal Administration	30,024,000	-	-	-	-	-	-	30,024,000
Public Safety								
Administration of Justice	77,558,300	-	-	-	-	-	-	77,558,300
Law Enforcement & Jails	315,806,500	-	-	-	481,000	-	(481,000)	315,806,500
Fire Prevention & Control	66,805,700	-	-	-	79,776,000	-	-	146,581,700
Other								
Regulation & Inspection	45,823,700	-	-	-	2,030,300	-	(3,200,000)	44,654,000
Health & Social Services								
Social Services	8,408,100	-	-	-	-	-	-	8,408,100
Health & Hospitals	107,205,800	-	-	-	-	-	-	107,205,800
Recreation & Culture								
Public Libraries	33,418,500	-	-	-	-	-	-	33,418,500
Recreational & Cultural	74,278,100	-	-	-	465,500	-	(188,900)	74,554,700
Infrastructure & Transportation	\$92,666,800	-	-	-	\$30,917,000	-	-	123,583,800
Education	-	-	-	\$1,014,661,600	-	-	(192,000)	1,014,469,600
Debt Service	-	225,074,700	115,942,200	-	-	19,053,700	-	360,070,600
Other Appropriations	(0)	-	-	-	-	-	-	(0)
Total Expenditures	<u>1,135,078,000</u>	<u>225,074,700</u>	<u>115,942,200</u>	<u>1,014,661,600</u>	<u>140,832,000</u>	<u>19,053,700</u>	<u>(4,061,900)</u>	<u>2,646,580,300</u>
Projected Surplus (Deficit)	-	-	-	-	-	-	-	-

Metro Nashville and Its Budget

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 *Annual Financial Report* conforms to governmental Generally Accepted Accounting Principles (GAAP), so they are not strictly comparable to each other. Specifically:

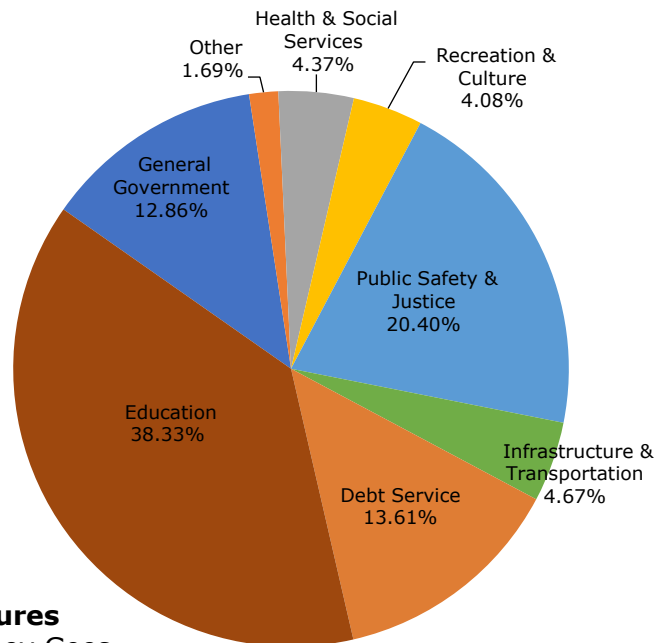
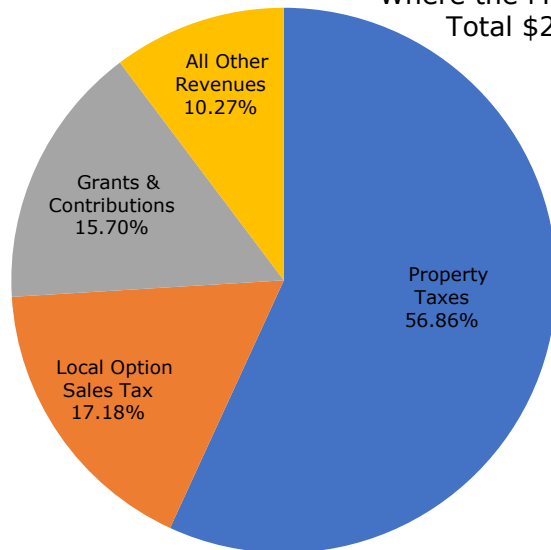
- This budget recognizes that Metro operates in two general funds, as required by the Charter and Tennessee law. Governmental GAAP recognizes only one general fund per government.
- This budget treats transfers to and from any fund as revenues and expenditures, respectively, of that fund. Governmental 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 Annual Financial Report.

At a Glance

The \$2.65 billion FY 2022 budget for the Metropolitan Government's six budgetary (tax-supported) funds supports a wide range of public services. This budget represents a 7.31% increase from the FY 2021 budget.

Revenues

Where the Money Comes From-
Total \$2,646,580,300



Expenditures

Where the Money Goes-
Total \$2,646,580,300

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 FY 2022 operating budget calendar is, as scheduled:

January 20	The Mayor’s Office and Finance Department introduced the operating/capital budget process for FY2022. Instructions and forms for budgeting were released to departments.
January 20– February 16	Departments submit their operating budget proposals in the form of Investment Requests and Revenue Estimates to the OMB in the Hyperion system.
February 16 – April 2	Mayor’s Office, Finance Director and OMB staff review budget submissions, discuss budget issues with Metro Departments.
March 8 – April 2	The Mayor’s Office and Finance Director hold budget discussions with agency heads to discuss Investment Requests and Revenue Estimates.
April 29	Mayor John Cooper and Metro Finance Department File Fiscal Year 2022 Budget with the State of Metro Address and Budget Presentation
April 30	Operating Budget Ordinance and Tax Levy filed by Mayor.
May 1	Charter deadline to file the Operating Budget and tax levy ordinances.
May 14	Charter deadline for Capital Improvements Budget Ordinance to be filed
May 18	First reading of the Mayor’s Recommended Operating Budget, tax levy ordinances and Capital Improvements Budget by the Council.
May 19 – May 26	Council Budget and Finance Committee hold five (5) committee meetings and hearings regarding departmental budgets.
May 15	Charter deadline to file the CIB; Mayor’s Office files CIB.
June 1	Public hearing on Budget and CIB. Second reading of the Operating Budget and CIB by the Council.
June 3-8	Council Budget and Finance Committee sponsored work sessions on Operating Budget
June 15	Third and final reading of the CIB by the Council
June 15	Charter deadline for the Council to pass the CIB
June 15	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.

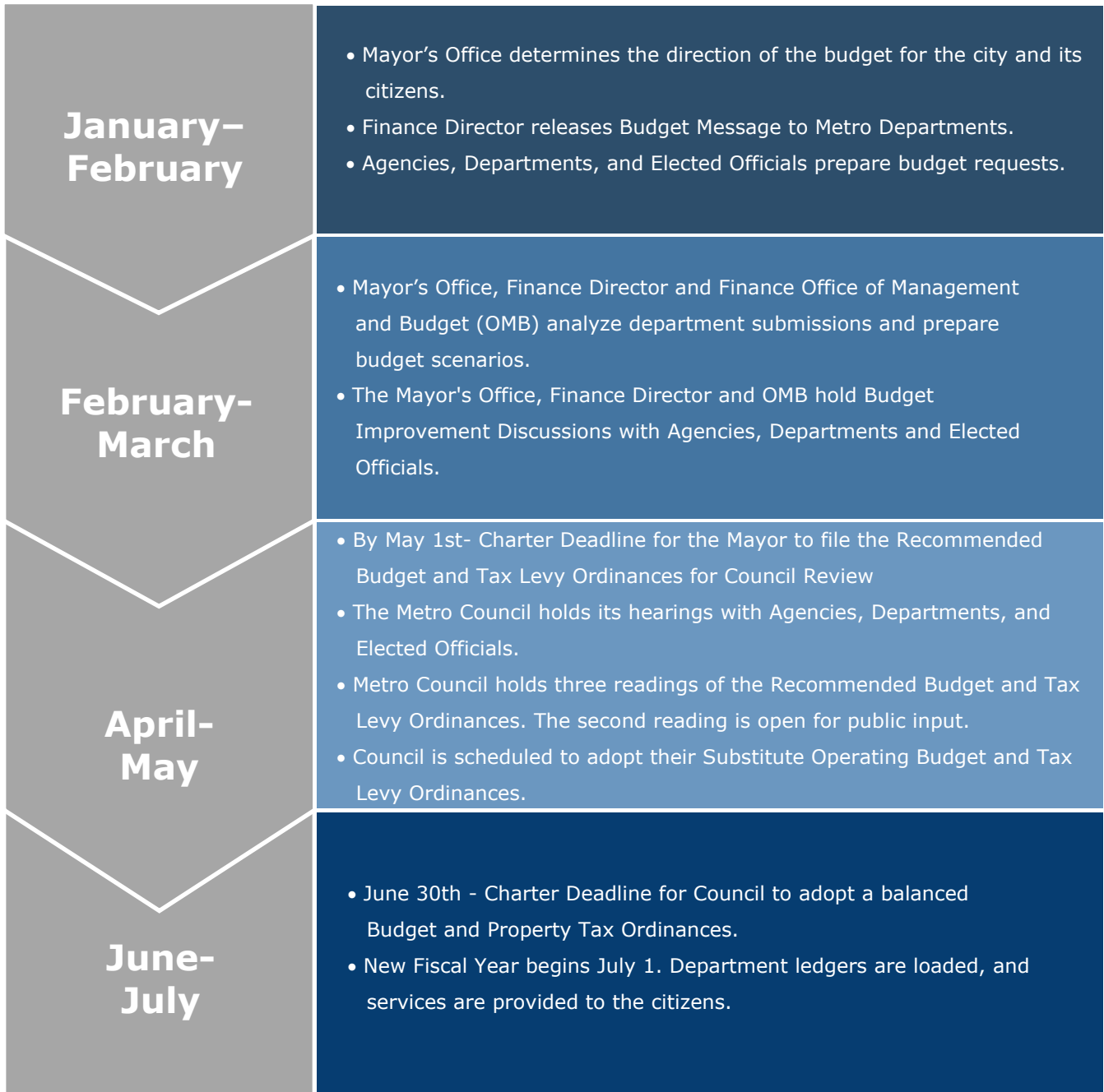
July 1, 2021 – June 30, 2022: Agencies provide services to customers and citizens. The FY 2021-2022 budget may be amended as permitted by the Charter, the budget ordinance, and internal controls.

Late 2021 – An Independent CPA firm conducts the annual audit for FY 2020-2021.

Late autumn 2021: The Division of Accounts issues the *Annual Comprehensive Financial Report*, summarizing the government's financial condition and results of operations for Fiscal Year 2020-2021. 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 Annual Financial Report, and streaming video are available at www.nashville.gov.

Metro Nashville and Its Budget

Operating Budget Process



Metro Nashville and Its Budget

Performance Metrics

The Office of Performance Management (OPM) is responsible for tracking impactful and relevant operating performance variations, identifying items that require immediate attention, and supporting data-based decision making. Their goal is to strengthen transparency and accountability within Metro by developing a metro-wide culture of ongoing performance reporting. The focus policy priority areas align with Mayor Cooper's Four-Year Commitment Tracker. Performance Metrics and data produced by OPM can be found on their website at <https://www.nashville.gov/Mayors-Office/Performance-Management.aspx>

Long-Term Financial Planning

After a turbulent FY 2020 and beginning of FY 2021, Metro is in a stable financial position looking ahead to FY 2022. Regarding long-term planning, the administration stays committed to maintaining and continuing to improve the overall financial position of the government. Future budgets will continue to be structurally balanced, meet debt service and contractual obligations and fund Schools at or above state required levels.

The long-term goals of the current Administration are prioritized in three main priorities areas:

- Public Safety and Justice
- Neighborhoods and Community Engagement
- Transportation, Infrastructure, and Sustainability.

These priorities have a significant impact on the operating budget process as improvements are chosen for the ability to positively impact outcomes for residents in these areas. Concurrently with the budget process, the Office of Performance Management (OPM) develops, measures, and reports the results of its daily operations to guide and improve programming using performance data. As part of the budgeting process departments set measurable targets to measure positive performance for FY 2022. These efforts strengthen 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., "2021-2022") or by the calendar year in which the fiscal year ends (e.g., "FY2022" for 2021-2022).
- **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

Metro Nashville and Its Budget

- 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).
- **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 four (4%) 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.).

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- **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)).
- **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.

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- 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.
- 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.

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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.

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.

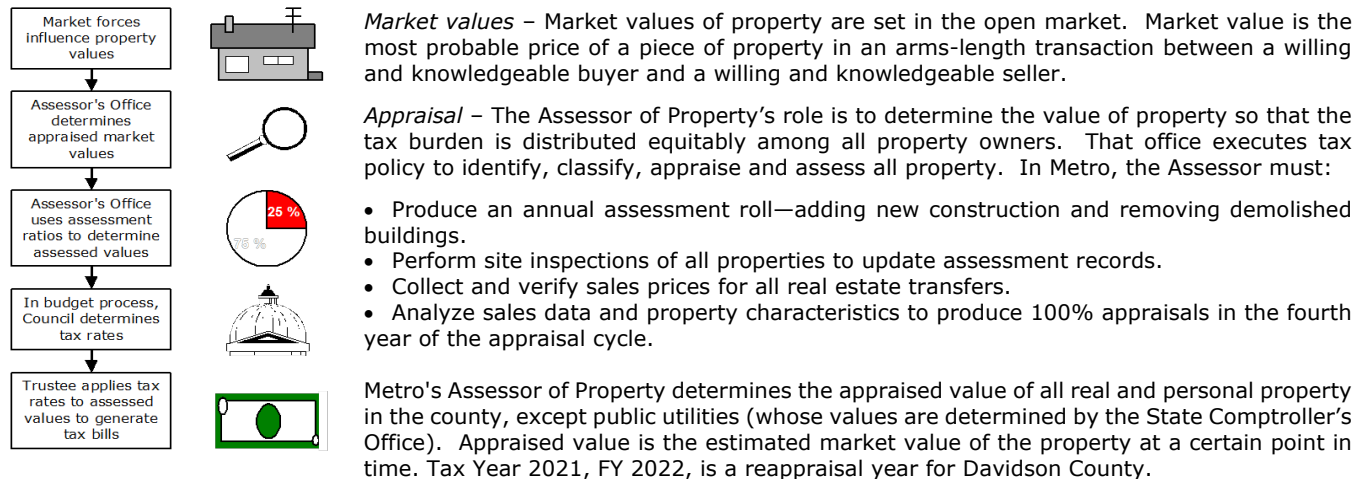
The tax bill for a property is determined by:

- 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 to 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.



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.

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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.) After the reappraisal, all properties should be 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 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:

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

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.

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). A tax calculator can be found on the Office of the Trustee’s website at <https://www.nashville.gov/Trustee/Calculate-Taxes.aspx>

With FY 2022’s property tax rate of \$3.288, the calculation would be:

$$\begin{aligned}
 \text{tax} &= (\$25,000/\$100) \times \$3.288 \text{ per } \$100 \\
 &= \$250 \times \$3.288 \\
 &= \$822.00
 \end{aligned}$$

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.

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Property Value Trends: Driven by construction activity and significant market appreciation, total assessed values experienced a historic increase following FY 2018's reappraisal.

This trend is projected to continue into FY 2022, bolstered by high demand, low inventory and strong permitting numbers. In comparison to the previous reappraisal, FY 2022's projected growth in assessed value is expected to follow suit, albeit at growth that has lessened slightly overall. The FY2022 county wide reappraisal ended with a 34.05% median increase across Davidson County's properties.

Property Tax Rates: FY 2021 and FY 2022 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.

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 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.

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History of Property Tax Rates

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	1.725	1.290	0.567	0.206	3.788	0.359	0.074	0.433	4.221	0.050
2021	2022	1.296	1.030	0.467	0.160	2.953	0.283	0.052	0.335	3.288	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, 2017 and 2021 (fiscal years 1973-74, 1984-85, 1993-94, 1997-98, 2001-02, 2005-06, 2009-10, 2013-14, 2017-18 and 2021-2022).

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Property Tax Rate Changes

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)	(1.12)	(0.24)	-	(2.64)	(0.88)	(0.14)	(1.02)	(3.66)	-
			<i>1.11</i>	<i>0.96</i>	<i>0.21</i>	-	<i>2.28</i>	<i>0.76</i>	<i>0.13</i>	<i>0.89</i>	<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)	(0.28)	(0.09)	-	(0.80)	(0.22)	(0.03)	(0.25)	(1.05)	-
			<i>1.49</i>	<i>1.01</i>	<i>0.34</i>	-	<i>2.84</i>	<i>0.80</i>	<i>0.12</i>	<i>0.92</i>	<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)	(0.21)	(0.10)	(0.02)	(0.72)	(0.18)	(0.02)	(0.20)	(0.92)	-
			<i>1.52</i>	<i>0.80</i>	<i>0.37</i>	<i>0.09</i>	<i>2.78</i>	<i>0.70</i>	<i>0.10</i>	<i>0.80</i>	<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)	(0.12)	(0.07)	(0.03)	(0.43)	(0.10)	(0.01)	(0.11)	(0.54)	(0.01)
			<i>1.47</i>	<i>0.84</i>	<i>0.43</i>	<i>0.22</i>	<i>2.96</i>	<i>0.64</i>	<i>0.10</i>	<i>0.74</i>	<i>3.70</i>	<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)	(0.16)	(0.04)	(0.03)	(0.47)	(0.08)	(0.01)	(0.09)	(0.56)	-
			<i>1.70</i>	<i>1.11</i>	<i>0.39</i>	<i>0.17</i>	<i>3.37</i>	<i>0.56</i>	<i>0.09</i>	<i>0.65</i>	<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)	(0.16)	(0.06)	(0.02)	(0.48)	(0.07)	(0.01)	(0.08)	(0.56)	(0.01)
			<i>1.82</i>	<i>1.17</i>	<i>0.42</i>	<i>0.15</i>	<i>3.56</i>	<i>0.46</i>	<i>0.11</i>	<i>0.57</i>	<i>4.13</i>	<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)	0.016	(0.007)	(0.07)	(0.116)	(0.030)	0.002	(0.028)	(0.144)	-
			<i>1.905</i>	<i>1.416</i>	<i>0.423</i>	<i>0.180</i>	<i>3.924</i>	<i>0.480</i>	<i>0.112</i>	<i>0.592</i>	<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)	(0.422)	(0.126)	(0.054)	(1.169)	(0.161)	(0.031)	(0.192)	(1.361)	(0.030)
			<i>1.338</i>	<i>0.994</i>	<i>0.297</i>	<i>0.126</i>	<i>2.755</i>	<i>0.334</i>	<i>0.066</i>	<i>0.400</i>	<i>3.155</i>	<i>0.050</i>
2018	2019	N	-	-	-	-	-	-	-	-	-	-
2019	2020	N	-	-	-	-	-	-	-	-	-	-
2020	2021	T	.387	.296	.270	.080	1.033	.025	.008	.033	1.066	-
2021	2022	R	(0.429)	(0.260)	(0.100)	(0.046)	(0.835)	(0.076)	(0.022)	(0.098)	(0.933)	-

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, 2017 and 2021 (fiscal years 1973-74, 1984-85, 1993-94, 1997-98, 2001-02, 2005-06, 2009-10, 2013-14, 2017-18, 2021-2022).

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	**	n/a	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	**	n/a	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	266.7	62.1	328.8	3.04%	1.0000	
1995	1996	n/a	26.686	7.949	271.5	62.4	333.9	2.87%	0.9054	
1996	1997	n/a	27.908	8.193	279.9	63.7	343.7	2.97%	0.9054	
1997	1998	**	33.706	10.648	340.9	69.4	410.3	3.46%	1.0000	
1998	1999	n/a	34.408	10.896	361.8	71.1	433.0	3.65%	1.0000	
1999	2000	n/a	38.576	11.087	368.2	72.0	440.2	3.61%	0.9098	
2000	2001	n/a	39.576	11.390	378.4	73.6	452.0	3.50%	0.9098	
2001	2002	**	42.634	13.373	504.5	75.8	580.4	3.85%	1.0000	
2002	2003	n/a	42.989	13.463	508.9	74.9	583.8	3.90%	1.0000	
2003	2004	n/a	45.151	13.280	502.1	73.0	575.0	3.27%	0.9455	
2004	2005	n/a	45.746	13.432	507.5	76.1	583.6	3.08%	0.9455	
2005	2006	n/a	50.477	15.534	619.2	76.7	695.5	3.28%	1.0000	
2006	2007	n/a	51.736	15.968	633.5	79.7	713.3	0.64%	1.0000	
2007	2008	n/a	60.386	16.237	643.7	80.7	724.4	0.77%	0.8780	
2008	2009	n/a	61.881	16.413	659.8	82.6	742.3	1.01%	0.8780	
2009	2010	n/a	63.157	19.222	675.0	84.8	759.9	1.45%	1.0000	
2010	2011	n/a	63.281	19.209	674.6	84.6	759.2	1.07%	1.0000	
2011	2012	n/a	63.128	19.104	670.8	84.8	755.6	1.35%	0.9982	
2012	2013	n/a	63.259	19.161	673.5	93.0	766.5	1.29%	0.9982	
2013	2014	n/a	65.810	20.210	781.6	96.0	877.6	1.56%	1.0000	
2014	2015	n/a	66.271	20.376	788.0	96.8	884.8	0.89%	1.0000	
2015	2016	n/a	67.533	20.743	802.1	98.8	900.9	1.24%	.8822	
2016	2017	n/a	78.263	21.315	824.4	101.8	926.3	0.83%	.8822	
2017	2018	n/a	99.660	31.145	853.4	107.9	961.3	1.87%	1.0000	
2018	2019	n/a	102.920	32.221	875.6	110.5	986.1	0.51%	1.0000	
2019	2020	n/a	123.954	33.016	897.3	113.2	1010.5	0.66%	.8477	

** 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.

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. With the exception of select items purchased within downtown’s CBID, which now include an additional tax of 0.50%, 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 Sales Tax Rate	7.00%
State Food Tax	4.00%
Local Option Sales Tax Rate	2.25%
CBID Additional Fee Downtown – Sales Tax	.50%
Property Tax (per \$100 assessed value)	
General Services District	2.953
Urban Services District	3.288
Income Tax on Salaries and Wages	None
Lottery	Yes

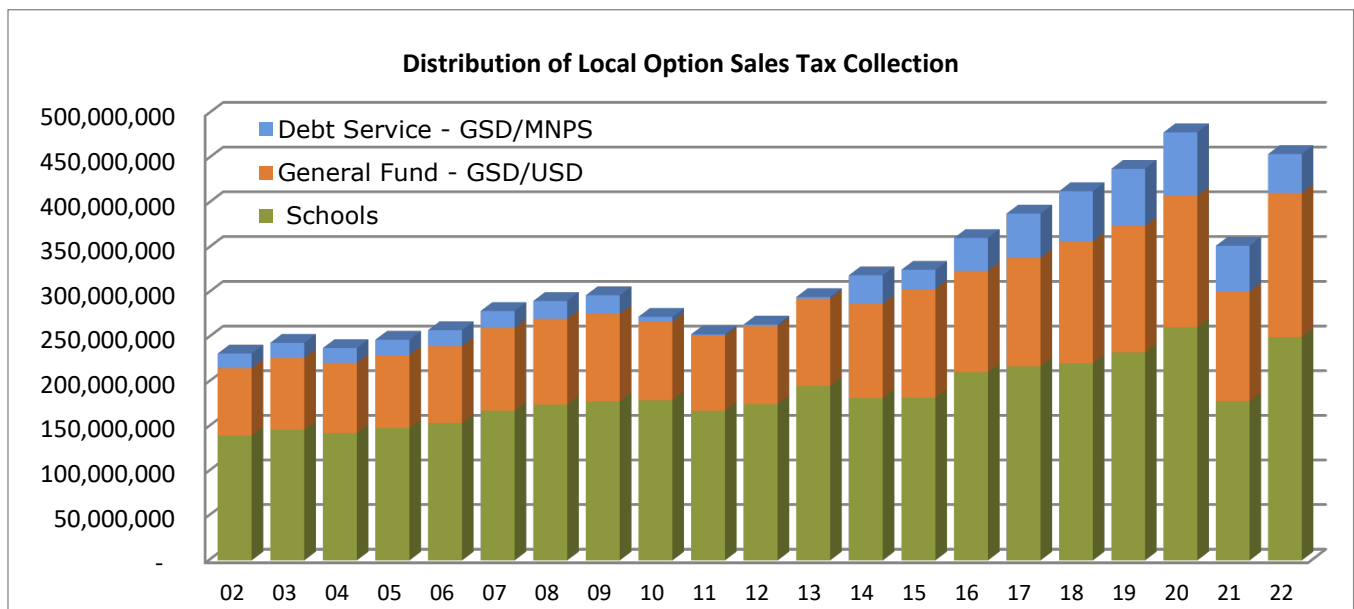
State & Federal Revenues

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 statewide sales and gasoline taxes. 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; FY04-22 Budget Ordinance

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 licenses, building permits 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. Industry best practices recommended, at a minimum, that governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues expenditures.

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 2022 budget makes maintaining the recently replenished fund balances for all six tax supported funds a priority. Unencumbered fund balances at June 30, 2022 highlight the considerable strides Metro has made in ensuring that adequate reserves are available should they be needed, with the GSD and USD General Funds expected to finish the year at a combined 12.0%. With four of the six tax funds expected to maintain double digit fund balance levels by year-end, Metro has seen a marked improvement in its fund balance position.

Revenue Conclusion

We anticipate revenues sufficient to fund budgeted expenditure appropriations in FY 2022 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.

Investments

The budget began with FY 2021 baseline budget with additional investments recommended for approval through the budget process outline above. After several years of minimal discretionary investments, the FY 2022 budget includes significant improvements to departmental budgets.

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

- Elimination of FY 2021 nonrecurring budgeted expenditures from the FY 2022 projections.
- Pay plan improvements implemented & other adjustments that occurred in FY 2021 were carried forward to FY 2022 during this fiscal year.
- Ensure sufficient funding is allocated to meet all debt service obligations.
- Focused departmental improvements were recommended that are in alignment with the budget priorities of: Education, Public Safety & Justice, Transportation, Sustainability, Affordable Housing, and Neighborhoods. Investments were evaluated on if they were critical to maintain current service, keep up with increased demand, improve the government's interface with citizens, improve internal efficiencies and/or provide a new or expanded service to the public.

Metro Nashville and Its Budget

- Administrative improvements for internal services funds were recommended in central Administrative accounts of the two general funds, these funds will be allocated & distributed to departments' budgets 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 and be distributed to departments' budgets based on need but are held in administrative accounts at the beginning of the fiscal year.
- Pay Plan Improvements- The budget funds a Cost-of-Living Adjustment (COLA), Open Range and Increment raises as well as several class adjustments, these improvements will be allocated to the impacted departments upon final budget approval. These improvements have been approved by the Civil Service Commission.
- Special Purpose Fund Adjustments- Adjustments for grant and other special purpose funds to meet expected revenue projections and reflect use of fund balance in FY 2022.

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

Expenditure Conclusion: The overall operating budget looks forward to a successful FY 2022 that maintains a stable fiscal foundation and meetings required expenditures, while enabling improved departmental operations and quality of life for Nashvillians.

Metro Nashville and its Budget

The Capital Improvements Budget and Capital Spending 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 (CSP)** is where funding and approval to commence a project is authorized. The CIB document is available separately from the Planning Department web site.

The FY 2022 Capital Improvements Budget Ordinance was approved on June 15, 2021 [BL2021-752]. Tables and charts on the FY 2022 CIB are provided below and on the page that follows. Again, this legislation is just the long-range planning document. It does not appropriate funds or authorize or approve any projects. Capital projects are approved and funded through the Capital Spending Plan (CSP).

The FY 2021 Capital Spending Plan was approved on March 3, 2021 [RS2021-757] in the amount of \$481,610,000. The FY 2020 Capital Spending Plan was approved on March 18, 2020 [RS2020-213] in the amount of \$181,778,000. Details on the FY 2021 and FY 2020 Capital Spending Plans are provided at the end of this section.

FY2021-2022 to FY2026-2027 Capital Improvements Budget - Final - By Agency										
Departments	% of '21-'22		FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	Total	% of '22-'27	
	FY2021-22	Total							Total	Total
Agricultural Extension	\$222,000	0.004%						\$222,000	0.001%	
Arts Commission	3,030,000	0.055%	\$3,485,000	\$100,000				6,615,000	0.041%	
Assessor of Property	20,000	0.000%					20,000	0.000%		
Council Office	1,056,712,191	19.094%	53,682,044	56,077,300	\$33,625,000			1,200,096,535	7.388%	
County Clerk	2,000,000	0.036%					2,000,000	0.012%		
District Energy System (DES)	3,419,800	0.062%	495,000					3,914,800	0.024%	
Farmers Market	4,600,000	0.083%					4,600,000	0.028%		
Finance	129,326,000	2.337%	8,000,000	2,500,000	2,500,000	\$2,500,000	\$2,000,000	146,826,000	0.904%	
Fire Department	131,151,000	2.370%	74,000,000	86,000,000				291,151,000	1.792%	
General Hospital	54,234,600	0.980%					54,234,600	0.334%		
General Services	643,367,000	11.625%	98,000,000	15,000,000	15,000,000	2,000,000		773,367,000	4.761%	
Health Department	1,900,000	0.034%	10,000,000					11,900,000	0.073%	
Historical Commission	175,000	0.003%					175,000	0.001%		
Information Technology Services	43,636,200	0.788%	3,751,000	4,541,000	2,927,000			54,855,200	0.338%	
Justice Integration Services	200,000	0.004%					200,000	0.001%		
MDHA	63,500,000	1.147%	38,500,000	41,300,000	35,500,000	35,500,000	35,500,000	249,800,000	1.538%	
Metro Action Commission	22,260,000	0.402%	29,129,625					51,389,625	0.316%	
MNPS (Schools)	804,896,800	14.544%	805,578,700	740,611,400	1,106,591,700	1,017,660,700	1,105,324,000	5,580,663,300	34.353%	
Metro Transit Authority	550,393,300	9.945%	28,468,000	42,565,532	92,517,252	99,690,873	66,756,443	880,391,400	5.419%	
Municipal Auditorium	10,100,000	0.182%					10,100,000	0.062%		
Parks & Recreation	860,969,579	15.557%	339,950,760	330,950,760	320,950,760	320,950,760	320,914,760	2,494,687,379	15.357%	
Planning - GSD	3,485,000	0.063%	300,000	300,000	300,000	300,000		4,685,000	0.029%	
Planning - USD	70,000	0.001%					70,000	0.000%		
Police	96,647,000	1.746%	25,800,500	2,083,000				124,530,500	0.767%	
Public Library	170,197,500	3.075%	59,880,100	87,115,200	71,276,800	129,395,300	71,431,800	589,296,700	3.628%	
Public Works - GSD	319,150,000	5.767%	171,572,800	165,086,000	167,466,000	169,950,000	175,865,200	1,169,090,000	7.197%	
Public Works - USD	38,675,000	0.699%	22,000,000	80,000,000	73,000,000	65,000,000	1,500,000	280,175,000	1.725%	
Social Services	772,500	0.014%					772,500	0.005%		
Sports Authority	50,400,000	0.911%					50,400,000	0.310%		
Fairgrounds Nashville (State Fair)	100,000,000	1.807%					100,000,000	0.616%		
Water & Sewer - GSD	360,527,000	6.514%	585,430,000	322,505,000	439,057,000	214,675,000	160,252,000	2,082,446,000	12.819%	
Water & Sewer - USD	8,235,250	0.149%	4,040,000	2,575,000	5,555,000	1,638,000	4,223,000	26,266,250	0.162%	
Totals	\$5,534,272,720	100.000%	\$2,362,063,529	\$1,979,310,192	\$2,366,266,512	\$2,059,260,633	\$1,943,767,203	\$16,244,940,789	100.000%	

Metro Nashville and its Budget

Areas of Emphasis

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

The six areas of emphasis:

- **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.
- **Housing** – (1) Affordable Housing – Barnes Fund. (2) Workforce Housing. (3) Income Limits. (4) Incentives. (5) Grants.
- **Public Safety and Justice** – (1) Community Oversight Board. (2) Body Camera Pilot Program. (3) Reducing Disparities.
- **Transportation, Infrastructure and Sustainability** – (1) Metro Transportation Plan. (2) Climate Change and Sustainability Initiatives. (3) Neighborhood Infrastructure.
- **Effective Government**

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 proposed 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 *2021-2022 to 2026-2027 CIB*.

Possible funding sources for specific projects include:

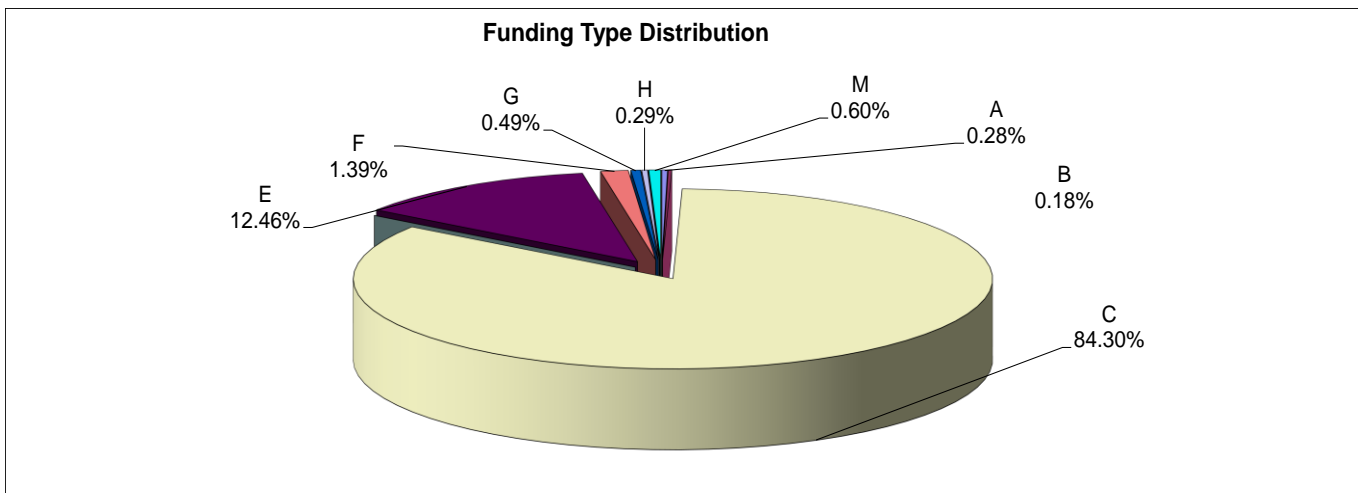
- Bond and note authorizations (described in Section J of this book) for the Debt Service funds, approved by the Council, including:
 - Approved General Obligation (B) and,
 - Proposed General Obligation (C) bonds and notes.
- Four Percent Reserve Fund (Fund 30003 in section J of this book) appropriations 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 2020-21 through 2025-26

FUND DESCRIPTION	TYPE	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	TOTAL
Miscellaneous	A	\$46,000,000						\$46,000,000
Approved General Obligation Bonds	B	25,581,000	\$3,485,000	\$100,000				\$29,166,000
Proposed General Obligation Bonds	C	4,773,629,470	1,751,348,529	1,636,040,192	\$1,911,709,512	\$1,840,047,633	\$1,782,112,203	\$13,694,887,539
Approved Revenue Bonds	D							\$0
Proposed Revenue Bonds	E	433,552,250	559,070,000	295,480,000	415,037,000	186,813,000	134,975,000	\$2,024,927,250
Federal Funds	F	149,275,000	22,780,000	22,795,000	15,810,000	7,825,000	7,840,000	\$226,325,000
State Funds	G	14,400,000	14,030,000	14,045,000	14,060,000	14,075,000	8,590,000	\$79,200,000
Enterprise	H	20,700,000	5,850,000	5,060,000	5,000,000	5,500,000	5,500,000	\$47,610,000
Approved Community Development	I							\$0
Proposed Community Development	K							\$0
Approved 4%	L							\$0
Proposed 4%	M	71,135,000	5,500,000	5,790,000	4,650,000	5,000,000	4,750,000	\$96,825,000
Approved Miscellaneous	O							\$0
Operating	P							\$0
Totals by Year		\$5,534,272,720	\$2,362,063,529	\$1,979,310,192	\$2,366,266,512	\$2,059,260,633	\$1,943,767,203	\$16,244,940,789



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.

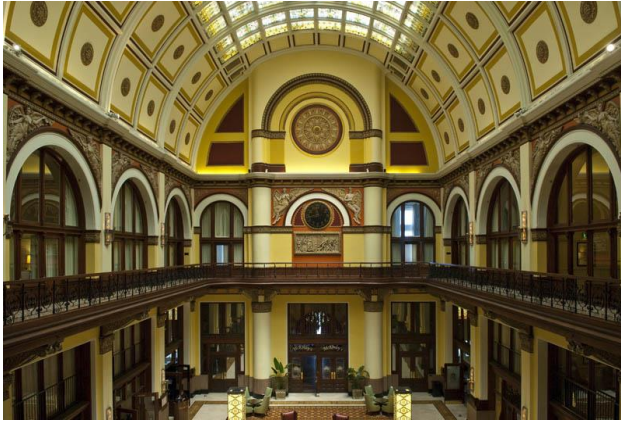
Financial projections determine the constraints for programming the projects according to a schedule that is fiscally and administratively practical. The Department of Finance annually develops two programs based on financial considerations:

- (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 2020-2021 and FY 2019-2020 Capital Spending Plans – The FY 2020-21 Capital Spending Plan [RS2021-757] was approved on March 3, 2021 in the amount of \$481,610,000. The FY 2019-20 Capital Spending Plan [RS2020-213] was approved on March 18, 2020 in the amount of \$181,778,000. The plans align with the current Administration's priorities as follows:

FY 2020-21:

Education – \$190,970,000
 Effective Government – \$34,700,000
 Neighborhoods – \$62,858,000
 Housing – \$2,000,000
 Public Safety – \$69,200,000
 Transportation – \$121,882,000

FY 2019-2020:

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

Details on these FY 2020-21 and FY 2019-20 Capital Spending Plan allocations are on the pages that follow.

FY 2020-21: Education – 7 projects totaling \$190,970,000. [Operating Budget Impact - \$850,000]

- Hillwood High School – Construction - \$100,000,000
- Cane Ridge High School – Addition - \$18,840,000
- Cane Ridge Middle School – Design - \$4,280,000
- ADA Compliance - \$1,000,000
- Environmental Remediation - \$250,000
- HVAC Upgrades / Repairs - \$20,700,000
- Emergency Construction / Contingency - \$1,500,000



FY 2020-21: Effective Government – 9 projects totaling \$34,700,000. [Operating Budget Impact - \$100,000]

- Gen. Svcs: Building Operations – Maintenance – \$8,000,000
- Gen. Svcs: Sustainability – Revolving & Innovation Funds – \$2,000,000
- Gen. Svcs: New Facility Planning – Site Evaluation & Relocation Projects - \$2,500,000
- ITS: Expertise & Resources – For Tech & Construction Projects - \$2,700,000
- Muni Auditorium: Repairs & Major Maintenance – \$2,500,000
- Finance: Hyperion Upgrades – Budget Mgmt System – \$2,000,000
- Finance: Participatory Budgeting – N. Nashville Infrastructure Pilot - \$2,000,000
- Admin: GSD Project Contingency - \$7,000,000
- Admin: MNPS Project Contingency - \$6,000,000



Metro Nashville and its Budget



FY 2020-21: Neighborhoods – 27 projects totaling \$62,858,000. [Operating Budget Impact - \$367,000]

- Public Works: Madison Station Blvd – Phase 2 - \$5,000,000
- Public Works: Solid Waste – Facilities, Equipment and Maintenance - \$2,150,000
- Public Works: Satellite City – Road Infrastructure Payments - \$1,300,000
- Planning Dept: Neighborhood Planning & Infrastructure – \$900,000
- Planning Dept: East Bank Planning, Open Space & Infrastructure Study - \$538,000
- Library: Maintenance & General Repairs - \$1,700,000
- Parks: Buildings – Repair / Replace Mechanical Systems - \$2,000,000
- Parks: Shelby Park Repairs – Bridge & Sevier Lake Dam – \$350,000
- Parks: Ascend Amphitheatre – Electrical Repairs – \$1,200,000
- Parks: Park Lighting Repairs & Upgrades - \$1,000,000
- Parks: Playgrounds – New, Repairs & Upgrades – \$1,000,000
- Parks: HVAC Repairs & Maintenance - \$150,000
- Parks: Warner Park – Fence Replacement - \$85,000
- Parks: Greenways – Bridge Repairs - \$100,000
- Parks: Antioch Greenway - Repairs - \$85,000
- Parks: Fort Negley - Repairs & Maintenance - \$1,000,000
- Parks: Greenways – Charlotte Corridor – Trails – \$9,520,000
- Parks: Parks Tree Inventory – Replace - \$750,000
- Parks: Bells Bend Property – Acquisition - \$2,000,000
- Parks: Clinton Fisk Park – Improvements & Upgrades – \$750,000
- Parks: Old Hickory Community Center – Playground & Upgrades - \$3,400,000
- Parks: Fair Park – Phase II - \$7,000,000
- MAC: Sprinkler System Installations - \$500,000
- MAC: North Center Repairs – Walls & Floors - \$150,000
- MAC: Douglass Center Repairs – Tile - \$150,000
- MAC: Richland Center Repairs – Wall & Parking Lot – \$250,000
- Water: Water & Stormwater Projects - \$19,830,000

FY 2020-21: Housing – 1 project totaling \$2,000,000. [Operating Budget Impact - \$0]

- MDHA – Infrastructure Participation Agreements – \$2,000,000

FY 2020-21: Public Safety and Justice – 10 projects totaling \$69,200,000. [Operating Budget Impact- \$3,511,750]

- Gen. Srvc: Fleet Mgmt. – Replacements \$10,000,000
- ITS: Radio System Upgrade – Maintenance - \$6,500,000
- Fire: Fire Stations #2 – Construction - \$14,000,000
- Fire: Heavy Apparatus – Replacements - \$15,000,000
- Juvenile Court: Juvenile Justice Ctr – Program Manager – \$450,000
- Juvenile Court: Portable Trailer – Court Space - \$750,000
- Police: Southeast Police Prec. – New - \$12,000,000
- Police: Emergency Comm. Ctr. / Office of Emergency Mgmt – Planning & Design - \$3,000,000
- Police: Automated Fingerprint ID System – Upgrade – \$4,000,000
- Police: Crime Lab – Instrument Upgrades - \$3,500,000



FY 2020-21: Transportation Plan – 19 projects totaling \$121,882,000. [Oper. Budget Impact - \$0]

- MTA: MTA Grant Matching Funds - \$4,000,000
- MTA: RTA Grant Matching Funds - \$660,000
- MTA: Shelters / Regional Transit Centers - \$2,000,000
- State of Good Repair:*
- Public Works: Paving - \$30,000,000
- Public Works: Sidewalks - \$10,000,000
- Public Works: Bridges Program - \$7,750,000
- Public Works: Countywide Bridge Lighting - \$2,250,000
- Sidewalks:*
- Public Works: Sidewalks – Walk/Bike Plan - \$11,000,000
- Jefferson Street Cap:*
- Public Works: Roadways – Right-of-Way - \$5,800,000
- Restoration & Resiliency:*
- Public Works: Roadways – State Routes - \$15,000,000
- Safety, Vision Zero & Traffic Calming:*
- Public Works: Traffic Management Prog. - \$15,000,000
- Active Transportation:*
- Public Works: Bikeways - \$4,500,000
- Public Works: Roadways – Right-of-Way - \$2,500,000
- Traffic Mgmt & Signal Upgrades:*
- Public Works: Traffic Control Center - \$500,000
- Public Works: Traffic Management Program - \$5,300,000
- Public Works: Roadways – Right-of-Way - \$1,700,000
- Downtown / Neighborhood Traffic Project:*
- Public Works: Roadways - \$1,000,000
- IT Upgrades:*
- Public Works: IT Upgrades - \$1,922,000
- Land Purchase:*
- Public Works: Roadways – Land Purchases - \$1,000,000

Metro Nashville and its Budget



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

- Gen. Svcs: Sheriff's Hdqtrs – Construction Contgcy – \$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

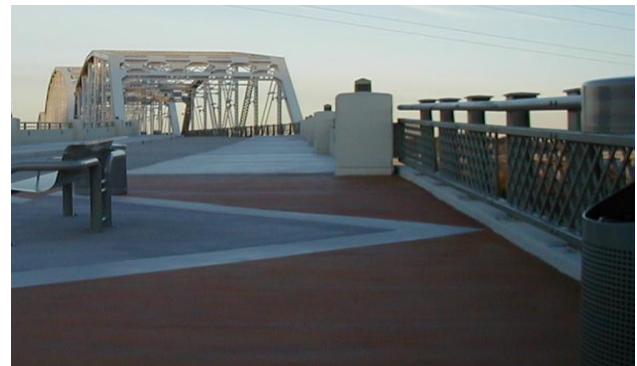
FY 2019-20: Neighborhoods and Community Engagement – 2 projects totaling \$7,700,000. [Operating Budget Impact-\$0]

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



FY 2019-20: 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 Wrks - \$3,000,000



Metro Nashville and its Budget



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



Metro Nashville and its Budget

Operating Budget Impacts

Approved capital expenditures affect the budget in three ways.

- First, Operating Capital Reserve Fund expenditures are drawn from a reserve pool historically representing 4% of the locally generated revenues to the GSD General Fund. The Mayor's FY22 Recommended Budget increases the Operating Capital Reserve Fund to 5%.
- 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 impacts of the FY 2020-21 and the FY 2019-20 Capital Spending Plans projects, and their approved project lists are presented on the following pages.

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



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

FY 2020-2021 Capital Spending Plan = \$ 4,828,750 Estimated Operating Budget Impact

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

FY2020-2021 Capital Projects – Estimated Operating Budget Impact Details:

Education - \$850,000

- Hillwood High School – Bellevue – New Construction - \$650,000 Yearly Utility Costs and General Operation of the Facility.
- Cane Ridge High School – Addtnl. Classrooms - \$200,000 Addnl. Sq. Footage Costs for Utilities, Custodial & Maintenance.

Effective Government - \$100,000

- Finance – Hyperion Budget System Upgrade - \$100,000 Annual Maintenance and Support Fees.

Metro Nashville and its Budget

FY2020-2021 Capital Projects – Estimated Operating Budget Impact Details (Cont.):

Neighborhoods - \$367,000

- Parks – Park Buildings – Repair / Replace Mechanical Systems - \$110,000 Annual Maintenance and Support Fees.
- Parks – Ascend Amphitheatre – Electrical Repairs / Upgrades - \$10,000 Annual Maintenance and Support Fees.
- Parks – Park Lighting Countywide - \$85,000 Additional Utility Costs and Annual Maintenance.
- Parks – Greenways – Charlotte Corridor - \$140,000 Annual Maintenance and Support Fees.
- Parks – Bells Bend Property – Property Acquisition - \$5,000 Annual Maintenance and Support Fees.
- Parks – Old Hickory Community Center – Playgrounds and Upgrades - \$5,000 Annual Maintenance and Support Fees.
- MAC – North Center Repairs – Damaged Walls and Flooring Repairs - \$5,000 Annual Maintenance and Support Fees.
- MAC – Douglass Center Repairs – Damaged Tile - \$2,000 Annual Maintenance and Support Fees.
- MAC – Richland Center Repairs – Wall Repair and Parking Lot - \$5,000 Annual Maintenance and Support Fees.

Public Safety - \$3,511,750

- ITS – Radio System Upgrades & Maintenance Contracts - \$2,718,600 Annual Maintenance and System Upgrade Agreement.
- Police – Southeast Police Precinct – New Precinct - \$168,750 Estimated Utilities, Janitorial Services and Routine Maintenance.
- Police – Emergency Communications Ctr / Office of Emergency Mgmt – New Facility – (-\$140,600) Elimination of Lease for Backup Facility.
- Police – Automated Fingerprint ID System (AFIS) – System Upgrade - \$565,000 Annual Maintenance Contract / Warranty.
- Police – Crime Lab Instrument Upgrades – Updated Equipment - \$200,000 Annual Maintenance Contracts / Warranties.

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.

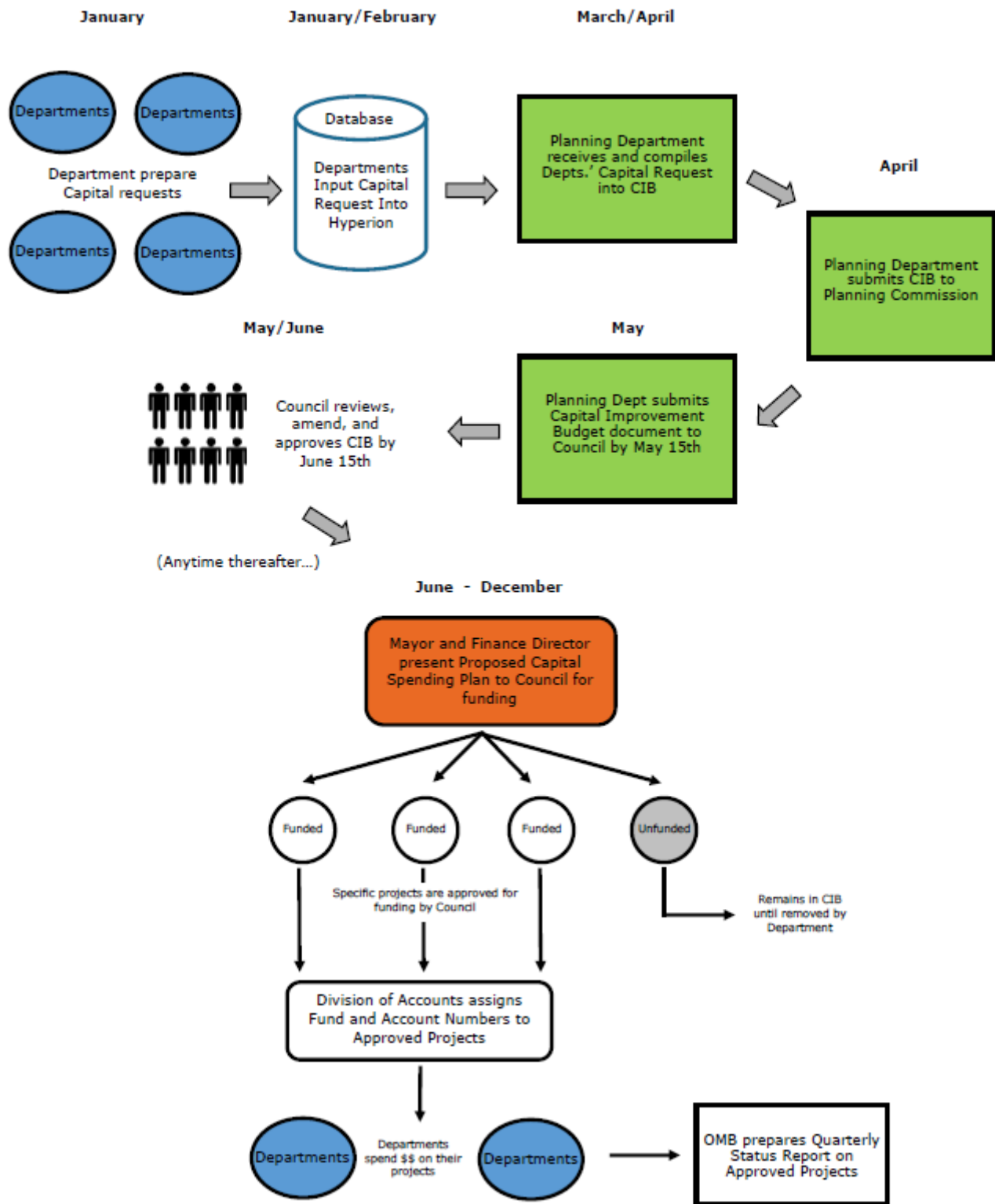
Central Government Operations - \$658,000

- 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

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



Metro Nashville and its Budget

FY 2020-2021 CAPITAL SPENDING PLAN				
AGENCY / PROJECT NAME	DESCRIPTION	ALLOCATION	PRIORITY CATEGORY	OPERATING BUDGET IMPACT
METRO SCHOOLS				
<u>DESIGN / CONSTRUCTION PROJECTS:</u>				
HILLWOOD HIGH SCHOOL-BELLEVUE	Phase 2 - Construction	\$100,000,000	Education	\$650,000
CANE RIDGE HIGH SCHOOL-ADDITION	Add Additional Classrooms	18,840,000	Education	200,000
CANE RIDGE MIDDLE - NEW (DESIGN)	Phase 1 - Design	4,280,000	Education	
<u>DISTRICT-WIDE PROJECTS:</u>				
ADA COMPLIANCE	ADA Compliance Projects	1,000,000	Education	
ENVIRONMENTAL REMEDIATION	Removal and Safety Issues	250,000	Education	
HVAC UPGRADES / REPAIRS	Boilers, Chillers, Cooling Towers, etc.	61,600,000	Education	
EMERGENCY CONSTRUCTION	Emergency Repairs & Contingency	5,000,000	Education	
TOTAL -- MNPS Projects		\$190,970,000		\$850,000
PUBLIC WORKS				
MADISON STATION BLVD	Phase 2	\$5,000,000	Neighborhoods	
SOLID WASTE	Facilities, Equipment & Maintenance	2,150,000	Neighborhoods	
SATELLITE CITY PAYMENT - ROADS	Road Infrastructure Payment	1,300,000	Neighborhoods	
GENERAL SERVICES				
FLEET MGMT - REPLACEMENT FUNDS	Heavy Equipment Replacements	10,000,000	Public Safety	
BUILDING OPERS - MAINTENANCE	Major Maintenance - Buildings	8,000,000	Effective Govt	
SUSTAINABILITY	Revolving & Innovation Fund	2,000,000	Effective Govt	
NEW FACILITY PLANNING	Site Evaluation & Relocation Projects	2,500,000	Effective Govt	
PLANNING DEPARTMENT				
NEIGHBORHOOD PLANNING & INFRASTRUCTURE STUDIES	For N. Nashville, Edgehill & Southeast	900,000	Neighborhoods	
EAST BANK PLANNING, OPEN SPACE & INFRASTRUCTURE STUDY	Planning and Infrastructure Studies	538,000	Neighborhoods	
INFORMATION TECHNOLOGY SERVICES (ITS)				
RADIO SYSTEM UPGRADES / MAINT EXPERTISE & RESOURCES	System Upgrades & Maint. Contract For Technology and Construction Projs	6,500,000	Public Safety	\$2,718,600
		2,700,000	Effective Govt	
FIRE				
FIRE STATION 2	Replacement of Fire Station 2	14,000,000	Public Safety	
HEAVY APPARATUS - REPLACEMENT	Replacement of Heavy Apparatus	15,000,000	Public Safety	
LIBRARY				
MAINTENANCE - GENERAL REPAIRS	Maintenance & General Repairs	1,700,000	Neighborhoods	
JUVENILE COURT				
JUVENILE JUSTICE CENTER	New JJC Process / Program Manager	450,000	Public Safety	
JUVENILE JUSTICE CENTER	Portable Trailer for Additional Court	750,000	Public Safety	
MUNICIPAL AUDITORIUM				
REPAIRS & MAJOR MAINTENANCE	Plumbing & HVAC Repairs/Renovations	2,500,000	Effective Govt	
MDHA				
AFFORDABLE HOUSING AGREEMENTS	Infrastructure Participation Agreements	2,000,000	Affordable Housing	
POLICE				
SOUTHEAST POLICE PRECINCT	Construction of Southeast Police Precinct	12,000,000	Public Safety	168,750
EMERG COMM CTR / OEM CAMPUS	Planning/Design - New ECC / OEM	3,000,000	Public Safety	(140,600)
AFIS UPGRADE	Automated Fingerprint ID System	4,000,000	Public Safety	565,000
CRIME LAB INSTRUMENT UPGRADES	Equipment Updates for Crime Lab	3,500,000	Public Safety	200,000

Metro Nashville and its Budget

FY 2020-2021 CAPITAL SPENDING PLAN				
AGENCY / PROJECT NAME	DESCRIPTION	ALLOCATION	PRIORITY CATEGORY	OPERATING BUDGET IMPACT
PARKS				
PARK BUILDINGS	Repair / Replace Mechanical Systems	\$2,000,000	Neighborhoods	\$110,000
SHELBY PARK REPAIRS	Bridge Repair and Sevier Lake Dam	350,000	Neighborhoods	
ASCEND AMPHITHEATRE	Electrical Repairs	1,200,000	Neighborhoods	10,000
PARK LIGHTING	Light Repairs and Upgrades	1,000,000	Neighborhoods	85,000
PLAYGROUNDS SYSTEM-WIDE	New, Repairs and Upgrades	1,000,000	Neighborhoods	
HVAC REPAIRS & MAINTENANCE	Boilers, Chillers, Cooling Towers, etc.	150,000	Neighborhoods	
WARNER PARK FENCE REPLACEMENT	Fence Repairs and Replacement	85,000	Neighborhoods	
GREENWAYS - BRIDGE REPAIRS	Bridge Repair on System Greenways	100,000	Neighborhoods	
ANTIOCH GREENWAY - REPAIRS	Repairs on Antioch Greenway	85,000	Neighborhoods	
FORT NEGLEY REPAIRS	Maintenance and Repairs	1,000,000	Neighborhoods	
GREENWAYS - CHARLOTTE CORRIDOR	Trails on Segment 2 and 4	9,520,000	Neighborhoods	140,000
PARK TREE INVENTORY	Replacement of Park Trees	750,000	Neighborhoods	
BELLS BEND PROPERTY	Property Acquisition	2,000,000	Neighborhoods	5,000
CLINTON FISK PARK	Improvements and Upgrades	750,000	Neighborhoods	
OLD HICKORY COMMUNITY CENTER	Playground and Upgrades	3,400,000	Neighborhoods	5,000
FAIR PARK	Phase II	7,000,000	Neighborhoods	
FINANCE				
HYPERION UPGRADE	Budget Management System Upgrade	2,000,000	Effective Govt	100,000
PARTICIPATORY BUDGETING	Pilot for N. Nashville Infrastructure	2,000,000	Effective Govt	
METRO ACTION COMMISSION				
SPRINKLER SYSTEM INSTALLATIONS	HeadStart Facilities Installations	500,000	Neighborhoods	
NORTH CENTER - REPAIRS	Damaged Walls and Flooring Repairs	150,000	Neighborhoods	5,000
DOUGLASS CENTER - REPAIRS	Damaged Tile	150,000	Neighborhoods	2,000
RICHLAND CENTER - REPAIRS	Side Wall Repairs and Parking Lot	250,000	Neighborhoods	5,000
WATER / STORMWATER				
WATER / STORMWATER PROJECTS	State of Good Repair/Stormwater Projs	19,830,000	Neighborhoods	
METRO TRANSIT AUTHORITY (MTA)				
MTA GRANT MATCH - MTA	Capital Grant Matches for MTA Projects	4,000,000	Transportation	
MTA GRANT MATCH - RTA	Capital Grant Matches for RTA Projects	660,000	Transportation	
SHELTERS / REG. TRANSIT CENTERS	Shelter Improvements & Regional Transit Centers	2,000,000	Transportation	
TOTAL -- General Government Projects		\$162,418,000		\$3,978,750

Metro Nashville and its Budget

FY 2020-2021 CAPITAL SPENDING PLAN				
AGENCY / PROJECT NAME	DESCRIPTION	ALLOCATION	PRIORITY CATEGORY	OPERATING BUDGET IMPACT
TRANSPORTATION PLAN				
<u>STATE OF GOOD REPAIR</u>				
PAVING	Paving Projects	30,000,000	Transportation	
SIDEWALKS	Sidewalk Projects	10,000,000	Transportation	
BRIDGE PROGRAM	Bridge Program	7,750,000	Transportation	
COUNTYWIDE BRIDGE LIGHTING	Bridge Lighting Projs - Countywide	2,250,000	Transportation	
<u>SIDEWALKS</u>				
SIDEWALKS - WALK/BIKE UPDATES	Sidewalks - Walk/Bike Updates; Lower Broadway Pedestrian Impvts	11,000,000	Transportation	
<u>JEFFERSON STREET CAP</u>				
ROADWAYS - RIGHT-OF-WAY	Roadways and Right-Of-Way	5,800,000	Transportation	
<u>RESTORATION & RESILIENCY</u>				
ROADWAYS - STATE ROUTES	Roadways, Right-Of-Way State Routes	15,000,000	Transportation	
<u>SAFETY, VISION ZERO & TRAFFIC CALMING</u>				
TRAFFIC MANAGEMENT PROGRAM	Traffic Management Program	15,000,000	Transportation	
<u>ACTIVE TRANSPORTATION</u>				
BIKEWAYS	Bikeways	4,500,000	Transportation	
ROADWAYS - RIGHT-Of-WAY	Roadways and Right-Of-Way	2,500,000	Transportation	
<u>TRAFFIC MGMT & SIGNAL UPGRADES</u>				
TRAFFIC CONTROL CENTER	Traffic Control Center	500,000	Transportation	
TRAFFIC MGMT PROGRAM	Traffic Management Program	5,300,000	Transportation	
ROADWAYS - RIGHT-Of-WAY	Roadways and Right-Of-Way	1,700,000	Transportation	
<u>DOWNTOWN / NEIGHBORHOOD TRAFFIC PROJECT</u>				
ROADWAYS	Roadways	1,000,000	Transportation	
<u>IT UPGRADES</u>				
IT UPGRADES	IT Upgrades	1,922,000	Transportation	
<u>LAND PURCHASE</u>				
ROADWAYS - LAND PURCHASE	Roadways - Land Purchase	1,000,000	Transportation	
TOTAL -- Transportation Plan Projects		\$115,222,000		\$0
CONTINGENCY ACCOUNTS				
GSD CAPITAL CONTINGENCY	Contingency Funds for GSD	\$7,000,000	Effective Govt	
MNPS CAPITAL CONTINGENCY	Contingency Funds for MNPS	6,000,000	Effective Govt	
GRAND TOTAL		\$481,610,000		\$4,828,750

Metro Nashville and its Budget

FY 2019-2020 CAPITAL SPENDING PLAN				
AGENCY / PROJECT NAME	DESCRIPTION	ALLOCATION	PRIORITY CATEGORY	OPERATING BUDGET IMPACT
METRO SCHOOLS				
CONSTRUCTION / DESIGN PROJECTS				
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	
DISTRICT-WIDE PROJECTS				
SCHOOL IMPROVEMT PROJ	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	
EMERGENCY CONSTRCTN/CONTGCV	Emergency Construction & Contg	1,500,000	Education	
MISC. DEFERRED MAINTENANCE DISTRICT-WIDE PROJECTS				
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	
TORNADO DAMAGE FUNDS				
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	Constnrtion Contgcv for Sheriff's Offices	\$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 EMERGENCY RESPONSE FUNDS	Phase 2.1 Enterprise Acct. System COVID-19 Contingency Funds	2,500,000	Central Govt	100,000
- 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 Srvc - 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 with Tri-Data Master Plan Study	1,250,000	Public Safety	
PUBLIC WORKS				
TRAFFIC MANAGEMENT	Includes Signals, Traffic Calming, etc.	1,250,000	Transportation	
PAVING PROGRAM	Resurfacing, Paving, Preservation	6,000,000	Transportation	
SIDEWALK PROGRAM	Construct/Improve-Walk N Bike Plan	4,000,000	Transportation	
ROADWAYS / IMPROVE / MAINT.	Engineering, ROW, Intersections, Signals, Signage, Marking, Lighting, Irrigation, Bridges, Culverts, etc.	2,200,000	Transportation	
SOLID WASTE - EQUIPMENT	Landfill / Convenience Ctr / Equipmt	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, Outbuildings, and parking improvements	4,800,000	Neighborhoods	
METRO TRANSIT AUTHORITY				
MTA GRANT MATCHES	Matching funds to leverage Federal and	4,000,000	Transportation	
RTA GRANT MATCHES	Matching funds to leverage Federal and	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