

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Donald W. Jones, Director

DATE: June 20, 2002

RE: **Analysis for Adjourned Council Meeting  
of June 20, 2002 - 7:00 p.m.**

**- RESOLUTIONS -**

**RESOLUTION NO. RS2002-1057** (SHULMAN) - This resolution appropriates \$919,419 from the unappropriated fund balance of the general fund of the urban services district to the fire department. This appropriation and the appropriations that are the subject matter of Resolution No. RS2002-1058 are usually made at the end of the fiscal year to balance the budgets for departments that for various reasons have overspent their allotted funding.

**RESOLUTION NO. RS2002-1058** (SHULMAN) - This resolution appropriates \$11,043,126 from the unappropriated fund balance of the general fund of the general services district and from the hotel occupancy reserve funds to various departments. The distribution of the funds will be made as follows:

- \$2.5 million are for development costs pertaining to the new district energy system;
- \$564,600 to the finance department;
- \$1.45 million to the sheriff's office;
- \$856,616 to the police department;
- \$300,910 to the health department for rent of the medical examiner's facility
- \$4.3 million for public works-solid waste-thermal;
- \$971,000 to the Gaylord arena.

An additional \$200,000 will be transferred to the convention center, half of which will come from the convention center portion of the hotel occupancy reserve, and the other half from the tourist related funds of the hotel occupancy reserve.

**- BUDGET AND TAX LEVY ON FINAL READING -**

**ORDINANCE NO. BL2002-1073** (SHULMAN) - This ordinance is the operating budget of the Metropolitan Government for the fiscal year 2002-2003. The proposed budget filed by the mayor provides for the following proposed funding:

• General Fund of the General Services District	\$ 577,286,123
• Schools Fund of the General Services District	477,600,000
• Schools Debt Service Fund - General Services District	56,415,991
• Debt Service - General Services District	<u>85,767,929</u>
<b>TOTAL GENERAL SERVICES DISTRICT BUDGET</b>	<b>\$ 1,197,459,092</b>

- General Fund of the Urban Services District \$ 101,778,637

• Debt Service - Urban Services District	<u>20,134,250</u>
<b>TOTAL URBAN SERVICES DISTRICT BUDGET</b>	<b>\$ 121,912,887</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$1,312,208,694</b>

The substitute budget adopted by the council for the current fiscal year is \$1,230,354,737. The mayor's proposed budget is an increase of \$81,853,957, or 6.65%. The budget increase is funded in part by an estimated \$15.3 million, or 3.2% increase in property tax revenues over the current fiscal year. Local option sales tax revenues are projected to decrease by \$1,933,401, or 0.79%.

In the general fund of the GSD, \$35,917,954 is appropriated from the unappropriated fund balance as compared to \$7,666,085 in the current year's budget.

The budget funds the second year of the pay plan based on the Mercer reclassification study, which provides an average of a 3% raise in each of the next two fiscal years. According to the finance department, the cost of the pay plan funding for the second year, including benefits, is \$26,250,700.

Improvements are made to a number of departments, highlighted by the following:

• Police	\$6,627,762, an increase of 6%
• Fire & Emergency Ambulance	\$2,395,711, an increase of 9.4%
• Public Works Audit Recommendations	\$1,914,354, an increase of 4.4%
• Health Department	\$8,995,143, an increase of 29%
• Stormwater	\$6,300,000, an increase of 86%
• Parks & Recreation	\$1,138,828, an increase of 4.3%

The department of Social Services budget is reduced by \$398,332

The budget provides \$2,359,600 to Nashville Public Television for the benefit of the school board.

The operating budget for schools is increased by \$29,989,580, for a total of \$477,600,000, an increase of 6.7%. Some of the highlights of the operating budget for schools include:

• English Language Learners - Teachers	\$5,464,300
• Reading Specialists in Elementary Schools	\$4,584,100
• Library Books	\$560,000
• Technology Improvements	\$1,435,400
• More School Supplies	\$1,141,181
• Salary Increases	\$15,288,900

In addition to the funds appropriated by this proposed budget, the director of finance will carry over any unexpended funds in FY 2002 for affordable housing, interpreter services, international population needs assessment, contingency for new courts, election commission, minority economic development center, Kelly Miller Smith center contribution, council infrastructure reserve, council utility assistance, council neighborhood aftercare, council community police program, disabled officer gun & badge, and council affordable housing.

The budget ordinance is amendable on third reading.

**Proposed Substitute Budget**

The budget and finance committee will propose a substitute budget that provides for some changes in appropriations, however, the total amount of the budget remains unchanged. The substitute budget provides for \$2,007,485 in reduction from some department operating budgets and grants including the following reductions:

- \$92,000 Finance Department
- \$495,485 Public Works
- \$400,000 Police Department - reduction in appropriation for strategic plan
- \$1,020,000 Contribution to Nashville Public Television

The contribution reduction to Public Works is based on \$432,500 in savings estimated by implementing the audit recommendations of restoring the brush collection route method for the chipper service and new road resurfacing procedures. The remaining reduction to Public Works is from the solid waste division. The contribution reduction to Nashville Public Television will leave a net amount appropriated sufficient to equal the payment required this year in the contract with the Board of Public Education.

Additional non-recurring expenditures are provided for in the amount of \$1,470,000. These include non-recurring appropriations for six new grants:

- \$35,000 for Jefferson Street United Merchants Partnership, Inc.
- \$20,000 for Renewal House
- \$30,000 for Nashville Adult Literacy Council
- \$25,000 for Donelson Senior Citizens Center
- \$40,000 for Mary Parrish Center
- \$10,000 for Sister Cities
- \$10,000 for Human Relations for Diversity & Dialogue Study Circles

An additional \$300,000 in non-recurring funds is appropriated to the Police Department for continuation of the Council Community Policing program and neighborhood traffic calming. \$25,000 in non-recurring funds is appropriated to the Juvenile Judge for equipment related to the new Juvenile Drug Court program. The amount of \$150,000 in non-recurring funds are appropriated to the Metro Transit Authority for bus shelter and signage improvements.

There are additional appropriations that are increases in operational funding totaling \$587,485. These are made to the following departments:

- \$300,000 Juvenile Judge - for creation of Juvenile Drug Court program
- \$43,428 Public Defender - for a Spanish-speaking criminal investigator position
- \$ - 0 - Restore route brush collection method for chipper service
- \$108,000 Social Services - for homemaker services and nutrition services programs
- \$106,737 Public Works - restore twice per year neighborhood clean-ups
- \$29,320 Juvenile Court Clerk - additional staff

Several reserves are provided in the substitute budget for programs that need to be refined or developed or to provide supplemental funding during the year, if necessary. These reserves are viewed primarily as non-recurring expenditures. Specific legislation will be provided during the next fiscal year to provide the actual appropriation of these funds. These reserves total \$825,000 and are as follows:

- \$350,000 Council Infrastructure program addition

- \$350,000 Minority Development Loan Fund
- \$100,000 Nashville Stand for Children program
- \$25,000 Council Graffiti Abatement program

Strictly as an accounting measure, there is an increase to the State Trial Courts of \$51,000, and a reduction to the Department of Law of \$51,000 for Westlaw subscription fees. In addition, there are technical corrections relating to grant fund allocations, which do not change the amount of budget appropriations.

**ORDINANCE NO. BL2002-1074** (SHULMAN) - This ordinance adopts the property tax levy for the fiscal year 2002-2003. The Metropolitan Charter requires that upon the adoption of the annual operating budget, the council's next order of business is to adopt a tax levy that fully funds the operating budget. The property tax proposed by the mayor is \$4.58 per \$100 in assessed value, which represents \$3.84 in the general services district (GSD) and \$0.74 in the urban services district (USD). This bill is amendable on third reading.

This proposed property tax levy shifts three cents from the general fund of the general services district to the GSD schools fund. This is to restore funding to education to help off-set lower sales tax collections next year. This shift is estimated to be the equivalent of \$3.9 million. The total \$4.58 tax levy is the same total as last year's tax levy.

**- OTHER BILLS ON THIRD READING -**

**ORDINANCE NO. BL2002-1063** (WALLACE, TUCKER & WATERS) - This ordinance approves Amendment No. 2 to the Arts Center Redevelopment Plan, which was adopted in 1998 to facilitate the conversion of the old downtown post office to the Frist Center for the Visual Arts. The plan included the post office, the Union Station Hotel, and Cummins Station. Amendment No. 1, adopted in 1999, added the Music Row area and the area between I-40 and the railroad gulch to the redevelopment plan area. This amendment replaces the preface of the plan to provide for more clarity regarding the applicable governing state law and adds a mixed use "Music Row" district subsection to the land use plan, which applies to the area west of I-40. The intent of the Music Row land use district is to encourage multi-storied office buildings that could incorporate first floor retail space. Auto sales and auto repair will be allowed as a conditional use provided they are compatible with surrounding land uses. Outside storage or display of vehicles and auto repair will not be allowed on properties with frontage on Demonbreun Street.

**ORDINANCE NO. BL2002-1077** (SHULMAN & SUMMERS) - This ordinance approves a \$1,500 grant from the state historical commission to the Metro historical commission to send two or more historical zoning commission staff members to the National Alliance of Preservation Commissions Forum, held in San Antonio, TX, August 1-4, 2002. Metro will match this grant in the amount of \$1,000.00.

**ORDINANCE NO. BL2002-1078** (MCCLENDON) - This ordinance abandons unbuilt alley # 1837 between Longview Avenue and Interstate 440, west of Winford Avenue. All easements are to be abandoned as well. This abandonment is requested by Catherine A. Randolph for abutting property owner, C.A. Randolph Hayth.

Documentation showing abutting property owner consent is on file with the planning commission.

This ordinance has been approved by the planning commission and the traffic and parking commission.

**ORDINANCE NO. BL2002-1079** (MCCLENDON) - This ordinance abandons unbuilt alley # 1838 between Longview Avenue and Interstate 440, west of Winford Avenue. All easements are to be abandoned as well. This abandonment is requested by David Davis for abutting property owner, Roger A. Sindle.

Documentation showing abutting property owner consent is on file with the planning commission.

This ordinance has been approved by the planning commission and the traffic and parking commission.

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