

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Donald W. Jones, Director

DATE: June 24, 2003

**RE: Analysis for Adjourned Council Meeting  
of June 24, 2003 - 7:00 p.m.**

**- RESOLUTION -**

**RESOLUTION NO. RS2003-1480** (JENKINS) – This resolution appropriates \$2,078,200 from the unappropriated fund balance of the general fund of the general services district, the hotel occupancy reserve funds, and from other sources to various Metro departments. The distribution of the funds will be made as follows:

- \$25,000 for a reauthorized contribution to Cumberland Region Tomorrow;
- \$117,300 to the election commission for staffing costs as a result of the extra runoff election in December 2002;
- \$45,000 to the finance department for the eBid surplus property auction;
- \$113,900 for AS400 computer system consolidation;
- \$48,600 to the state trial courts for court officers;
- \$772,100 to the police department;
- \$17,000 to the arts commission for interim director costs;
- \$480,000 to the emergency communications center for start-up costs to implement the audit recommendations;
- \$18,400 to the register of deeds for rent at the Gaylord Entertainment Center;
- \$25,000 from the public and government access TV fund to community access television (CATV);
- \$406,800 to the convention center for roof repairs. Half of this amount will come from the convention center portion of the hotel occupancy reserve, and the other half from the additional revenues of the hotel occupancy tax;
- \$212,000 from the pension trust fund to human resources for the Metro pension plan computer imaging project.

**- BILLS ON THIRD READING -**

**ORDINANCE NO. BL2003-1412** (WALLACE) – This ordinance, as amended, abandons a portion of Alley #571 southwest of 14<sup>th</sup> Avenue North and abandons a portion of an unnamed alley from Meharry Boulevard to its terminus. In addition, this ordinance approves the relocation of Alley #577 from Meharry Boulevard to its terminus at Alley #571. This alley is to be relocated approximately 23 feet towards 14<sup>th</sup> Avenue North. Metro has determined that there is no future governmental need for this portion of these alleys. This closure has been requested by Michael Delvzizis of Stantec Consulting Services, Inc., for Matthew Walker Comprehensive Health Center, Inc., the abutting property owner. This closure is necessary for the construction of the new Matthew Walker Comprehensive Health Center. Pursuant to this ordinance, all easements held by Metro are abandoned.

(continued on next page)

**ORDINANCE NO. BL2003-1412** (continued)

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

Documentation showing consent of the affected property owners is on file with the planning commission.

**ORDINANCE NO. BL2003-1425** (HALL & PONDER & STANLEY) – This ordinance authorizes the Metropolitan Government to assume and take over all functions, assets, and liabilities connected with the water distribution reservoirs and pumping facilities of the First Suburban Water Utility District. First Suburban provides water service to customers in the Hermitage and Stones River areas, including portions of Wilson County. State law permits Metro to acquire utility and other public service districts that operate within the area of the Metropolitan Government. This acquisition was contemplated when Metro entered an agreement with First Suburban approved by Resolution No. R94-1431. Pursuant to Resolution No. R94-1431, Metro took over the sewer utility functions of First Suburban approximately eight years ago. This resolution approves an amendment to the 1994 agreement to provide for Metro to assume the water treatment and distribution functions of First Suburban as well.

Pursuant to this agreement, the ownership of all of First Suburban's operations, assets, property, facilities and liabilities relating to the treatment and distribution of water will be transferred to Metro on or before July 1, 2003, except that Metro will not acquire any of the assets or liabilities regarding the portion of First Suburban operating in Wilson County. A purchaser in Wilson County is to acquire the assets regarding the Wilson County operations of First Suburban and is to assume the outstanding bond liability.

Although the planning commission has yet to consider this ordinance, pursuant to the Charter, the failure of the planning commission to make a recommendation within 30 days from its referral date constitutes an approval.

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

**ORDINANCE NO. BL2003-1471** (JENKINS) – This ordinance is the operating budget of the Metropolitan Government for the fiscal year 2003-2004. The proposed budget filed by the mayor provides for the following proposed funding:

• General Fund of the General Services District	\$ 582,865,400
• Schools Fund of the General Services District	\$ 502,900,000
• Schools Debt Service Fund	\$ 54,901,800
• Debt Service – General Services District	<u>\$ 95,379,500</u>
<b>TOTAL GENERAL SERVICES BUDGET</b>	<b>\$1,236,046,700</b>
• General Fund of the Urban Services District	\$ 101,910,600
• Debt Service – Urban Services District	<u>\$ 21,536,300</u>
<b>TOTAL URBAN SERVICES DISTRICT BUDGET</b>	<b>\$ 123,446,900</b>
DUPLICATED BY INTERFUND TRANSFERS	(\$7,283,300)
<b>TOTAL OPERATING BUDGET</b>	<b>\$1,352,210,300</b>

The substitute budget adopted by the council for the current fiscal year is \$1,312,208,694. The mayor’s proposed budget is in large part a continuation budget with an increase of \$40,001,606, or 3.05%. The property tax revenues for FY 2004 for the GSD are projected to be \$492,300,400, which is \$3,323,559 less than was projected for FY 2003. The property tax revenues for FY 2004 for the USD are projected to be \$72,057,000, which is \$1,356,628 less than was projected for FY2003. Revenues from the sales tax are estimated short of the FY 2003 projection of \$243.7 million. The revised estimate for FY 2003 sales tax collections is \$233 million. The FY 2004 budget projects sales tax revenues to increase by approximately 2% over FY 2003 collections for a total of \$237.9 million.

In the general fund of the GSD, \$35,707,900 is appropriated from the unappropriated fund balance, as compared to \$35,917,954 in the current year’s budget. This will leave an estimated unappropriated fund balance of \$29,992,100, or 5.1% of the FY 2003 budget.

This budget funds the third and final year of the pay plan based on the Mercer reclassification study, which provides a 3% raise to Metro employees. The additional costs for these pay plan improvements is approximately \$17,500,000. In addition, the budget includes increased funding for health benefits and pension contributions totaling \$16,892,500.

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

• Police Department	\$2,589,071, an increase of 2.2%
• Fire Department	\$1,453,169, an increase of 1.7%
• Health Department	\$3,543,158, an increase of 8.9%
• Public Library	\$503,851, an increase of 2.8%
• Parks and Recreation	\$1,003,450, an increase of 3.6%

The proposed budget anticipates that \$17,415,000 will be saved, and although appropriated as an expenditure, this savings is shown as a reduction in the expenditure portion of the budget. Traditionally the Metro budget does have an overall excess at the end of the fiscal year which is appropriated the next fiscal year as part of the appropriations from the unappropriated fund balance. Should these savings not be achieved, the unappropriated fund balance would fall well below the 5% goal adopted by the Council.

The budget provides \$1,081,100 to Nashville Public Television as the Metropolitan Government's final payment for the benefit of the school board.

The operating budget for schools is increased by \$25,300,000, for a total of \$502,900,000, an increase of 5.3%. Some of the highlights for the operating budget for schools include:

- School Improvement Plan \$4,778,800
- 42 Middle School Teachers \$1,748,700
- 14 ½ Guidance Counselors \$885,600
- 10 Assistant Principals \$940,000
- Textbooks \$215,000
- Information Technology \$3,277,000
- 94 English Language Learners Teachers \$3,562,700
- Bus Drivers \$1,526,800

In the schools fund of the GSD, \$24,975,700 is appropriated from the unappropriated fund balance, as compared to \$2,982,713 in FY 2003. This will leave an estimated unappropriated fund balance of \$38,024,300, or 7.6% of the FY 2003 schools budget.

The budget ordinance is amendable on third and final reading.

## Proposed Substitute Budget

The budget and finance committee will propose a substitute operating budget that provides for some modifications in appropriations, however, the total amount of the budget remains unchanged. The substitute budget provides for \$1,325,938 in reduction from some operating budgets and contingency accounts consisting of the following:

- \$280,400 Codes Administration
- \$120,000 Reduce the contingency account for Managing for Results
- \$100,000 Reduce the contingency account for a probation officer grant for the Juvenile Court
- \$260,938 Reduce the contingency account for utility increases
- \$199,900 Eliminate the contingency account for judicial commissioners
- \$365,000 Reduction in the Property Tax Relief Program

The reduction in the department of codes administration is in non-recurring funding for document imaging conversion. This document imaging conversion for the codes department can be funded by capital funding sources instead of the operating budget. The reduction in the Property Tax Relief Program is based on estimates from the Trustee that this \$365,000 would not be expended in the next fiscal year.

An additional non-recurring expenditure in the amount of \$120,000 is appropriated as an increased contribution to the YWCA Domestic Violence Shelter as a continuation of a Council initiative dating back to 1997.

There are additional appropriations totaling \$1,205,938 that are increases in operational funding for the following departments:

- \$60,930 Election Commission – increase in salary for poll workers
- \$41,400 Public Defender – for an additional paralegal position
- \$1,103,608 Public Library – consisting of \$1,043,608 to open all of the branch libraries on Friday and \$60,000 to restore library services for the blind and handicapped as a result of the loss of federal funding.

### **- OTHER BILLS ON THIRD READING -**

**ORDINANCE NO. BL2003-1472** (JENKINS) – This ordinance adopts the property tax levy for the fiscal year 2003-2004. The Metropolitan Charter requires that the council's next order of business upon adopting the annual operating budget is to adopt a tax levy that fully funds the operating budget. The property tax levy proposed by the mayor is identical to the property tax levy adopted for fiscal year 2002-2003. 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).

**ORDINANCE NO. BL2003-1473** (JENKINS) – This ordinance authorizes the mayor’s office of children and youth to accept and appropriate cash donations for the purpose of underwriting the costs of the 2003 Mayor’s Summit on Children and Youth. This summit was held April 10-12 at the Nashville Convention Center, with the purpose of bringing policymakers, experts, youth, and advocates together to analyze issues facing Nashville’s youth. The HCA Foundation, the Nashville Prevention Partnership, Vanderbilt University and the Vanderbilt Institute for Public Policy Studies’ Child and Family Policy Center, and the United Way have pledged a total of \$17,573.57 to help underwrite the costs of the summit. Once the cash donations are received they will be appropriated to the mayor’s office of children and youth fund.

The funds pledged by each donor are as follows:

- HCA Foundation \$5,000.00
- Nashville Prevention Partnership \$5,000.00
- Vanderbilt University \$5,000.00
- United Way \$2,573.57

**ORDINANCE NO. BL2003-1474** (CAMPBELL & MCCLENDON) – This ordinance, as amended, accepts the donation of an easement on property located at the intersection of Moss Rose Drive and McGinnis Drive for the purpose of constructing a greenway bridge and a connector trail for the Shelby Bottoms greenway. This easement on the 0.58 acre parcel is being donated by John Colley, the owner of the property. Pursuant to the agreement for the granting of this easement, Metro may use the easement area for a pathway for pedestrian or bicycle travel, nature trail, and/or natural area.

**ORDINANCE NO. BL2003-1476** (WATERS) – This ordinance amends the Metropolitan Code of Laws to require retailer’s “off-sale” beer permit holders to post signs at their place of business informing customers that it is unlawful to consume alcoholic beverages on the premises, or to possess an open container of alcohol in public. These signs will be furnished by the beer permit board, and are to be placed in a prominent place easily seen by customers. The Metro Code prohibits persons from possessing any alcoholic beverage in an opened glass, aluminum, or metal container in an area generally open to the public, unless the premises is licensed for on-premises consumption.

**ORDINANCE NO. BL2003-1477** (HALL & GREER) – This ordinance abandons the Old Thompson Lane water pumping station and authorizes the director of public property administration to surplus and dispose of the property. The Metropolitan Government is the owner of the property encumbered by the water pumping station, and the department of water and sewerage services no longer has any need for the pumping station. Metro will retain the ingress and egress easement rights to the property for the benefit of the department of water and sewerage services. Future amendments to this ordinance may be approved by resolution of the Metropolitan Council. This ordinance has been approved by the planning commission.

