

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director
Metropolitan Council Office

DATE: **June 15, 2009**

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

Proposed Substitute Budget

The Chair of the Budget and Finance Committee will propose a substitute budget that provides for some changes in appropriations, but will not require any additional tax revenue.

The purpose of the substitute budget is to reduce the number of layoffs in certain departments. The positions that are being restored are jobs that provide direct services to the citizens of the Metropolitan Government. The jobs to be restored are as follows:

- Restoration of two property standards inspectors in the codes department – \$108,900
- Restoration of 11 maintenance workers in the parks department – \$453,300
- Restoration of one maintenance crew in the public works department – \$160,000

In order to provide funding for these positions, the substitute budget provides reductions to various contingency accounts, as well as modifications to the appropriations from the hotel occupancy tax. The contingency account reductions are as follows:

- \$100,000 – Contingency Local Match (GSD)
- \$50,000 – Contingency Account (GSD)
- \$312,200 – Contingency Utility Expense (GSD)
- \$50,000 – Contingency Account (USD)

(In order to partially offset the reduction for the contingency utility expense in the GSD general fund, the substitute budget adds \$50,000 to the corresponding line-item in the USD general fund.)

The substitute budget also makes a reduction of \$25,000 from the budget of the general sessions court.

A reduction of \$250,000 in the GSD general fund subsidy to the metropolitan transit authority (MTA) is also included in the substitute budget. However, this reduction is offset by an increase of \$250,000 in the MTA subsidy from the hotel occupancy fund. In order to keep the total appropriations unchanged in the hotel occupancy fund, the Nashville Convention & Visitors Bureau promotion is reduced by \$200,000 and the Country Music Hall of Fame and Museum contribution is reduced by \$50,000.

The substitute budget provides two other departmental increases in addition to the position restorations. The substitute budget restores \$15,000 in travel and registration funds for the internal audit department in order to ensure the independence of the auditor, as contemplated by the Charter. The substitute budget also appropriates \$60,000 from the undesignated fund balance of the community education enterprise fund, which along with existing budgetary funds, will fully fund the salary for a director.

Language is also added to authorize the director of finance to appropriate funds received from the hotel occupancy tax funds and the tourist accommodation taxes enacted pursuant to Ordinance No. BL2007-1557 to the metropolitan development and housing agency (MDHA) for the purpose of land acquisition, predevelopment activities, and construction of a new downtown convention center. This is essentially a housekeeping matter to ensure that the funds are being appropriated by the council through the budget to MDHA.

The budget ordinance is amendable on third reading. Pursuant to council rules, no amendment to the budget may be offered unless it has been submitted to the Budget & Finance Committee for a recommendation. The Budget & Finance Committee will meet at 4:00 p.m. on Monday, June 15th to consider the substitute budget. The full council will consider the substitute at the regular council meeting on June 16th.