MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director

Metropolitan Council Office

DATE: **June 4, 2013**

RE: **Analysis Report**

Balances As Of: **5/29/13 5/30/12**

GSD 4% RESERVE FUND  **\***$18,739,246 $12,359,151

GENERAL FUND UNDESIGNATED FUND BALANCE

GSD $54,109,178 $41,112,057

USD $8,478,089 $8,556,677

GENERAL PURPOSE SCHOOL FUND UNRESERVED FUND BALANCE

$52,117,890 $34,449,193

**\* Assumes estimated revenues in fiscal year 2013 in the amount of $25,514,400**

**– BILL ON PUBLIC HEARING AND SECOND READING –**

**ORDINANCE NO. BL2012-467** (MATTHEWS & CLAIBORNE) – This ordinance adopts the capital improvements budget for 2013-2014 through 2018-2019. A separate analysis including a list of projects by district has been provided to the council. The capital improvements budget is a planning document and does not in itself appropriate any money. All capital projects must be provided for in this document before a capital improvement can be approved by the council, except in the case of a public emergency.

This budget is amendable on third and final reading. The Charter requires the council to adopt the capital improvements budget not later than June 15th of each year. Once adopted, future amendments to the capital improvements budget must be approved by the planning commission, be recommended by the mayor, and then be adopted by resolution of the council receiving twenty-seven (27) affirmative votes.

**– RESOLUTIONS –**

**RESOLUTION NO. RS2013-670** (MATTHEWS) – This resolution establishes the certified tax rate of the Metropolitan Government. State law requires that once the county reappraisal program is completed, a tax rate be set that will result in the same amount of revenue that was received in the previous year based on the old assessment values and tax levy, as a government may not realize greater revenue by means of the reappraisal program. The purpose of the reappraisal program is to ensure that property assessments are “equalized” by having all property appraised at the same time. The present certified tax rate for the GSD is $4.04 per $100 of assessed value and $0.62 for the USD, for a total combined rate in the USD of $4.66. The new certified tax rate to be approved by this resolution will be lowered to $3.93 in the GSD and $0.59 in the USD, for a combined rate of $4.52.

There will be a proposed substitute offered for this resolution to reflect the rates approved by the state. For the first time, Metro will be adding a third decimal place to the tax rate to ensure an accurate distribution between the funds. The revised certified rate is expected to be $3.924 in the GSD and $0.592 in the USD, for a total combined rate of $4.516.

**RESOLUTION NO. RS2013-700** (WEINER, BENNETT & MATTHEWS) – This resolution ratifies the Metro animal control fee schedule approved by the board of health. The Metro code requires owners of dogs that are impounded to pay a fee to offset Metro’s expenses. Such fees are to be approved by the board of health and ratified by resolution of the council. A copy of the fee schedule to be approved by this resolution is attached to this analysis.

This resolution is a companion to Ordinance No. BL2013-447 on third reading. The primary changes to the fee schedule are the increase of license fee from $4 to $6 and the addition of a provision included in BL2013-447 that allows the department to discount or waive the impound and boarding fees when the dog has been impounded through no fault of the owner. The license fee increase will allow the health department to hire three additional animal control officers.

**RESOLUTION NO. RS2013-709** (MATTHEWS) – This resolution supplements certain prior resolutions by authorizing the issuance of series 2013 electric system revenue refunding bonds in an amount not to exceed $210,000,000, as approved and recommended by the NES power board. Although the Metropolitan Charter grants NES complete control and authority over the operation of the electric system, NES cannot issue bonds without permission of the Metropolitan Government.

This is the 25th supplement to the electric system revenue bond resolution originally adopted in 1985. The refunding bonds will refund outstanding series 2004A, 2008A and 2008B bonds in order to achieve interest savings. The lead underwriter for the bonds will be Raymond James & Associates, Inc. These bonds are to be paid solely from the revenue of NES and will not be an obligation of the Metropolitan Government or be guaranteed by the taxing authority of the Metropolitan Government.

**RESOLUTION NO. RS2013-710** (MATTHEWS) – This resolution determines to issue up to $300,000,000 in GSD general obligation bonds to provide funding for various projects contained in the mayor’s 2013-2014 capital spending plan. This is the first step in the process toward the ultimate sale of the bonds by public bid to provide the necessary financing for the projects. The Council approved a mid-year capital spending plan in February 2013 in a principal amount not to exceed $110,000,000.

Approval of this initial resolution will allow the Metropolitan Government to use its commercial paper program to provide short term financing to commence construction prior to the sale of the long term bonds. Some of the capital projects to be financed include:

* $95,000,000 for Metro school projects
* $63,000,000 for paving, bridges, sidewalks, and road projects
* $25,000,000 for open space acquisition and Riverfront Park improvements
* $5,000,000 for improvements at the Nashville Zoo entrance, which is located on Metro park property
* $10,000,000 for two new fire halls and other capital improvements for the fire department
* $3,000,000 for a one-stop permit center at the Metro office building on the Fulton campus
* $2,300,000 for information technology improvements for the hospital authority
* $5,700,000 for other general government technology improvements, including Wi-Fi
* $7,500,000 in planning funds for the proposed AMP bus rapid transit. Expenditure of the funds would be contingent upon receipt of a letter from the federal government accepting the AMP into the project development phase.
* $12,000,000 for the replacement of MTA buses and paratransit vehicles

A more detailed list of capital projects to be funded through the spending plan, including the estimated cost for each project, is attached to this analysis. As a result of recent bond sales, the finance director estimates that Metro will not need to sell new general obligation bonds until 2017.

This resolution must be deferred to track with the capital improvements budget ordinance to be considered on third reading at an adjourned council meeting on June 11, 2013.

**RESOLUTION NOS. RS2013-711 THROUGH RS2013-713** (MATTHEWS) – These three resolutions adopt new pay plans for the employees of the Metropolitan Government, with the exception of the board of education, to take effect January 1, 2014. The two primary effects of these resolutions are to provide a 1.5 percent across-the-board raise effective January 1, 2014, and to restore increments. The pay plan provides step increases known as “increments” for certain employment classifications on a six month, one year, eighteen month, or two year interval, depending on the position. The council approved a freeze of the increment pay increases and longevity pay as part of the fiscal year 2010, 2011, 2012, and 2013 budgets. The pay plan amendment approved by the Council in June 2012 provided that increments would be reinstated July 1, 2013.

At the time the FY2014 budget was filed, the mayor recommended a 1.5% pay increase for all employees effective January 1, 2014, and a continuation of the increment freeze. However, in response to concerns raised by Members of Council and Metro employees, the administration recommended on May 20, 2013 that the civil service commission approve the 1.5% across-the-board raise effective January 1, 2014, and also allow the increment reinstatement to take effect July 1, 2013.

The FY2014 proposed operating budget includes funding for a salary structure study for all Metro positions to be conducted during the next fiscal year.

These pay plans may not be amended by the council except by making uniform changes, as the relationship between pay grades must remain the same pursuant to the Metro charter. The pay plan amendments have been approved by the civil service commission, the health board, and the mayor.

**Resolution No. RS2013-711** approves the pay plan for general employees of the Metropolitan Government.

**Resolution No. RS2013-712** approves the pay plan for the board of health employees.

**Resolution No. RS2013-713** approves the pay plan for employees of the fire and police departments.

**RESOLUTION NO. RS2013-714** (MATTHEWS) – This resolution approves a sole source contract with Pictometry International Corp. for digital aerial photography to be used by the assessor of property. Sole source contracts may be awarded under the Metro procurement code when it is determined that there is only one source for the supply or services rendered. The Metro Code was recently amended to require all sole source contracts having a total value in excess of $250,000 to be approved by the council by resolution.

This contract will allow the assessor to access Pictometry’s digital aerial photograph images to assist in the assessment process. The Pictometry Online proprietary program will enable the assessor’s staff to quickly locate, display, and download images online to measure the height and area of buildings. The term of the contract is from June 1, 2013 through May 31, 2018. The total contract amount is $870,000, which equates to $145,000 per year.

**RESOLUTION NO. RS2013-715** (BENNETT) – This resolution approves a memorandum of understanding (MOU) among the state department of transportation, the Tennessee highway patrol, the Metro police department, and the Nashville fire department to expedite the removal of vehicles, cargo, and debris from highways following a motor vehicle accident. The MOU essentially adopts the state “Open Roads Policy”. The goal of the policy is to restore the safe and orderly flow of traffic in an urgent manner following an accident. Metro and the highway patrol agree that first responders will make clearing the travel portion of the roadway a high priority. Lanes will be closed only when absolutely necessary to safely conduct the fire/rescue operations and resulting investigations. Whenever practical, crashes on controlled access highways are to be moved to off ramps. TDOT agrees to respond and deploy resources to major traffic accidents 24 hours per day, seven days per week. This will include deploying the necessary heavy equipment and manpower to reopen the roadway. The goal of the policy is that all incidents be cleared from the roadway within 90 minutes of the arrival of the first responding officer.

**RESOLUTION NO. RS2013-716** (BENNETT & MATTHEWS) - This resolution approves an application for a grant in the amount of $400,000 from the state department of transportation to the Metro police department for the continuation of an enhanced DUI enforcement initiative. The purpose of this grant program is to reduce traffic related crash fatalities by focusing on alcohol or drug impaired drivers on weekends and major holidays. This grant would pay the overtime costs for the DUI enhanced enforcement team working Thursday through Sunday nights and on the six holidays associated with heavy alcohol consumption: St. Patrick’s Day, Cinco de Mayo, Memorial Day, Independence Day, Labor Day, and New Year’s Eve.

**RESOLUTION NO. RS2013-717** (WEINER & MATTHEWS) – This resolution approves an annual grant in the amount of $107,100 from the state department of health to the Metropolitan board of health for food safety services. These federal pass-through funds are to be used to pay the salary of an environmental specialist in the food safety division of the health department, plus $20,000 for temporary services for surveys, $2,400 for travel expenses, and $15,300 in indirect costs. The term of the grant is from July 1, 2013, through June 30, 2014.

**RESOLUTION NO. RS2013-718** (WEINER & MATTHEWS) – This resolution approves an annual grant in the amount of $904,300 from the state department of health to the Metropolitan board of health for bioterrorism preparedness services. These federal pass-through funds are primarily used to pay the salaries of the health department personnel responsible for Metro’s public health emergency preparedness program, as well as for program supplies. There is a required local cash match in the amount of $90,400 to be provided by the department of health.

The term of the grant is from July 1, 2013 through June 30, 2014.

**RESOLUTION NO. RS2013-719** (WEINER & MATTHEWS) – This resolution approves an annual grant in the amount of $116,000 from the state department of health to the Metropolitan health department for health promotion programs. These federal pass-through funds will be used to pay the salaries of the two health department employees that provide various health promotion programs with the goals of reducing health disparities and increasing the quality of life for the citizens of Nashville. The term of the grant is from July 1, 2013, through June 30, 2014.

**RESOLUTION NO. RS2013-720** (WEINER & MATTHEWS) – This resolution approves an amendment to a grant from the U.S. department of health and human services to the Metropolitan board of health to create a comprehensive strategy to address issues and barriers to responsible fatherhood. This grant, awarded under the federal Pathways to Responsible Fatherhood grant program, funds the health department positions providing the services, including a program manager and case managers. The amendment to be approved by this resolution increases the amount of funds for year two of the grant by adding $852,670.29 in unspent funds from the first year of the grant to the second year, for a total amount of $2,441,777.29 to be provided in year two of the grant.

**RESOLUTION NO. RS2013-721** (WEINER) – This resolution approves a contract between the Metropolitan board of health and Corrections Corporation of America (CCA) to provide services to male offenders who are fathers. The health department is a recipient of a grant from the U.S. department of health and human services to the Metropolitan board of health to create a comprehensive strategy to address issues and barriers to responsible fatherhood. The health department has developed the New Life program using the grant funds to help fathers enhance their parenting skills.

Under the terms of this agreement, the health department will provide the New Life program to 30 offenders. The program will be offered for eight weeks at a time and will assist program participants in addressing re-entry issues related to fatherhood, as well as provide case management after they are released from prison. The health department will be providing this program at no cost to CCA. The term of the contract is for five years, but may be terminated by either party with 30 days written notice.

**RESOLUTION NO. RS2013-722** (POTTS & MATTHEWS) – This resolution approves a cooperative agreement between the department of water and sewerage services and the U.S. department of the army for a feasibility study on the Cumberland River and associated tributaries. Pursuant to this contract, Metro and the federal government will each be responsible for one half of the total project cost, which is estimated to be $1,600,000. The scope of the study is to include a focus on flood risk management alternatives. The feasibility study will inventory flood damages from 2010, evaluate potential flood reduction measures, and recommend measures for construction.

Agreements with governmental entities may be approved by resolution.

**RESOLUTION NO. RS2013-723** (MATTHEWS) – This resolution authorizes the department of law to accept $13,206.50 to compromise and settle the Metropolitan Government’s claim against Leon Flenoy. On November 11, 2011, Mr. Flenoy was driving on Interstate 24 when he rear-ended a Metro General Services vehicle. The General Services employee sustained injuries to her neck and back resulting in medical expenses of $8,680.27 and lost wages in the amount of $4,526.23. The resolution accepts the full amount of medical bills and lost wages paid by Metro. The $1,201.15 in property damage to the Metro vehicle has already been paid by Mr. Flenoy’s insurance company.

**– BILLS ON SECOND READING –**

**ORDINANCE NO. BL2013-423** (MOORE, GILMORE & CLAIBORNE) – This ordinance approves an agreement with the state for an exchange of the old Ben West library property for the Tennessee Preparatory School (TPS) property. The 0.38-acre Ben West library property located at Eighth Avenue and Union Street was donated to the Carnegie Library of Nashville in 1902 by J. Craig McClanahan and his wife, Katherine B. McClanahan. The Carnegie Library of Nashville was a nonprofit corporation created to build a downtown library as a result of a $100,000 donation from Andrew Carnegie. The property was deeded to the City of Nashville in 1959, and served as the site of the main public library until June 2001. A small collection of books was kept in the basement of the building from mid-2003 through September 2006 while it served as the temporary City Hall during the renovation of the courthouse. The building has not been used since 2006.

Metro has been leasing a portion of the TPS property located at 1250 Foster Avenue for the Nashville School of the Arts magnet high school since 2003. The lease was recently amended to add the old TPS high school building for the purpose of subleasing it to STEM Preparatory Academy charter school. The total lease amount to be paid by Metro after the addition of the building for STEM is approximately $500,000 per year.

The state desires to evenly “swap” approximately 28 acres of the TPS campus for the Ben West library site. The state cannot engage in a property swap unless the two properties are of equal value, and the appraisers have determined that the Ben West library site is worth more as a parking lot than with the existing structure. Thus, Metro will be required to demolish the building, and pave, stripe, and landscape the property for use as a parking lot at an estimated cost to Metro of $750,000. The agreement provides that Metro will use its best efforts to have all necessary work completed at the Ben West site within 180 days. If this property exchange is approved, Metro will be able to reduce General Services’ budget by $248,000 since it will no longer have to secure and maintain the property.

A complicating factor in this transaction is a restriction contained in the 1902 deed requiring the property to be used for a library. Specifically, the deed states that the right of title in the property will cease and the property will revert to the heirs of the grantor in the event Carnegie Library or its successors in ownership “fail to maintain perpetually upon said property a free public library for the use of the people of Nashville.” The department of law believes Metro has a valid defense that the reversionary clause is no longer applicable for two reasons. First, the intent of the restriction was to ensure that there was a downtown library, and the old Ben West library has been replaced with a much larger and nicer downtown library facility a block away. Thus, it can be argued that Metro complied with the spirit of the donation. Second, an adverse possession defense could be made since the property has not really been used as a public library since 2001. Under state law, if property is adversely possessed for seven years without the true owner making a claim or seeking to oust the possessor, the possessor can prevent the owner from recovering the property. The state would be the party to defend such an action if a claim was made after the transfer of the property.

(continued on next page)

**ORDINANCE NO. BL2013-423** (continued)

While the agreement does not specifically mention this deed restriction, the agreement includes a provision allowing the state to “repurchase” the TPS property for one dollar at any time prior to November 1, 2026. This would protect the state in the event a claim was made by the heirs of the McClanahan’s and they were successful in obtaining the Ben West property. If the state exercised its right to have the ownership of the TPS property transferred back to the state, Metro would have the right under the agreement to lease the property for 20 years at fair market value rent.

This ordinance has been referred to the planning commission.

**ORDINANCE NO. BL2013-454** (BENNETT) – This ordinance approves the enrollment of the Metropolitan police department in the CARFAX Data Sharing program. This program enables law enforcement agencies from across the country to search and access motor vehicle accident reports from other participating jurisdictions. There is no cost to Metro for participation in this program.

**ORDINANCE NO. BL2013-455** (LANGSTER, GILMORE & POTTS) – This ordinance authorizes the Metropolitan Government to enter into a participation agreement with Meharry Medical College regarding the construction of a water main and stormwater improvements. Metro agrees to pay the lesser amount of 70% of the construction costs or $700,000. Meharry agrees to indemnify Metro as to any liability in connection with the project.

**ORDINANCE NOS. BL2013-456 THROUGH BL2013-466** – These 11 ordinances authorize Metro water services to acquire easements for various water/sewer and stormwater projects. These ordinances have all been approved by the planning commission. Future amendments to these ordinances may be approved by resolution.

**Ordinance No. BL2013-456** (Matthews, Potts & Claiborne) authorizes the acquisition of permanent and temporary easements for 25 properties located along Barry Drive, Berkley Drive, Brink Haven Avenue, Coreland Drive, Due West Avenue and E. Palestine Avenue for the Due West stormwater improvement project. The total estimated cost to acquire the easements is $3,000.

**Ordinance No. BL2013-457** (Stanley, Matthews & Others) authorizes the acquisition of permanent and temporary easements for four properties located at 3590 Hermitage Industrial Drive, 5289 Old Hickory Boulevard, Hermitage Industrial Drive (unnumbered), and Dodson Chapel Drive (unnumbered) for the Dodson Chapel sewer improvement project. The total estimated cost to acquire the easements is $20,000.

**Ordinance No. BL2013-458** (Bedne, Potts & Claiborne) authorizes the acceptance of permanent easements for five properties located at 5919 and 5917 Retriever Court, 907 Retriever Place, 5960 Nolensville Pike, and Hunters Branch common area for the Retriever Court stormwater improvement project. There is no cost associated with acquisition of these easements identified in the ordinance.

(continued on next page)

**ORDINANCE NOS. BL2013-456 THROUGH BL2013-466** (continued)

**Ordinance No. BL2013-459** (Bennett, Potts & Claiborne) authorizes the acceptance of permanent easements for 16 properties located along Matthews Avenue, Curdwood Boulevard, and Virginia Avenue for the Matthews Avenue stormwater improvement project. There is no cost associated with acquisition of the easements identified in the ordinance.

**Ordinance No. BL2013-460** (Potts & Claiborne) authorizes the acquisition of permanent and temporary easements for seven properties located along McGavock Pike, Inglewood Circle South, and Inglewood Circle North for the Inglewood Circle stormwater improvement project. There is no cost associated with acquisition of the easements identified in the ordinance.

**Ordinance No. BL2013-461** (Matthews, Potts & Claiborne) authorizes the acceptance of permanent and temporary easements for 16 properties located along Norma Drive and Yelton Court for the Norma Drive stormwater improvement project. There is no cost associated with acquisition of the easements identified in the ordinance.

**Ordinance No. BL2013-462** (Matthews, Potts & Claiborne) authorizes the acceptance of permanent easements for seven properties located along Belinda Drive and Terry Place for the Terry Place stormwater improvement project. There is no cost associated with acquisition of the easements identified in the ordinance.

**Ordinance No. BL2013-463** (Claiborne, Matthews & Potts) authorizes the acceptance of permanent easements for properties located at 419 Springview Drive and 412 and 414 Blue Hills Drive for the Springview Drive stormwater improvement project. There is no cost associated with acquisition of the easements identified in the ordinance.

**Ordinance No. BL2013-464** (Pridemore, Potts & Claiborne) authorizes the acceptance of permanent and temporary easements for seven properties located along Sioux Terrance, Cheyenne Boulevard, and Shawnee Road for the Shawnee Road stormwater improvement project. There is no cost associated with acquisition of the easements identified in the ordinance.

**Ordinance No. BL2013-465** (Matthews, Potts & Claiborne) authorizes the acceptance of permanent easements for properties located at 4200 Appletree Road and 105 Edgebrook Road for the Appletree Road stormwater improvement project. There is no cost associated with acquisition of the easements identified in the ordinance.

**Ordinance No. BL2013-466** (Weiner, Potts & Claiborne) authorizes the acceptance of permanent and temporary easements for eight properties located along Colt Road, New Sawyer Brown Road, and Sawyer Brown Road for the Stacy Square Court stormwater improvement project. There is no cost associated with acquisition of the easements identified in the ordinance.

**– BILL ON THIRD READING –**

**ORDINANCE NO. BL2013-360** (BANKS, MATTHEWS & EVANS) – This ordinance, as amended, amends the Metro code to direct the department of human resources to conduct a compensation and benefits study for the mayor, vice mayor, and members of council. The salaries for these positions were last modified in 2003 at the conclusion of a compensation study conducted by an outside consultant that was retained by the department of human resources.

The study to be conducted by this ordinance would include an examination of the salaries and benefits of the mayor, vice mayor, and members of council compared to equivalent positions in comparable cities. The consultant is also to make recommendations regarding modifications in salaries and benefits taking into account the duties of the positions, the size of local legislative bodies in comparable cities, and whether members of the local legislative body serve on a part-time or full-time basis. The study is also to take into account the long term costs of providing benefits and the future impact the Metro charter term limits provision will likely have on such costs.

The mayor’s fiscal year 2014 operating budget includes $200,000 for a compensation study for all Metro employees. This ordinance would simply piggyback onto the proposed Metro-wide compensation study.

**ORDINANCE NO. BL2013-420** (MAYNARD, TYGARD & OTHERS) – This ordinance amends the Metro code to create a small business economic development incentive grant program. Over the past several years, the council has approved various economic development incentive packages for a number of larger businesses in the area to encourage the creation of new jobs in Davidson County and/or to prevent businesses from leaving Davidson County. This ordinance is a collaborative effort between Members of Council and the administration to provide a mechanism for smaller businesses to obtain economic development incentives.

This ordinance would create two pilot incentive grant programs for small businesses. The first program is similar to the existing program that provides financial incentives to large companies in the form of a $500 grant per job created in the county. The existing program is limited to corporate headquarter relocations and large technology companies that create a minimum of 500 new jobs over a five year period. This ordinance would create a new category of incentive that would provide $500 per new job ($750 for veterans of the Armed-Forces) for companies that have fewer than 100 total employees and create at least 20 new full-time jobs in Davidson County within a one year period. Such jobs must pay a salary that is at least as much as the annual wage rate average for all occupations within Nashville’s metropolitan statistical area, as published by the U.S. department of labor. The incentive would not be available to certain types of businesses such as retail, restaurants, nightclubs, cash advance, check cashing, title loan, pawnshops, adult entertainment, and automotive-related businesses. There would be a maximum annual payment of $50,000 for a single company. The grants would be made by Metro to the industrial development board (IDB), who in turn would grant the funds to the qualifying companies on a first-come-first-served basis. In conjunction with the IDB, the mayor’s office of economic and community development would be responsible for administering the grant program.

(continued on next page)

**ORDINANCE NO. BL2013-420** (continued)

The second small business economic development incentive program would provide cash grants to businesses that invest in blighted areas. This program is modeled after state legislation enacted last year that allows local governments to make grants directly to developers who invest in blighted property “to encourage the repair, rebuilding and renovations of existing facilities and structures in neighborhoods whose stability depends upon the elimination of blight and the upgrading of structural needs of a facility.” These grants could only be used for the purpose of constructing or rehabilitating the exterior portions of commercial property located within a redevelopment district approved by the council. The value of the property could not exceed $1,000,000 at the time the grant application is made in order for a business to be eligible to receive the funds. The amount of the grant would be ten percent of the documented investment of the business to fix up the property up to a maximum grant amount of $50,000. This grant program would be managed by the mayor’s office of economic and community development, and the grants would be awarded on a first-come-first-served basis.

Both grant programs are specifically conditioned upon the appropriation of funding by the council through the operating budget. The mayor’s proposed fiscal year 2014 operating budget includes a combined $1,000,000 for these two programs.

**ORDINANCE NO. BL2013-421** (PARDUE) – This ordinance, as amended, amends the Metro code provisions applicable to open burning. The code currently contains two conflicting requirements pertaining to open burning. One section provides that the fire marshal shall determine when conditions are acceptable to allow open and recreational burning. Using this authority, the fire marshal has determined that open burning is rarely appropriate. However, another section of the code purportedly allows open burning on residential property. That section, included under the air pollution chapter, provides that fires in the urban services district used for disposing of leaves, yard clippings, and small tree limbs grown on single-family or two-family property are permitted without approval of the director of health, provided the property owner has notified the public works department to pick up such material and it has not been picked up within 30 days. There is no such notice requirement and waiting period for residential property outside of the urban services district. This code section provides that burning under certain other circumstances may be approved by the director of health.

This ordinance, which has been filed at the request of the fire marshal, deletes the above-referenced provisions in the code that allow the open burning of leaves and brush on single and two-family residential property. The ordinance also adds a requirement that a permit be obtained from the fire marshal, in addition to other required permits from the health department, for all other open burning.

**ORDINANCE NO. BL2013-431** (MATTHEWS) – This ordinance is the operating budget of the Metropolitan Government for the fiscal year 2013-2014. The budget filed by the mayor provides for the following proposed funding:

* General Fund of the General Services District $ 764,033,700
* Schools Fund of the General Services District 746,420,300
* Schools Debt Service Fund 65,296,000
* Debt Service – General Services District 101,489,000

**TOTAL GENERAL SERVICES DISTRICT BUDGET $1,677,239,000**

* General Fund of the Urban Services District $ 107,721,700
* Debt Service – Urban Services District 24,696,300

**TOTAL URBAN SERVICES DISTRICT BUDGET $ 132,418,000**

**TOTAL OPERATING BUDGET $1,809,657,000**

The substitute budget adopted by the council for the current fiscal year is $1,709,493,100. The mayor’s proposed budget represents an overall increase of $124,414,400 (5.9%).

The budget appropriates a total of $44,842,200 from the unreserved fund balances of the primary budgetary funds. These amounts are as follows:

* General Fund of the General Services District $ 9,613,100
* Schools Fund of the General Services District 12,000,000
* Schools Debt Service Fund 8,000,000
* Debt Service – General Services District 5,966,900
* General Fund of the Urban Services District 5,262,200
* Debt Service – Urban Services District 4,000,000

Resolution No. R89-959 established a policy of maintaining a fund balance equal to or greater than 5% of the budget for the GSD General Fund, the USD General Fund, and the General Purpose School Fund. This requirement was expanded in 2006 by an office of management and budget (OMB) policy to include the three primary budgetary debt funds in addition to these operations funds. The mayor’s proposed budget is projected to result in the following fund balance percentages on June 30, 2014:

* General Services District General Fund 7.5%
* General Services District Debt Service Fund 9.1%
* Schools Fund of the General Services District 6.4%
* Schools Debt Service Fund 6.9%
* Urban Services District General Fund 5.4%
* Urban Services District Debt Service Fund 15.8%

The property tax rates are being reduced to reflect the new certified rate following the recent county-wide reassessment. The rate for the GSD is reduced by $0.11, from the existing $4.04 to $3.93. The rate for the USD is reduced by $0.03, from $0.62 to $0.59. The combined rate therefore is reduced by $0.14, from $4.66 to $4.52.

(continued on next page)

**ORDINANCE NO. BL2013-431** (continued)

Even with the decrease in the rates, growth is expected to generate an increase of $16,400,000 in property taxes over the FY13 property tax revenue.

Local option sales tax revenues are projected to be $319,134,000 in the proposed FY14 budget, an increase of $24,188,200 over the current budget of $294,945,800.

Also included would be an increase of $3,082,400 in the GSD General Fund and $376,100 in the USD General Fund for a new pay plan for Metro employees. This would fund a 1.5% raise for all full-time and part-time employees. However, the effective rate during FY14 will only be 0.75% since the increases would not take effect until January 1, 2014. The civil service commission also recommended a restoration of pay increments for those employees who are eligible. The cost for the increments would be absorbed by the individual departments.

The proposed budget includes $11,000,000 of reductions in the general fund and subsidized accounts. These reductions are offset by $11,767,700 of other departmental budget increases. Operating subsidies are being eliminated for the Farmers’ Market, Municipal Auditorium, and the State Fair Board. The budget does include continued funding for the Farmers’ Market lease payment. Given the recent financial performance of the Farmers’ Market and Fairgrounds, these two departments will most likely need a supplemental appropriation at some point during the next fiscal year.

There is a subsidy of $38,690,700 for the Hospital Authority in the proposed budget, which is a reduction of $8,792,400 from the subsidy for fiscal year 2013 (including the supplemental appropriation of $4,292,400 made during FY13). Although the total dollar amount is lower, the FY13 subsidy included $7,331,212 for the final repayment of outstanding debt due to Metro for capital projects. The remaining $35,859,488 was provided for their operating budget. Thus, the proposed FY14 subsidy represents an increase of $2,831,212 over that amount.

Other increases in the proposed budget include the following:

* MTA (University Connector, Murfreesboro Rd. BRT, fuel, materials) $4,000,000
* Police (Madison Precinct, crime lab, aviation, special events) 2,800,000
* General Services (New buildings, contract increases, fleet) 2,469,300
* Public Works (NES and contract increases, bicycle coordinator, horticulture) 1,459,900
* Sheriff’s Office (Staffing, contract increases, courthouse security) 1,069,100
* Parks (Grass mowing, staffing for Sevier and Paradise Ridge Comm. Centers) 878,400
* Information Technology (Licensing, public wireless, security tools) 634,500
* Public Defender (Various improvements) 512,900
* Public Library (Open Main Library on Mondays) 469,700
* Fire (Special events overtime, telecommunications, uniforms) 370,000
* Emergency Communications Center (5 FTEs) 309,500
* Mayor’s Office (Funding new “Office of Innovation”) 250,000
* District Attorney (Salary equalization) 238,000
* Health (3 FTEs for Animal Control) 150,000
* County Clerk (Security and new positions for increased demand) 118,000
* Planning Commission (General Plan update) 100,000

(continued on next page)

**ORDINANCE NO. BL2013-431** (continued)

The proposed budget includes the same mechanism for appropriating grants to non-profit organizations as the previous five budgets. In addition to the three categories included in these earlier years for this Community Enhancement Fund, a new category for Literacy is being added. This will result in a proposed $350,000 increase in the budget appropriation for FY14. In addition to a small number of direct contributions to non-profit agencies, the proposed budget for fiscal year 2014 would award funds to other agencies that best meet the priorities of the city from four categories. They are as follows:

* Domestic violence agencies $675,000
* Education and afterschool care 675,000
* Miscellaneous community agencies 450,000
* Literacy 350,000

Total 2,150,000

Also included in the proposed budget is $1,000,000 for a new Small Business Incentive Program. $500,000 would be used to fund grants for certain small businesses that meet the criteria for job creation in Davidson County. The other $500,000 would be used to fund grants for developers who invest in blighted property for the purpose of stabilizing the value of the neighborhood and increasing the value of the facilities being constructed or rehabilitated on blighted property.

The mayor’s proposed operating budget for Metro Public Schools is $746,420,300. This is an increase of $26,000,000 over the fiscal year 2013 budget, but is $22,000,000 less than the full amount requested by the school board. There is also a separate line item in the ordinance appropriating $290,500 for administrative support for Metro schools, down from $373,600 in the current budget. In addition, $1,159,600 is included in the ordinance for the Nashville After School Alliance Initiative, up from $950,300 in the current budget.

The undesignated fund balance of the Schools General Purpose Fund is projected to be $47,400,000 at the end of fiscal year 2014, or 6.4% of the operational budget. According to state law, funds cannot be appropriated from the schools fund balance if such appropriation would cause the balance to drop below 3%.

The budget ordinance is amendable on third reading.

**ORDINANCE NO. BL2013-432** (MATTHEWS) – This ordinance adopts the property tax levy for the fiscal year 2013-2014. 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 proposed by the mayor is $3.93 per $100 assessed value in the general services district (GSD) and an additional $0.59 per $100 assessed value in the urban services district (USD), for a total tax of $4.52 in the USD. This is a reduction of $0.11 in the GSD rate and a reduction of $0.03 in the USD rate as a result of county-wide property reappraisal required by state law. Local governments are prohibited by state law from realizing greater revenue by means of the reappraisal program.

There will be a substitute offered for this ordinance to reflect the revised certified tax rates approved by the state. The revised certified rate will be $3.924 in the GSD and $0.592 in the USD, for a total combined rate of $4.516.

**ORDINANCE NO. BL2013-434** (WEINER, MATTHEWS & ALLEN) – This ordinance approves a clinical affiliation agreement between the Davidson County drug court and Vanderbilt University to provide student clinical instruction and training to nursing students. Students will not receive any compensation and there is no cost to the Metropolitan Government for providing this service. The term of the agreement is for five years, but may be terminated by either party upon 30 days written notice. Vanderbilt University will be required to provide assurance that the students are covered by health and professional liability insurance and that they have received the necessary vaccinations. Vanderbilt agrees to assume responsibility for all of its students participating in the program. Metro is a participant in similar clinical experience programs through the Metro health department and the community corrections program.

**ORDINANCE NO. BL2013-435** (BENNETT, CLAIBORNE & OTHERS) – This ordinance approves a lease agreement between the Metropolitan board of public education (MNPS) and Liberty Collegiate Academy for use of the former Jere Baxter school located at 3515 Gallatin Road. This school building, consisting of 35,158 square feet, is no longer being used by MNPS. The old cafeteria basement area of the school is not included as part of the leased premises. Liberty Collegiate Academy is a charter school that currently serves fifth and sixth grades, but will be adding seventh and eighth grades over the next two years. The term of the lease is from July 1, 2013 through June 30, 2023, but Liberty Collegiate is to be allowed access June 1 to begin renovations. Liberty Collegiate will have the ability to terminate the lease at any time with 60 days written notice.

The rent for the premises is calculated at an annual rate of $4.82 per square foot, which is to increase by two percent each year. This equates to a monthly rental payment in the first year of $14,121.80. The rent includes grounds maintenance and utilities, but does not include security and janitorial services. Liberty Collegiate will receive a rent credit for tenant improvements up to $2.50 per square foot. MNPS will be responsible for major capital repairs to the roof, structure, and HVAC system, but Liberty Collegiate will be responsible for routine maintenance of the facility. Liberty Collegiate will be allowed to place modular classrooms on the premises. The lease includes standard indemnification provisions and a general commercial liability insurance requirement of $1 million per occurrence.

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

**ORDINANCE NO. BL2013-436** (BAKER, BEDNE & OTHERS) – This ordinance approves a lease agreement between the Metropolitan board of public education (MNPS) and Nashville Preparatory Academy for use of the McCann School property located at 1300 - 56th Avenue North. MNPS has no current need for this 26,695 square-foot school building. Nashville Prep is a charter school focused on preparing students for college. The term of the lease is from July 1, 2013 through June 30, 2023, but Nashville Prep is to be allowed access June 1 to begin renovations. The school will have the ability to terminate the lease at any time with 60 days written notice.

(continued on next page)

**ORDINANCE NO. BL2013-436** (continued)

The rent for the premises is calculated at an annual rate of $5.00 per square foot, which is to increase by two percent each year. This equates to a monthly rental payment in the first year of $11,122.92. The rent includes grounds maintenance, security, utilities, and attendance services. Nashville Prep will receive a rent credit in the amount of 50% of rent otherwise owed for tenant improvements. MNPS will be responsible for major capital repairs to the roof, structure, and HVAC system, but Nashville Prep will be responsible for routine maintenance of the facility. The school will be allowed to place modular classrooms on the premises. The lease includes standard indemnification provisions and a general commercial liability insurance requirement of $1 million per occurrence.

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

**ORDINANCE NOS. BL2013-437 THROUGH BL2013-439** – These three ordinances abandon portions of public rights-of-way that are no longer needed by the Metropolitan Government. The ordinances retain all existing utility easements. Petitions evidencing the consent of the affected property owners are included as an attachment to the ordinances.

These ordinances have been approved by the planning commission and traffic and parking commission.

**Ordinance No. BL2013-437** (Langster) abandons a portion of Alley No. 902 from Clifton Avenue to Alley No. 925 behind the sidewalk adjacent to 21st Avenue North. This closure has been requested by The Next Door, who was required to relocate as a result of the construction of the Music City Center.

**Ordinance No. BL2013-438** (Moore) abandons a portion of Alley No. 428 from Wade Avenue northward to Alley No. 680. This closure has been requested by Gobble Hays Partners to facilitate the construction of the Midtown police precinct.

**Ordinance No. BL2013-439** (Allen) abandons a portion of Alley No. 434 from Alley No. 628 southward to its terminus between properties located at 2008, 2010, and 2012 – 15th Ave South and 2014 Bernard Circle. This closure has been requested by Littlejohn Engineering Associates to facilitate development on the Belmont University campus.

**ORDINANCE NO. BL2013-440** (CLAIBORNE & LANGSTER) – This ordinance authorizes the disposition of three parcels of property adjacent to 28th Avenue North that were previously acquired as part of the construction of the 28th Avenue Connector. Now that the 28th Avenue Connector project is complete, there is no governmental need for these parcels, which total 2.87 acres. This ordinance declares the properties to be surplus, and authorizes the disposition of the properties in accordance with the standard rules and regulations for the disposition of surplus property for the highest and best price. Although not included within the body of the ordinance, the ordinance caption and recitals indicate that the properties are to be sold to HCRI Tennessee Properties, LLC, or an affiliate thereof. The quitclaim deed attached to the ordinance provides that the purchase price for these three parcels will be $1,353,000. According to the Davidson County property assessor’s records, these three parcels in their entirety (3.75 acres as opposed to the 2.87 acres being sold) are collectively appraised at $3,267,000.

(continued on next page)

**ORDINANCE NO. BL2013-440** (continued)

In April 2012, the council authorized the filing of a notice of land use restrictions with the register of deeds for a small portion of these three parcels. The property was identified as having contaminated soil, which has been remediated to the extent practicable. Prior to any invasive activity on the property and/or prior to the use of any part of the properties as a residence, daycare, school, or church, evidence must be submitted to the Tennessee Department of Environment and Conservation (TDEC) showing that the proposed action will not pose a danger to the public or to the environment. These restrictions run with the land in perpetuity unless cancelled by TDEC. Thus, the property will be sold subject to the land use restrictions. The ordinance provides that Metro will retain a public utility and drainage easement, as well as a slope easement.

The ordinance provides that the proceeds from the sale of these parcels shall be credited to the general fund. However, these properties were acquired using bond funds for the 28th Avenue Connector project. There is a proposed amendment that would correct this error by directing the funds to the fiscal year 2011 capital projects fund.

**ORDINANCE NO. BL2013-441** (BAKER, LANGSTER & OTHERS) – This ordinance abandons the water and sewer easement rights that were retained by Ordinance No. BL2004-176 when a portion of the 50th Avenue North right-of-way was abandoned on property located at 5001 Tennessee Avenue.

**ORDINANCE NOS. BL2013-442 through BL2013-444** – These three ordinances authorize the acquisition of easements for various stormwater projects. The ordinances provide that future amendments to the ordinances may be approved by resolution. These ordinances have been approved by the planning commission.

**Ordinance No. BL2013-442** (S. Davis, Bennett & others) authorizes the acquisition of easements for 41 properties for the Haynes Park and Maynor Place stormwater projects. Easements are to be acquired for properties located along Boyce Court, Charles Court, Haynes Park Drive, Kingview Drive, Iverson Avenue, and Maynor Avenue. These two stormwater projects are being funded through federal community development block grant funds.

**Ordinance No. BL2013-443** (Potts & Claiborne) authorizes the acquisition of easements for four properties located at 574 and 592 Bell Road, and 5304 Bell Crest Drive.

**Ordinance No. BL2013-444** (Pardue, Potts & Claiborne) authorizes the acquisition of easements for four properties located at 608, 612, 613, and 617 Sunnyslope Court.

**ORDINANCE NO. BL2013-445** (MATTHEWS, CLAIBORNE & POTTS) – This ordinance abandons approximately 65 linear feet of an existing eight inch sewer main and easements and accepts one new manhole on properties located at 4001 and 4003 Clarksville Pike. Metro water services no longer has a need for this portion of sewer line. This ordinance has been approved by the planning commission.

**ORDINANCE NO. BL2013-446** (A. DAVIS & STEINE) – This ordinance readopts the Metro code prepared by Municipal Code Corporation to include supplemental and replacement pages for ordinances enacted on or before January 16, 2013.

**ORDINANCE NO. BL2013-452** (BENNETT & A. DAVIS) This ordinance amends the Metro code provisions governing the animal control fee schedule. The code currently sets the dog licensing fee to be charged by the board of health at $4.00 per dog. The code also gives the health board the authority to establish fees for certain other animal control-related services, such as dog impoundment and boarding. Such fee schedule must be approved by the council by resolution before taking effect.

This ordinance makes a number of changes to the animal control fee provisions. First, the ordinance amends the code to increase the amount of the dog license fee from $4.00 to $6.00. This increased revenue is included in the mayor’s proposed FY2013-2014 operating budget to hire three additional animal control officers. Second, the ordinance removes the specific amount of the license fee from the code to be consistent with the other fee provisions. The license fee would be part of the fee schedule adopted by the health board and submitted to the council for approval by resolution. Third, the ordinance adds language to the code that would allow the health department to reduce or waive fees where dogs are impounded and/or boarded through no fault of the owner, such as when an animal is taken to the animal control facility from the scene of a car accident in which its owner was injured. Finally, the ordinance would authorize the health department to charge a reduced adoption fee for organizations that have applied for and received certification under health department policy.