



METRO COUNCIL OFFICE

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Mike Jameson, Director and Special Counsel
Mike Curl, Finance Manager
Metropolitan Council Office

COUNCIL MEETING DATE: **January 5, 2016**

RE: **Analysis Report**

Unaudited Fund Balances as of 12/30/15:

4% Reserve Fund	\$36,477,396*
Metro Self Insured Liability Claims	\$3,724,743
Judgments & Losses	\$2,453,213
Schools Self Insured Liability Claims	\$2,873,993
Self-Insured Property Loss Aggregate	\$5,876,150
Employee Blanket Bond Claims	\$656,703
Police Professional Liability Claims	\$2,613,810
Death Benefit	\$1,181,890

*Assumes unrealized estimated revenues in Fiscal Year 2016 of \$23,301,082.

– RESOLUTIONS –

RESOLUTION NO. RS2016-77 (PRIDEMORE & HENDERSON) – This resolution approves a grant in the amount of \$100,000 from the Conservancy for the Parthenon and Centennial Park to the Metropolitan Parks Department to provide funding for a full-time Metro Parks employee. This continuation grant will be used to pay the salary for the position of President of the Conservancy for calendar year 2016. There is a required local match of \$35,460 to cover the fringe benefit costs associated with the position.

RESOLUTION NO. RS2016-78 (PRIDEMORE & HENDERSON) – This resolution appropriates \$30,000 to Oasis Center, Inc. as a grant to Oasis Center for the provision of youth services. The Fiscal Year 2016 operating budget included \$683,200 for the Scholar's Academy, which is a free summer academic enrichment program operated through the Nashville Public Library to help students succeed in high school and prepare for college.

This resolution appropriates \$30,000 of these funds to Oasis Center to provide services in three primary program areas: Crisis and Residential Services, Youth Engagement & Action, and Oasis College Connection. This is a continuation of a contractual relationship with Oasis Center for this program approved by the Council in October, 2014. The term of the contract is through June 30, 2016.

State law allows local governments to provide grants to nonprofit organizations upon approval of the local legislative body by resolution.

RESOLUTION NO. RS2016-79 (PRIDEMORE & GILMORE) – This resolution accepts a grant of \$10,000 from the Dorothy Cate and Thomas F. Frist Foundation to the Metropolitan Nashville Social Services Commission. The grant is to be designated for the How's Nashville project called "Housing 2,016 by 2016."

There is no local cash match requirement, and there are no conditions attached to the grant other than the request to acknowledge the support of the Foundation in any informational materials and publications. The transmittal letter also notes the grant should not be used to satisfy any personal obligation of any member of the Foundation's Board or the individual(s) recommending the gift, nor should any portion of the gift provide a direct benefit to any of these individuals.

RESOLUTION NO. RS2016-80 (PRIDEMORE & GILMORE) – This resolution approves Amendments #3 and #4 to a grant from the U.S. Department of Health and Human Services to the Metro Board of Health to enhance access to community-based care for low income individuals and families with HIV. This grant provides a number of medical and support services for HIV patients under the Ryan White HIV/AIDS Treatment Extension Act of 2009.

Amendment #3 is a housekeeping measure only. It simply changes the address of the Metropolitan Board of Health in the Health Resources and Services Administration Handbook.

Amendment #4 will approve a necessary grant accounting change. Metro spent \$169,126.27 less than the full authorized amount from last year's Ryan White grant. On December 15, 2015, Resolution No. RS2015-73 approved the appropriation of this amount to the current year's grant budget.

As a formality, this new amendment decreases the total amount of last year's grant by this same \$169,126.27. The net effect of the two resolutions is simply to "roll forward" this amount from last year's grant to the current year. There is no change to the total amount being awarded to Metro from this multi-year grant.

RESOLUTION NO. RS2016-81 (PRIDEMORE & MURPHY) – This resolution approves a grant in the amount of \$25,000 from the Tennessee Department of Labor and Workforce Development to the Nashville Career Advancement Center (NCAC) to establish career, training, and support services and programs to be used in the Apprenticeship Training Program. The federal pass-through grant provides operating funding for the NCAC. The term of the grant is from November 22, 2015 through January 31, 2017.

RESOLUTION NO. RS2016-82 (ELROD & ALLEN) – This resolution authorizes Infinity Restaurant Group to install and maintain an aerial sign encroachment at 114 12th Avenue North. The sign per this encroachment will be 5' x 5' in size, located 10' 6" from the ground, extending one foot from the building. The applicant must indemnify the Metropolitan Government from all claims in connection with the construction and maintenance of the signs, and is required to post a certificate of public liability insurance with the Metropolitan clerk naming the Metropolitan Government as an insured party.

This resolution has been approved by the Planning Commission.

RESOLUTION NO. RS2016-83 (SHULMAN) – This resolution approves the election of certain Notaries Public in accordance with state law.

– BILLS ON SECOND READING –

ORDINANCE NO. BL2015-90 (GREENE, ELROD, & ALLEN) – This ordinance abandons an existing water main and accepts new water mains and easements for properties located along Bidwell Road.

This ordinance was approved by the Planning Commission on October 28, 2015. Future amendments to this ordinance may be approved by resolution.

ORDINANCE NO. BL2015-91 (HENDERSON, ELROD, & ALLEN) – This ordinance abandons an existing water main and easements and accepts new and replacement water mains and easements for properties located along Priest Road, East Ashland Drive, Maplemere Drive, Priest Drive, and Otter Valley Lane.

This ordinance was approved by the Planning Commission on October 28, 2015. Future amendments to this ordinance may be approved by resolution.

ORDINANCE NO. BL2015-92 (WITHERS, ELROD, & ALLEN) – This ordinance abandons an existing sewer main and easements and accepts a new water main, sewer main, and easements for properties located along Woodland and Russell Streets.

This ordinance was approved by the Planning Commission on October 28, 2015. Future amendments to this ordinance may be approved by resolution.

ORDINANCE NO. BL2015-93 (SWOPE, ELROD, & OTHERS) – This ordinance renames American General Way as “Health Park Drive” from Old Hickory Boulevard northward to its terminus. This change has been requested by Ragan-Smith Associates.

This ordinance was approved by the Planning Commission on November 11, 2015. However, the Emergency Communication District (E-911) Board will not consider this name change until their next meeting on January 21, 2016. This ordinance should be deferred for one meeting to allow sufficient time for ECD approval before the final reading.

ORDINANCE NO. BL2015-94 (ALLEN & WITHERS) – This ordinance would make four changes to the current Short-Term Rental Properties (STRP) regulations in Metro Code of Laws Section 6.28.030.

The first change would limit the number of Detached Accessory Dwelling Units (DADUs) that can be used for short term rental. This change would subject new permits for DADU properties to the current 3% cap that applies to non-owner occupied STRP properties. Existing permits would be unaffected.

Paragraph B of Section 6.28.030 of the Metro Code of Laws (MCL) presently defines “owner-occupied” as including “the principal residential unit with which the STRP is associated on the same lot.” The ordinance under consideration would change the definition of “owner-occupied” to mean that the owner of the property permanently resides in the STRP. Detached Accessory Dwelling Units shall not be eligible for owner-occupied [“STRP permit”] status unless the owner permanently resides in the Detached Accessory Dwelling Unit.

The second proposed change is the addition of a provision for the possible revocation of the owner’s permit for advertising a STRP for more occupants than allowed by this regulation. Under existing regulations, the Codes Department must physically enter a property and count occupants to establish that the property is rented to too many occupants. The proposed change would allow advertisements to serve as documentation of such violations. Paragraph K would add a new sentence at the end of the current language stating: “Advertising a STRP for more occupants than allowed by this regulation shall be grounds for revocation of the permit.”

Third, the word “detached” would be deleted from subsection Q of Code section 6.28.030 to avoid confusion in its reference to two-family homes. The definition of a two-family home includes either two homes on one lot separated by at least six feet, or a single structure with a common wall for two separate families. Removal of the word “detached” is intended to eliminate confusion.

The final change would allow no more than one permit per lot for single and two-family homes. Permits that have already been issued would not be subject to this limit.

ORDINANCE NO. BL2015-95 (ELROD & O’CONNELL) – Regulations for the commercial use of pedicabs and pedal carriages within certain portions of Nashville and Davidson County were approved by Ordinance No. BL2014-925 on December 16, 2014. The ordinance under consideration will amend these regulations by providing for restrictions on the hours of operation.

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ORDINANCE NO. BL2015-95, continued

Section 6.75.410 of the Metro Code of Laws (MCL) currently states, "Pedal carriages and pedicabs shall operate upon the streets within the metropolitan area on routes or zones established by the MTLC [Metro Transportation Licensing Commission] or its staff. Any deviation from these approved routes or zones must be approved by the MTLC or its staff. Any approved deviation must be reported to the MTLC or the MTLC director staff prior to beginning of operations."

The revised language will add the provision that "hours of operation" are also subject to regulation by the MTLC.

– BILLS ON THIRD READING –

ORDINANCE NO. BL2015-45 (PRIDEMORE) – This ordinance revises Section 2.24.250 of the Metropolitan Code. From time to time, Metro acquires parcels of real property through the delinquent tax process. Often, these parcels are too small or share some other features which prohibit any substantial improvements from being built upon them. In these cases, the administrative, appraisal, and other costs of disposing of these parcels are more than the price Metro can receive from the sale of the parcels.

This ordinance establishes a new process for selling these parcels, following confirmation that no Metro department or agency has any need for them. The Director of Public Property would be authorized to sell such parcels to the owner of any adjacent tract for a price not less than the most current appraised value listed in the records of the Metro Tax Assessor. If no adjacent property owner is willing to pay this appraised value, the highest offered price may be accepted. Approval by Council resolution will be required before the Director is authorized to make any such sale. If the sale of more than one parcel is pending, approval may be given for them all as part of the same resolution.

ORDINANCE NO. BL2015-61 (FREEMAN, ELROD, & ALLEN) – This ordinance authorizes Metro Water Services to negotiate and accept permanent and temporary easements for four properties located at 716, 720, 724, and 728 Glenclyff Court for the Glenclyff Court Stormwater Improvement Project.

This was approved by the Planning Commission on September 23, 2015. Future amendments to this ordinance may be approved by resolution.

ORDINANCE NO. BL2015-67 (O'CONNELL & PRIDEMORE) – According to the terms of the Central Business Improvement District Act of 1990, property owners within a specific confined area can petition the Council to create a Central Business Improvement District (CBID) to enhance the local business climate and to help manage the district. This requires the agreement of a majority of the real property owners within the proposed district having an assessed value of at least two thirds of the assessed value of all real property within the area. See, Tenn. Code Ann. § 7-84-511.

Nashville currently has two CBIDs -- the Downtown Central Business Improvement District (DCBID) and the Gulch Central Business Improvement District (GCBID). Property owners in the

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ORDINANCE NO. BL2015-67, continued

DCBID currently pay an additional \$0.2361 per \$100 of assessed real property value. The rate paid by property owners in the GCBID is lower, \$0.20 per \$100 of assessed real property value.

Each district is governed by a District Management Corporation as defined in the ordinance. The Board of Directors in each of these corporations currently contracts with the Nashville Downtown Partnership to provide additional services, such as trash removal, sidewalk sweeping and pressure washing, graffiti and handbill removal, public space management, security enhancement, beautification efforts, communications, and marketing. These services are in addition to, and do not replace, normal services otherwise provided within the Urban Services District.

The revenue from the special assessments are collected by Metro and posted in separate special revenue funds. The District Management Corporation in each CBID acts as an advisory board for the purpose of making and carrying out recommendations for the use of these funds. Both CBID annual budgets are approved as part of the overall Metro operating budget each year.

The current GCBID was created on August 15, 2006 per Ordinance No. BL2006-1123. According to the terms of that ordinance, the District will be dissolved on January 1, 2017 if the Council does not take action to continue the District. The ordinance under consideration will extend this dissolution date to December 31, 2026.

The proposed area within the GCBID is being expanded in this ordinance. The current northern boundary ends at the alley between McGavock and Broadway, bounded by 13th Avenue South to the west and the railroad property to the east. The new northern boundary would extend to Broadway. Similarly, the current southeastern border ends at 8th Avenue South. The new boundary would include the triangular area bounded by 8th Avenue South, the interstate, and the railroad property.

The initial special assessment rate established for the GCBID was \$0.15 per \$100. This was increased on June 3, 2008 per Ordinance No. BL2008-213 to \$0.91 per \$100 for calendar year 2009. This was reduced to \$0.43 per \$100 for Calendar Year 2010, \$0.25 per \$100 for Calendar Year 2011, and further reduced to \$0.20 per \$100 for Calendar Year 2012 and each subsequent year.

As part of the renewal of the GCBID being authorized by this ordinance, the special assessment rate in the GCBID will decrease from the current \$0.20 to \$0.18 per \$100 for calendar year 2017. This will drop further to \$0.15 per \$100 for 2018 and each remaining year through 2026.

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ORDINANCE NO. BL2015-67, continued

By state law, the Council must approve by ordinance any increase in the special assessment rate before it becomes effective, and must hold a public hearing prior to the vote on third and final reading.

Tenn. Code Ann. § 7-84-515(a) requires all readings to have been held prior to the public hearing, except the final such reading, so that the adoption may take place at the conclusion of such hearing.

ORDINANCE NO. BL2015-68 (PRIDEMORE, MURPHY, & WITHERS) – The purpose of this ordinance is to amend Metro's retirement plans, qualified under Section 401(a) of the Internal Revenue Code, to recognize qualified domestic relations order (QDROs) in accordance with new Tennessee law.

A "domestic relations order" is a judgment, decree, or order (including the approval of a property settlement) made pursuant to state domestic relations law (including community property law) which relate to the provision of child support, alimony payments, or marital property rights for the benefit of a spouse, former spouse, child, or other dependent of a participant.

A state authority, generally a court, must actually issue a judgment, order, or decree or otherwise formally approve a property settlement agreement before it can be a domestic relations order under ERISA. The mere fact that a property settlement is agreed to and signed by the parties will not, in and of itself, cause the agreement to be a domestic relations order.

A "qualified domestic relations order" (QDRO) is a domestic relations order that creates or recognizes an alternate payee's right to receive, or assigns to an alternate payee the right to receive, all or a portion of the benefits payable with respect to a participant under a retirement plan, and which includes certain information and meets certain other requirements. As of July 1, 2015, the state of Tennessee requires Metro's qualified retirement plans to honor claims under QDROs if the order relates only to the provision of marital property rights for the benefit of the former spouse of a plan participant.

The Metro Employee Benefit Board has met several times to consider the QDRO requirements and process. The Board approved the new QDRO policy at their meeting on November 3, 2015. The Board's actuarial consultants have determined an estimated cost of \$34,000 to implement

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ORDINANCE NO. BL2015-68, continued

the program that will ensure Metro is in compliance with the State regulations. This will be an ongoing annual cost and is not included in Human Resources' current operating budget.

The Board also issued a recommendation that the dollars for the ODRO budget not come out of the Pension Fund. In lieu of this, Metro would request the State Government to create legislation to enable all communities to recoup the cost of implementing this new law. However, no source of funding for this purpose has been identified.

ORDINANCE NO. BL2015-69 (ELROD & ALLEN) – This ordinance adopts the Geographic Information Systems Street and Alley Centerline Layer, with the changes as reflected on the Centerline Layer to date, as the official street and alley acceptance and maintenance record for Metro. The updated Centerline Layer shows the dedicated streets and alleys that were either accepted or abandoned for public maintenance by Metro since it was last adopted.

This ordinance has been approved by the Planning Commission.

ORDINANCE NO. BL2015-70 (HAGAR, ELROD, & ALLEN) – This ordinance amends the official Street and Alley Centerline Layer by abandoning a portion of Cumberland Avenue right-of-way and easement. There is no future need for this right-of-way and easement by Metro for any purpose.

This ordinance has been approved by the Planning Commission and the Traffic and Parking Commission.