



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: **June 21, 2016**

RE: **Analysis Report**

Unaudited Fund Balances as of 6/1/16:

4% Reserve Fund	\$23,750,196*
Metro Self Insured Liability Claims	\$3,711,830
Judgments & Losses	\$321,603
Schools Self Insured Liability Claims	\$3,219,501
Self-Insured Property Loss Aggregate	\$7,036,554
Employee Blanket Bond Claims	\$667,799
Police Professional Liability Claims	\$2,545,284
Death Benefit	\$1,184,833

*Assumes unrealized estimated revenues in Fiscal Year 2016 of \$2,343,571

– RESOLUTIONS –

RESOLUTION NO. RS2016-224 AND RS2016-225 – These two resolutions have been filed as part of the revenue changes included in the proposed FY17 Operating Budget. The revenue enhancements are as follows:

- **Resolution No. RS2016-224** (PRIDEMORE) – This would establish a new fee structure for private collection permit fees for waste haulers. The new fee schedule would be \$60 per year per small truck, \$120 per year per large truck, and \$12 per year per mobile waste container (dumpsters, compactors, or rolloff containers).
- **Resolution No. RS2016-225** (PRIDEMORE) – This would establish a new fee structure associated with the processing and review of Planning Commission applications associated with Title 17 of the Metro Code. A chart showing the current and proposed rates is attached to this analysis.

RESOLUTION NOS. RS2016-226 THROUGH RS2016-228 – 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 July 1, 2016. The primary effects of these resolutions are to provide a 3.1% across-the-board pay increase effective July 1, 2016, to continue increment pay, and to provide for the possibility of merit pay increases for open range employees.

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 upon the position. The Council previously approved a freeze of the increment pay increases and longevity pay, but increments were restored in Fiscal Year 2014. Approximately 75% of Metro employees are currently in the increment portion of the pay plan.

In addition to the step increases, the equivalent of an additional 3% merit pay increase will be available for open range employees (who do not receive increments). The amount of individual raises for increment employees will be determined by the department heads. The pay plan contemplates that open range employees are to be paid based upon merit, not length of service.

The proposed FY2017 operating budget incorporates changes recommended by a salary structure study performed by Deloitte Consulting, LLP. These changes would create, remove, change the title, and upgrade the salary of several job classifications. Some job classifications would be moved to Open Range. In addition, some pay grades would be added to the Open

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RESOLUTION NOS. RS2016-226 THROUGH RS2016-228, continued

Range and Correctional Officer pay charts. Finally, some modifications would be made to the Standard Range (SR) pay scales, as well as adjusting the pay of Part-Time / Seasonal employees.

These pay plans may not be amended by the Council except by making uniform changes because 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 Finance Director, the Board of Health, and the Mayor. The pay plans are as follows:

- **Resolution No. RS2014-226** (PRIDEMORE & MURPHY) approves the pay plan for general employees of the Metropolitan Government,
- **Resolution No. RS2014-227** (PRIDEMORE, GILMORE, & MURPHY) approves the pay plan for the Board of Health employees, and
- **Resolution No. RS2016-228** (PRIDEMORE, MURPHY, & PARDUE) approves the pay plan for employees of the Fire and Police departments.

RESOLUTION NO. RS2016-245 (PRIDEMORE) – This resolution would issue up to \$475 million in GSD general obligation bonds to provide funding for various projects contained in the Mayor's 2016-2017 Capital Spending Plan, submitted as Exhibit A to the resolution. This is the first step in the process toward the ultimate sale of the bonds by public bid to provide necessary financing for the listed projects.

Approval of this initial resolution would 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:

- \$117 million for General Services projects that include a new Police headquarters, Sheriff's administrative office, Criminal Justice Center, Fairgrounds improvements, and other projects
- \$10 million for the new Donelson Library and maintenance
- \$20 million for MTA for grant matches, bus replacements, and a new fare system
- \$5 million to extend Water and Sewer Services' flood-related home buyout program
- \$100 million for Public Works projects, including paving, sidewalks, traffic signalization, roads, and bridges
- \$150 million for Metro school projects, including \$105 million for capital projects at specific schools with the remaining \$45 million for district-wide projects

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RESOLUTION NOS. RS2016-245, continued

- \$38 million for Parks projects, including Centennial Park, Smith Springs Community Center, soccer fields, greenways, land acquisition, and maintenance
- \$10 million for miscellaneous ITS system upgrades and improvements
- \$5 million for miscellaneous equipment and upgrades for General Hospital
- \$7 million for MDHA infrastructure improvements around housing facilities

A more detailed list of capital projects to be funded through the spending plan, including the estimated cost for the projects, is attached to this analysis. Each of these capital projects is listed within the Capital Improvements Budget (adopted as amended as Ordinance No. BL2016-252 by the Council at the Adjourned meeting of June 14, 2016). Projects funded by issued revenue bonds from Metro Water Services, the Sports Authority, Music City Center and DES may proceed without Capital Spending Plan authorization.

RESOLUTION NO. RS2016-272 (PRIDEMORE) – This resolution would approve a contract between the Metropolitan Government and Arthur J. Gallagher & Co., acting as agent for Alexander & Associates, Inc., for the purchase of fire and extended coverage insurance services. This contract is the result of a request for quotations (RFQ) issued by the Metropolitan Government to obtain the best coverage at the most competitive price.

This is a renewal of the contract awarded to Gallagher per Resolution No. RS2011-1741 on July 14, 2011. Although Metro is essentially self-insured for liability purposes, we do maintain property and casualty insurance for our facilities. Metro's current insurable assets at the time of the last contract renewal totaled approximately \$5.8 billion.

The term of this contract is from July 1, 2016 through June 30, 2021. The annual premium payment for this insurance will be \$2,270,635. This is an increase in the premium of approximately \$42,000 from the premium quoted in the last renewal. This premium is based on \$1,728,000 for property insurance (including boiler insurance), \$86,665 for terrorism insurance, and \$455,970 for flood insurance.

The total value of the contract is estimated to be \$15,000,000 over the five-year term. The annual premium prices received from the contractor beginning in the second year must be approved by Metro. Metro may terminate this contract at any time upon thirty (30) days written notice to Gallagher.

The Metro Code requires that the purchase of fire and extended coverage insurance be approved by resolution of the Council.

RESOLUTION NO. RS2016-273 (PRIDEMORE & ELROD) – This resolution would approve Utility Relocation Contract No. 8532 between the Tennessee Department of Transportation (TDOT) and the Metropolitan Government for Project No. 19021-3251-14, Murfreesboro Road (SR-1) from Vultee Boulevard to Jupiter Drive and the intersection of SR-1 at Kermit Drive. This project will require the relocation of utilities as described in Utility Relocation Contract No. 8532, attached as Exhibit A to the resolution.

The total cost of the utility relocation is estimated to be \$443,280. This is based upon a cost of \$215,360 for installation labor and \$227,920 for installation materials. 100% of this cost will be paid by TDOT to reimburse the Department of Water and Sewerage Services for their actual costs for this work.

The project is currently scheduled to begin on August 19, 2016 and is expected to last 120 days.

RESOLUTION NO. RS2016-274 (PARDUE) – This resolution would approve an agreement between the Nashville Fire Department and Columbia State Community College (CSCC) to provide clinical experience to students enrolled in the Emergency Medical Technician Programs of the institution. This agreement would provide an opportunity for a student clinical learning experience in patient care to achieve educational goals and objectives of the EMS Education Program

There is no direct cost to the Metropolitan Government for providing this clinical experience. CSCC will require its participating students to have the necessary immunizations. CSCC will also maintain professional liability insurance for the students.

The term of the agreement is for five years, but may be terminated by either party upon 90 days' written notice.

RESOLUTION NO. RS2016-275 (O'CONNELL, ALLEN, & ELROD) – This resolution would authorize Headquarters Tennessee LLC to construct, install, and maintain an aerial encroachment at 114 2nd Avenue South. The encroachment consists of a 45" x 36" double-faced illuminated projecting sign.

The applicant must indemnify the Metropolitan Government from all claims in connection with the construction and maintenance of the sign, and it is required to post a certificate of public liability insurance with the Metropolitan Clerk naming the Metropolitan Government as an insured party.

This proposal was approved by the Planning Commission on May 17, 2016.

RESOLUTION NO. RS2016-276 (PRIDEMORE) – This resolution would authorize the Department of Law to settle the personal injury claim of Sherman and Tiffany Carver against the Metropolitan Government for the amount of \$27,372. On June 23, 2014, the Carvers were traveling east on Old Hickory Boulevard when they stopped to make a left turn onto Archwood Drive. A Metropolitan police officer ran into them from behind.

The Department of Law recommends settling this claim for \$27,372 to be paid from the Self-Insured Liability Fund. This would consist of \$20,562 to reimburse the Carvers for their medical expenses and \$6,810 for pain and suffering.

RESOLUTION NO. RS2016-278 (WITHERS, MENDES, & BEDNE) – The U.S. Department of Housing and Urban Development (HUD) issued a “notice of funding availability” on March 31, 2016 for the Choice Neighborhoods Implementation (CNI) Grants. Individual awards of up to \$30,000,000 will be made available to grantees selected by HUD.

The CNI Initiative is designed to address struggling neighborhoods through a comprehensive approach with three core goals: (1) replacing distressed public and assisted housing with high-quality mixed income housing (“Housing Goal”), (2) improving educational outcomes and intergenerational mobility for youth (“People Goal”), and (3) creating the conditions necessary for public and private reinvestment in distressed neighborhoods (“Neighborhood Goal”).

Applicants for these grants must have a Choice Neighborhood revitalization strategy that incorporates the goals of the CNI Initiative. This strategy is to be used as the guiding document for the revitalization of the public housing units.

MDHA has developed the Envision Cayce Plan to transform the James Cayce Homes into a vibrant mixed-income, mixed-use community that includes one-for-one replacement of existing public housing. MDHA now desires to apply as the Lead Applicant for the CNI Grant in order to obtain federal funding and to leverage other public and private funds to further these efforts.

MDHA would serve as the Lead for implementing the Housing and Neighborhood Goals. The Martha O’Bryan Center has committed to serve as the Lead for implementing the People Goal.

The notice for these grants requires the participation of the local government as the Co-Applicant and the support of publically-managed resources. If the Mayor signs the grant agreement as Co-Applicant, Metro would be obligated to work with MDHA to implement the activities identified in the Choice Neighborhood Transformation Plan.

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RESOLUTION NOS. RS2016-278, continued

Metro would support the activities identified in the Transformation Plan through the investment of locally-managed resources of a total value of \$56,000,000 over the seven-year implementation period ending September, 2023. This would include 10% of future allocations of Community Development Block Grant (CDBG) funds and \$500,000 annually in future HOME Investment Partnership (HOME) funds, subject to federal appropriations and citizen participation requirements.

– BILLS ON SECOND READING –

BILL NO. BL2016-223 (PRIDEMORE) – Section 55-8-153(c) of the Tennessee Code Annotated (TCA) gives Metro the authority to prescribe lower speed limits within certain areas or zones, or on designated highways, avenues, or streets that are not designated as state highways.

This ordinance would add Section 12.20.080 to the Metro Code of Laws (MCL). This would set a speed limit of 15 miles per hour in any construction or demolition site which meets the MCL definition of a “major project” and which is located within one hundred (100) linear feet of a public road or street.

Sections D and E of MCL Section 16.28.235 would be replaced and a new Section F added. These would add the requirement for speed limit signs to be posted at these sites along with project information signs. These would be required to be in place at least twenty-four (24) hours prior to the commencement of any construction or demolition activity. The signs would be required to remain at the site until all work is completed. The Traffic and Parking Commission has reviewed this legislation and is requesting some minor changes. An amendment will be offered for consideration.

BILL NO. BL2016-255 (HAGAR & SHULMAN) – This ordinance would amend the Metro Code to require the Office of Fleet Management (OFM) within General Services to adopt new rules and policies. These would prioritize the servicing and repair of police vehicles, fire engines, ambulances, and other emergency response vehicles. These new rules and policies would be required to be in place no later than December 31, 2016 and implemented no later than January 1, 2017.

OFM would also be required to provide a report to the Public Safety Committee no later than April 30 of each year regarding the types of vehicles serviced and repaired during the prior calendar year. This report must include the date and length of time that the priority vehicles are undergoing service and repair.

BILL NO. BL2016-256 (FREEEMAN, SLEDGE) – This ordinance would make changes to two sections of the Metro Code concerning the treatment of property standards violations.

Section 16.04.172 prescribes the penalties for violations of the various permit requirements for buildings, signs, fences, and HVAC systems. Paragraph B of this section currently requires that no new permits shall be issued to a person guilty of violating any of this title until the work

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BILL NO. BL2016-256, continued

done in violation is corrected to the satisfaction of the director. This ordinance would add language to this paragraph to expand this to cover violation of any provision of Title 16. It would also add “property conditions” in violation of this title to be corrected before new permits can be issued.

Section 16.24.190 addresses the “Prosecution of repeat violation”. This section currently gives the director the discretion to forego the issuance of a notice of violation and immediately institute the appropriate proceedings to “restrain, correct, or abate such violation, or to require the removal or termination of the unlawful occupancy of the building, structure, or premises in violation”. This ordinance would add the requirement that the director “shall further refuse issuance of any permit under this title to persons in current violation of any provision thereof”.

BILL NO. BL2016-257 (SLEDGE, ALLEN) – This ordinance would make changes to two sections of the Metro Code concerning stop work orders and short-term rental property (STRP) restrictions.

Section 16.04.110 deals with “Noncompliance – Stop work order”. This section currently describes the procedure to follow to issue a stop-work order in cases where work is being performed contrary to the provision of this chapter or in a dangerous or unsafe manner. This ordinance would add instances in which the operation of any building or structure is being conducted contrary to the provisions of Chapter 6.28.030 Section C as being subject to a stop-work order. (This section restricts any person or entity from operating a STRP without a permit.)

Section 6.28.030 addresses “Short term rental property (STRP)”. Paragraph R.6.b currently requires a one-year waiting period before any STRP found to have operated without a permit can become eligible for a permit. This ordinance would change the one-year waiting period to three years.

BILL NO. BL2016-258 (O’CONNELL, PRIDEMORE, ALLEN) – Ordinance No. BL2014-752 declared the old Ben West Library building located at 225 Polk Avenue to be surplus, and authorized the Director of Public Property Administration to sell the property in accordance with the standard procedures for the disposition of surplus property.

The 0.73-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

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BILL NO. BL2016-258, continued

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 in active use since 2006.

The 1902 deed includes a provision 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 Metropolitan Government reached an agreement with the McClanahan heirs regarding the disposition of the property, who likely have a valid partial ownership interest.

The Metropolitan Development and Housing Agency (MDHA) issued a request for proposals (RFP) to developers to bid on the property for the purposes of redeveloping the site. The RFP included a requirement that the historically significant portions of the building be preserved as part of the redevelopment.

The Tennessee Education Association (TEA) submitted a proposal for preservation of the building's historical elements and for restoration of the property as its headquarters. The property would also be used for certain conference, public functions, and school functions. The anticipated improvements to the property would be approximately \$8,500,000.

The TEA proposal provides for payments to Metro totaling \$2,000,000. This would consist of \$750,000 at closing and ten (10) subsequent annual payments of \$125,000. Metro would still be allowed to use the property rent-free up to twelve (12) times per year. The Metro Board of Education would also be allowed to use the property up to fifty (50) times per year for meetings and events. TEA has estimated that the total benefit for the use of the property to Metro and the Board of Education would be approximately \$5,000,000.

This ordinance would authorize the Director of Public Property Administration (MDHA) to execute the agreement as attached to the ordinance and convey Metro's interest in this property to MDHA for further conveyance to TEA. This would facilitate the Redevelopment Project by TEA in accordance with the Capitol Mall Redevelopment Plan.

BILL NO. BL2016-259 (SHULMAN, ELROD) – This ordinance would add a requirement that the Metropolitan Transit Authority (MTA) submit a comprehensive mass transit plan for Nashville and Davidson County to the Council, including funding options and a proposed timeline for implementation, no later than December 31, 2016. Based upon their current schedule, a mass transit plan will come before the MTA Board in September, 2016 for consideration.

BILL NO. BL2016-260 (SHULMAN) – This ordinance readopts the Metro Code prepared by Municipal Code Corporation to include supplemental and replacement pages for ordinances enacted on or before April 20, 2016. This is a routine re-adoption to ensure the Metro Code is kept up to date.

BILL NO. BL2016-261 (SYRACUSE, ALLEN, ELROD) – This ordinance would abandon an existing sewer main and easement and accept one new sewer manhole assembly and easement for property located at 420 Donelson Pike.

This was approved by the Planning Commission on May 10, 2016. Future amendments to this ordinance may be approved by resolution.

BILL NO. BL2016-262 (MINA JOHNSON, ALLEN, ELROD) – This ordinance would abandon existing sewer main and easement and accept new sewer main and easement for properties located at 800 and 802 Marquette Drive.

This was approved by the Planning Commission on April 22, 2016. Future amendments to this ordinance may be approved by resolution.

BILL NO. BL2016-263 (O'CONNELL, ELROD, ALLEN) – This ordinance would abandon easement rights that were previously retained by Council Ordinance No. BL2015-1020 within the right-of-way of Alley No. 160 for properties located at 710 and 706 Division Street. These are no longer needed by Metro for any purpose.

This ordinance was approved by the Planning Commission on April 22, 2016. Future amendments to this ordinance may be approved by resolution.

BILL NO. BL2016-264 (SLEDGE, PRIDEMORE, ELROD) – This ordinance would approve the plan for Metro Water and Sewerage Services to participate with Eugene H. Nelson for the construction of 700 lineal feet of an eight-inch water main in Elliott Avenue from Bradford Avenue to the entrance of the proposed Nelson development site.

Nelson will contract and oversee the actual construction of the water main in compliance with all Metro requirements and specifications. Metro will be responsible for the ongoing operation and maintenance of the water main.

Metro would pay the lesser of 50% of the actual project costs or \$100,000 as a contribution toward these improvements. This would be paid from Water and Sewerage Service's capital project fund (#47410). This agreement would be null and void if the improvements are not operational by December 31, 2017.

– BILLS ON THIRD READING –

BILL NO. BL2016-226 (A. DAVIS & ELROD) – This ordinance would rename an unimproved portion of Rosecliff Drive from Rosebank Avenue westward to its terminus as “Colbert Drive”. The name change has been requested by the Department of Public Works.

This proposed name change has been approved by the Planning Commission and the Emergency Communications District Board.

BILL NO. BL2016-232 (PRIDEMORE) – This ordinance is the operating budget of the Metropolitan Government for the Fiscal Year 2017. The budget filed by the Mayor provides for the following proposed funding:

• General Services District General Fund	\$909,961,700
• General Services District Schools Fund	\$843,299,700
• General Services District General Debt Service Fund	\$109,180,600
• General Services District Schools Debt Service Fund	\$84,403,400
TOTAL GENERAL SERVICES DISTRICT BUDGET	\$1,946,845,400
• Urban Services District General Fund	\$123,989,800
• Urban Services District General Debt Service Fund	\$16,485,000
TOTAL URBAN SERVICES DISTRICT BUDGET	\$140,474,800
TOTAL OPERATING BUDGET	\$2,087,320,200

The substitute budget adopted by the Council for the current fiscal year is \$1,968,285,900. The mayor’s proposed budget represents an overall increase of \$119,034,300 (6.0%).

The budget appropriates a total of \$71,947,200 from the unreserved fund balances of the primary budgetary funds. These amounts are as follows:

• General Fund of the General Services District	\$43,372,400
• Schools Fund of the General Services District	\$16,000,000
• Schools Debt Service Fund	\$0
• Debt Service – General Services District	\$5,000,000
• General Fund of the Urban Services District	\$7,574,800
• Debt Service – Urban Services District	\$0

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BILL NO. BL2016-232, continued

Metro's established policy is to maintain a fund balance equal to or greater than 5% for each of the six budgetary funds: GSD General Fund, USD General Fund, General Purpose School Fund, and the three primary debt service funds. The mayor's proposed budget is projected to result in the following fund balance percentages by June 30, 2017:

• General Services District General Fund	7.4%
• General Services District Debt Service Fund	6.6%
• Schools Fund of the General Services District	7.6%
• Schools Debt Service Fund	6.1%
• Urban Services District General Fund	5.4%
• Urban Services District Debt Service Fund	18.6%

The property tax rate totals will remain unchanged for the Fiscal Year 2017. The rate for the GSD is \$3.924. The rate for the USD is \$0.592. This gives a combined rate of \$4.516. Even with the rates remaining constant, growth is expected to generate a combined increase of \$33.2 million in property taxes over the budgeted FY16 revenue. Local option sales tax revenues are projected to increase by \$27.3 million over the current budget. Expected increases in grants and other contributions account for an additional \$27.6 million. All other revenue is expected to increase by a net of \$32.9 million.

Public Investment Plans (PIPs) are new for Fiscal Year 2017. These are non-traditional plans submitted by groups of departments working cooperatively to find opportunities for improvements. For this initial year, 34 plans were submitted with operating funding requests of \$16 million and capital funding requests of \$35 million. From these requests, 14 were selected for either total or partial funding this year. A list of the approved projects is attached to this analysis.

Initial funding for these plans includes approximately \$3.5 million from the departmental operations budget and capital spending. The funding for three of the plans is still to be determined. An additional \$1 million is included in the budget of the Finance Department to act as an "Innovation Investment Fund". This would be used to pay for cost overruns and new programs during the fiscal year.

The proposed budget provides a \$33.3 million increase (+4.1%) for Metro Schools, for a total operating budget of \$843,299,700. As noted above, \$16,000,000 is being appropriated from their undesignated fund balance.

The proposed budget includes an increase of \$28.5 million for pay plan improvements. All employees will receive a 3.1% cost-of-living raise on July 1, 2016. Funding is included for increment increases for all eligible employees on their scheduled increment dates. The proposed budget also includes funding

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BILL NO. BL2016-232, continued

for 3% open-range pay increases, also on July 1, 2016. The department heads have the discretion to determine the actual raises to be given to each open-range employee. The purpose of this additional open-range funding is to provide the equivalent of a step increment for open-range employees who are otherwise ineligible for increments.

The Farmers' Market will receive \$1 million from the proceeds for the sale of the north portion of their property to the state. Municipal Auditorium will receive a subsidy of \$400,000 from the General Fund. The State Fair has a balanced budget and does not require a subsidy this year.

The Hospital Authority would receive a subsidy of \$35 million in the proposed budget, which is the same as the initial subsidy for the current fiscal year. In February, a supplemental appropriation of \$10 million was required for the Authority. On May 27, 2016, the Mayor announced an independent third-party assessment of the financial and governance structure of General Hospital.

\$1,855,000 of the budget will pay for increases for Metro Transit Authority (MTA). Their new total subsidy will be \$42,013,600. The increase will be used to fund Nolensville Road bus rapid transit, Thompson Lane feeder service, maintenance, and planning for first and last mile service.

The Barnes Fund for Affordable Housing will receive a total allocation of \$16 million. This consists of \$10 million of new funding from the General Fund, \$5 million in estimated Convention Center proceeds increases, and a \$1 million carryover from the current year.

Other increases in the proposed budget for include the following:

• Police Department	\$2,000,000
• Parks Department	\$1,600,000
• Fire Department	\$1,500,000
• Public Works Department	\$1,200,000
• Public Library Department	\$975,300
• Health Department	\$780,100
• Codes Department	\$492,100

The proposed budget includes the same mechanism for appropriating grants to non-profit organizations as used in previous budgets through the Community Enhancement Fund. The proposed Community Enhancement Fund budget of \$2,150,000 for Fiscal Year 2017, which is the same as in 2015 and 2016, would award funds to agencies that best meet the priorities of the city from four categories:

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BILL NO. BL2016-232, continued

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

In addition to a small number of direct contributions to non-profit agencies that have routinely been made in previous budgets, the FY17 budget includes five new direct contributions:

- Summer Youth Employment Program \$1,000,000
- Thistle Farms \$300,000
- Public Education Foundation \$250,000
- Community Foundation (Digital Inclusion Project) \$100,000
- Plant the Seed Garden Program \$50,000

There are several related pieces of legislation that will need to be approved along with this budget ordinance. As always, pay plan resolutions for the GSD and USD will need to be approved. In addition, the agenda includes ordinances that would establish the Emergency Communications Center as a separate department with its own department head, new fees for Public Works that would generate approximately \$2,370,400 in new annual revenues, and new fees for Planning that would generate approximately \$866,500 in new annual revenues.

The Chair of the Budget & Finance Committee will offer a substitute budget for consideration by the full Council. Per Rule 15 of the Metro Council Rules of Procedure, the budget ordinance is amendable on third reading. Per section 6.06 of the Metro Charter, the Council must adopt a substitute operating budget no later than June 30th. Otherwise, the budget as originally submitted by the Mayor is adopted.

BILL NO. BL2016-233 (PRIDEMORE) – This ordinance adopts the property tax levy for Fiscal Year 2016-2017. The Metropolitan Charter provides in Section 6.07 that the Council’s next order of business upon adopting the annual operating budget is to adopt a tax levy that fully funds that budget. The property tax proposed by the Mayor is the same as the current tax rate, which is \$3.924 per \$100 of assessed value in the General Services District (GSD) and an additional \$0.592 per \$100 of assessed value in the Urban Services District (USD), for a total tax rate of \$4.516 in the USD.

BILL NO. BL2016-235 (PRIDEMORE) – As part of the revenues proposed in the FY17 operating budget, several fees charged by the Public Works Department would be increased. These fees have not been increased during the last 12 to 27 years and have therefore been deemed insufficient to cover the actual costs of providing these services currently.

The expected additional revenues to be generated by these revised fees are as follows:

- Meter Bag Permit \$61,000
- Temporary Street Closure Permit \$1,050,000
- Excavation Permit \$365,000
- Banner Permit \$11,000
- Film Permit \$25,800
- Parade Permit \$150,300
- Special Event Permit \$87,000

BILL NO. BL2016-236 (ELROD) – Chapter 6.26 if the Metro Code of Laws governs franchises for fiber optic communications services within Davidson County. Section 6.26.060.A requires that franchisees who perform work providing these services must follow “all laws, rules, and regulations” according to the provisions of Chapter 13.20 of the Metro Code, with the exception of Sections 13.20.020 and 13.20.030.

Section 13.20.020 specifies the permissions and notices that are required before performing any excavation or construction affecting the public right-of-way. Section 13.20.030 specifies the requirements for permits to be issued to perform this type of work.

The ordinance under consideration would remove those exemptions. The effect would be to require fiber optic communications companies to follow the same requirements for obtaining permissions and permits as companies performing other types of excavation and construction.

Section 13.20.050 of the Metro Code specifies the details of the bonds and insurance that are currently required for all types of excavation and construction, including for fiber optic communications. Because these franchisees already provide this type of bond and insurance security to Metro under the provisions of this section, it would be duplicative to require them to provide it again. Therefore, the final effect of this ordinance would be to remove this duplicate requirement.

BILL NO. BL2016-237 (PRIDEMORE, MURPHY, & PARDUE) – The Emergency Communications Center was created to consolidate the emergency call system that was in effect prior to August, 2002. Before that time, the function of receiving emergency calls was divided between the Police Department, Fire Department, and the Office of Emergency Management.

An audit published April 20, 2001 concluded that the operation of the emergency call system needed comprehensive improvement. A Memorandum of Understanding (MOU) was entered on August 28, 2002 by the Mayor, Police Department, Fire Department, Office of Emergency Management, General Services, Finance Department, and the Personnel Department. This MOU created a consolidated Emergency Communications Center (ECC) to be operated under the management of the Emergency Communications Board, consisting of the Chief of Police, Fire Chief, and the Director of the Office of Emergency Management.

In an effort to increase efficiency, this ordinance would authorize establishment of the ECC as its own stand-alone department with a single person directing its operations. Chapter 2.30 would be added to the Metro Code of Laws to establish this as the “Department of Emergency Communications”.

Any current employee of the ECC who was initially assigned there while serving as a sworn member of the Police or Fire Departments, and who is a current member of their pension system, would retain employment status with their assigning department. If one of these employees was subsequently promoted to a higher classification within the Department of Emergency Communications, all remaining connection with the Police or Fire Department would be severed. All other current ECC employees would be transferred to the new Department of Emergency Communications pursuant to Civil Service Rules.

BILL NO. BL2016-238 (WITHERS) – The Metro Code currently places restrictions on the type and number of bathrooms that must be provided in various types of buildings and facilities. This ordinance would add exceptions to the current requirements for having separate bathrooms specifically for each sex.

Section 6.06.040 for after-hours establishments and Section 6.12.030 for dancehalls would both replace the current requirements to have “separate and sufficient” toilet facilities “for each sex” by striking that requirement. These establishments would still be required to have sufficient facilities in a safe and proper place, but separate facilities would no longer be required. (With the recent passage of BL2016-221 on third reading, eliminating Metro Code Chapter 6.12 regulating dances and dance halls, it is anticipated that this ordinance will be amended to delete reference to Section 6.12.030.)

(continued on next page)

BILL NO. BL2016-238, continued

Section 16.08.012 would also add a specific exception to Section 2902.2 of the 2012 Edition on the International Building code. This new exception would eliminate the requirement to have separate facilities as long as there are two (2) or more facilities, each consisting of a single water closet and having an interior door lock.

Finally, Section 16.08.012 would add the requirement to have legible and readily visible signs identifying facilities for each sex, unisex, family, or assisted-use toilet facility.

There has been press coverage recently about legislation in other states concerning the rights of persons to use (or be restricted from using) toilet facilities matching the gender with which they identify, even if different from that shown on their birth certificate. It should be pointed out that the ordinance under consideration does not address that topic. It simply eases the current restrictions concerning the number of facilities and signage that must be provided for each sex.

BILL NO. BL2016-240 (ELROD) – Chapter 13.20 of the Metro Code currently requires anyone who excavates or obstructs the right-of-way for construction or other purposes to obtain a permit from the Department of Public Works.

This ordinance would add a new requirement within Subsection C of Section 11.20.30 to require the Director of Public Works to adopt rules and standards for “safe accommodation for cyclists and pedestrians, including accessibility for disabled persons” before such permits can be issued. If a permit has a duration exceeding twenty (20) days, the applicant would be required to submit a temporary traffic control plan to the Director.

BILL NO. BL2016-241 (PRIDEMORE, MURPHY, & PARDUE) – This ordinance creates 36 new positions and/or titles throughout various Metro departments pursuant to a lengthy study of pay and classifications by the Metropolitan Department of Human Resources. These new positions replace existing positions, so the financial impact should be insignificant; and in general, new functions are not being created by these positions.

There are a small number of these new positions that represent a new level in a job family, so there would be a small cost if (for example) a Beer Permit Inspector 2 gets promoted to Beer Permit Inspector 3.

Some of those costs are reflected already in the estimate of costs for the pay plans being considered as part of the FY17 budget in separate resolutions. Human Resources estimates the total costs of these new positions that are not already reflected in the estimated pay plan costs to be \$50,000 or less.

BILL NO. BL2016-254 (O'CONNELL) – This ordinance authorizes the Director of Public Property Administration to sell a portion of the right-of-way of Korean Veterans Boulevard and 7th Avenue South. This portion of the right-of-way was acquired by the Tennessee Department of Transportation (TDOT) in the name of Metro, using 80% state funds and 20% local funds.

Mainland KVB, LLC has now requested to purchase this property. The request has been evaluated by the Department of Transportation's Excess Land Committee which concluded that the property is no longer needed by the state or Metro for any purpose.

All parties agree that the fair market value is \$105,000. Since Metro initially paid 20% of the original costs to obtain this property, Metro is entitled to receive the same percentage of the proceeds from this quitclaim deed, amounting to \$21,000.

This sale was approved by the Planning Commission at their meeting on May 17, 2016.