



## METRO COUNCIL OFFICE

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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 18, 2019

RE: Analysis and Fiscal Notes

Unaudited Fund Balances as of 6/12/19:

4% Reserve Fund	\$18,423,425*
Metro Self Insured Liability Claims	\$3,470,854
Judgments & Losses	\$2,618,678
Schools Self Insured Liability Claims	\$4,348,221
Self-Insured Property Loss Aggregate	\$8,203,499
Employee Blanket Bond Claims	\$694,232
Police Professional Liability Claims	\$2,175,834
Death Benefit	\$1,535,693

\*This assumes unrealized estimated revenues in FY19 of \$2,360,475.

Note: No fiscal note is included for legislation that poses no significant financial impact.

– RESOLUTIONS –

**RESOLUTION NO. RS2019-1726** (VERCHER & RHOTEN) – This resolution would authorize the issuance of up to \$454,100,000 in interfund tax anticipation notes by the Metropolitan Government. These tax anticipation notes would be issued pursuant to state law for the purpose of meeting appropriations made for Fiscal Year 2020 in anticipation of the collection of taxes and revenues.

These notes would be issued pursuant to Tennessee Code Annotated § 9-21-101, *et seq.*

The Metropolitan Government’s annual operating budget is comprised of six primary funds -- the GSD General Fund, the USD General Fund, the MNPS Operations Fund, and the corresponding Debt Service Funds for each. Money within these funds is commingled and, historically, Metro has addressed temporary cash flow deficits by borrowing funds from the pooled cash account. This has the technical effect of one fund using money from another fund to pay for expenditures (until property tax receipts which fund each account are sufficient for the intended purpose).

In 2018, the Comptroller of the State of Tennessee advised that these transfers should be formalized by issuing inter-fund tax anticipation notes, as permitted under state law with the prior approval of the Comptroller’s office. The Council authorized its first tax anticipation note, in compliance with the Comptroller’s request, pursuant to Resolution No. RS2019-1545. The pending resolution would continue this practice in order to formalize Metro’s regular practice of inter-fund borrowing.

This resolution was initially introduced at the May 21, 2019 Council meeting but deferred to track with the proposed operating budget (BL2019-1624).

*Fiscal Note: This resolution will authorize Metro to issue and sell \$454,100,000 of interfund tax anticipation notes for the purpose of meeting appropriations made for Fiscal Year 2020 in anticipation of the collection of taxes and revenues. A similar note issuance was made in FY19 for this purpose.*

**RESOLUTION NO. RS2019-1743** (BEDNE, O’CONNELL, & OTHERS) – This resolution, as amended, would approve an intergovernmental agreement between the Tennessee Department of Transportation (TDOT) and the Metropolitan Department of Public Works for a General Maintenance Agreement for I-440 Traffic Operational Deployment of Blue Toad Spectra Power over Ethernet (PoE) Data Collection Devices -- an advanced traffic monitoring system measuring travel times and traffic patterns using non-intrusive roadside technology (anonymously collected Bluetooth signals from paired vehicles).

TDOT would install the Blue Toad Spectra traffic data collection devices at various roadway locations. Metro would be responsible for all costs associated with maintenance and operation of these devices.

An amendment adopted on June 4, 2019 attached “Exhibit A” to the agreement, listing the twenty-one locations at which the devices would be deployed along I-440.

Future amendments to the terms of the agreement may be approved by resolution. This has been approved by the Planning Commission.

*Fiscal Note: Metro’s cost associated with the maintenance and operation of the electrically operated and solar powered devices, has not yet been determined by Public Works.*

**RESOLUTION NO. RS2019-1771 THROUGH RS2019-1773** – These three resolutions would adopt new pay plans for the employees of the Metropolitan Government -- with the exception of the Board of Education -- to take effect July 1, 2019. The primary effect of these resolutions would be to continue the respective pay plans, continue increment pay, and provide for the possibility of merit pay increases for open range employees.

These resolutions would provide across-the-board pay increases of 3%. The pay plan further 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 FY14.)

In addition to step increases, the equivalent of an additional 2% merit pay increase would be available for open range employees (who do not receive increments). The amount of individual raises for increment employees are determined by department heads. The pay plan contemplates that open range employees are to be paid based upon merit, not length of service.

Per section 12.10 of the Metropolitan Charter, pay plans may not be amended by the Council except by making uniform modifications of *all* employment grades (because the relationship between pay grades must remain the same under the Charter). The pay plan amendments have been approved by the Civil Service Commission, the Finance Director, the Board of Health, and the Mayor.

These resolutions were initially introduced at the June 4, 2019 meeting, but were deferred to track with the proposed operating budget (BL2019-1624).

The proposed pay plans are as follows:

- **Resolution No. RS2019-1771** (VERCHER & WITHERS) would approve the pay plan for general employees of the Metropolitan Government;
- **Resolution No. RS2019-1772** (VERCHER & WITHERS) would approve the pay plan for the Board of Health employees; and
- **Resolution No. RS2019-1773** (VERCHER & WITHERS) would approve the pay plan for employees of the Fire and Police departments.

**RESOLUTION NO. RS2019-1778** (VERCHER) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2019-1779** (VERCHER) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2019-1780** (VERCHER) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2019-1781** (VERCHER) – This resolution would authorize the Department of Law to settle the personal injury claim of Peshkaft Mohammed against the Metropolitan Government in the amount of \$25,000.

On July 11, 2016, Peshkaft Mohammed was being transported by a Davidson County Sheriff's Office van, operated by a DCSO employee. The vehicle was being backed out of the Criminal Justice Center garage. The garage door was lowered, which caused a collision. Mr. Mohammed, along with other inmates being transported, immediately complained of injuries. At the time of the collision, Mr. Mohammed's hands were restrained and bound to his feet. He claims he was unable to steady himself when the collision occurred.

Mr. Mohammed sought treatment for lower back pain and right thigh pain. After a CT scan, he was diagnosed with a disk bulge and stenosis. He received pain medication and a steroid injection. He has agreed to accept a total of \$25,000 in full settlement of this case, based in part upon \$9,920.67 for reimbursement of his medical expenses.

The Department of Law recommends settlement of this claim for \$25,000.

*Fiscal Note: This \$25,000 settlement, along with the settlements per Resolution Nos. RS2019-1782 and RS2019-1783, would be the thirty-ninth, fortieth, and forty-first payments from the Self-Insured Liability Fund in FY19 for a cumulative total of \$1,624,269.44. The fund balance would be \$3,470,854 after these payments.*

**RESOLUTION NO. RS2019-1782** (VERCHER) – This resolution would authorize the Department of Law to settle the personal injury claim of Patricia Shyes against the Metropolitan Government in the amount of \$7,000.

On December 1, 2018, a Metropolitan Nashville Police officer was responding to an emergency with lights and sirens activated as he approached the intersection of Eighth Avenue South and Wedgewood Avenue. The officer entered the intersection while the traffic signal was red. Ms. Shyes was driving east on Wedgewood Avenue, approaching Eighth Avenue South, and entered the intersection while the traffic signal was green. The officer's patrol vehicle struck Ms. Shyes's

vehicle, which then struck a third vehicle. Ms. Shyes's vehicle sustained extensive damage, and the property damage claim was previously settled for \$6,788.86.

Ms. Shyes sought treatment for left shoulder pain and was diagnosed with a left shoulder strain. She has agreed to accept a total of \$7,000 in full settlement of this case, based upon \$3,965.81 for reimbursement of her medical expenses plus \$3,064.19 for pain and suffering.

The Department of Law recommends settlement of this claim for \$7,000.

Disciplinary action against the employee consisted of a two-day suspension.

*Fiscal Note: This \$7,000 settlement, along with the settlements per Resolution Nos. RS2019-1781 and RS2019-1783, would be the thirty-ninth, fortieth, and forty-first payments from the Self-Insured Liability Fund in FY19 for a cumulative total of \$1,624,269.44. The fund balance would be \$3,470,854 after these payments.*

**RESOLUTION NO. RS2019-1783** (VERCHER) – This resolution would authorize the Department of Law to settle the property damage claim of Michael Bommarito against the Metropolitan Government in the amount of \$10,525.00.

On February 20, 2019, the basement of the home of Mr. Bommarito, located at 2600 Brittany Drive, was flooded with raw sewage. According to the National Weather Service, Nashville received between 10 and 20 inches of rain during February 2019. It has been determined that the Metro sewer lines became overloaded due to the heavy rainfall.

Mr. Bommarito reported a loss of \$22,775.63, including costs associated with clean-up, flooring, landscaping, plumbing, damage to personal property, time missed from work, and veterinary expenses of his dog, which required euthanasia due to a fungal infection from drinking unsanitary water. Mr. Bommarito has agreed to accept a total of \$10,525.00 in full settlement of this case. (Because Mr. Bommarito did not know if the home's sewer line was equipped with a backflow valve, he has agreed to accept a reduced settlement amount.)

The Department of Law recommends settlement of this claim for \$10,525.00.

*Fiscal Note: This \$10,525 settlement, along with the settlements per Resolution Nos. RS2019-1781 and RS2019-1782, would be the thirty-ninth, fortieth, and forty-first payments from the Self-Insured Liability Fund in FY19 for a cumulative total of \$1,624,269.44. The fund balance would be \$3,470,854 after these payments.*

**RESOLUTION NO. RS2019-1784** (VERCHER & WITHERS) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2019-1785** (VERCHER & ROBERTS) – See attached grant summary spreadsheet.

**RESOLUTION NO. RS2019-1786** (SLEDGE, A. DAVIS, & OTHERS) – This resolution would provide a supplemental appropriation to five (5) Metropolitan departments and agencies. The total appropriation would be \$10,500,00.

A total of \$10,500,00 would be appropriated from the GSD General Fund - Undesignated Fund Balance to accounts associated with the Metropolitan Transit Authority (WeGo), the Historical Commission, the Nashville Public Library, the Nashville Education, Community, and Arts Television (NECAT), and the Nashville Fire Department.

It is anticipated that this resolution will be deferred by the sponsor until the first meeting in July 2019 – the next fiscal year.

*Fiscal Note: The resolution would appropriate a total of \$10,500,000 from the undesignated fund balance of the GSD General Fund. According to the policy approved by the Council in 1989 and the OMB in 2005, the minimum fund balance percentage should be no lower than 5% of the operating budget in the six primary funds. The specific appropriations are as follows:*

- *Metropolitan Transit Authority (MTA) Subsidy - \$8,200,000*
- *Historical Commission - Historical Markers Allocation - Repairs & New Markers - \$120,000*
- *Historical Commission - Fort Negley Archaeology - \$50,000*
- *Public Library - Books/Periodicals/Library Materials - \$1,600,000*
- *Nashville Education, Community, and Arts Television - \$50,000*
- *Fire Department - six additional positions - \$480,000*

**– ORDINANCES ON SECOND READING –**

**BILL NO. BL2019-1631** (O’CONNELL) – This ordinance would amend the Metropolitan Code of Laws to consolidate existing provisions regulating noise, excessive noise, and construction noise. These existing provisions would be housed in a new Title 9, entitled Noise and Amplified Sound.

This ordinance would reorganize existing noise provisions into a single title in the Metropolitan Code of Laws. This would mean deleting existing provisions and creating a new Title 9 which would contain the prior noise provisions. The new Title 9 would be organized into three chapters.

- Chapter 9.10 would contain general definitions and the measurement guidelines currently in existence.
- Chapter 9.20 would govern excessive noise provisions, mostly contained within the current MCL Sec. 11.12.070. This new chapter would divide the existing MCL Sec. 11.12.070 into smaller sections based upon topic, as well as consolidate other relevant provisions from other sections of the MCL. Chapter 9.20 would also clarify that excessive noise provisions are to be enforced by the Metropolitan Nashville Police Department, which is currently tasked with enforcing the excessive noise provisions.
- Chapter 9.30 would govern construction noise, essentially relocating the current Chapter 16.44. This Chapter would also clarify that construction noise provisions are to be enforced by the Metropolitan Department of Codes Administration, which is currently tasked with enforcing construction noise provisions.

An amendment may be proposed to address noise restrictions related to commercial and industrial activities under MCL 17.28.090 and to eliminate certain unnecessary deletions of existing provisions.

**BILL NO. BL2019-1653** (BLALOCK) – This ordinance would require a flag of the Metropolitan Government be presented to the family of a former member of the Metropolitan County Council upon the member’s death.

This presentation could include presentation at the funeral of a former member of Council. The Metropolitan Government would absorb any costs associated with this presentation.

An amendment is anticipated to expand the scope of this ordinance to include all elected officials of the Metropolitan Government, and to apply to current as well as former officials.

*Fiscal Note: The Metropolitan Government’s cost for each flag would currently be \$230.72.*

**BILL NO. BL2019-1655** (A. DAVIS & BEDNE) – This ordinance would amend Section 2.210.030 of the Metropolitan Code of Laws, which requires a project proposal for recipients of a grant or Payment In Lieu of Taxes (PILOT) incentive for a project.

Section 2.210.030 currently requires economic and community development incentive grant agreements be approved by a vote of 21 members of the Metropolitan Council. These grant agreements must provide that the Metropolitan Government's financial obligations are subject to the annual appropriation of funds by the Council. In January 2018, this section was amended to require the submission of a project proposal that includes:

- (1) The type and number of jobs that would be created by the company, including whether the jobs are temporary or permanent, and how many identified jobs will be filled by Davidson County residents;
- (2) The establishment of a workforce plan disclosing whether temporary or staffing agencies, the Nashville Career Advancement Center, or other third parties would be used to identify, recruit, or refer job applicants, whether the individuals hired for the identified jobs would be employed by the company, subcontractors, or other third parties, and the wages and benefits offered for the identified jobs, along with comparisons to average wage levels for comparable jobs in Davidson County;
- (3) Whether the project would use apprentices from programs certified by the U.S. Department of Labor; and
- (4) The number and type, within the preceding seven (7) years, of OSHA or TOSHA violations, or employment or wage-related legal actions filed within federal or state courts against the company or any contractor or subcontractor of the company retained on the qualified project.

The Mayor's Office of Economic and Community Development (ECD) presents these proposals to the Council prior to the vote on the incentive and related agreement and the proposal is incorporated into the agreement. Companies receiving a grant or PILOT must further submit quarterly reports demonstrating compliance with the agreement to the ECD. Annually, the ECD is required to submit a report to Council relaying compliance data.

The ordinance under consideration would add clarifications and new requirements to this Section. The ordinance would clarify that the project proposal requirements apply to qualified companies, as well as to qualified projects. The project proposal would include the current requirement of reporting how many jobs will be filled by Davidson County residents, and further require the percentage of employees at the project expected to be relocated to Davidson County by the qualified company or qualified project. The reporting of the "average" wage would instead be changed to the "median" wage, as well as disclosure of wage information for salaried positions and hourly wage positions by "standard occupational classifications" (as opposed to each position as individually classified), as defined by the US Department of Labor Bureau of Labor Statistics Occupation Codes. The median wage would be required to be compared to the median annual wage available in Davidson County for the same occupation.

The ordinance would further clarify that all OSHA and TOSHA violations and employment or wage-related legal actions would be required to be reported, including any legal actions asserting claims under a variety of federal discrimination and employment-related legislation, including the Fair Labor Standards Act, the Family Medical Leave Act, Title VII of the Civil Rights Act of 1964,



The Age Discrimination in Employment Act, the Americans with Disabilities Act, the Rehabilitation Act, or the Education Amendments Act of 1972. The reporting requirements in the current Code would further be re-worded to change all references to “or” and “and/or” to “and” – capturing a broader assortment of categories.

Finally, under the proposed ordinance, project proposals, quarterly reports, and annual reports would be required to be submitted on a form approved by resolution adopted by a majority of the Council membership.

**BILL NO. BL2019-1656** (HAGAR) – This ordinance would amend Section 6.72.245 and Section 6.74.230 of the Metropolitan Code of Laws to extend the vehicle age at which taxi cabs and other passenger vehicles of hire may be operated.

Currently, Section 6.72.245 of the Metropolitan Code of Laws prohibits the operation of taxicabs over ten years old and requires automobiles to be removed from service at the end of their tenth year. This ordinance would extend this period to fifteen years.

Except for a classic, vintage, or unique passenger vehicle for hire, Section 6.74.230 of the Metropolitan Code of Laws prohibits passenger vehicles for hire over ten years old or vehicles which have more than three hundred fifty thousand miles on the odometer. This ordinance would remove the mileage limitation and extend the time period to fifteen years.

**BILL NO. BL2019-1657** (HAGAR) – This ordinance would amend Chapter 12.54 of the Metro Code which regulates horse-drawn carriages.

Primarily, this ordinance offers several housekeeping amendments to Chapter 12.54. Among the proposed revisions is the addition of a definition for “MTLC Staff”, defined as employees assigned to assist and support the Metropolitan Transportation Licensing Commission (MTLC). References to the MTLC Staff would be incorporated into various provisions to authorize Staff, in addition to the MTLC, to carry out certain administrative functions.

The application fee for the annual certificate to operate a horse-drawn carriage business would be increased from \$100 to \$500.

The criteria for issuance of a certificate of public convenience and necessity would be simplified to require consideration of “the number of horse drawn carriages already in operation, whether existing service is adequate to meet the public need; the character, experience, financial condition and responsibility of the applicant, and such criteria as may be adopted by the commission in its rules.” Provisions authorizing the commission director to approve additional horses, carriages, and drivers for certificate holders, as well as authorizing temporary permits for additional vehicles during periods of increased demand, would be deleted.

Existing provisions regarding disciplinary actions would be amended to add that prohibited actions include (1) making false statements under oath during a disciplinary hearing before the MTLC and (2) engaging in conduct unbecoming of a certificate holder. Emergency suspensions of a certificate holder would be authorized if the MTLC director determined that the certificate holder “poses a threat to public safety or animal welfare”, which would then trigger a hearing at the next available commission meeting no later than sixty days from the date of the suspension.

If a certificate is denied, the applicant could not re-apply for one year. This would be an increase from the current duration of six months.

An application for a driver permit would be required to provide his/her name, contact information, date of birth, the types of vehicles the applicant would drive under the certificate. Certain other categories of information currently required, including references, the applicant’s experience, educational background, employment history, and residential address history, would be deleted from this provision. However, the MTLC director could require more information deemed necessary or relevant. The ordinance would update required documentation to include a social security card or birth certificate, update references to state and federal law, and replace documentation of medical and drug test results with a requirement that a statement of physical and mental fitness to act as a for-hire driver be submitted. The driver would also need to certify completion of the certificate holder’s mandatory driver training program approved by the MTLC director.

The ordinance would add a new section requiring a criminal background investigation for applicants for a driver’s permit. The certificate holder would be required to check the National Sex Offender Database to verify whether the applicant is listed and certify under oath to the MTLC that the applicant does not appear on the list. Existing provisions regarding ineligibility of applicants would be reorganized with minor changes, including the provision that an otherwise qualified applicant who has been convicted of certain criminal offenses at the time of application would be taken before the MTLC for approval.

New provisions would allow applicants for a driver permit to appeal a disapproval of their application within thirty days of denial and request an appearance before the MTLC. Upon approval of an application for a driver permit, the certificate holder would certify that the application is complete prior to issuing a permit to the applicant. Upon the denial of an application of a driver permit, no new application could be considered for three months. Driver permits would be issued for one year and would expire March 1 of the year following the date of issuance. Certificates could be renewed by the MTLC director for each successive year, which would require a renewal fee. Fees could be charged for driver permits, along with a fee for any replacement driver permits.

The MTLC or MTLC director could suspend, fine, revoke, or restrict a driver permit for failing to comply with the Code provisions or any MTLC rules and regulations. The MTLC director would be able to enact an emergency suspension if the permit holder “poses a threat to public safety or animal welfare”, which would then trigger a hearing at the next available commission meeting, no later than sixty days from the date of the suspension. If a permit is revoked, the driver could not

re-apply for ninety days from the date of revocation and would be treated as a new applicant. If a driver's license was revoked, suspended, or cancelled, the permittee would be required to self-report to the MTLC and the driver's permit would likewise be revoked, suspended, or cancelled.

Other minor changes and clarifications would be made to provisions regarding the conduct of drivers, requirements for horses in service, and the carriage and equipment.

Complaint procedures would be added, which would authorize a complaint to be filed with the MTLC against a certificate holder, driver's permit holder, or certificate holder's employee. The new section would outline procedures, including a hearing, potential disciplinary actions, and the appeals process. The MTLC would be able to adjudicate a complaint at a meeting. Making a false statement under oath at a disciplinary hearing would be a violation of the chapter and could result in probation, suspension, revocation of a certificate, or a fine.

**BILL NO. BL2019-1658** (ELROD & O'CONNELL) – This ordinance would amend Chapter 12.62 of the Metropolitan Code of Laws regarding shared urban mobility devices (SUMDs).

This ordinance would amend Section 12.62.080 regarding the number of SUMDs allowed. Currently, this section provides that each type of SUMD in an operator's fleet can be gradually increased on a monthly basis according to an expansion schedule. Under the proposed ordinance, fleet expansions would be limited in number as determined by the Metropolitan Transportation Licensing Commission (MTLC) which would be required to establish criteria, rules and procedures for determining the fleet size.

Additionally, the number of SUMDs in a permitted operator's fleet could not be increased for the remainder of the pilot program, and the MTLC could even require permitted operators to reduce their fleet size following notice and a hearing before the MTLC. The MTLC could require fleet size reductions in the interests of public health and safety, with such reductions remaining in effect until a notice and hearing is conducted by the MTLC within no more than 60 days following such action.

With provisions for freezing and even reducing fleet sizes, the ordinance would eliminate current provisions in the Code for determining average utilization thresholds for each type of SUMD vehicle.

The MTLC would be required to establish regulations, requirements, and limitations to reduce clustering of SUMDs. Until the MTLC establishes regulations, no more than 225 of each type of SUMD would be permitted per operator per square mile. The MTLC would designate the location of the square mile locations in relation to service areas.

The MTLC would be required to establish regulations, requirements and limitations to require permitted operators to include Nashville Promise Zones in their service areas. Until the MTLC establishes such regulations, requirements and limitations, any permitted vendors operating

systems with 500 or more SUMDs would be required to include Nashville Promise Zones in twenty percent or more of their service area.

Section 12.62.070 would be amended to add that the MTLC would have the authority to establish additional fees it determines necessary and reasonable to carry out and enforce the pilot program, including assessment of fees upon already permitted operators.

**BILL NO. BL2019-1660** (ROBERTS, VERCHER, & O'CONNELL) – This ordinance would approve a participation agreement between the Metropolitan Government and Doug Simpson (Simpson), to provide public water service improvements for Simpson's proposed development, as well as other existing properties in the area.

Pursuant to the terms of the agreement, Simpson would contract and oversee the construction of approximately 2,536 linear feet of eight-inch water main and four fire hydrant assemblies; all existing service lines would be tied into the new water main; and pavement repair would be provided per plans at Hill Circle. This would include improvements to the water main for the remaining distance to Marcia Avenue.

The agreement would be terminated if these improvements are not operational by February 19, 2020. Future amendments to this ordinance may be approved by resolution.

*Fiscal Note: Metro would pay the lesser of fifty percent (50%) of the actual project costs, not to exceed \$244,724.00 for the improvements. The improvements to the water main for the remaining distance to Marcia Avenue would be inspected and fully reimbursed by Metro, not to exceed \$138,574.00.*

**BILL NO. BL2019-1661** (HENDERSON, BEDNE, & OTHERS) – This ordinance would grant a permanent easement to Harpeth Valley Utilities District (HVUD) of Davidson and Williamson Counties, Tennessee on certain property owned by the Metropolitan Government.

HVUD has requested a permanent utility easement and three (3) temporary construction easements located at Edwin Warner Park, at 50 Vaughn Road. These easements would be used for the purposes of installing and maintaining a sanitary sewer line.

This has been approved by the Planning Commission.

**BILL NO. BL2019-1662** (WITHERS, BEDNE, & O'CONNELL) – This ordinance would authorize the Metropolitan Government to negotiate and accept permanent and temporary easements for the Creighton Avenue Stormwater Improvement Project for seven properties located along Creighton Avenue and McKennie Avenue.

This has been approved by the Planning Commission. Future amendments to this ordinance may be approved by resolution.

**BILL NO. BL2019-1663** (O'CONNELL & BEDNE) – This ordinance would accept a new sanitary sewer main and a sanitary sewer manhole for properties located at 203, 205 and 207 Welworth Street.

This has been approved by the Planning Commission. Future amendments to this ordinance may be approved by resolution.

**BILL NO. BL2019-1664** (WITHERS, BEDNE, & O'CONNELL) – This ordinance would abandon existing water and sanitary sewer mains, sanitary sewer manholes, fire hydrant assemblies and easements, and accept new water and sanitary sewer mains, sanitary sewer manholes, fire hydrant assemblies and easements for properties located at 707 and 711 South 7th Street.

This has been approved by the Planning Commission. Future amendments to this ordinance may be approved by resolution.

**BILL NO. BL2019-1665** (O'CONNELL & BEDNE) – This ordinance would accept new sanitary sewer main and sanitary sewer manholes for 27 properties located at 322 Wallace Court.

This has been approved by the Planning Commission. Future amendments to this ordinance may be approved by resolution.

**– ORDINANCES ON THIRD READING –**

**BILL NO. BL2019-1624** (VERCHER) – This ordinance is the proposed operating budget of the Metropolitan Government for Fiscal Year 2020. The budget filed by the Mayor provides for the following proposed funding (as adjusted by inter-fund transfers):

• General Services District General Fund	\$992,936,000
• General Services District Schools Fund	\$914,475,600
• General Services District General Debt Service Fund	\$171,707,500
• General Services District Schools Debt Service Fund	\$108,955,100
<b>TOTAL GENERAL SERVICES DISTRICT BUDGET</b>	<b>\$2,188,074,200</b>
• Urban Services District General Fund	\$124,876,200
• Urban Services District General Debt Service Fund	\$18,667,600
<b>TOTAL URBAN SERVICES DISTRICT BUDGET</b>	<b>\$143,543,800</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$2,331,618,000</b>

The substitute budget adopted by the Council for Fiscal Year 2019 is \$2,230,100,600. The Mayor’s proposed budget represents an overall increase of \$101,517,400 (4.55%).

The budget would appropriate a total of \$7,300,000 from the unreserved fund balance of the Urban Services District General Fund.

Metro’s established policy is to maintain a fund balance equal to or greater than 5% for each of the six primary budgetary funds, the GSD General Fund, USD General Fund, and General Purpose School Operations Fund, as well as the three related primary debt service funds. However, three of these six funds will not meet this target in FY20.

The Mayor’s proposed budget is projected to result in the following fund balance percentages by June 30, 2020:

• General Services District General Fund	5.0%
• General Services District Debt Service Fund	2.3%
• General Services District Schools Operations Fund	3.5%
• Schools Debt Service Fund	9.3%
• Urban Services District General Fund	5.1%
• Urban Services District Debt Service Fund	1.8%

The current property tax rate for the GSD is \$2.755 per \$100 of assessed value. The current rate for the USD is \$0.400, giving a combined rate of \$3.155. These rates would remain unchanged for FY20.

The proposed budget would include an increase of \$21,155,000 (GSD) and \$2,125,900 (USD) for pay plan improvements. The Civil Service Commission and the Council originally approved a three-year pay plan in FY17. However, due to the revenue shortfalls, this was limited to a one-year plan in FY19. The FY20 proposed pay plan calls for all general government employees to receive a 3% across the board cost of living increase, along with incremental increase for eligible employees and 2% for open-range employees.

As always, 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.

There are no increases in the proposed budget for employee health insurance costs.

The proposed budget includes \$207.7 million for the GSD Debt Service Fund. However, this includes \$30 million for the first year of parking concession payments and \$11.5 million for the sale of the District Energy System (DES) to Engie.

Ordinance No. BL2019-1616 to approve the proposed parking management agreement is currently under consideration by the Council. For the sale of DES, Engie must obtain nearly unanimous consent from the existing DES customers. Also, contract terms with Engie are still under negotiation. Because of this, it will not be possible to approve legislation with the Council to approve this sale until the budget has already been approved.

A total of (\$11.5 million) in targeted departmental savings was included in the FY19 budget. These savings were allocated by the Finance Department to the various departments after the final budget was approved. The amount of targeted savings for FY20 is being increased to (\$12.9 million).

The proposed budget provides a \$28.2 million increase (+3.2% over FY19) for Metro Schools, for a total operating budget of \$914,475,600. The Schools Debt Service budget would increase by \$6.7 million for a new total of \$110,554,700 (+6.5 % over FY19).

The Hospital Authority would receive a subsidy of \$43.1 million in the proposed budget for General Hospital, which would be a reduction of \$3 million from FY19. \$3.5 million would be appropriated in the budget for the contract with Signature for the management of the Bordeaux Nursing Home. Likewise, \$2 million would be appropriated for the contract with Anthem Care to manage the Knowles Assisted living Facility.

The new Community Oversight Board would receive \$1.5 million, as mandated by the Charter change that created the Board. In addition, \$2,379,200 would be appropriated to various departments to pay for the implementation of body cameras for the Police Department.

The Public Works Department would change the schedule for recycling pickups from the present monthly schedule to every other week. This would be paid for by a new grant of \$2,800,000, supplemented by an additional \$518,000 from Metro.

The FY20 budget would also include several items for community support. These include the following:

- Summer Youth Employment Program      \$2,900,000
- Community College GRAD Program      \$1,000,000
- Equal Business Opportunity Program      \$442,300
- Black Chamber      \$25,000
- Hispanic Chamber      \$25,000
- Latin American Chamber      \$25,000
- LGBT Chamber      \$25,000

The Barnes Fund for Affordable Housing would receive an additional \$10 million as part of the continuing commitment for affordable housing and to help the homeless. This affordable housing commitment would also include \$300,000 for the continuation of Housing Incentive Program.

\$2.6 million is included in the proposed budget for the opening and security of new facilities. This includes the Bellevue Community Center and the Police headquarters and family safety complex.

The Blue Ribbon Commission was created as part of the FY19 budget to look for areas of potential savings in the overall operations of Metro departments, boards, and agencies. In April, they recommended general fund targeted savings and MNPS targeted savings in FY20. In addition, they recommended an increase in short-term rental property fees. Other recommendations included a public property performance audit and expanding Parthenon hours.

As the next order of business following adoption of the operating budget ordinance, the Urban Council must meet to approve a separate resolution to approve the property tax rate as proposed for the Urban Services District.

Per Rules 15 and 34 of the Metro Council Rules of Procedure, the budget ordinance is amendable on third reading. It is anticipated that proposed Substitutes will be submitted to the Council office on or before June 14, 2019; whereupon the Council office will endeavor to prepare a Supplemental Analysis comparing the current ordinance to the proposed Substitute(s). Per section 6.06 of the Metro Charter, the Council must adopt a substitute operating budget no later than June 30<sup>th</sup>. Otherwise, the budget as originally submitted by the Mayor is adopted.

**BILL NO. BL2019-1625** (VERCHER) – This ordinance would adopt the property tax levy for FY20. 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 rate proposed by this ordinance is the same as the current tax rate -- \$2.755 per \$100 of assessed value in the General Services District (GSD) and \$0.400 per \$100 of assessed value in the Urban Services District (USD), for a total tax rate of \$3.155 in the USD. This tax levy rate is projected to be sufficient to fully fund the proposed FY20 operating budget.

An amendment to the Charter approved by the voters in 2006 provides that the tax rates cannot be increased above their 2006 levels unless approved by the voters at a referendum election. The 2006 property tax levy was \$4.040 in the GSD and \$0.650 in the USD for a total combined tax levy of \$4.690.

The tax levy is amendable on third reading. As with the operating budget ordinance, it is anticipated that Substitutes will be submitted for this tax levy ordinance on or before June 14, 2019; whereupon the Council office will endeavor to prepare a Supplemental Analysis.

**BILL NO. BL2019-1626** (VERCHER, GILMORE, & HALL) — This ordinance establishes the property tax relief program for low-income elderly residents of the Metropolitan Government for FY20. This is essentially an extension of an existing tax relief program that has been in existence for many years.

Tennessee Code Annotated § 5-9-112 authorizes county legislative bodies to appropriate funds for the purpose of providing assistance to low-income elderly residents in the county on an annual basis, based on the particular needs of eligible recipients. The county legislative body is also authorized to develop guidelines for eligibility. Additionally, Tennessee Code Annotated § 67-5-702 provides that the general funds of the state shall be paid to certain low-income taxpayers sixty-five (65) years of age or older necessary to pay or reimburse such taxpayers for all or part of their local property taxes. For many years, Metro has provided a double match of the state funds for the program. \$3,900,000 has been included in the proposed FY20 operating budget in the Property Tax Relief Program Account.

This ordinance would direct the Metropolitan Trustee to disburse funds to eligible taxpayers and further authorizes the Trustee to establish rules and procedures for implementation of the program. All persons who qualify for the state property tax relief program and whose income does not exceed a state-mandated cap of \$29,270 annually will qualify for this program. Because this budgetary appropriation is non-recurring, this program would expire June 30, 2020.

*Fiscal Note: The FY20 operating budget includes \$3,900,000 for the property tax relief program for the elderly, which is the same as the appropriation for FY19.*

**BILL NO. BL2019-1627** (VERCHER, HALL, & HENDERSON) – This ordinance, as substituted, would establish a new fee structure for all Short-Term Rental Property permit applications.

This ordinance would set the permit fee for Short-Term Rental Property (STRP) -- Not Owner-Occupied and Short-Term Rental Property (STRP) -- Owner-Occupied at three hundred thirteen dollars (\$313). This is an increase from the current permit fee of fifty dollars (\$50). The increase in the STRP permit fee is based upon an independent fee study conducted by Fiscal Choice Consulting, LLC. This study concluded that the current permit fee is insufficient to defray the cost of providing services related to permitting of STRPs.

The prior version of this ordinance deleted references to the fifty dollar permit fee currently in Chapter 17.16 of the Metropolitan Code. As substituted, this ordinance no longer references Title 17. This thereby allows Council to approve the proposed fee increase based upon the recommendation of the Zoning Administrator, pursuant to Section 17.40.750 of the Metro Code, without the necessity of a zoning public hearing. Because the proposed budget ordinance (BL2019-1624) includes anticipated revenues from the STRP fee increase, adoption of this ordinance would be required at the same time.

*Fiscal Note: The proposed new STRP permit fee is \$313.*

**BILL NO. BL2019-1638** (VERCHER) – This ordinance would approve an amended partnership agreement between the Cities for Financial Empowerment Fund, Inc. (CFE Fund) and the Metropolitan Government.

Ordinance No. BL2018-1198 approved a partnership agreement between the CFE Fund and the Metropolitan Government to support two of CFE Fund’s grantee partners. The agreement under consideration would amend that 2018 agreement. The end date of the term of the agreement would be extended from October 31, 2018 to February 28, 2020. The total compensation to be received by Metro would be increased from \$10,000 to \$20,000 (and would instead be entitled a “Stipend”).

*Fiscal Note: The total compensation for this agreement would not exceed \$20,000.*

**BILL NO. BL2019-1639** (WITHERS & VERCHER) – This ordinance would approve newly created positions within the Metropolitan Government. Section 12.10 of the Metropolitan Charter provides that newly created positions within the Metropolitan Government shall be approved by ordinance.

The Civil Service Commission, upon the recommendation of the Director of Human Resources, has created four new positions as follows:

- 311 Call Center Specialist,
- 311 Call Center Specialist Senior,
- Crime Scene Investigator 3, and
- Fire Inspector 2 – Field Training Officer

**BILL NO. BL2019-1640** (WITHERS, VERCHER, & GILMORE) – This ordinance would approve a newly created position within the Metropolitan Government. Section 12.10 of the Metropolitan Charter provides that newly created positions within the Metropolitan Government shall be approved by ordinance.

The Civil Service Commission of the Health Department, upon the recommendation of the Director of Personnel for the Department of Health, has created the new position of “Bureau Director 2”.

**BILL NO. BL2019-1644** (MENDES, COOPER, & OTHERS) – This ordinance, as amended, would amend Ordinance No. BL2018-1315, pertaining to the Tax Increment Financing Study and Formulating Committee.

Ordinance No. BL2018-1315 created a Tax Increment Financing Study and Formulating Committee (“Committee”). As required by the ordinance, the Committee prepared and submitted a report regarding how the Metropolitan Government utilizes tax increment financing and proposed recommendations for its implementation in a more transparent, equitable, effective and understandable manner. The final report was submitted May 7, 2019 and is attached to the current ordinance.

The ordinance under consideration would add a new section to BL2018-1315. This section would require the Metropolitan Development and Housing Agency (MDHA), with support from the Mayor’s Office and the Finance Department, to provide a written description of which agencies have been assigned the tasks accomplishing the recommendations outlined in the report, including estimates of the resources required to complete this implementation. This written description would be required to be provided to the Council by October 31, 2019. Additionally, MDHA, with support from the Mayor’s Office and the Finance Department, would be required to submit a written report to the Council describing the status of accomplishing the recommendations by December 15, 2020.

**GRANTS LEGISLATION – JUNE 18, 2019**

<b>Legislative Number</b>	<b>Parties</b>	<b>Amount</b>	<b>Local Cash Match</b>	<b>Term</b>	<b>Purpose</b>
<b>RS2019-1778</b>	<p><b>From:</b> Tennessee Department of Mental Health and Substance Abuse Services</p> <p><b>To:</b> State Trial Courts</p>	Not to exceed \$450,000.00	\$0	July 1, 2019 through June 30, 2020	The grant proceeds would be used to provide the Tennessee Certified Recovery Court Program (TCRCP) to enable the establishment of adult and juvenile drug court programs to address the needs of non-violent offenders.
<b>RS2019-1779</b>	<p><b>From:</b> Tennessee Department of Mental Health and Substance Abuse Services</p> <p><b>To:</b> Davidson County General Sessions Court</p>	Not to exceed \$10,000.00	\$0	July 1, 2019 through June 30, 2020	The grant proceeds would be used to provide Tennessee Certified Recovery Court Program (TCRCP) collection of participant data utilizing the Tennessee Web-based Information Technology System (TN-WITS) to assist the State in meeting federal reporting requirements.
<b>RS2019-1780</b>	<p><b>From:</b> Tennessee Department of Correction</p> <p><b>To:</b> State Trial Courts</p>	Increase by \$1,464,314.00	Increase by \$81,000.00	Extend to June 30, 2020	<p>This would approve the grant and the first amendment to a Community Corrections Service Grant.</p> <p>The grant total, as amended, would be \$4,392,942.00 and the grant term end date would be extended from June 30, 2019 to June 30, 2020. Grant proceeds are used to divert felony offenders from the Tennessee prison system by providing community supervision and treatment services.</p>

<p><b>RS2019-1784</b></p>	<p><b>From:</b> The Community Foundation of Middle Tennessee</p> <p><b>To:</b> Nashville Career Advancement Center</p>	<p>Not to exceed \$420,000.00</p>	<p>\$0</p>	<p>N/A</p>	<p>The grant proceeds would be used to provide limited job experience and entry into the workforce utilizing a paid summer internship through the Opportunity Now Program.</p>
<p><b>RS2019-1785</b></p>	<p><b>From:</b> United States Department of Justice</p> <p><b>To:</b> Metropolitan Nashville Police Department</p>	<p>\$100,000.00</p>	<p>\$0</p>	<p>N/A</p>	<p>This would approve an application for a Law Enforcement Mental Health and Wellness Act (LEMHWA) grant.</p> <p>If the grant is awarded, the proceeds would be used to improve the delivery of and access to mental health and wellness services for law enforcement by developing and training a regional network of peer supporters among law enforcement agencies.</p>