

# FY2015 Budget Presentation



Richard M. Riebeling  
Finance Director  
April 30, 2014

Metropolitan Government of Nashville and Davidson County



# FY2015 Budget

- Debt
- Public Schools
- Employee Investment
- New Facilities
- Contractual Obligations

Leaves **VERY LIMITED** Opportunity For  
Funding Improvements

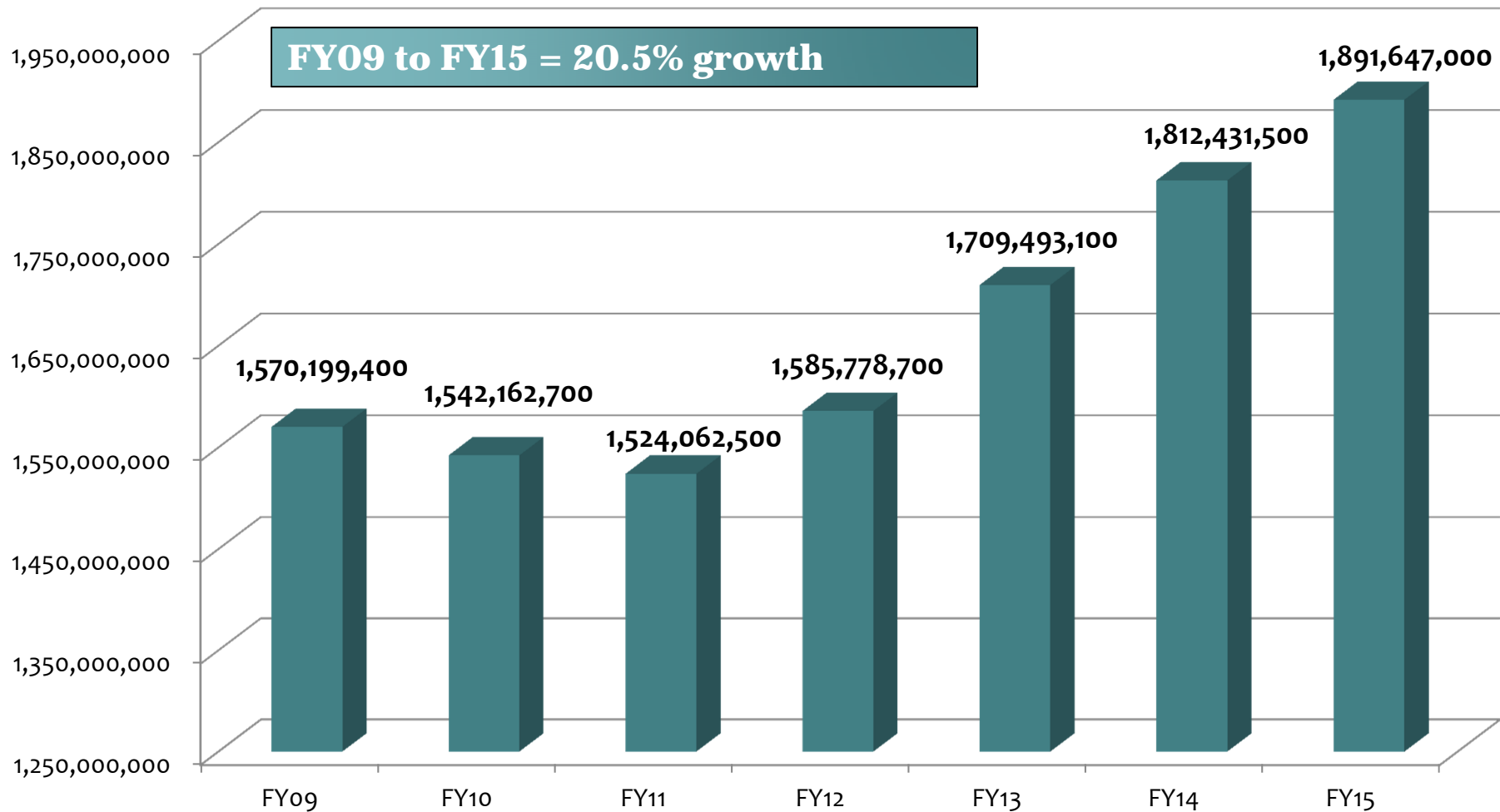


# Recommended Budget

**\$1,891,647,000**

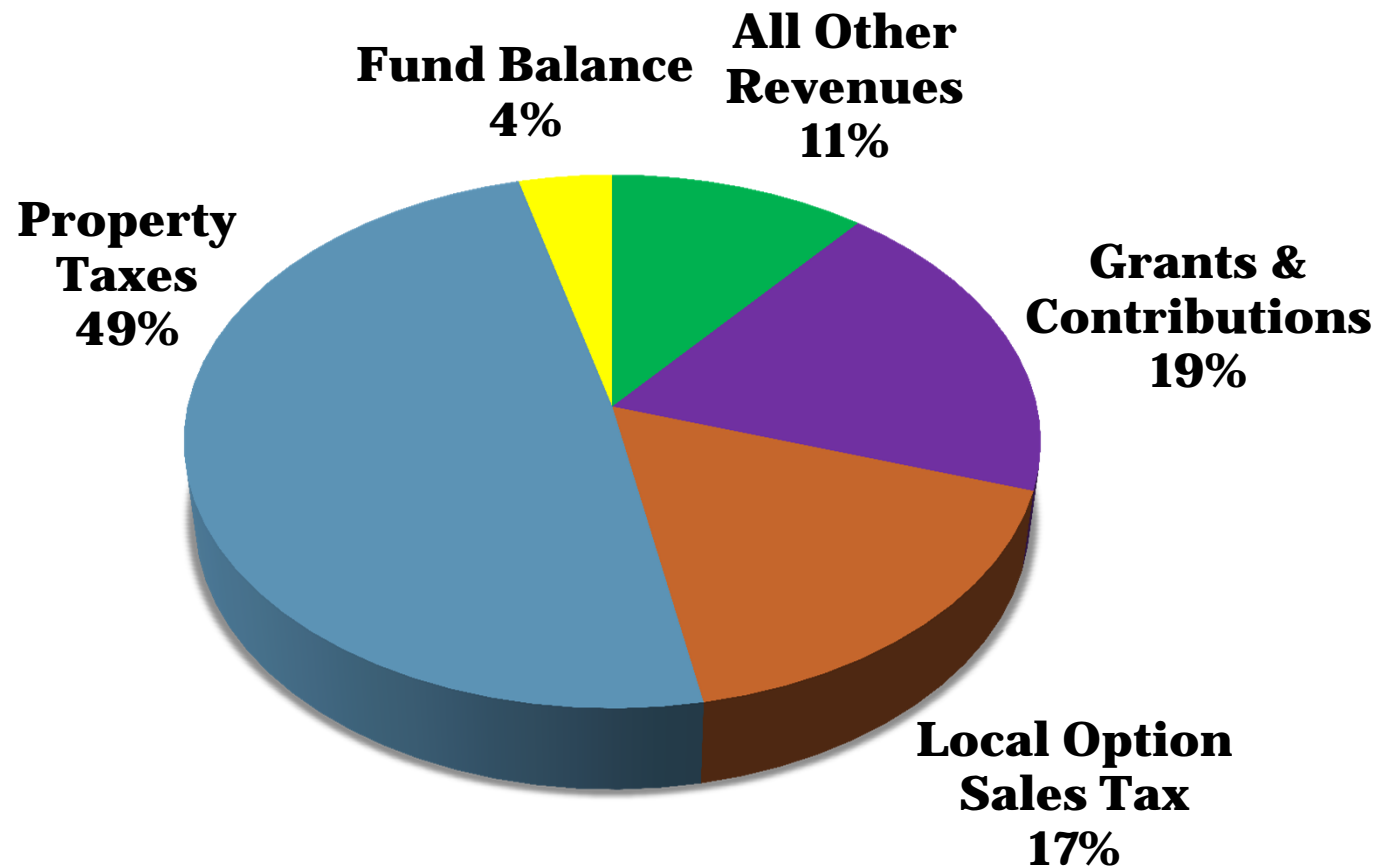
4.37% increase over FY14

# Total Budget Growth FY2009 - 2015



Operating budgets as approved by Metro Council

# Where the Money Comes From



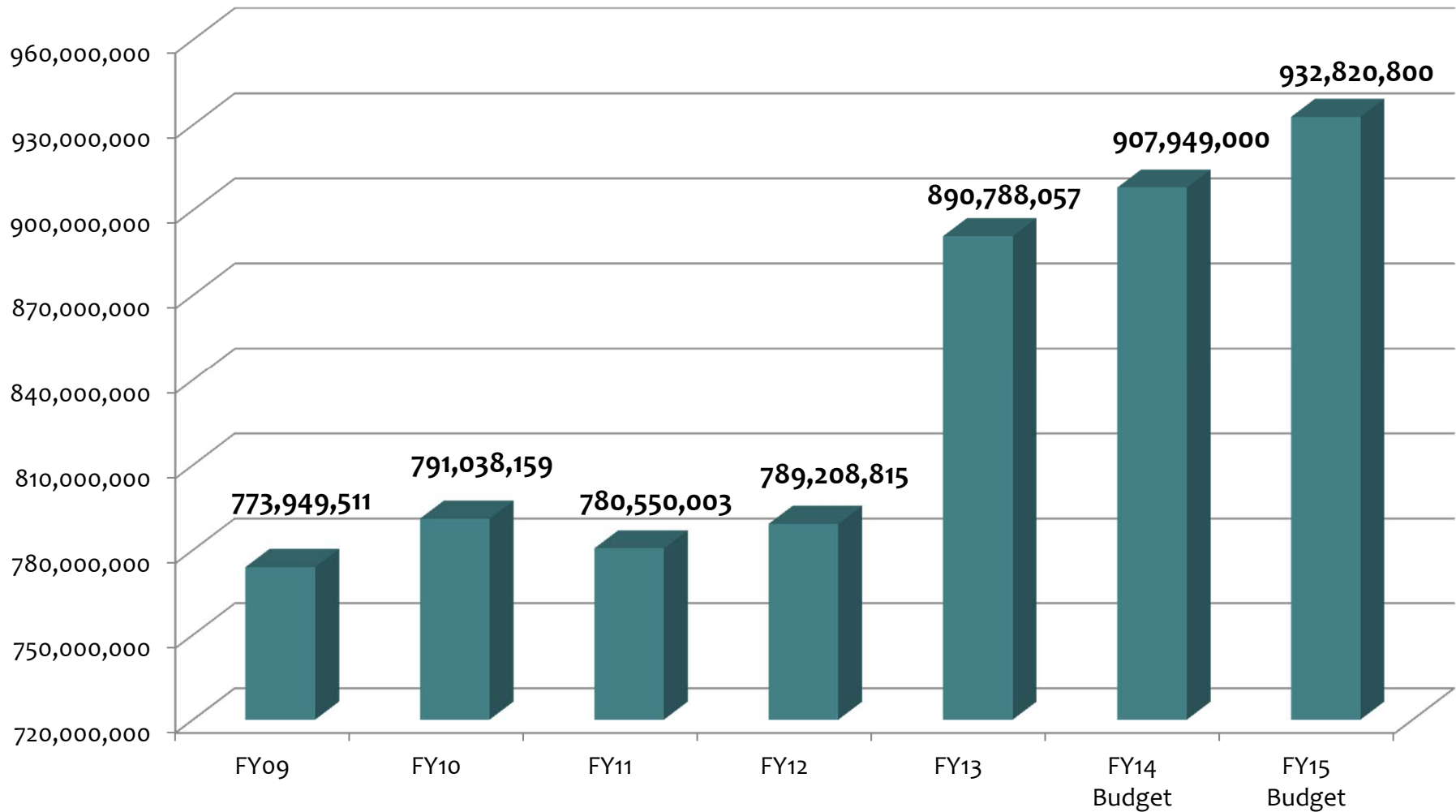


# Total Revenue Growth

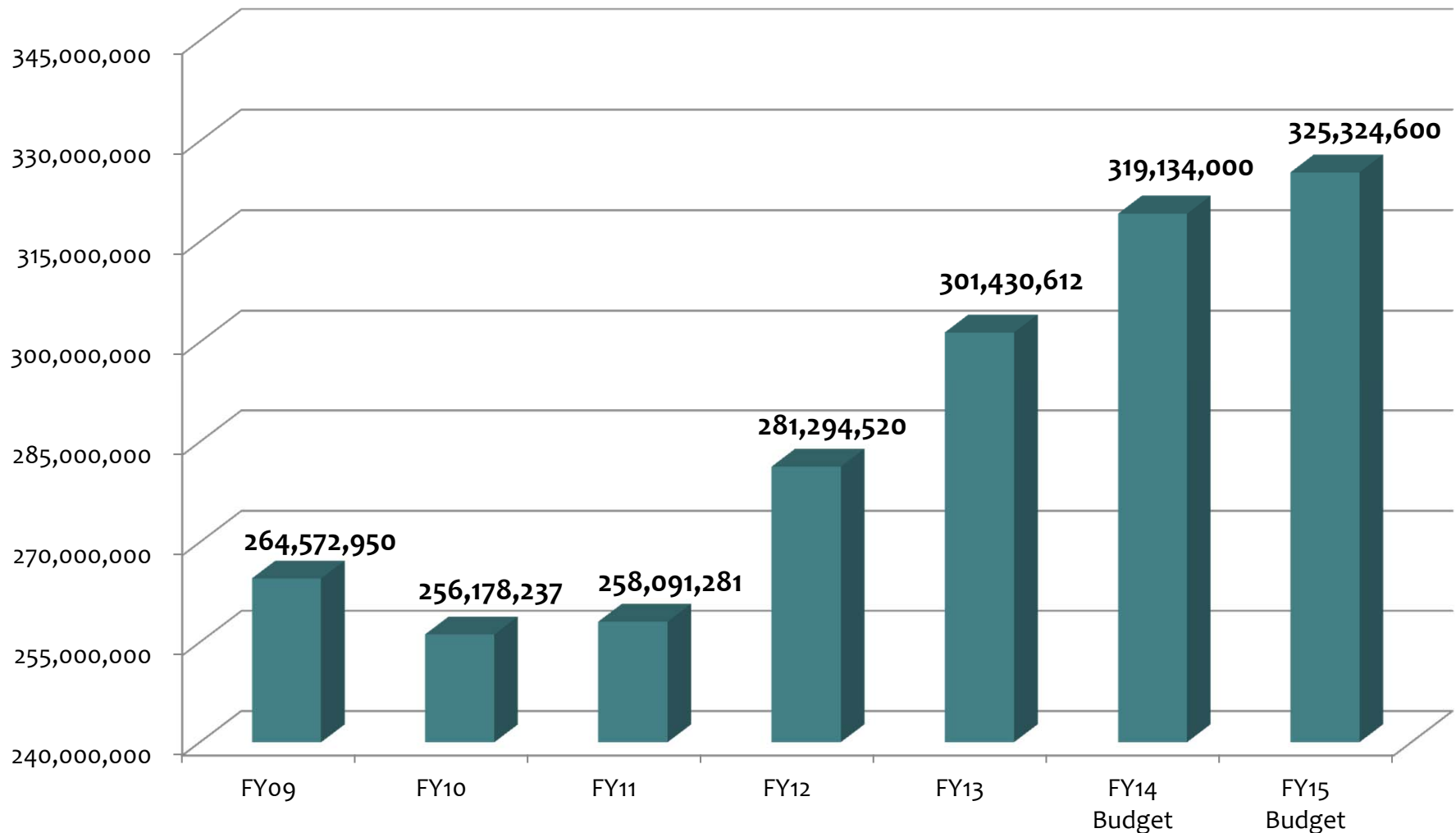
## \$51.9 million

- Property Taxes - \$24.9 million
- Local Option Sales Tax - \$6.2 million
- Grants and Contributions - \$14.3 million
- All Other - \$6.5 million

# Property Tax Trends FY2009 - 2015



# Sales Tax Trends FY2009 - 2015





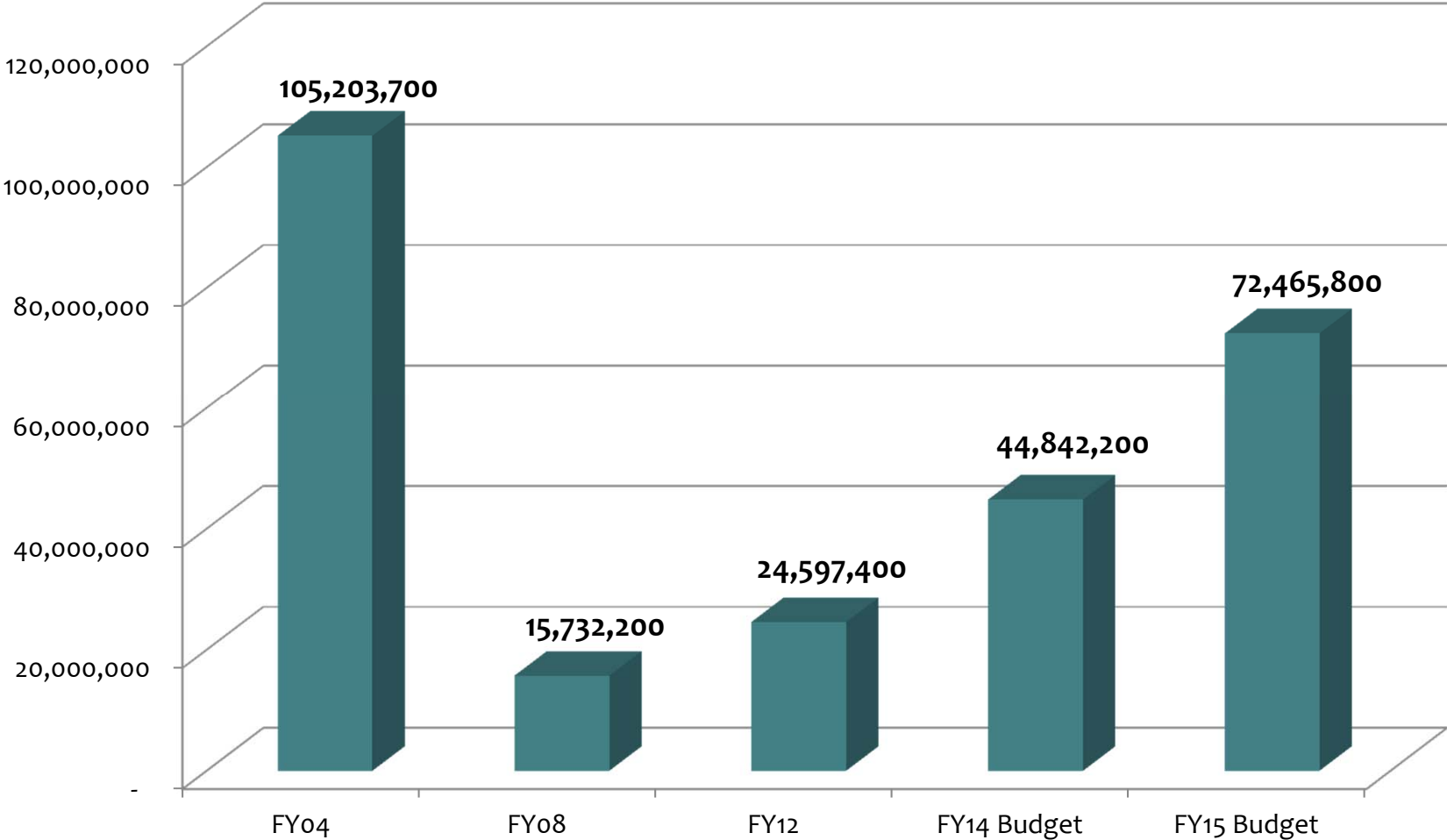
# Recommended Use of Fund Balance

Fund	Appropriated for use in FY15 Budget	Estimated June 30, 2015 Balance as a Percent of FY15 Budget
<b>OPERATING FUNDS:</b>		
GSD* General Fund	\$26,627,700	6.0%
USD** General Fund	\$5,397,100	8.6%
Schools Fund	\$38,005,000	5.8%
<b>DEBT SERVICE FUNDS:</b>		
GSD* Debt Service Fund	\$0	5.5%
USD** Debt Service Fund	\$2,436,000	10.0%
Schools Debt Service Fund	\$0	5.6%

\*GSD - General Services District

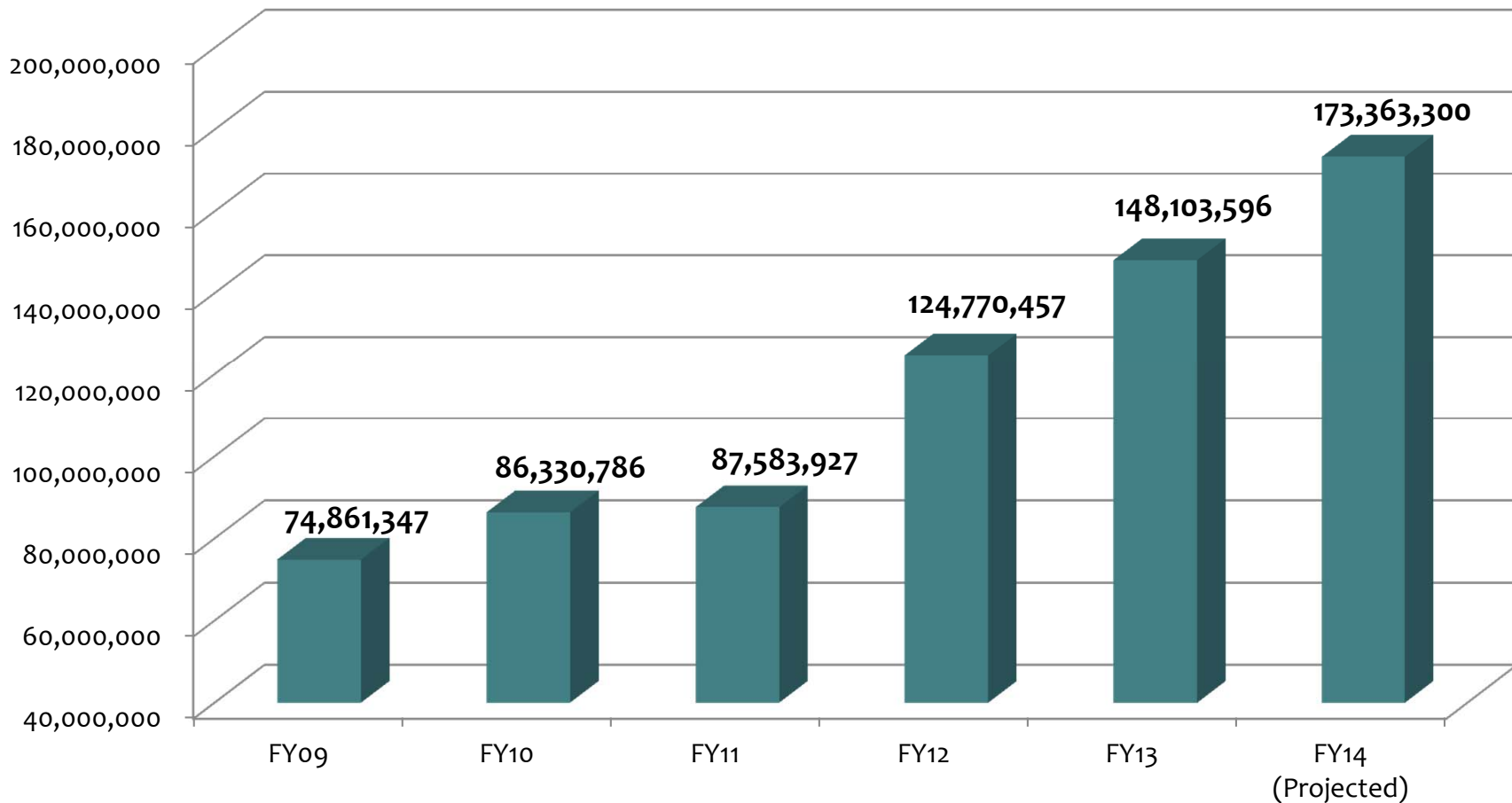
\*\*USD - Urban Services District

# Historical Use of Fund Balance



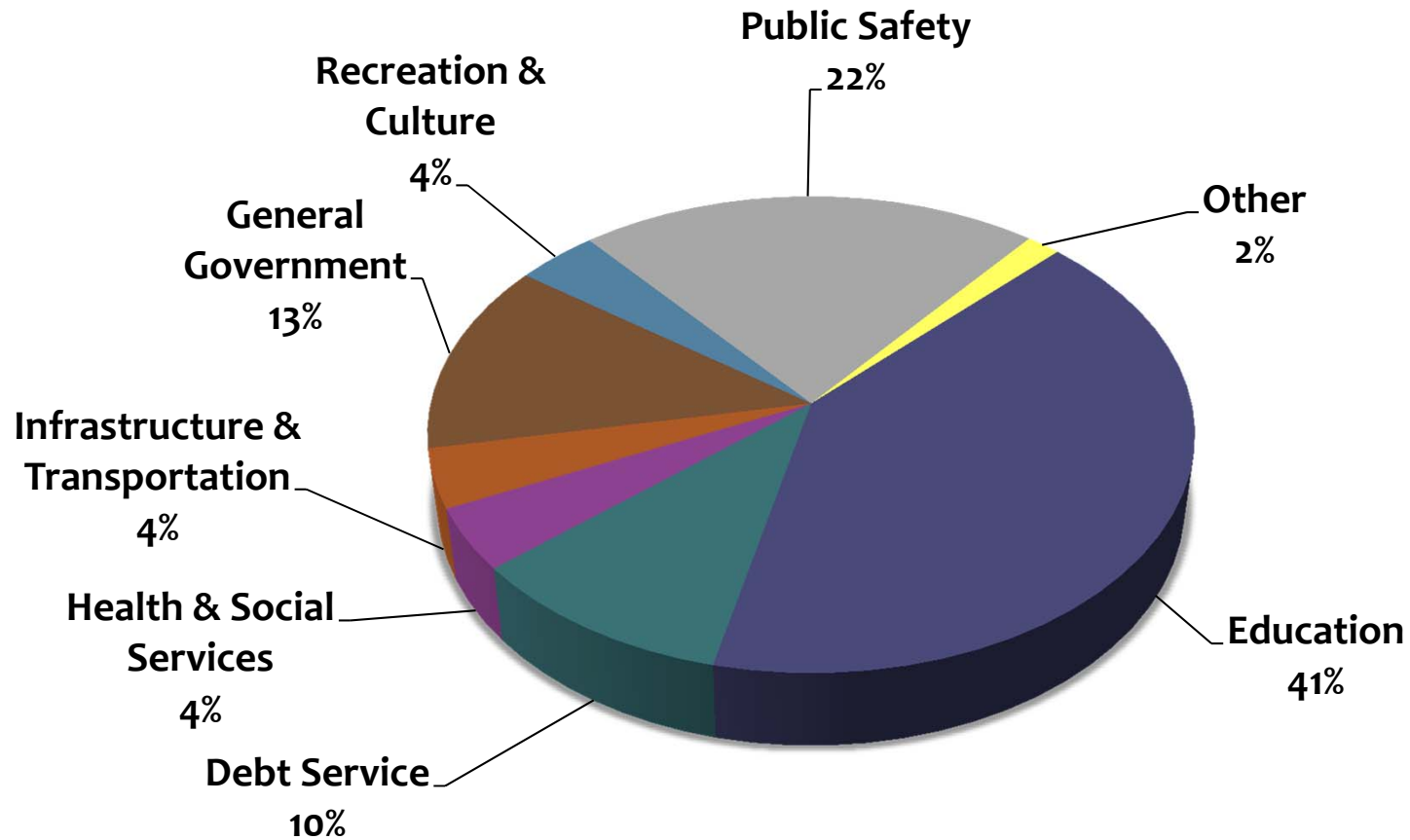
# Fund Balance FY2009 – 2014

## Operating Funds\*



\* Includes GSD/USD/MNPS

# Where the Money Goes



# Where the Money Goes

## \$79 million

- Debt Service - \$22 million
- Schools - \$27.5 million
- Employee and Retiree Costs - \$21.8 million
- General Government - \$8.2 million\*

**\* Net change after improvements and reductions**



# Annual Debt Report

BL2014-696

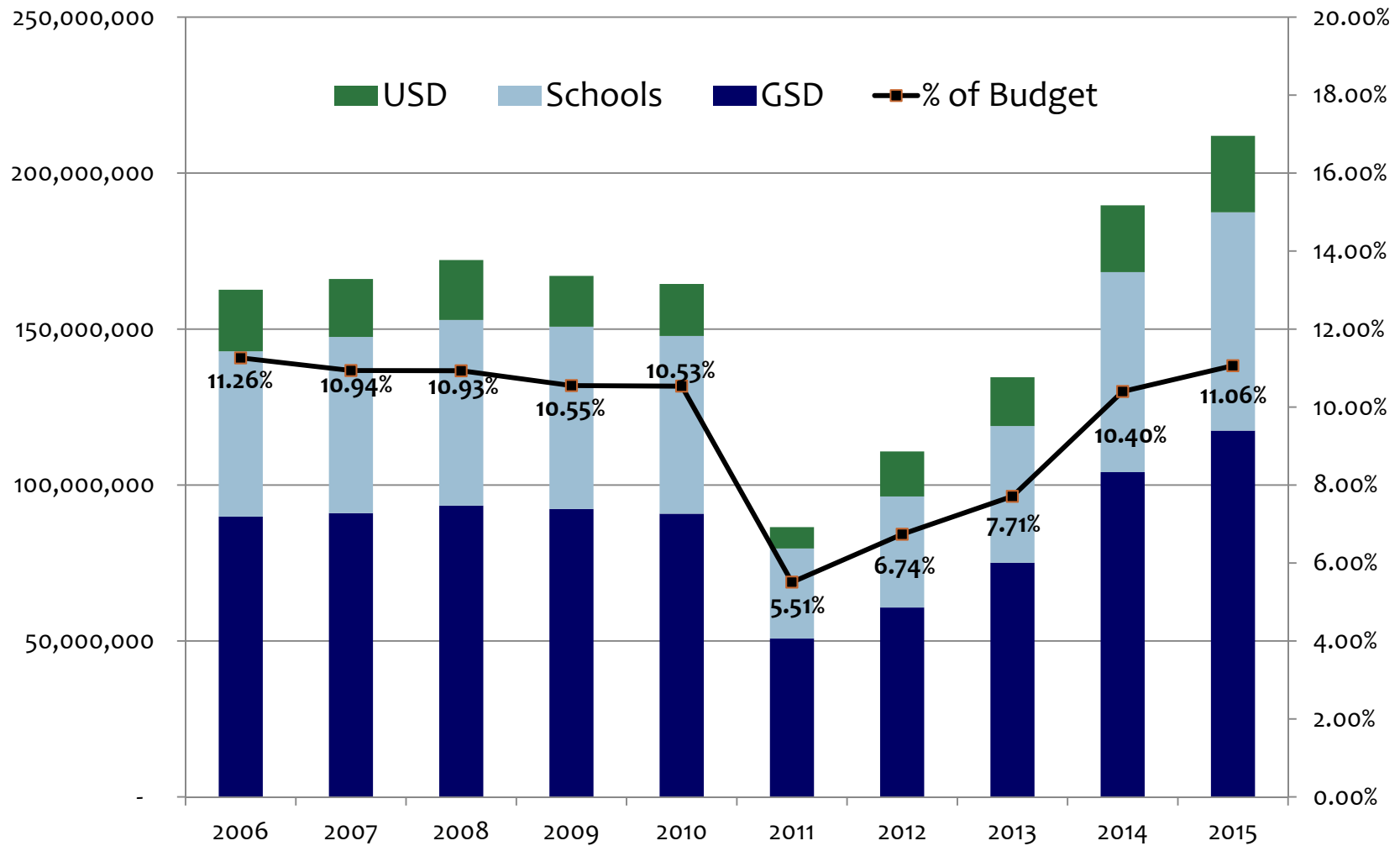
The annual debt report will be emailed to  
Metro Council members today.

# Outstanding Debt

Type of Debt	Principal Outstanding	
	30-Jun-13	30-Jun-14
General Obligation	\$2,323,100,000	\$2,227,730,000
Convention Center Authority	\$623,215,000	\$623,215,000
Sports Authority	\$82,715,000	\$157,060,000
Water and Sewer	\$827,450,000	\$796,685,000

# General Obligation Debt

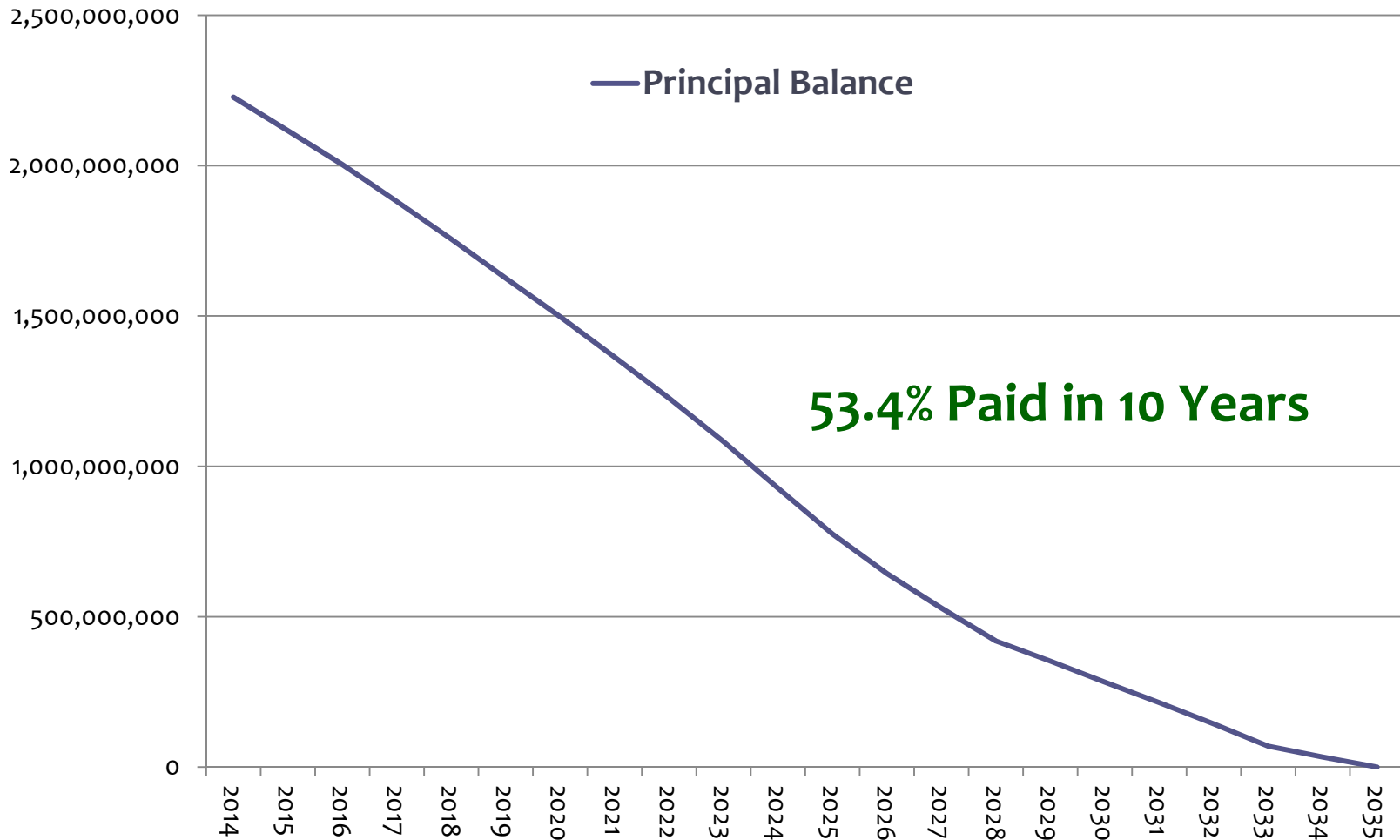
## Annual Debt Service Requirements 2006 – 2015





# General Obligation Debt

## Principal Pay Down 2014 – 2035



# General Obligation Debt

## Debt Service Schedule 2014 – 2035

Fiscal Year	Principal	Interest	Total Debt Service	Subsidy	Net Interest	Net Debt Service
2014	95,370,000	99,075,974	194,445,974	(5,219,146)	93,856,828	189,226,828
2015	111,785,000	102,930,065	214,715,065	(5,219,146)	97,710,919	209,495,919
2016	112,120,000	98,254,284	210,374,284	(5,219,146)	93,035,138	205,155,138
2017	122,980,000	92,353,214	215,333,214	(5,219,146)	87,134,068	210,114,068
2018	124,785,000	87,719,803	212,504,803	(5,219,146)	82,500,658	207,285,658
2019	130,385,000	81,993,868	212,378,868	(5,219,146)	76,774,722	207,159,722
2020	128,400,000	76,598,974	204,998,974	(5,219,146)	71,379,828	199,779,828
2021	134,205,000	70,793,592	204,998,592	(5,219,146)	65,574,446	199,779,446
2022	136,760,000	64,236,829	200,996,829	(5,219,146)	59,017,683	195,777,683
2023	144,485,000	57,510,893	201,995,893	(5,219,146)	52,291,747	196,776,747
2024	154,425,000	50,570,872	204,995,872	(5,219,146)	45,351,726	199,776,726
2025	152,360,000	44,029,430	196,389,430	(5,219,146)	38,810,284	191,170,284
2026	131,360,000	37,653,660	169,013,660	(5,219,146)	32,434,514	163,794,514
2027	114,850,000	31,637,789	146,487,789	(5,076,977)	26,560,812	141,410,812
2028	109,730,000	26,027,619	135,757,619	(4,582,554)	21,445,065	131,175,065
2029	66,620,000	21,471,163	88,091,163	(3,960,893)	17,510,270	84,130,270
2030	69,575,000	17,966,127	87,541,127	(3,411,844)	14,554,282	84,129,282
2031	68,040,000	14,306,977	82,346,977	(2,841,922)	11,465,055	79,505,055
2032	71,060,000	10,694,756	81,754,756	(2,250,327)	8,444,429	79,504,429
2033	74,235,000	6,907,514	81,142,514	(1,636,211)	5,271,303	79,506,303
2034	35,825,000	2,936,375	38,761,375	(998,725)	1,937,650	37,762,650
2035	33,745,000	962,914	34,707,914	(337,020)	625,894	34,370,894
<b>Total</b>	<b>2,323,100,000</b>	<b>1,096,632,692</b>	<b>3,419,732,692</b>	<b>(92,945,371)</b>	<b>1,003,687,321</b>	<b>3,326,787,321</b>

# Commercial Paper Program

- Provides short-term funding for capital projects approved by Metro Council
- Structured to borrow at lowest possible cost
- Provides maximum flexibility for timing for issuing long-term debt

# GO Commercial Paper

## 2014 New Program Summary

Liquidity Provider	Facility Amount (\$MM)	Dealer
<b>Traditional Commercial Paper Program</b>		
Mizuho Bank, Ltd.	\$300	Goldman Sachs
Sumitomo Mitsui Banking Corp.	\$200	JPMorgan
<b>Total Traditional Program</b>	<b>\$500</b>	
<b>Extendable Commercial Paper Program</b>		
No Liquidity Provider Required	\$200	Morgan Stanley
<b>Total Combined Commercial Paper Program</b>		
Traditional CP	\$500	
Extendable CP	\$200	
<b>Total Combined Program</b>	<b>\$700</b>	

# Schools

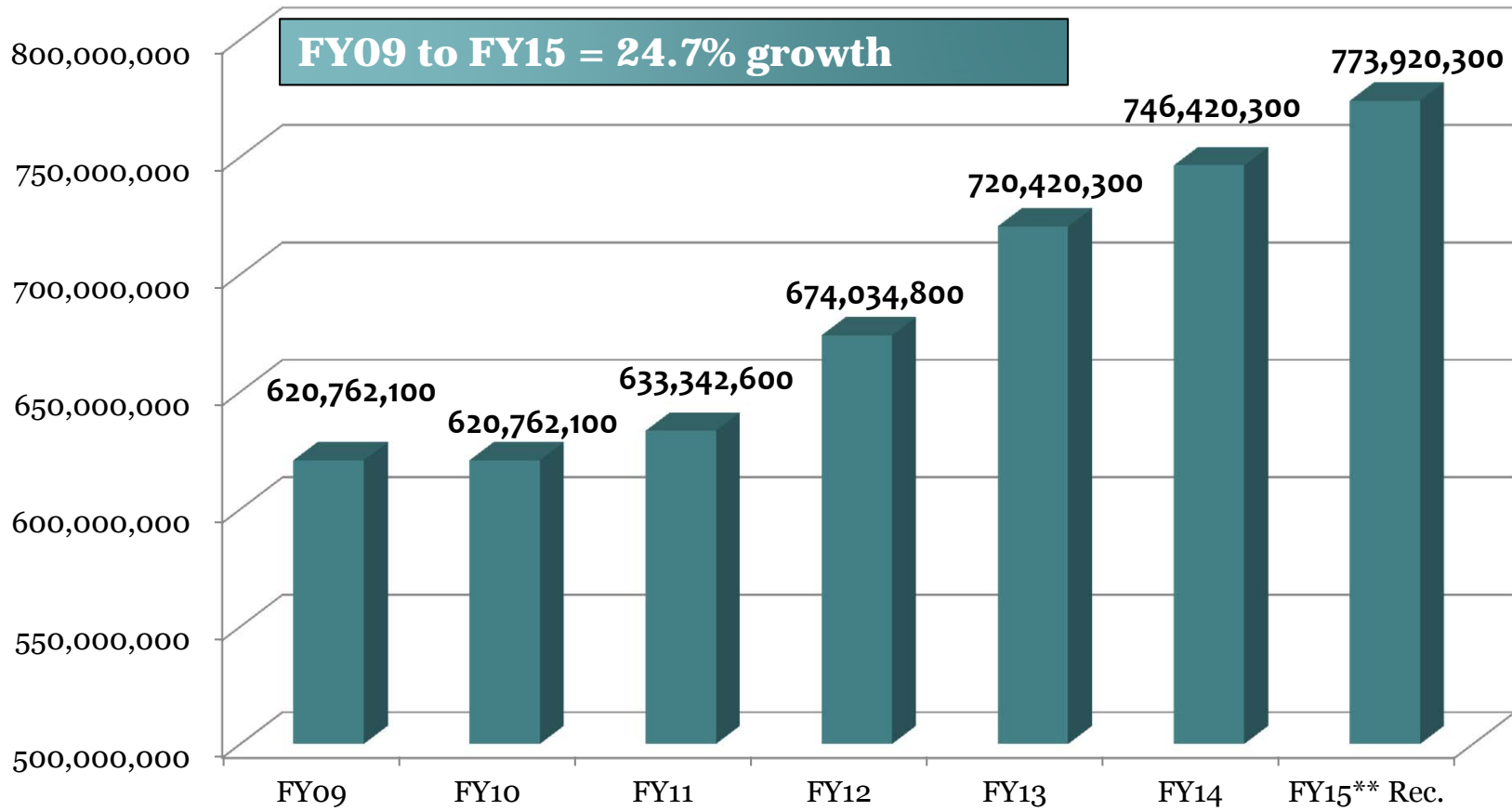
\$27.5 million

3.7% increase over FY14



# Schools Budget Growth

## FY2009–2015\*

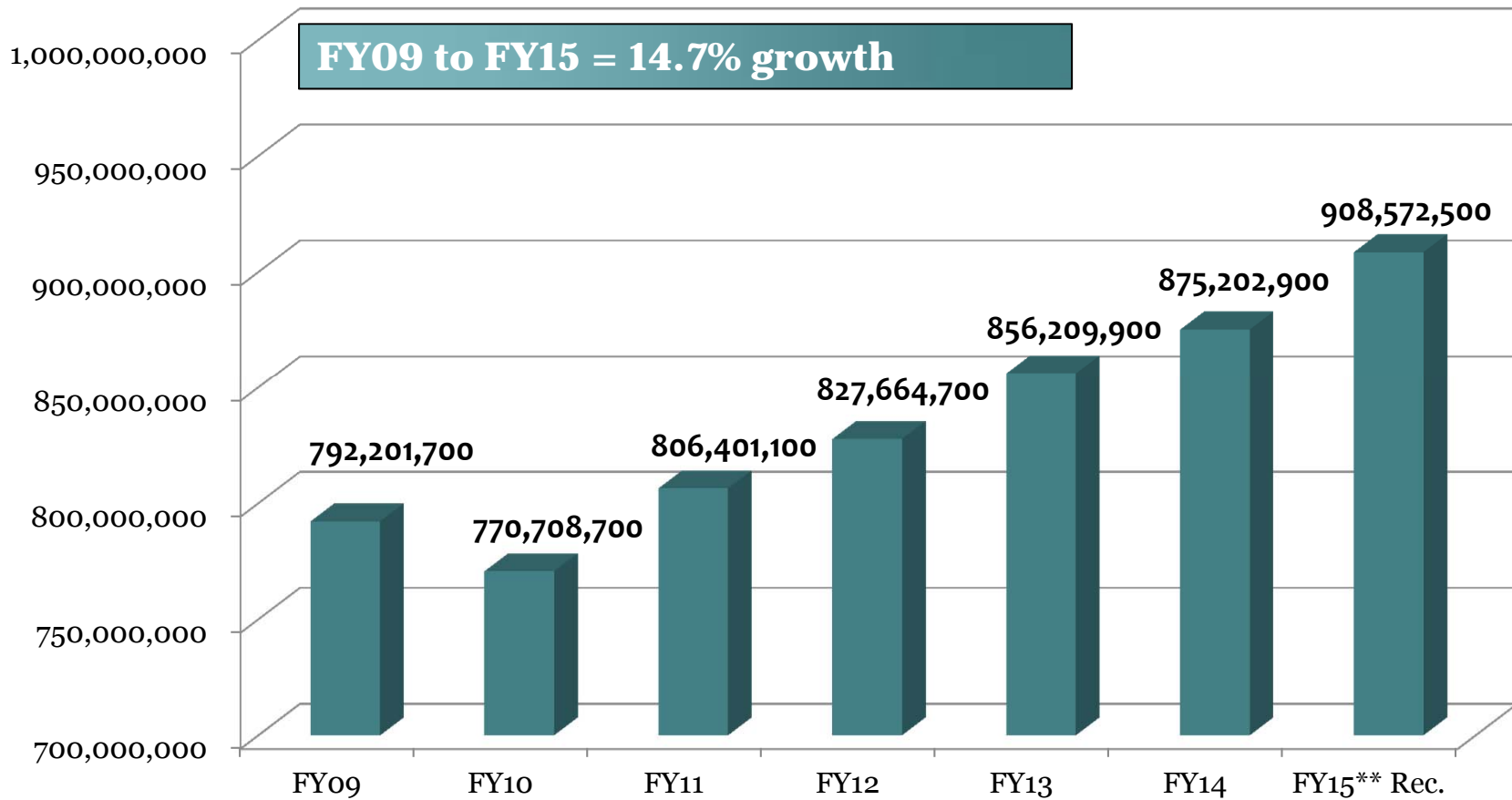


\*GSD/USD Operating Funds from Substitute Budget Ordinances as approved by Metro Council

\*\*Does not include Schools Operating Fund transfer to Schools Debt Service Fund

# General Government Budget Growth

## FY2009–2015\*



\*GSD/USD Operating Funds from Substitute Budget Ordinances as approved by Metro Council

\*\*Does not include Operating Fund transfer to Debt Service Fund

# Total Investment in Employees and Retirees\*

- Pension, Health, Life and Dental\* \$11.5 million
- Pay Recommendations\* \$10.2 million
- Compensation Study \$100,000

***Total Employee Investment \$21.8 million***

**\*GSD/USD and subsidized accounts and internal service funds**



# Pay Recommendations

- 1.5% across the board increase for all full and part-time employees must be fully funded  
\$3.3 million\*
- Compensation Phase 1 Recommendations  
\$6.9 million\*

\* **GSD/USD and subsidized accounts and internal service funds**

# Compensation Recommendations

PHASE 1
July 2014
<ul style="list-style-type: none"><li>• Increments - effective increment date</li></ul>
January 2015
<ul style="list-style-type: none"><li>• 1% COLA</li></ul>
<ul style="list-style-type: none"><li>• 2% Open Range</li></ul>
<ul style="list-style-type: none"><li>• Market adjustments for those more than 20% outside market</li></ul>
PHASE 2
Additional detailed reviews of position classes and equity issues (completed during FY15)



# Departmental Budget Reductions

**\$8.2 million**  
**in General Fund and Subsidized**  
**Accounts**



# Major Departmental Budget Improvements

- Election Commission - \$2,003,900
- Library - \$759,100
- Parks - \$928,000
- Police - \$5,907,900
- Public Works - \$720,300

## New Facility Recommendations and Associated Costs

Facility	Departmental Operating Cost	Facility Maintenance/ Security
Bellevue Library*	226,400	
Crime Lab*	600,000	
General Services		1,500,000
Midtown Hills Precinct*	4,800,000	
Parks Custodial and Grass Mowing		215,000
Sevier Park	115,100	
Sheriff (Southeast Library/Community Center & Lentz)		900,000
New Southeast Library*	382,700	
New Southeast Community Center*	495,500	
<b>Grand Total</b>	<b>\$6,619,700</b>	<b>\$2,615,000</b>

\* Facilities maintenance is in Department of General Services recommendation.

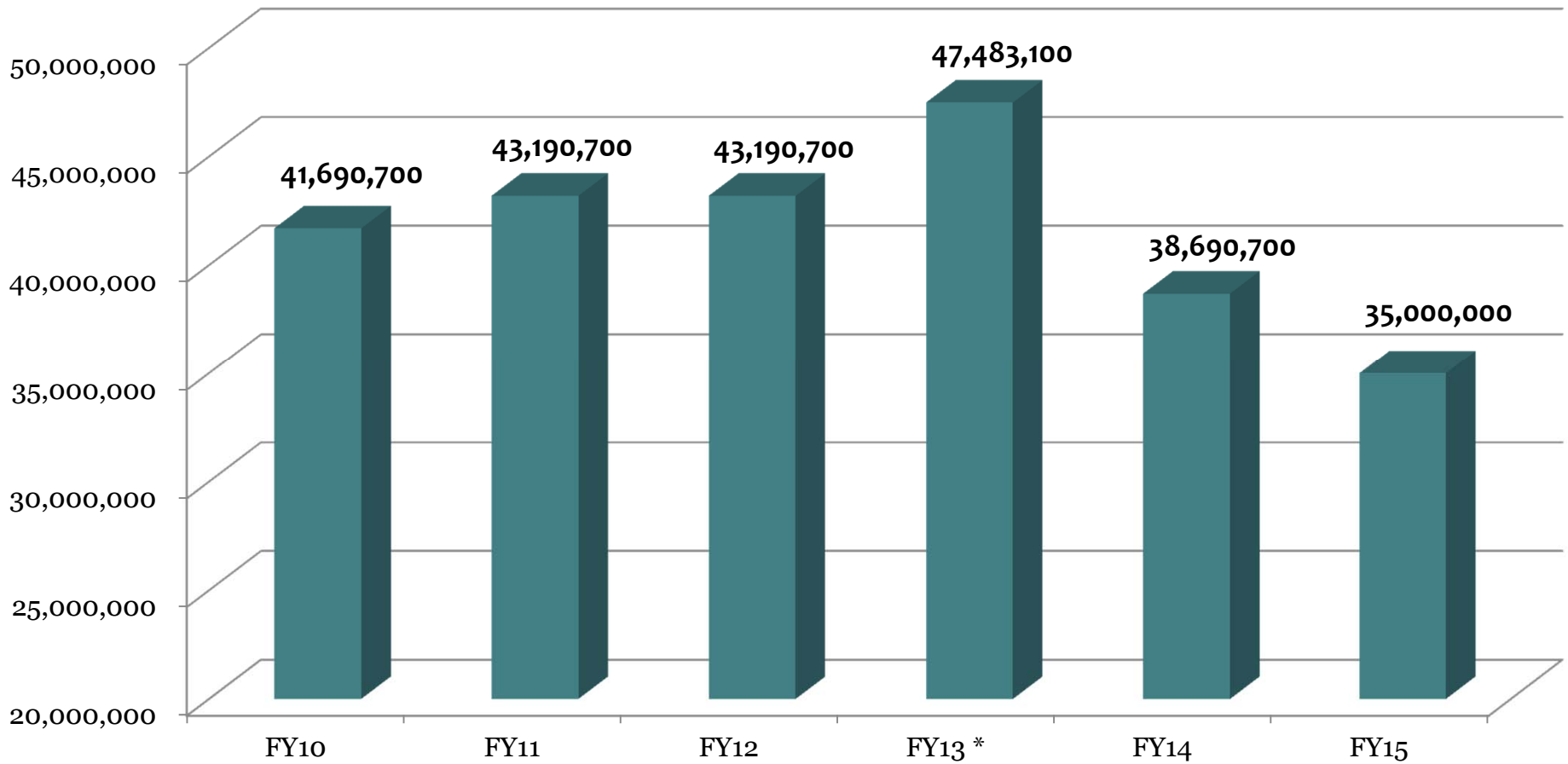


# Recommended Subsidies

There is no operating subsidy budgeted for:  
Farmers' Market\*  
Municipal Auditorium  
State Fair

**\* The Farmers' Market lease payment is recommended for continued funding.**

# Hospital Authority



Subsidy amounts do not include \$31 million loan which was forgiven in FY09-10

# Metro Transit Authority

\$36,370,600

- Improvement of \$3,000,000
- Bus Rapid Transit - Charlotte Pike
- Fuel, Materials, Employee Costs



# Operational Transfers

- Nashville After-School Zone Alliance (NAZA)
  - Public Library
- Lentz Health Center Facility Maintenance
  - General Services Building Operations
- Office of Emergency Management
  - Stand-Alone Department (administrative support provided by Fire)
- Security Services
  - Sheriff's Office
- Alarm Registration
  - Department of Codes and Building Safety

# Internal Service Fee Updates

Transitioning to General Fund from Department of General Services:	Remaining:
Building Operations Support Services (B.O.S.S.)	Information Technology Services
Postal Services	General Services
B.O.S.S. Construction Services	<ul style="list-style-type: none"> <li>• Radio</li> </ul>
	<ul style="list-style-type: none"> <li>• Fleet</li> </ul>
	<ul style="list-style-type: none"> <li>• Surplus Property (enterprise operation)</li> </ul>

# Domestic Violence

**FY15 includes an additional \$1,065,500 investment**

- Criminal Court Clerk
- District Attorney
- General Sessions Court
- Police
- Public Defender
- Sheriff
- Victim Resource Center



# New Contributions to Non-Profits

- Nashville Education, Community and Arts Television (NECAT) - \$50,000
- The Next Door - \$100,000
- Nashville Achieves - \$500,000
- Nashville Civic Design Center - \$100,000

# New Initiatives

Initiative	Amount
State Trial Courts	
<ul style="list-style-type: none"> <li>Public Guardian Office</li> </ul>	195,000
Ideas to Reality Recommendations	
<ul style="list-style-type: none"> <li>SOAR - SSI/SSDI Outreach, Access and Recovery - Program designed to work with indigent, homeless and mentally ill inmates, educating them on how to reconnect their social security benefits once released (Health and Sheriff)</li> </ul>	114,300
<ul style="list-style-type: none"> <li>Open Data Portal - Executive Order (ITS)</li> </ul>	52,000
<ul style="list-style-type: none"> <li>Barnes Fund for Affordable Housing</li> </ul>	500,000
<b>Total</b>	<b>\$861,300</b>

# Legislation to Track with Budget

- Operating Budget Ordinance
- Tax Levy Ordinance
- Urban Council Resolution
- Pay Plan Resolutions
- Alarm Permit Transfer
- Study & Formulating Committee Recommendations
  - Domestic Partner Benefits
- Homelessness Commission Extension



# **CAPITAL SPENDING PLAN**

## **\$275 Million**

# Capital Spending Plan

Fire	\$12 million
General Services	\$14 million
ITS	\$5 million
Library	\$5 million
MTA	\$18 million
Parks	\$36 million
Public Works	\$63 million
Schools	\$110 million
Contingency	\$12 million





# Capital Spending Plan Legislation to Track with Budget

- Capital Improvements Budget Ordinance –  
May 15<sup>th</sup> filing
- Initial Bond Resolution



# Conclusion

- **Balanced Budget with Continued Focus on City Priorities**
- **Proposed Budget Keeps Nashville Moving Forward**

For More Information Visit the Citizens'  
Guide to the Metro Budget

[www.nashville.gov/citizens\\_budget](http://www.nashville.gov/citizens_budget)