



and FY2025).

The informational summary sheets immediately following are summaries of the detailed estimated revenue sources and budget appropriations by funds for purposes and in amounts numerically itemized by departmental accounts in subsequent schedules of Section I and Section II.

In order to facilitate proper grant accounting, the Director of Finance is hereby authorized to transfer grant-related appropriations and estimated revenues from the general funds to existing or new grant-related special revenue funds at the Director's discretion.

For the purpose of maintaining authorized position counts in Metro's enterprise business system, the Director of Finance is hereby authorized to adjust budgeted positions and full-time equivalents of the various departments and agencies of the Metropolitan Government so as not to exceed authorized budget allocations established in this ordinance.

The Director of Finance is hereby authorized to transfer funds as necessary to implement the Guaranteed Payment Plan program previously approved by the Metropolitan Council.

Pursuant to RS2021-794 and RS2024-186, the Director of Finance is hereby authorized to transfer funds and positions as necessary for the continued services for the collection and disposal of solid waste as discussed in the Memorandum of Understanding.

Pursuant to BL2021-971, the Director of Finance is hereby authorized to transfer funds and positions as necessary to implement the creation of the Office of Homeless Services.

The Director of Finance is hereby authorized to carry forward and allocate in FY 2025 any unencumbered and unexpended funds at June 30, 2024 for General Government Administration, Employee Benefits and Contingency, Economic Development, and Community Support.

The Director of Finance is hereby authorized to carry forward and allocate in FY 2025 any unencumbered and unexpended funds at June 30, 2024 for appropriations made from benefit trust fund accounts.

The Director of Finance is hereby authorized to adjust the interest earnings of each account in the Metro Investment Pool to recover a pro-rata share of the costs of the Treasurer's investment and cash management programs.

All hereinafter-collected revenues accruing to a respective special revenue, grant, internal service, or enterprise fund identified in Section I, Schedule D that are in excess of the revenues and fund balances as provided for in this ordinance are hereby appropriated to such respective fund unless otherwise provided for by this ordinance or applicable law. Any appropriation made pursuant to the foregoing sentence shall be subject to allotment by the Director of Finance, and no expenditure nor encumbrance shall be made until such allotment has been made.

Pursuant to RS2022-1901, during FY2025, the Director of Finance shall allocate the calculated surpluses not exceeding the aggregate amount provided for in Section I, Schedule F, upon the certification of their availability, no later than thirty (30) days following the acceptance by the Metropolitan Audit Committee of the FY2024 Annual Comprehensive Financial Report. Such surpluses in operating funds shall be allocated for the purposes outlined in Section I, Schedule F.

For the purpose of providing funds in anticipation of various grant and other revenues, the Director of Finance is hereby authorized to enter into interfund loans between funds of the Metropolitan Government and between the Metropolitan Government and related but separate legal entities that are included in the Metropolitan Government's reporting entity, as may be permitted under the laws of the State of Tennessee.

Nashville General Hospital (NGH) serves as a safety net facility for the provision of acute medical care services to residents of Davidson County, Tennessee. NGH requires additional resources to provide health

care services to the indigent, uninsured and Medicaid/TennCare patients in Davidson County; otherwise such services would be unavailable. An appropriation of \$59,555,300 is to be provided to the Hospital Authority, all of which is provided as part of this Fiscal Year 2025 operating budget with the following appropriation established for safety net expansion purposes: \$6,000,000. This safety net expansion appropriation shall be in the form of an intergovernmental transfer to the State of Tennessee as a match to secure federal funding. Such federal funding requires the approval of the Centers for Medicare and Medicaid Services (CMS). If CMS fails to approve the \$6,000,000 as a federal funding match, then the \$6,000,000 appropriation will be paid directly to the Hospital Authority. The Mayor is authorized to execute any and all documents necessary to complete the above-referenced transaction with the Federal and State governments.

"As an express condition of the receipt of the Hospital Authority appropriation set forth herein, monthly, within 5 days of Hospital Authority Board review but no later than 45 days after the end of each month, the Hospital Authority shall provide electronic copies of the following:

- (a) the most recent month end budget to actual income statement;
- (b) the most recent cash flow statement showing each actual month beginning July 1, 2024 and showing each projected month through June 30, 2025;
- (c) the most recent month's balance sheet;
- (d) the most recent bank statements or other documentation from all Hospital Authority banks showing detailed deposit and withdrawal transactions;
- (e) aging reports with explanations for any amounts in dispute for accounts receivable, accounts payable and any recorded or unrecorded liabilities not included in accounts payable, including a comprehensive summary of each unpaid amount billed by Meharry Medical College;
- (f) the previous month's copies of the balance sheet;
- (g) the monthly actual and projected cash flow;
- (h) patient outcome documentation;
- (i) co-pays and deductibles collected at time of service upon intake; and
- (j) Nashville General Hospital department audits.

These records shall be submitted to the following:

- a. the Metropolitan Director of Finance;
- b. the Vice Mayor of the Metropolitan Council; and
- c. each member of the Metropolitan Council. "

In the event adjustments are needed for internal service fund budgets by the Metro Council, the Director of Finance is authorized to adjust the affected operating budgets of internal service funds, special revenue funds, enterprise funds, and departmental operating budget accounts. The Director of Finance is authorized to adjust internal service fund budgets for purposes of incorporating pay plan adjustments as authorized by the Metro Council.

"Within 5 business days of the closure of the ledger for each month, but no later than 45 days after the end of each month, the Metropolitan Nashville Public Schools (MNPS) shall provide the following for the MNPS General Fund and special revenue funds and internal service funds managed by MNPS listed in Section 1, Schedule D of this ordinance:

- (a) the most recent month end budget to actual expense activity with monthly projections through June 30,

2025;

(b) the most recent month end budget to actual revenue activity with monthly projections through June 30, 2025 for revenue accounts projected by MNPS;

(c) the most recent cash flow statement showing each actual month beginning July 1, 2024 and showing each projected month through June 30, 2025;

(d) any reported programmatic or funding changes in Tennessee Investment in Student Achievement (TISA);

(e) any audit findings or legal determinations that could have a material impact on financial resources;

(f) summary by grant of the amounts billed but not yet received;

(g) summary by grant of the amounts expended but not yet billed to grantors; and

(h) a report on the status of revenue allocations and expenditure status of any local, state, or federal funds made available to the MNPS for COVID-19 relief.

These records shall be submitted to the following:

a. the Metropolitan Director of Finance;

b. the Mayor's Office;

c. the Vice Mayor of the Metropolitan Council; and

d. each member of the Metropolitan Council."

All affected departments shall report, quarterly, within 30 days of the close of the quarter, its progress toward meeting the targeted Budget Adjustment Savings, as set forth herein. The Director of Finance shall determine the form and content of the report. The report shall be sent to the Director of Finance and to each member of the Metropolitan Council.

The Director of Finance is hereby authorized to carry forward and allocate remaining funds at June 30, 2024 and funds received during FY 2025 from Hotel Occupancy Tax Funds (30047 Hotel Occupancy 2007 1% Secondary TDZ Fund) enacted pursuant to Ordinance BL2010-727, as amended by BL2017-589, for the purpose of reimbursing expenses related to flood mitigation and the repair and renovation of the Grand Ole Opry House due to damages directly caused by the May 2010 flood.

The Director of Finance is hereby authorized to increase the allocation for the tourist promotion budget from Hotel Motel Occupancy Tax Funds (30044 Hotel Tourist Promotion) for the purpose of recognizing any revenue received in excess of budgeted revenues to support the direct promotion of tourism in accordance with TCA Title 7, Chapter 4.

For the purpose of obtaining adequate funds for its continued operation while awaiting the receipt of funds from federal grants, MTA is hereby authorized to borrow funds in a principal amount not to exceed \$20 million dollars at a rate of interest and such other terms to be determined at the discretion of MTA in accordance with its policies and procedures, (the evidence of such borrowing referred to as the "Note"). The Note shall mature not later than June 30, 2025. The principal of and interest on the amount of the Note may be secured by the pledge of the MTA's business assets, including accounts, accounts receivable, contract rights, inventory, furniture, fixtures, equipment, general intangibles, and personal property of all and every kind, wherever located and whether now existing or hereinafter acquired. MTA may take such other steps as are necessary to effectuate the Note and the purposes of this Resolution. The debt secured by the Note shall not pledge the credit of the Metropolitan Government of Nashville and Davidson County and shall be "without recourse" such

that the Metropolitan Government of Nashville and Davidson County is not obligated with respect to the debt or the Note.

Analysis

This ordinance is the proposed operating budget for the Metropolitan Government for Fiscal Year 2025. The budget filed by the Mayor provides for the following proposed funding:

• General Services District General Fund	\$1,447,805,200
• General Services District Schools Fund	\$1,247,078,900
• General Services District General Debt Service Fund	\$ 258,290,600
• General Services District Schools Debt Service Fund	\$ 133,194,300

**TOTAL GENERAL SERVICES DISTRICT BUDGET \$3,086,369,000**

• Urban Services District General Fund	\$ 186,060,300
• Urban Services District General Debt Service Fund	\$ 19,415,700

**TOTAL URBAN SERVICES DISTRICT BUDGET \$ 205,476,000**

**TOTAL OPERATING BUDGET \$3,291,845,000**

The Fiscal Year 2025 budget is \$3,291,845,000. The Mayor’s proposed budget represents an overall decrease of \$72,469,800 (2.2%).

The Mayor’s proposed budget is projected to result in the following fund balance percentages by June 30, 2025:

• General Services District General Fund	19.6%
• General Services District Debt Service Fund	50.3%
• General Services District Schools Operations Fund	17.5%
• Schools Debt Service Fund	50.8%
• Urban Services District General Fund	17.2%
• Urban Services District Debt Service Fund	55.0%

Pursuant to the Fund Balance Policies adopted by the Council in RS2022-1901, appropriations of surplus funds from the unreserved fund balances of the primary budgetary funds are permissible only after meeting levels recommended in the policies during the budget annual review. Any remaining balance may be utilized for one-time expenditures: capital expenditures; debt reduction; and establishment of other reserves to enhance Metro’s financial position. The proposed budget includes the following appropriations of fund balance surplus funds:

Administrative	Barnes Fund Affordable Housing	\$ 16,448,500
MNPS	Textbooks	\$ 18,000,000
NDOT	Vision Zero	\$ 1,500,000
Planning	Infrastructure Study	\$ 2,400,000
<b>Total</b>		<b>\$ 38,348,500</b>

The proposed budget includes a provision for Budget Adjustment Savings in the amount of \$16,526,700 which will be applied as a 1.41% target savings for all Departments (includes Offices, Boards and Commissions). It is

expected that the savings goals will be obtained either through savings in salaries as positions are vacant for a portion of the fiscal year or through other departmental operations savings. General administrative appropriations will not be subject to the savings goals.

The proposed budget includes \$41,784,000 million for new pay plan improvements, a decrease of \$19,438,200 million over the FY24 amount. All employees would receive a 3.5% cost-of-living raise on July 1, 2024. In addition, funding is included for increment increases for all eligible employees and funding for 3% open-range pay increases. The department heads have the discretion to determine the actual raises to be given to each open-range employee.

The Mayor's budget includes a \$53 million for equipment and building repairs - the General Fund Reserve Fund.

The Barnes Fund for Affordable Housing would receive an additional \$6 million as part of the continuing commitment for affordable housing, which is partly funded by the local portion of the hotel/motel taxes generated by short-term rental properties. When combined with the fund balance surplus allocation, the Barnes Fund will receive approximately \$22.4 million in the FY25 budget. This amount represents a \$7.6 million decrease over the FY24 appropriation.

The largest investment in the Mayor's proposed budget is for Metro Nashville Public Schools, which includes an \$41.6 million increase in the amount of local funding for schools. This would result in a total MNPS operating budget of \$1,247,078,900. Additionally, \$18 million in schools fund balance surplus is appropriated for textbooks.

The budget includes funding for a number of improvement requests submitted by various departments. This includes a \$16.3 million increase for Fire and EMS operations, \$24.5 million for the Police Department, \$4.8 million for NDOT, \$3.1 million for the Parks Department. Internal service appropriations will decrease by \$6.1 million representing a decrease of 55% from the FY24 budget.

Arts funding has been separated into two categories in the FY25 budget: \$3,263,200 is appropriated to Arts & Arts Organizations and \$2,198,500 is appropriated to Arts Commission for a total of \$5,461,700. These appropriations represent an increase of \$100,000 over the FY24 budget, exclusive of the FY24 one-time funding from General Fund Surplus Allocations. The appropriation for Arts & Arts Organizations is conditioned upon the Arts Commission providing its annual report of grants funding, as required by Section 7-3-314(d) of the Tennessee Code Annotated, and Council approval of the grant award criteria, as required by Section 2.112.040(H) of the Metropolitan Code of Laws.

The Hospital Authority would receive a subsidy from the general fund of \$59.5 million, an increase of approximately \$1.7 million over the FY24 budget. This subsidy is conditioned upon the Hospital Authority establishing that it has satisfied its outstanding contractual obligations to its lessors and healthcare providers. satisfaction condition. In addition to the subsidy, the budget ordinance includes approximately \$2.6 million for Bordeaux Long Term Care and Knowles Home management contracts.

Section 6.07 of the Charter requires the next order of business following adoption of the operating budget ordinance, to be the adoption of the tax levy ordinance. Ordinance No. BL2024-374 would adopt the same tax levy rates as the current FY24 property tax rates: GSD is \$2.922 per \$100 of assessed value and USD is

\$0.332, giving a combined rate of \$3.254.

Per Rules 39 and 41.1 of the Metro Council Rules of Procedure, the budget ordinance is amendable on third reading. And pursuant to section 6.06 of the Metro Charter, the Council must adopt a substitute operating budget no later than June 30. Otherwise, the budget as originally submitted by the Mayor becomes effective on July 1 by operation of law.

### Analysis of the Substitute Budget

The Chair of the Budget and Finance Committee is proposing a substitute budget that provides for some changes in appropriations, surplus allocations, and revenue projections. The substitute includes increased funding totaling \$11,884,800 for the following departments and programs:

- \$7,000,000 for a 0.5% increase to the cost-of-living adjustment amount (“COLA”) for Metro and MNPS employees bringing the total COLA to 4%.
- \$193,200 to fund housing navigators and the competency court in General Sessions.
- \$779,100 to fund staffing improvements and equipment needs for the Office of the Public Defender.
- \$120,000 to the Mary Parrish Center through the Metro Office of Family Safety.
- \$130,000 to fund the addition of two FTEs (Animal Control Officer and Animal Care Assistant) for MACC/Health Department.
- \$667,500 to fund the expansion of the REACH Program in the Fire Department/EMS Services.
- \$128,000 to fund the expansion of the REACH Program in the Health Department.
- \$300,000 to fund the Build It Right Worker Compliance initiative.
- \$60,000 for the Beer Board to fund the ONEBox (Narcan) distribution initiative and support for the Office of Night Life.
- \$257,000 appropriated to the Metro Human Relations Commission to fund programming, salary improvements and two FTEs (Director of Innovation and a Civic Access and Evaluation Coordinator).
- \$150,000 for the acquisition and distribution of feminine hygiene products throughout Metro Nashville Public Schools and other publicly accessible Metro facilities, such as community centers.
- \$750,000 appropriated for the Office of Youth Safety as part of the “Varsity Spending Plan” initiative.
- \$250,000 appropriated to the Parks Department for Community Center Programming as part of the “Varsity Spending Plan” initiative.
- \$60,000 to support the Tennessee Justice Center with a direct appropriation to assist Nashville residents with TennCare registration and navigation.
- \$400,000 appropriation for the Arts Commission to conduct an equity study.
- \$200,000 to support a Countywide Childcare Study.
- \$400,000 to support the Choosing Justice Initiative for the Indigent Defense and Excellence in Advocacy program.
- \$25,000 to support Sister Cities.
- \$15,000 to support Neighbor to Neighbor.

Additionally, certain appropriations were designated as follows:

- \$20,000 of the appropriation to the Health Department will be used to support the Pet Community Center’s spay and neuter initiative.
- \$50,000 of the appropriation to Metro Action Commission Workforce will be used to support MC3

workforce development.

- \$75,000 of the appropriation to the Metro Office of Family Safety will be used to support the Safe Bar Program.

The following appropriations are being reduced to fund the increased expenditures:

Facility Rental	(\$35,800)
Self-Insured Liability (GSD & USD)	(\$1,893,800)
Property Loss	(\$460,000)
Judgments & Losses (GSD & USD)	(\$2,380,300)
General Fund 4% Reserve Fund	(\$4,000,000)
IOD Medical Expenses (GSD & USD)	(\$2,664,100)
Contingency Utility Increase	(\$288,000)
Contingency Subrogation (GSD & USD)	(\$112,800)
Contingency Account (USD)	(\$50,000)

Due to the adoption of the Fund Balance Policies in January 2023, this substitute budget does not make any new appropriations from the undesignated fund balance for one-time spending items. Rather, all the one-time spending items are covered by the Fund Balance Surplus Allocations found in Schedule F and will be available within 30 days after the FY2024 Annual Comprehensive Financial Report is accepted by the Metropolitan Audit Committee. Because of the Fund Balance Surplus and adherence to the Fund Balance Policies, the total fund balance available for use in the event of unforeseen emergencies or economic downturns has not been diminished.

The substitute budget reduces the appropriation to the general fund reserve fund, known as the 4% Fund, by approximately \$4,000,000 for a total appropriation of \$49,000,000. Per the Metro Charter, this fund is to be funded with 4% of the gross revenues of the GSD general fund and reserved for equipment and building repair uses throughout the year.

The budget ordinance is amendable on third reading. Pursuant to Council Rules, no amendment to the budget may be offered unless it has been submitted to the Budget & Finance Committee for a recommendation. The Budget & Finance Committee will meet at 4:45 p.m. on Monday, June 17, to consider the substitute budget. The full Council will consider the substitute at the regular Council meeting at 6:30 p.m. on June 18.

Note: The version of the substitute budget provided on June 12 inadvertently left off two allocations for Sister Cities and Neighbor to Neighbor. The funding source for these allocations was 01101113 Pensioners IOD Medical Expense. The substitute budget published online has been updated with these changes.