



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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Memorandum

TO: Diane Neighbors, Vice Mayor
Members of Council

FROM: Saul Solomon, Director
Metropolitan Legal Department

DATE: March 29, 2013

RE: Smaller Cities

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Over the past few weeks, the Administration has had several meetings with officials of the Smaller Cities to better understand their areas of concern. Based on these discussions, we have reached a Tentative Agreement with the Small Cities and this memorandum will summarize the key terms of this Agreement. The Agreement will only be effective upon the approval of the Metro Council and the various Boards and/or Commissions of the Smaller Cities. Each of the five Smaller Cities will enter into a separate agreement with Metro, although the terms of each Agreement will be identical.

The Agreement caps several days of good faith negotiations between members of the Administration and representatives of the Smaller Cities. The goal of the negotiation was to preserve the essence of the Metro charter while at the same time bringing certainty to the relationship between Metro and the Smaller Cities and resolving legal disputes about each other's duties and responsibilities.

The Administration believes that a good balance has been struck; the heart and soul of what makes Metro great – smaller, efficient government and a spirit of unity among our citizens— has been preserved, while at the same time additional flexibility has been provided for the

Smaller Cities to perform certain functions important to them. We anticipate that the pending legislation regarding the powers of cities in a metropolitan form of government will not be taken up by the General Assembly in the near future.

1. **Term of Agreement.** The initial term of the Agreement will be for 4 years. The Agreement will be extended for additional 4 year terms unless either party objects. In addition, the Agreement will terminate if Legislation similar to proposed House Bill 1204 is passed during any term of the General Assembly.
2. **Municipal Court.** Some of the Smaller Cities currently have a municipal court and some do not. The Agreement acknowledges that any Smaller City may in the future establish a Municipal Court or appoint an administrative hearing officer to enforce its own codes-related ordinances.
3. **Streets and Roads.** Currently, each of the Smaller Cities is responsible for maintaining their own roads. The Agreement confirms that each Smaller City will continue to control its local roads and will be responsible for construction, repair and maintenance.
4. **Franchise Fees.** Consistent with controlling its roads and other rights-of-ways, each Smaller City will receive its proportionate share of any Franchise Fees associated with the use of such rights of ways, including AT&T, Piedmont Gas and Comcast Cable. There will be a three year phase in of this provision, with each Smaller City receiving 60% of such fees in Fiscal 2014, 80% in Fiscal 2015 and 100% in Fiscal 2016 and thereafter.
5. **Parks.** Some of the Smaller Cities currently have parks and some do not. The Agreement acknowledges that any Smaller City may in the future own and operate a park that would be available for use by all residents of Metro.
6. **Codes.** Each Smaller City currently conducts structural building inspections and Metro conducts other codes-related inspections. The Agreement acknowledges that a Smaller City may in the future conduct other building-related inspections and permitting consistent with State law. Smaller City electrical, plumbing and mechanical codes must be at least as stringent as Metro codes. This new provision will allow all inspections, for example, to be conducted by one entity and would be coordinated where necessary with Metro codes officials.
7. **Storm Water; Refuse; Police.** A Smaller City may administer storm water services or contract with Metro to do so. This reflects the current status regarding storm water. Chipper and refuse services will remain in the purview of the Smaller Cities. Metro will consider amending Metro Code Section 2.44.210 to allow a reduced rate for a Smaller City to employ extra-duty police officers.
8. **Business Licenses, Wholesale Beer Tax.** Some Smaller Cities currently issue business licenses. The Agreement acknowledges that any Smaller City may in the future issue business licenses which would be in addition to the county license currently issued by

Metro. Also, if Metro receives any wholesale beer tax for establishments located in any of the Smaller Cities, such amounts will be remitted to the relevant Smaller City.

9. **Mediation.** The parties will submit any disputes arising out of the agreement to non-binding mediation.

Please let me know if you have any questions.