



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

Holmes Road Slope Repair over the BNSF Railroad, project #PW03165.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

The Public Works Division is the initiating party of this resolution.

3. State whether this is a change to an existing ordinance or resolution, if applicable.

NA

4. State whether this requires a new contract, or amends an existing contract, if applicable.

The resolution requires a new contract.

5. State whether this requires an expenditure of funds/requires a budget amendment.

The resolution does require an expenditure of funds.

This is a resolution to transfer and appropriate construction funds to repair slope failure at the Holmes Road Bridge over the BNSF Railroad.

WHEREAS, the Council of the City of Memphis approved Holmes/BNSF RR Slope Repair, project number ST03165, as part of the Public Works Fiscal Year 2015 Capital Improvement Budget; and

WHEREAS, bids were taken on September 26, 2014 for slope repair at the Holmes Road Bridge over the BNSF Railroad with the complying bid being \$1,078,290.50 submitted by White Construction; and

WHEREAS, it is necessary to transfer a construction allocation of \$1,186,120.00 funded by G O Bonds – General (Storm Water) from Bridge Repair Storm Water, project number ST03083, to Holmes/BNSF RR Slope Repair, project number ST03165, for slope repair at the Holmes Road Bridge over the BNSF Railroad; and

WHEREAS, it is necessary to appropriate \$1,186,120.00 funded by G O Bonds – General (Storm Water) in Holmes/BNSF RR Slope Repair, project number ST03165, as follows:

Contract Amount	\$1,078,290.50
Project Contingencies	<u>107,829.50</u>
Total Amount	\$1,186,120.00

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the Fiscal Year 2015 Capital Improvement Budget be and is hereby amended by transferring an allocation of \$1,186,120.00 funded by G O Bonds – General (Storm Water) from Bridge Repair Storm Water, project number ST03083, to Holmes/BNSF RR Slope Repair, project number ST03165, for slope repair at the Holmes Road Bridge over the BNSF Railroad.

BE IT FURTHER RESOLVED, that there be and is hereby appropriated the sum of \$1,186,120.00 funded by G O Bonds – General (Storm Water) chargeable to the FY 2015 Capital Improvement Budget and credited as follows:

Project Title	Holmes/BNSF RR Slope Repair
Project Number	ST03165
Total Amount	\$1,186,120.00



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

This is a Resolution Appropriating Construction Funds for PW 01251 Corning Avenue (Steele Street to Winston Street) safety improvement project for the amount of \$540,735.81

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

This project was initiated through the Public Works Division and is being administered by the Engineering Division

3. State whether this is a change to an existing ordinance or resolution, if applicable.

N/A

4. State whether this requires a new contract, or amends an existing contract, if applicable.

This project will require a construction contract with Ferrell Paving. The MBE goal of 42% and WBE goal of 8% was approved for this project. The contractor has provided a compliance form that indicates that they will meet the goals. A 10% contingency is requested for this project.

5. State whether this requires an expenditure of funds/requires a budget amendment.

This project requires an expenditure of G.O bonds.

This resolution appropriates construction funds for project number PW01251 Corning Ped Improvement.

WHEREAS, the Council of the City of Memphis approved Corning Ped Improvement, project number PW01251, as part of the Public Works Fiscal Year 2015 Capital Improvement Budget; and

WHEREAS, bids were taken on October 10, 2014 for Corning Avenue (Steele Street to Winston Street) safety improvement with the complying bid being \$540,735.81 submitted by Ferrell Paving; and

WHEREAS, it is necessary to appropriate \$594,809.39 funded by G.O. Bonds in Corning Ped Improvement, project number PW01251 as follows:

Contract Amount	\$540,735.81
Project Contingencies	<u>54,073.58</u>
Total Amount	\$594,809.39

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that there be and is hereby appropriated the sum of \$594,809.39 in G.O. Bonds chargeable to the FY 2015 Capital Improvement Budget and credited as follows:

Project Title	Corning Ped Improvement
Project Number	PW01251
Total Amount	\$594,809.39



Memphis City Council Summary Sheet: A Resolution appropriating FY 2015 funds for various modifications, renovations and improvements projects throughout the City including roofing, plumbing, painting, carpentry and HVAC.

Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

A resolution appropriating a total of \$1,800,000 in Contract Construction funded by G O Bonds – General in CIP Project number GS01007, to fund various modifications, renovations and improvements projects throughout the City including roofing, plumbing, painting, carpentry and HVAC.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

General Services

3. State whether this is a change to an existing ordinance or resolution, if applicable.

Does not change an existing ordinance or resolution

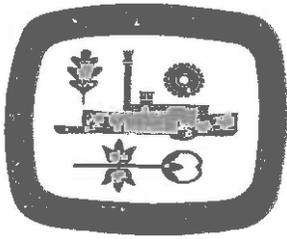
4. State whether this requires a new contract, or amends an existing contract, if applicable.

Requires a new contract

5. State whether this requires an expenditure of funds/requires a budget amendment.

A budget amendment is needed due to appropriate of contract construction funds.

City Council Resolution – GS01007 Major Modification



A Resolution to appropriate FY 2015 funds for major modifications, renovations and improvements to various City properties for the General Services Division.

WHEREAS, the Council of the City of Memphis did include the Major Modification/Improvements to Property, Project number GS01007, as part of the FY 2015 Capital Improvement Program budget; and

WHEREAS, Major Modification/Improvements to Property, Project Number GS01007 included \$2,000,000 earmarked for Property Maintenance to perform various repairs, modifications and improvements to City properties including roofing, plumbing, painting, carpentry and HVAC ; and

WHEREAS, bids will be solicited and evaluated for various projects; and

WHEREAS, it is necessary to appropriate a sum of \$1,800,000 in contract construction funded by G O Bonds – General in Major Modifications/Improvements to Property, CIP Project number GS01007, to fund repairs, modifications and improvements to various City properties.

NOW, THEREFORE, BE IT RESOLVED that there be and is hereby appropriated the sum of \$1,800,000 in Contract Construction funded by G O Bonds – General in Major Modifications/Improvements to Property, CIP Project Number GS01007 and credited as follows:

Project Title:	Major Modifications/Improvements to Property
Project Number:	GS01007
Amount:	\$1,800,000



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

Bridge Scour Repairs 2 at various locations, Project #PW03154.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

The Public Works Division is the initiating party of this resolution.

3. State whether this is a change to an existing ordinance or resolution, if applicable.

NA

4. State whether this requires a new contract, or amends an existing contract, if applicable.

The resolution requires a new contract.

5. State whether this requires an expenditure of funds/requires a budget amendment.

The resolution does require an expenditure of funds.

**This is a resolution to transfer and appropriate construction funds for ST03154
Bridge Scour Repair-Project #2**

WHEREAS, the Council of the City of Memphis approved Drainage-ST, project number ST03006, as part of the Public Works Fiscal Year 2015 Capital Improvement Budget; and

WHEREAS, bids were taken on September 26, 2014 for Bridge Scour Repair 2 at various locations with the complying bid being \$882,702.85 submitted by Chris Hill Construction; and

WHEREAS, it is necessary to transfer a construction allocation of \$953,320.00 funded by G O Bonds – General (Storm Water) from Drainage-ST, project number ST03006, to Bridge Scour Repair-Proj #2, project number ST03154, for Bridge Scour Repair 2 at various locations; and

WHEREAS, it is necessary to appropriate \$953,320.00 funded by G O Bonds – General (Storm Water) in Bridge Scour Repair-Proj #2, project number ST03154 as follows:

Contract Amount	\$882,702.85
Project Contingencies	70,617.15
Total Amount	\$953,320.00

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the Fiscal Year 2015 Capital Improvement Budget be and is hereby amended by transferring an allocation of \$953,320.00 funded by G O Bonds – General (Storm Water) from Drainage-ST, project number ST03006, to Bridge Scour Repair-Proj #2, project number ST03154, for Bridge Scour Repair 2 at various locations.

BE IT FURTHER RESOLVED, that there be and is hereby appropriated the sum of \$953,320.00 funded by G O Bonds – General (Storm Water) chargeable to the FY 2015 Capital Improvement Budget and credited as follows:

Project Title	Bridge Scour Repair-Proj #2
Project Number	ST03154
Total Amount	\$953,320.00

**ECONOMIC DEVELOPMENT GROWTH ENGINE
INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF MEMPHIS AND COUNTY OF SHELBY, TENNESSEE**

**ECONOMIC IMPACT PLAN
FOR
GRACELAND
ECONOMIC DEVELOPMENT AREA**

I. Authority for Economic Impact Plan

Industrial development corporations ("IDBs") are authorized under Tenn. Code Ann. § 7-53-312 to prepare and submit to cities and counties an economic impact plan with respect to an area that includes a project within the meaning of Tenn. Code Ann. § 7-53-101 and such other properties that the IDB determines will be directly improved or benefited due to the undertaking of such project. Tennessee Code Annotated § 7-53-312 also authorizes cities and counties to apply and pledge new incremental tax revenues, which arise from the area subject to the economic impact plan, to the IDB to promote economic development, to pay the cost of projects or to pay debt service on bonds or other obligations issued by the IDB to pay the costs of projects.

II. The Project

Elvis Presley Enterprises, Inc. ("EPE") owns and/or operates certain real property located on Elvis Presley Boulevard, in the Whitehaven neighborhood in Memphis, Shelby County, Tennessee that is popularly known as Graceland. The property currently contains Graceland Mansion, the historic home of Elvis Presley, a major national tourist attraction, as well as a hotel and ancillary retail and museum exhibition facilities. EPE has proposed to redevelop Graceland to improve the user experience and ensure the long term success of this important driver of the Memphis tourism industry by constructing an approximately 450 room hotel with associated convention and concert facilities, redeveloping and upgrading museum and retail facilities, and constructing an archive studio. The construction of the hotel, the redeveloped museum and retail facilities, and the archive studio are collectively referred to herein as the "Project." In order to make the construction of the Project financially feasible, EPE has requested that the City of Memphis (the "City") and Shelby County, Tennessee (the "County") approve, as part of this Economic Impact Plan, a plan for tax increment financing through the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (the "Board") pursuant to Title 7, Chapter 53 of Tennessee Code Annotated to provide funds to pay a portion of the costs relating to the implementation of the Project. The Project is an eligible project within the meaning of Tenn. Code Ann. § 7-53-101(13) and is under consideration for designation as a Qualified Public Use Facility by the Tennessee Department of Finance and Administration and State Building Commission as described in Tenn. Code Ann. §§ 7-88-101 et seq. (the "TDZ Act").

III. Boundaries of Plan Area

The Project is generally located on Elvis Presley Boulevard in the Whitehaven neighborhood, a focus of a number of federal, state and local development activities. The area that would be subject to this Economic Impact Plan, and to the tax increment financing provisions described below, includes only

the property on which the Project will be located. The area that will be subject to this plan (the "Plan Area") is shown on Exhibit A attached hereto, and a list of the existing tax parcels that are in the Plan Area are attached hereto as Exhibit B. The Plan Area is hereby declared to be subject to this Economic Impact Plan, and the Project is hereby identified as the project that will be located within the Plan Area.

IV. Financial Assistance to Project

The Board will provide financial assistance to the Project by applying the proceeds of the tax increment financing described herein to pay a portion of certain costs that will be incurred in connection with the development or redevelopment of the Project. These costs are expected to include those items defined as "Costs" by the TDZ Act, but shall be limited to costs permitted to be incurred by Tenn. Code Ann. § 9-23-108.

The Board, by and through a duly appointed trustee, will pay and/or reimburse EPE or special purpose entities formed for the purpose of developing all or a portion of the Project, for all or a portion of the cost of such improvements upon receipt of adequate documentation of such costs. In connection with the issuance of any tax increment financing, the Board and EPE will enter into one or more loan agreements specifying the scope and the cost of the improvements and fees to be reimbursed, which cost shall not exceed \$125,000,000 (exclusive of interest costs). The maximum amount that will be made available by the Board for such financial assistance shall be the lesser of \$125,000,000 (less financing costs as provided herein) or the costs actually incurred (exclusive of interest costs).

Tenn. Code Ann. § 9-23-108 does not permit the application of incremental tax revenues pursuant to this Economic Impact Plan to pay certain costs relating to privately-owned land without first receiving a written determination from the Comptroller of the State of Tennessee (the "State") and the Commissioner of Economic and Community Development of the State that the use of tax increment revenues for such purposes is in the best interest of the State. The Board will not apply any tax increment revenues to pay costs as to which such a written determination is required without first obtaining such written determination.

V. Expected Benefits to City and County

Implementation of the Project will greatly benefit the City and County as it will help preserve and improve a primary driver of the tourism industry for the City and County and the State. Graceland is the third most visited residence in the United States, after the White House and the Biltmore Estate, and attracts visitors from around the country and the world, 22% of its visitors are from outside the US. Graceland is the City's most visible tourist destination, providing 8.9 billion media impressions during Elvis Week 2013 alone. The Project will ensure that Graceland remains a world class tourist attraction.

Further, the Project would provide the City with an additional convention attracting hotel. The proposed hotel would be the third largest hotel in the city and would be capable of attracting conventions and trade group meetings. Further, the Project will include a high quality concert venue.

The Project is also expected to preserve and create jobs within the City and the County, thereby also increasing tax revenues. Approximately 187 full-time jobs, 136 part-time jobs and 40 seasonal jobs are presently in existence within the Plan Area, and this Economic Impact Plan is expected to help preserve such jobs. Approximately 500 additional full-time jobs are also expected to be created once the Project is fully implemented, 280 in the Plan Area and 220 outside the Plan Area.

In addition to the benefits realized from maintaining Graceland as a world-class tourist attraction and preserving and expanding the job base, the City and County are also expected to receive substantial direct additional taxes as a result of the development of the Plan Area. The ad valorem real property taxes for the Plan Area for the year 2013 were approximately \$388,000 for the County and \$301,000 for the City. Development of the Plan Area will increase the value of the real property within the Plan Area, leading to an increase in ad valorem real property taxes. Following the development of the Project, the annual property taxes payable to the County are expected to be approximately \$1,600,000, and annual property taxes payable to the City are expected to be approximately \$1,200,000. Fifty percent (50%) of the tax increment revenues resulting from the development of the Project (the "TIF Revenues"), except as described below, will be applied during the period described herein to the debt service on debt incurred by the Board to pay the costs described herein. The remainder of the tax increment revenues, and, following the payment of such indebtedness, all of the tax increment revenues, will accrue to the benefit of the City and County. The Project is also expected to generate additional local sales tax revenues for educational uses as a result of the implementation of the Project in the approximate amount of \$340,000 annually.

VI. Distribution of Property Taxes and Tax Increment Financing

a. **Distribution of Taxes.** Subject to the provisions of this Economic Impact Plan, property taxes imposed on real property and personal property located within the Plan Area shall be allocated and distributed as provided in this subsection. The taxes assessed by the City and County on such property within the Plan Area will be divided and distributed as follows in accordance with Tenn. Code Ann. § 7-53-312(c):

i. The portion of the property taxes payable with respect to the Plan Area equal to the year prior to the date of approval of this Economic Impact Plan (the "Base Tax Amount") shall be allocated to and, as collected, paid to the City and the County as all other taxes levied by the City and County on all other properties; provided, however, that in any year in which the taxes on the property within the Plan Area are less than the Base Tax Amount, there shall be allocated and paid to the City and County only the taxes actually imposed.

ii. Fifty percent (50%) of the excess of property taxes over the Base Tax Amount (the "TIF Revenues") shall be allocated and, as collected, paid into a separate fund of the Board, created to hold such payments until the tax proceeds in the fund are to be applied to pay debt service on the obligations expected to be issued by the Board that are described to pay the eligible costs of the public project described above, except 5% of such revenues shall be payable to the County Trustee and the Board to administer the tax increment financing.

This allocation is subject to the provisions of Tenn. Code Ann. § 7-53-312(j) and Tenn. Code Ann. § 9-23-103, which requires that taxes levied upon property within the Plan Area for the payment of debt service of the City and County shall not be allocated to the Board. The 50% of excess property taxes over the Base Tax Amount not allocated to the Board as TIF Revenues shall include any taxes levied upon property for payment of debt service of the City and County.

As permitted by the Tenn. Code Ann. § 9-23-103, the Board hereby elects to group the parcels with the Plan Area into a single parcel for purposes of calculating and allocating the TIF Revenues. The Board shall give notice of such grouping of parcels to the City and the County.

TIF Revenues relating to each tax year commencing January 1, 2015 shall be allocated to the Board, to the extent received by the City or County, within ninety (90) days after the respective dates that

taxes would be delinquent to the City and County for such tax year. TIF Revenues received by the City and County as delinquent taxes shall be allocated by the City and the County within thirty (30) days of receipt.

Notwithstanding anything to the contrary herein, the cost of improvements funded with TIF Revenues, or debt funded therewith, shall include only those costs incurred on the portion of the Plan Area utilized for the hotel and conference center prior to December 31, 2017 and on the remainder of the Plan Area prior to December 31, 2019.

b. TIF Obligations. In order to pay for eligible costs of the Project, the Board intends to use the incremental tax revenues that it would receive as a result of the adoption of the Economic Impact Plan to pay debt service on obligations incurred to finance such costs. This tax increment financing will be structured as follows:

i. The Board will borrow not to exceed \$125,000,000 through the issuance and sale of notes, bonds or other obligations of the Board. Such amount will be applied to pay costs relating to the Project after payment of costs incurred in connection with the issuance of the tax increment financing. The Board shall pledge all or any portion of the TIF Revenues allocated to the Board pursuant to this Economic Impact Plan to the payment of such notes, bonds or other obligations. In no event will the obligations issued by the Board be considered a debt or obligation of the City and County in any manner whatsoever, and the source of the funds to satisfy the Board's payment obligations thereunder shall be limited solely to the TIF Revenues.

ii. The proceeds of the notes, bonds or obligations shall be used to pay the costs of the Project described above together with expenses of the Board in connection with the Project and the tax increment financing and capitalized interest on the notes, bonds or other obligations for a maximum period of twenty (20) years following the completion of the Project.

iii. The notes, bonds or other obligations shall also be payable from other revenues of the Board and revenues from the Project as determined from time to time by the Board.

c. Time Period. Taxes on the real property, but not personal property, within the Plan Area will be divided and distributed as provided in this Section of the Economic Impact Plan for a period, as to each parcel of property in the Plan Area, not in excess of twenty (20) years as to any parcel but, in any event, such allocations shall cease when there are not eligible costs, including debt service, to be paid from the TIF Revenues.

d. Qualified Use. The Board, the City and the County, by the adoption of this Plan, find that the use of the TIF Revenues as described herein, is in furtherance of promoting economic development in the City and County and that costs to be financed as described herein are costs of the Project.

VII. Approval Process

Pursuant to Tenn. Code Ann. § 7-53-312, the process for the approval of this Economic Impact Plan is as follows:

a. The Board holds a public hearing relating to the proposed Economic Impact Plan after publishing notice of such hearing in a newspaper of general circulation in the City and County at least two (2) weeks prior to the date of the public hearing. The notice must include the time, place and purpose of the hearing as well as notice of how a map of the subject area may be viewed by the public. Following such public hearing, the Board may submit the Economic Impact Plan to the City and County for their approval.

b. The governing bodies of the City and County must approve the Economic Impact Plan to be effective as to both the City and the County. The Economic Impact Plan may be approved by resolutions of the City Council and County Commission, whether or not the local charter provisions of the governing bodies provide otherwise. If the governing body of the City approves this Economic Impact Plan but the governing body of the County does not approve this Economic Impact Plan, this Economic Impact Plan shall still be effective as to the City, and all references to allocating TIF Revenues of the County shall be deemed deleted. If the governing body of the County approves this Economic Impact Plan but the governing body of the City does not approve this Economic Impact Plan, this Economic Plan shall not be effective.

c. Once the Economic Impact Plan has been approved by the governing bodies of the City and County, the clerk or other recording official of the governing bodies shall transmit the following to the appropriate tax assessor and taxing agency affected: (a) a copy of the description of the property within the Plan Area, and (b) a copy of the resolution approving the Economic Impact Plan. A copy of the Economic Impact Plan and the resolutions approving the Plan shall be filed with the Comptroller of the State and annual statements of incremental tax revenues allocated to the Board shall be filed with the State Board of Equalization as required by the Tax Increment Act. The Board will also comply with all other procedural requirements of the Tax Increment Act and other applicable laws.

EXHIBIT A
MAP OF PLAN AREA

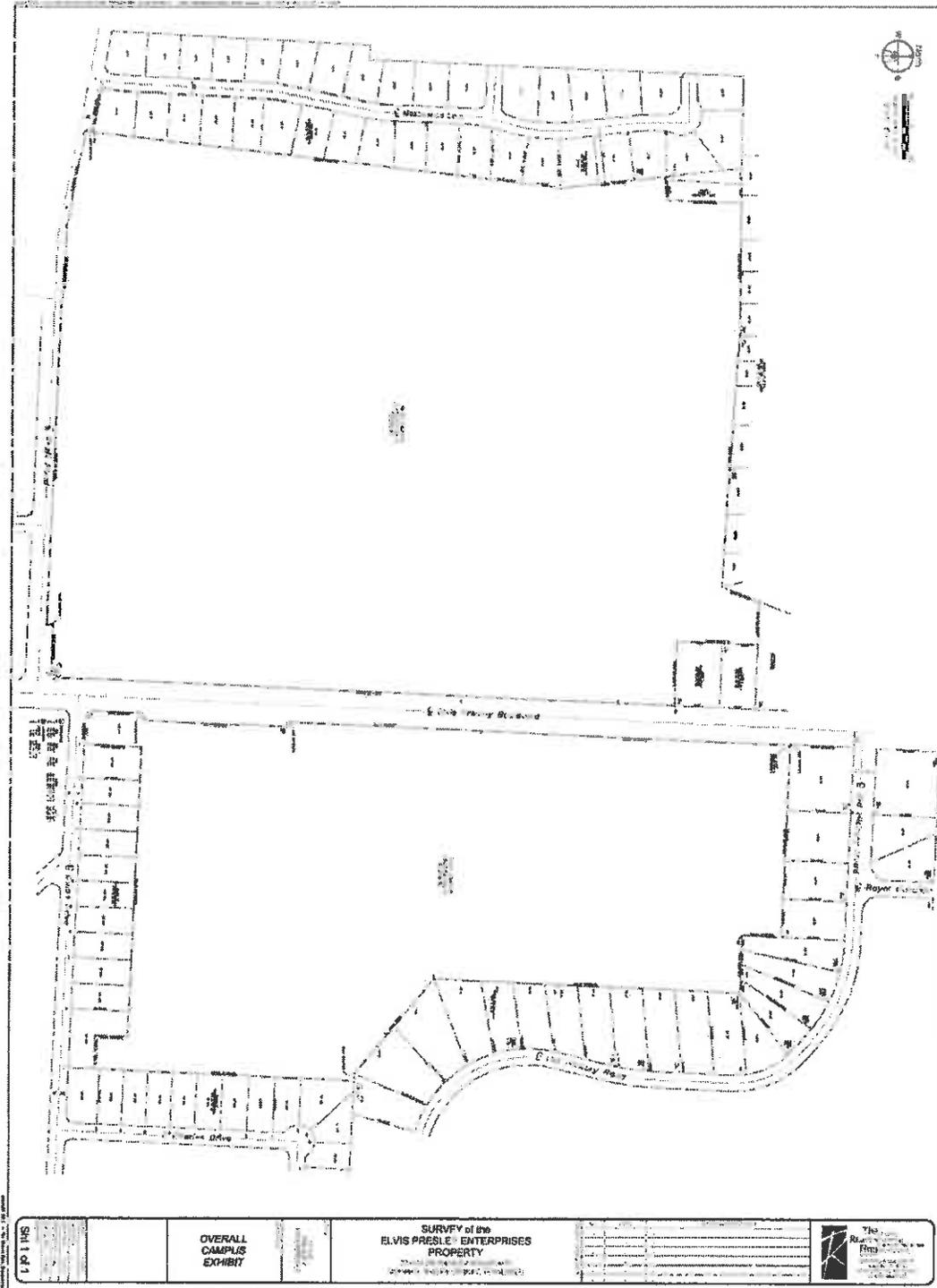


EXHIBIT B

PARCEL IDENTIFICATION NUMBERS OF PARCELS IN PLAN AREA

Parcel Identification Numbers
077024-00027
077024-00090
077024-00091
077024-00025
077024-00028C
078038-00051
078038-00050
077024-00024
078038-00050M
078038-00051M
078038-00052M
077024-00026
077024-00097
078038-00060
078038-00062
078038-00049
078038-00063C
078038-00061C
078038-00069
077024-00084
077024-00036
077024-00037
077024-00082
078038-00059
078038-00066
077024-00088
077024-00094
07702400032C
077024-00089

**ELVIS PRESLEY ENTERPRISES, INC.
GRACELAND PROJECT**

Project Scope:

The Project will have 3 Phases consisting of the following:

1. **Archive/ Theater** – Construction of an archives studio that will permit visitors to see portions of Graceland’s archives that are not on regular display and will include a 200 seat theater. (\$1,000,000 Project cost).
2. **Hotel** - Construction of the Guesthouse at Graceland, a 450 room, 3+ star full service hotel with approximately 16,000 square feet of meeting and ballroom space, an approximately 500-seat 6,000 square foot theater, 2 restaurants, and a pool. The Guesthouse at Graceland will replace the Heartbreak Hotel. (\$90,000,000 - \$95,000,000 Project cost).
3. **Retail and Attraction Upgrade** - Construction of 200,000-300,000 square feet of attractions on the west side of the Elvis Presley Boulevard, which may include a mix of new visitor attractions and retail opportunities, replacing the current, 1970’s era buildings. (\$30,000,000 - \$35,000,000 Project cost).

Project Impact:

The Economic Impact Analysis prepared by Younger & Associates shows that the Project will have a significant positive impact on Memphis and Shelby County over **15 years**:

- Over **500 new jobs** in Shelby County.
- Over **\$1 billion** in economic impact.
- Over **\$50 million** in additional tax revenue available for other uses.

Minority Participation:

Significant local and minority participation both in construction and long term employment (**over 55%** of Graceland employees are minorities).

Project Funding:

The Project will be funded through the following sources:

- **TDZ Increment** – A Tourism Development Zone will be created on the Graceland site and incremental sales tax, excluding local sales taxes used for education purposes, will be captured for use on the Project. The TDZ will not encompass any area outside of the Graceland property, so increases in sales taxes generated in the rest of Whitehaven will be available for other uses.
- **Tourism Surcharge** – A 5% Tourism Surcharge will be charged on purchases within the Graceland site and used on the Project. The Tourism Surcharge is permitted by State law, may only be generated at the Project site and may only be used at the Project site.
- **TIF** – A Tax Increment Financing district will be created on the Graceland property and incremental property taxes will be captured for use on the Project. As with the TDZ, only the Graceland property will be subject to the TIF, so increases in property taxes generated by improvements to the rest of Whitehaven will be available for other uses.

**ELVIS PRESLEY ENTERPRISES, INC.
GRACELAND PROJECT**

- **Owner Funding** – The owners of Graceland have committed to provide the additional funding needed for the Project to ensure completion of world class facility upgrades.

Anticipated Annual Incremental Incentive Funds:

TDZ Increment:

— <i>State portion:</i>	\$2,124,000
— <i>City/County portion:</i>	340,000*
<i>Total</i>	2,464,000

Tourism Surcharge: 3,200,000

TIF: 1,064,693*

Return on Investment:

The Project will provide the City and County with a 2X Return on Investment on the investment of incremental tax revenues. The City and County portion of the incentives for the Project is \$1,404,693 per year. The Younger & Associates Economic Impact Analysis shows that the Project creates over \$3.3 Million per year in new tax revenue not captured by the TDZ or TIF. The \$3.3 million per year in new tax revenue is available to be used for other purposes.

*City/County Portion of Incentives



CITY of MEMPHIS

FINANCE DIVISION

**FYE 06/30/2015
1st QUARTER FINANCIAL REPORT
For Period Ending September 30, 2014**

**Director of Finance
Brian Collins**

FY2015
1st Quarter -September 30, 2014
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1st Quarter Financial Report Overview

This document provides a review of the City's General Fund financial performance for the first quarter of the Fiscal Year 2015 (July - September).

The full year forecast of the expected results are shown on page 1 of this report. This section aligns the full year FYE 2015 budget with management's expected full year performance of both revenues and expenditures based on the actual results of the 1st quarter's operations and known anticipated transactions.

As of this report the forecast for the FY2015 is projecting that revenues will be above the budget plan by approximately \$12.6M. The majority of the increase, 83%, is due to three areas; \$4.5M in additional revenues for the mixed drink tax, \$3.3M in new property tax revenue for the annexation of Southwind; and \$2.6M in additional collections for ad-valorem tax prior. Three million of the mixed drink new revenue goes to Shelby County Schools. With the inclusion of funding adjustments requested in this report expenditures will be above the plan by \$5.1 million because of the \$3.0M for mixed drink proceeds due to schools and the Council's addition of \$1.5M for rape kits.

As a result of the projected performance in this report, the planned addition to the reserves is forecast to be a net of \$7.5M.

Any statement made in this report, including the appendices, involving forecasts, estimates, or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any forecast, estimate, or matter of opinion will be realized.

First Quarter Synopsis

The City's financial performance, throughout the first quarter, is tracking ahead of the Administrations FY'15 budget. We conservatively estimated that the City's operations will produce a Contribution to Fund Balance of \$7.5M which include the following additional expenditure requests:

1.) Mixed Drink Tax expense due to the Shelby County Schools. TCA 57-4-306 directs municipalities to provide one half of the revenue received from mixed drink taxes to schools. For FY 2015 the revenue is being sent directly to the local municipality and in turn the municipality sends half to schools. The revenue impact for the City of Memphis is \$4.5 M. The expense outflow to schools is \$3.0 M. The net positive impact is \$1.5M. A resolution to increase the revenue and expense and budgets accordingly, accompanies this presentation.

2.) Cocaine Alcohol Awareness Program (CAAP) - \$500K. The FY 2015 budget process removed CAAP funding that was promised to this operation until the City was in financial position to provide such. The \$1.5M net positive from the mixed drink tax is proposed to fund CAAP.

3.) Blueprint for Prosperity - \$384K . This cost is for a plan to reduce poverty in the City of Memphis from 27% to 17% over ten years. We also propose to fund this plan from the net *proceeds* from the mixed drink tax.

4.) Youth programs - \$1.5M - This cost will expand the Ambassador's program, \$1.250M; and the "Gun Down" program, \$250K.

5.) Move to 170 N Main - \$500K - This cost is included to initialize spending appropriations for due diligence and moving cost that cannot be funded through capital appropriations.

6.) Legal cost - \$150K - This cost is for attorney and expenditure costs associated with a study to support right of way fees charged by the City of Memphis.

7.) Rape Kits -\$1.5M - This cost was requested to be included by Council pursuant to the City's rape kit backlog efforts.

The cost driver that could significantly alter this forecast is healthcare costs.

Modifications to the Administration's budgeted healthcare plan for retirees could return cost to the expense structure above the adopted budget. Although a draw down on the "OPEB" Trust Fund is expected to absorb the restoration of some of the retiree health benefits, an estimated impact of these actions cannot be calculated until the enrollment period has closed in November. Therefore the 2nd quarter financial report will reflect the anticipated impact of these budget changes.

Excluding the uncertainty of the impact of healthcare, we are optimistic that we will end the year, with a positive contribution to fund balance, creating a solid stepping-off point for FY 2016.

**General Fund Forecast
Quarter 1
2015 Functional Category Summary of Operations
BUDGET VS FORECAST (In '000)**

Revenue	FY2015		Variance	%
	FUNDING BUDGET	FUNDING BUDGET FORECAST		
Local Taxes	\$ 414,592	\$ 424,292	\$ 9,700	2.34%
State Taxes	\$ 57,240	\$ 59,240	\$ 2,000	3.49%
License and Permits	\$ 11,444	\$ 11,444	\$ -	0.00%
Fines and Forfeitures	\$ 19,352	\$ 18,252	\$ (1,100)	-5.68%
Charges for services	\$ 30,804	\$ 30,804	\$ -	0.00%
Use of Money	\$ 335	\$ 335	\$ -	0.00%
Federal Grants	\$ 117	\$ 117	\$ -	0.00%
State Grants	\$ 1,698	\$ 1,698	\$ -	0.00%
Intergovernmental Revenues	\$ 3,407	\$ 3,407	\$ -	0.00%
Other Revenues	\$ 6,092	\$ 6,092	\$ -	0.00%
Transfers	\$ 72,939	\$ 74,939	\$ 2,000	2.74%
Total Revenues	\$ 618,020	\$ 630,620	\$ 12,600	2.04%

Expenditures	FY2015		Variance	%
	FUNDING BUDGET	FUNDING BUDGET FORECAST		
Personnel Services	\$ 450,483	\$ 448,555	\$ 1,928	0.43%
Material and Supplies	\$ 128,721	\$ 132,328	\$ (3,607)	-2.80%
Capital Outlay	\$ 553	\$ 553	\$ -	0.00%
Grants and Subsidies	\$ 50,049	\$ 53,549	\$ (3,500)	-6.99%
Inventory	\$ 521	\$ 521	\$ -	0.00%
Transfers Out	\$ 7,880	\$ 7,880	\$ -	0.00%
Others	\$ 116	\$ 116	\$ -	0.00%
Total Expenditures	\$ 638,323	\$ 643,502	\$ (5,179)	-0.81%
Reserve for Encumbrances	\$ (20,384)	\$ (20,384)	\$ -	
Total Expenditures less Encumbrances	\$ 617,939	\$ 623,118	\$ (5,179)	
Change in Net Assets	\$ 81	\$ 7,502	\$ 7,421	

FORECASTED UNRESERVED FUND BALANCE IS \$39,296

Divisional expenditure breakout can be found on page 8. Differences due to rounding.

Revenue Forecast Discussion

General Fund

For Three Months Ending September 30, 2014

The revenue for FY 2015 is forecast to be slightly higher than the FY2015 adopted budget. There are a mixture of positive and negative factors in this forecast. The major revenue categories are discussed below:

◆**Local Taxes** - This revenue grouping includes property taxes and local sales taxes. The forecast for FY2015 is \$9.7M above budget. Property taxes are forecast to include \$3.3M for the Southwind Annexation and ad-valorem prior taxes are trending above by budget \$2.6M and contribute to the basis for the increase in this category. Local sales taxes are trending \$2.0 M above budget and should come in at \$102.0 M. Lastly the mixed drink tax will provide a gross increase of \$4.5M (net increase \$1.5M). In this category we anticipate that gross receipts tax could be down by \$2.0M, and various smaller revenues could be down by about \$600K.

◆**State Taxes** – State taxes are trending to come in at \$2.0 M above budget. Although state hall taxes are distributed later in the fiscal year, we are forecasting that they will be \$1.0M above the budget projections, state sales taxes are estimated to be \$1.0 M above budget as well.

◆**Licenses and Permits** – Collections in this category are expected to come in on budget.

◆**Fines and Forfeitures** – Court Fees and Court Cost are the largest revenue items in this grouping. They are projected to come in on budget. New Red Light Camera revenue is expected to be seen in January as opposed to the beginning of the FY. Therefore due to the timing of the Red Light Camera new installations, we are reducing the revenue by \$1.1M.

◆**Charges for Services** – This revenue grouping is forecast to come in at budget.

◆**Transfers- In** -This category will be positive by \$2.0 M or 3.8% of the MLGW in-lieu of tax revenue. MLGW revenue in-lieu of taxes are trending above budget due to a new agreement for increased payments to the City on the properties of the Water Division of MLGW within the limits of the City of Memphis.

◆**Other Revenues** – There have been no indications an additional revenue from miscellaneous sources, or changes to the planned revenues. Therefore this category is forecast to meet budget expectations.

Expenditure Forecast Discussion
General Fund
For Three Months Ending September 30, 2014

The forecasted FY 2015 *general fund expenditure budget* is \$617.8M dollars. In general the expenditure budget is performing at or below budget. The primary driver that could alter cost in the coming months is healthcare. The major expense categories are trending as noted below.

◆**Personnel Services** - This spending category includes benefits and is performing at 21% of budget for the quarter. Currently personnel is expected to come in slightly under budget. The Police and Fire divisions are implementing strategies for replacing personnel through new recruit classes. In some areas overtime is exceeding the plan, however, vacancies are offsetting these impact. This category is also home to health insurance and pension ARC funding where spending is under budget, at this time, but expected to achieve budget levels as the year progresses.

◆**Materials and Supplies** - This spending category is at 17% of budget. Although this is 8% below the spending target of 25% for the quarter, it is expected that spending in future months will be slightly above plan because of spending for new request discussed on page ii of this report.

◆**Grants and Subsidies** - This category is forecast to be \$3.5M above the adopted budget. New cost is expected and required to pay Shelby County Schools \$3.0 M required by the mixed drink tax, and \$500K to CAAP. These expenses will be funded by new revenue.

◆**Transfers Out** - This category will be on plan, however, Healthcare cost have the potential to require new funding due to OPEB changes.

◆**Other** - All other expenditure categories are trending as planned.

FY 2015

OTHER FUNDS

Other Funds Discussion

For Three Months Ending September 30, 2014

The following funds are the major funds that provide internal support to the General Fund or services to the Citizens of Memphis. As a result they are presented in this report to provide insight on their budget performance and respective fund balances.

Debt Fund - The fund's FY 2015 budget includes an increase in the committed fund balance of \$400K and a loss in the restricted fund balance of (\$2.3M). The net use of fund balance is forecast to decrease by \$300K due to the fact that certain revenues of the fund are trending above budget. The total fund balance for the year will be positive.

Fleet Fund- The fleet fund is expected to end the year with a positive fund balance. A restructuring to transfer Fleet employees, to the general fund has been completed.

Health Care Fund - With current reforms, this fund is expected to increase its fund balance by \$2.2 M. It is still too early to determine the impact of the recent 24% increase and the enrollment change of active employees in the healthcare plan as a result of the increase. A more accurate position on this fund's expectations will be presented in the 2nd quarter.

OPEB Fund – We expect to use the OPEB Fund to pay for retiree costs as we transition to the new plans for retirees. The beginning fund balance of \$19.0 M was expected to be drawn down by \$16.0M. However, revised changes to OPEB benefits from the adopted budget, may change this plan. It is yet too early to forecast the potential performance of the OPEB changes.

Sewer Fund - This fund's budgeted plan was an expected positive contribution to fund balance of \$12.7M. The loss of Cargill is a potential \$3.0M impact to revenues. The total fund balance is still a strong positive.

Storm Water Fund - Performing as planned. The fund was planned to use \$2.0M of its fund balance to implement the FY 2015 plan. This fund is performing better than planned and will have a positive fund balance at the end of the fiscal year.

Solid Waste Fund - The fund's budgeted loss was (\$12.3 M) as payments for new equipment, will begin in FY 2015. Recent projections place the loss at (\$9.0M). This use of fund balance will cause problems for future operations and therefore a rate increase for FY2016 should be considered to keep the fund balance positive.

1st Quarter FY 2015

OTHER MAJOR FUND BALANCES (IN 000'S)

	Fund Balance Beginning of Year	Budget Inc. / (Loss)	Changes	Fund Balance End of Year
Debt Fund	\$ 51,099	\$ (1,934)	\$ 300	\$ 49,465
Fleet Fund	\$ 1,972	\$ 954	\$ -	\$ 2,926
Health Care Fund	\$ 2,920	\$ 2,216	\$ -	\$ 5,136
OPEB Fund	\$ 19,997	\$ (16,000)	\$ -	\$ 3,997
Sewer Fund	\$ 347,288	\$ 12,693	\$ (3,000)	\$ 356,981
Storm Water Fund	\$ 88,858	\$ (2,018)	\$ 3,200	\$ 90,040
Solid Waste Fund	\$ 15,222	\$ (12,347)	\$ 3,000	\$ 5,875

APPENDIX I

GENERAL FUND FORECAST DETAIL

**Forecast
Quarter 1
2015 Division Expenditures Summary of Operations
(in '000)**

Expenditures	FY2015 Funding Budget	FY2015 Funding Budget Forecast	Variance
City Attorney	\$ 10,481	\$ 10,631	\$ (150)
City Council	\$ 1,668	\$ 1,668	\$ -
City Court Clerk	\$ 7,741	\$ 7,241	\$ 500
City Court Judges	\$ 641	\$ 641	\$ -
City Engineer	\$ 9,643	\$ 9,093	\$ 550
Executive	\$ 6,626	\$ 8,126	\$ (1,500)
Finance & Administration	\$ 5,439	\$ 5,439	\$ -
Fire	\$ 168,701	\$ 167,701	\$ 1,000
General Services	\$ 22,704	\$ 22,704	\$ -
Grants & Subsidies	\$ 46,961	\$ 50,461	\$ (3,500)
Housing & Community Development	\$ 4,801	\$ 5,186	\$ (385)
Human Resources	\$ 6,459	\$ 6,459	\$ -
Information Systems	\$ 17,604	\$ 17,604	\$ -
Parks & Neighborhoods	\$ 51,460	\$ 51,460	\$ -
Police	\$ 252,928	\$ 254,428	\$ (1,500)
Public Works	\$ 24,466	\$ 24,166	\$ 300
Moving Expense (Div to be Determined)	\$ -	\$ 500	\$ (500)
Total Expenditures	\$ 638,323	\$ 643,508	\$ (5,185)
Reserves for Encumbrances	\$ (20,384)	\$ (20,384)	\$ -
Total Expenditures less Encumbrances	\$ 617,939	\$ 623,124	\$ (5,185)

City of Memphis
FY 2015 1st Quarter Division Discussion
Three Months Ending -September 30, 2014

City Attorney

- **Cost Drivers--** Trending above budget levels
Expenditure Forecast - \$150k above budget due to additional attorney fees for the defense of right of ways.

City Council

- **Cost Drivers-** Trending at budgeted levels.

City Court Clerk

- **Cost Drivers-** Trending below budgeted levels.
Expenditure Forecast - \$500k Below Budget due to vacancies and RLC implementations
Action: None - as described above.

City Court Judges

- **Cost Drivers-** Trending at budgeted levels.

Engineering

- **Cost Drivers--** Trending below budget levels
Expenditure Forecast - \$550k Below Budget due to personnel (12 vacancies) and various M&S expenditures such as equipment rentals and repairs.

Executive

- **Cost Drivers-** Trending at budgeted levels.
Expenditure Forecast - New spending is requested for youth programs for Ambassadors and Gun Down . This spending request is \$1,500K

Finance

- **Cost Drivers-** Trending at budget levels.

Fire

- **Cost Drivers-** Trending below budget levels.
Expenditure Forecast - Vacancies are slightly over 150, some of this however, is offset by increased overtime. Fire class for new employees is expected to start in April 2015

City of Memphis
FY 2015 1st Quarter Division Discussion
Three Months Ending -September 30, 2014

General Services

- **Cost Drivers-** Trending at budgeted levels.

Grants and Agencies

- **Cost Drivers-** Trending above budget.
- **Expenditure Forecast -** \$3.5M above budget
- **Action –** \$3.0M from Mixed Drink Tax to Shelby Count Schools and \$500K for CAAP

HCD - Housing and Community Development

- **Cost Drivers-** Trending above budgeted levels.
- **Expenditure Forecast -** \$385K above Budget
- **Action:** Resolution for Blueprint for Prosperity being submitted in this report.

Human Resources

- **Cost Drivers-** Trending at budgeted levels.

Information Technology

- **Cost Drivers-** Trending at budgeted levels.

Parks and Neighborhoods

- **Cost Drivers-** Trending at budgeted levels.
- **Expenditure Forecast -** There are cost that may come into play such as community center hours and the library printer repairs once these are fully evaluated and an implementation plan is suggested cost will be more defined.

Police

- **Cost Drivers-**Trending at budgeted levels.
- **Expenditure Forecast -** There are several initiatives that may change this forecast including tower radio maintenance and a match for the port security grant program. The primary item, in this report, causing a budget variance is a forecast need to add \$1.5M for the efforts to eliminate the rape kit backlog.

Public Works

- **Cost Drivers-** Trending slightly below Budgeted levels.
- **Expenditure Forecast -** The primary cost reduction driver is due to staffing vacancies.

APPENDIX II
PRIOR YEAR COMPARISON

Comparative Revenue Summary

of
Quarter 1 Actual Revenues FY 2015

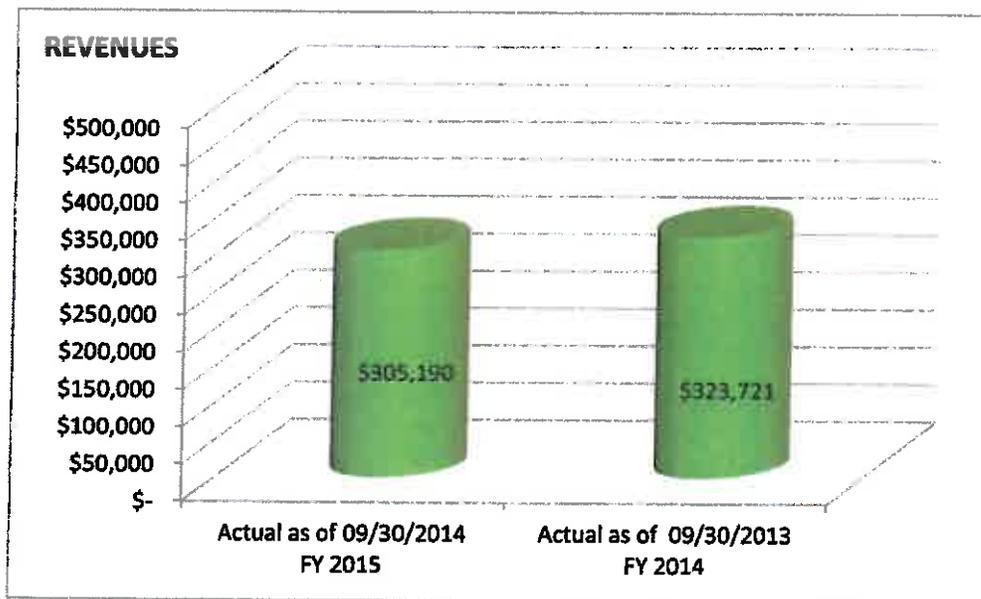
vs.

Quarter 1 Actual Revenues Prior FY 2014

Total revenue collected in the 1st quarter of FY 2015 was \$618.5 million vs less for this same time last year. This difference is primarily caused by the reduction of the reallocation of the portion of the tax rate to Debt Service.

See page 15 for revenue details

Revenues

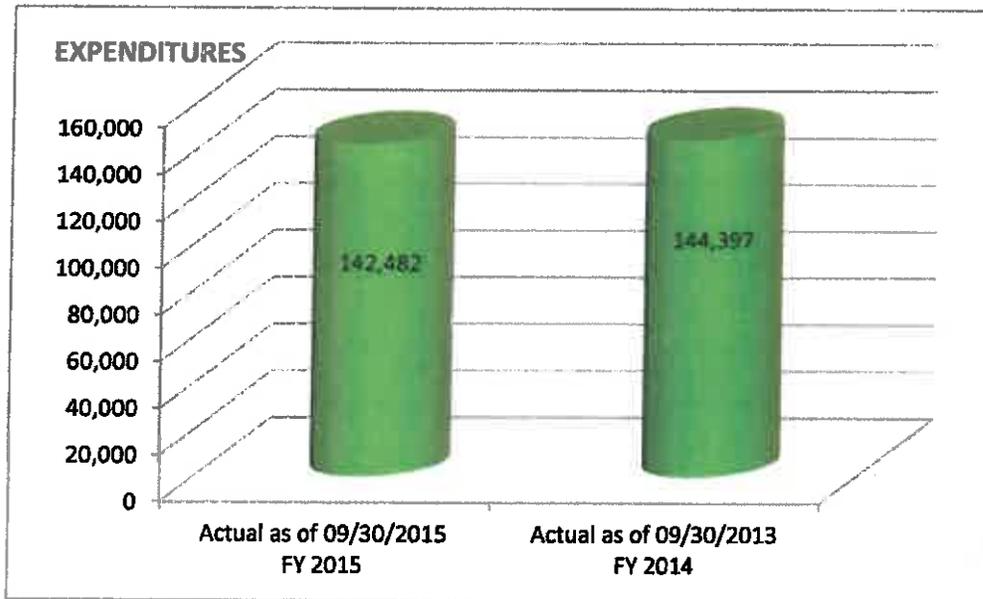


Comparative Expense Summary

of
Quarter 1 Actual Expenditures FY 2015
vs.
Quarter 1 Actual Expenditures Prior FY 2014

Total expenditures for the 1st quarter of the FY 2015 are approximately one percent less. Timing differences of the payment of certain expenses account for the differences.

See page16 for expenditure details.
(Divisional expenditures are shown in the appendix on page 16.)



**Comparative Summary
of
Quarter 1 Actual Performance
Current FY 2015 vs. Prior FY 2014**

Revenue	FY2015 Actual Qtr. Ending 09/30/2014	FY2014 Actual Qtr. Ending 09/30/2013	Variance	%
Local Taxes	\$273,130,096	\$292,244,023	(\$19,113,927)	-6.54%
State Taxes	\$12,389,047	\$11,924,742	\$464,305	3.89%
License and Permits	\$2,767,014	\$3,073,976	(\$306,962)	-9.99%
Fines and Forfeitures	\$4,040,877	\$3,960,254	\$80,623	2.04%
Charges for services	\$7,263,882	\$6,925,974	\$337,908	4.88%
Use of Money	\$29,196	\$26,583	\$2,613	9.83%
Federal Grants	\$0	\$26,991	(\$26,991)	-100.00%
State Grants	\$0	\$115,775	(\$115,775)	-100.00%
Intergovernmental Revenues	\$0	\$4,595	(\$4,595)	-100.00%
Other Revenues	\$1,544,535	\$1,490,832	\$53,703	3.60%
Transfers	\$4,025,049	\$3,927,472	\$97,577	2.48%
Total Revenues	\$305,189,696	\$323,721,217	(\$18,531,521)	-5.72%
Supporting detail of page 14.				

Functional Expenditures	FY2015 Actual Qtr. Ending 09/30/2014	FY2014 Actual Qtr. Ending 09/30/2013	Variance	%
Personnel Services	\$93,947,752	\$94,256,487	(\$308,735)	-0.33%
Material and Supplies	\$21,491,829	\$19,345,288	\$2,146,541	11.10%
Capital Outlay	\$10,155	\$6,910	\$3,245	46.96%
Grants and Subsidies	\$25,246,583	\$26,756,509	(\$1,509,926)	-5.64%
Inventory	\$64,384	\$39,127	\$25,257	64.55%
Transfers Out	\$1,643,210	\$2,628,471	(\$985,261)	-37.48%
Investment Fees	\$10,436	\$22,459	(\$12,023)	-53.53%
Others	\$67,326	\$1,341,457	(\$1,274,131)	-94.98%
Total Expenditures	\$142,481,675	\$144,396,708	\$2,773,721	0.85%
Change in Net Assets	\$162,708,021	\$179,324,509	(\$16,616,488)	-9.27%
Supporting detail of page 15.				

**Comparative Summary
of
Quarter 1 Actual Divisional Expenditures
Current FY 2015 vs. Prior FY 2014**

Expenditures	FY2014 Actual Qtr. Ending 09/30/14	FY2013 Actual Qtr. Ending 09/30/13	Variance	%
City Attorney	\$ 4,340,125	\$ 4,054,474	\$ 285,651	7.05%
City Council	\$ 302,716	\$ 314,123	\$ (11,407)	-3.63%
City Court Clerk	\$ 989,532	\$ 882,352	\$ 107,180	12.15%
City Court Judges	\$ 135,004	\$ 139,957	\$ (4,953)	-3.54%
City Engineer	\$ 1,956,235	\$ 1,710,196	\$ 246,039	14.39%
Executive	\$ 1,501,960	\$ 1,216,312	\$ 285,648	23.48%
Finance & Administration	\$ 1,067,920	\$ 1,087,980	\$ (20,060)	-1.84%
Fire	\$ 33,168,805	\$ 33,312,740	\$ (143,935)	-0.43%
General Services	\$ 4,256,264	\$ 4,399,795	\$ (143,531)	-3.26%
Grants & Subsidies	\$ 24,835,517	\$ 24,845,442	\$ (9,925)	-0.04%
<i>Other G & A</i>	\$ 8,835,517	\$ 14,845,442	\$ (6,009,925)	-40.48%
MATA	\$ 16,000,000	\$ 10,000,000	\$ 6,000,000	60.00%
<i>Memphis City Schools</i>	\$ -	\$ -	\$ -	0.00%
Housing & Community Development	\$ 298,279	\$ 1,769,643	\$ (1,471,364)	-83.14%
Human Resources	\$ 820,156	\$ 1,065,917	\$ (245,761)	-23.06%
Information Systems	\$ 2,859,677	\$ 2,248,333	\$ 611,344	27.19%
Park Services	\$ 9,028,175	\$ 9,625,949	\$ (597,774)	-6.21%
Police	\$ 51,588,099	\$ 54,812,549	\$ (3,224,450)	-5.88%
Public Works	\$ 5,300,159	\$ 1,570,211	\$ 3,729,948	237.54%
Other	\$ 33,052	\$ 1,340,735	\$ (1,307,683)	-97.53%
	\$	\$	\$	\$
Total Expenditures	\$ 142,481,675	\$ 144,396,708	\$ (1,915,033)	-1.33%



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

Resolution to amend FY 15 budget to accept new revenues and fund necessary expenditures.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

Finance Division

3. State whether this is a change to an existing ordinance or resolution, if applicable.

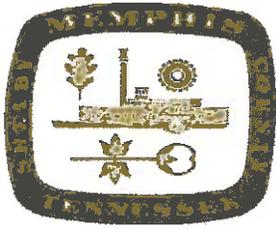
No change to an existing ordinance

4. State whether this requires a new contract, or amends an existing contract, if applicable.

No contract required

5. State whether this requires an expenditure of funds/requires a budget amendment.

Budget amendment required



REVISED FY 2015 1st Qtr. Clean-UP Resolution to adjust revenues and expenditures as necessary.

WHEREAS, the Finance Division constantly monitors the City's actual financial performance relative to its adopted operating budget, for all funds; and

WHEREAS, in conjunction with the Finance Division, each Division of City Government periodically reviews its current revenues and expenditures and projects anticipated outcomes for their Division, or Fund other than the General Fund within their operations; and

WHEREAS, based on these projections some City Divisions are forecasting total annual expenditures that will be below budget expectations, and conversely, some City Divisions are forecasting total annual expenditures to exceed the appropriated amounts approved for the Fiscal Year 2015 Operating Budget due to unanticipated circumstances; and

WHEREAS, revenues and expenditures are trending positive, and

WHEREAS, it is necessary to amend the Fiscal Year 2015 Operating Budget to increase appropriations as a result of these revenues and increase appropriations for required expenditures or expenditures excluded from the budget until sufficient funding was available;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the Fiscal Year 2015 Operating Revenue Budget be and is hereby amended to accept additional mixed drink tax proceeds of \$ 4.5 million in accordance with TCA-57-4-3059(e) ; and

BE IT ALSO RESOLVED that the Fiscal Year 2015 Operating Expenditure Budget be increased to pay the required amounts from the mixed drink proceeds to Shelby County Schools of \$3.0m, and utilize the remaining Mixed Drink Tax Proceeds of \$1.5m to fund the rape kit backlog efforts of the City of Memphis; and

BE IT FURTHER RESOLVED by the Council of the City of Memphis that the Fiscal Year 2015 Operating Revenue Budget be and is hereby amended to accept additional revenue of \$1.9 m for MLGW revenue in-lieu of taxes on the properties of the Water Division of MLGW within the limits of the City of Memphis, and to recognize expected revenues that will exceed the budget from prior year ad-valorem tax prior of \$2.6 million, and

BE IT ALSO RESOLVED that the Fiscal Year 2015 Operating Expenditure Budget be amended by \$3,034M, to utilize the MLGW revenue and the ad-valorem prior tax to pay for the Cocaine Alcohol Awareness Program (CAAP) , \$500k; the Blueprint For Prosperity poverty reduction program, \$384k; Legal Costs of \$150 k for; and moving expenses to 170 N. Main of \$500k to pay \$1,250k to increase the Youth Ambassador's program (by adding three employees costing \$178k and \$1,072 for the additional cost of operations); and to pay \$250k for the Gun Down Program (to establish three employees costing \$188k and \$62k for the additional cost of operations).

City Council Resolution

WHEREAS, the Memphis City Council has adopted Rules of Procedure by which it maintains its operation, pursuant to Referendum Ordinance #1852, Section 1, "Legislative Council"; and

WHEREAS, from time to time it becomes necessary to amend said rules in the interest of time and efficiency and it is proper that such amendments be officially approved by the legislative body; and

WHEREAS, the Council Agenda does not accurately reflect the sponsor of resolutions and ordinances, but rather only indicates the Chairman of the committee in which the item was heard; and

WHEREAS, in an effort to provide transparency and accurate information, each item should reflect the sponsor, Council or Administration, in addition to the Committee Chair.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that Council Rules of Procedure, as presently adopted, be and the same are hereby amended as follows:

43. a. Resolutions or Ordinances placed on the agenda shall indicate the sponsor of the item as well as the Chairman of the committee.

Example:

Flinn
Chairman, Personnel &
Intergovernmental
Committee

7. Ordinance to amend Chapter 25 of the City of Memphis Code of Ordinances, governing the City Pension System to provide a 2016 Cash Balance Plan and a 2016 Defined Contribution Plan (Non-vested employees). Ordinance No. 5572 Sponsored by Administration.

Flinn
Chairman, Personnel &
Intergovernmental
Committee

8. Ordinance to amend Chapter 25 of the City of Memphis Code of Ordinances, governing the City Pension System to provide a 2016 Cash Balance Plan and a 2016 Defined Contribution Plan (New hires only). Ordinance No. 5573 Sponsored by Councilman Myron Lowery.

BE IT FURTHER RESOLVED that the Rules of Procedure, as amended above, be and the same are hereby approved and adopted the council.

November 18, 2014

Jim Strickland