

AMENDED RESOLUTION TO PROVIDE A SEVERANCE AND TRANSITION PROGRAM FOR MOTOR VEHICLE INSPECTION BUREAU EMPLOYEES WHO ARE SUBJECT TO SEPERATION AND APPROVING A TRANSFER FROM THE RESERVE FUND AS NEEDED TO COVER COSTS ASSOCIATED WITH PROGRAM (INCLUDES WEIGHTS AND MEASURES EMPLOYEES)

WHEREAS, the Motor Vehicle Inspection Bureau for the City of Memphis has 4 inspection stations (White Station, Lamar, Washington, and Appling stations), 54 employees (33 full time Motor Vehicle employees, 13 part-time employees, and 8 weights and measures employees), and provides annual vehicle safety inspections and emissions testing of motor vehicles. The MVIB also performs weights and measures inspections; and

WHEREAS, on August 21, 2012, the City Council approved a resolution to defund the Motor Vehicle Inspection Bureau, with an effective date of July 1, 2013; and

WHEREAS, a committee of the Memphis City Council received a presentation by General Services and the sponsors of the original resolution on February 4, 2013. The council received an update and information regarding the defunding and closure of the City's MVIB stations; and

WHEREAS, it was disclosed to the Council that the closure of the City's MVIB stations will likely result in the State taking over inspections and air quality control duties; and

WHEREAS, it was disclosed that the defunding and closure approved by the Council will result in a \$2.8 million annual savings to the City; and

WHEREAS, it was disclosed that the defunding and closure approved by the Council will likely result in the separation of all employees associated with motor vehicle inspections; and

WHEREAS, at least 13 of those MVIB employees are eligible for retirement benefits; and

WHEREAS, at least another 13 of those MVIB employees are part-time employees; and

WHEREAS, the City Council desires to include the weights and measure employees to the severance and transition program due to the decision to cease operations of the Weights and Measures Department and to have the State of Tennessee assume the responsibilities of this department.

WHEREAS, it was disclosed that the defunding and closure approved by the Council will likely result in the separation of all employees associated with Weights and Measures; and

WHEREAS, at least 5 of the Weights and Measures employees are eligible for retirement benefits; and

WHEREAS, the City desires to acknowledge the value of full-time employees who are not eligible for benefits and to lessen the impact of the MVIB and Weights and Measures closure.

NOW, THEREFORE, BE IT RESOLVED that employees affected by the closure of the MVIB should be eligible for participation in a severance and transition program with the following terms:

1. Eligibility for Participation in Severance Program

This severance program is available only to full-time employees associated with the Motor Vehicle Inspection Bureau (hereinafter "MVIB"), if such employee's position has ended as a result of the City Council's August 21, 2012 decision to cease funding for the MVIB. Furthermore, full-time employees associated with the MVIB who, at the time of separation, are eligible to apply for and receive a pension or retirement benefit for their employment with the City of Memphis are ineligible to participate also in this severance program. Finally, full-time employees who apply for and are offered subsequent employment with the City of Memphis, without regard to whether the employment is comparable to their employment with the MVIB, are ineligible to participate also in this severance program. In cases of dispute, the Mayor (or his designee) shall be the final arbiter of determining which employees fit under these criteria.

2. Additional Program Limitation

Under the City Council's August 21, 2012 decision, the MVIB is slated to close on or about June 30, 2013. Notwithstanding any of the above, no city employee shall be eligible for participation in this Severance if the MVIB continues to operate after June 30, 2013.

3. Cash Benefit

Eligible persons shall continue to receive their regularly scheduled pay for up to 10 weeks after the date of separation.

4. Insurance Benefit

Eligible persons shall also continue to be enrolled in the City's group health and dental insurance programs, with the City of Memphis responsible for the current employer share of health and dental premiums. Eligible persons would continue to be responsible for the current employee share for insurance programs.

The City would be responsible for the payment of the employer-portion of insurance premiums only if eligible persons were properly enrolled in City insurance programs immediately prior to the date of separation and only if eligible persons continue to pay the employee-portion of insurance premiums. Furthermore, there would no cash value payment option available to affected employees who do not elect to continue coverage after separation of employment. This insurance benefit shall be available to eligible persons for 10 weeks after the

date of separation. Continuation in the group health plans through COBRA beyond 10 weeks would require full payment of the premiums by eligible persons.

4. Leave Time and Transition Support

Eligible persons shall be eligible for up to 16 hours of leave time to use for job searches and interviews. In order to avoid work coverage problems, eligible persons would also need permission from their immediate supervisor in advance of using leave time for job search activities. Furthermore, the Mayor (or his designee) shall provide transition support as-needed for eligible persons, including, possibly, job training support and notice of relevant opportunities for permanent employment with City government. The Mayor (or his designee) shall have discretion to decide the scope of transition support.

ALSO, BE IT RESOLVED that the FY2013 Operating budget is hereby amended to provide such as resources as are necessary to implement this program.

FURTHER, BE IT RESOLVED that the provisions of this Resolution are hereby severable. If any of these sections, provisions, sentences, clauses, phrases or parts are held unconstitutional or void, the remainder of this Resolution shall continue in full force and effect.

FINALLY, BE IT RESOLVED that this Resolution shall take effect from and after the date it shall have been passed by the City Council, signed by the Chairman of the Council, certified and delivered to the Office of the Mayor in writing by the Comptroller, and become effective as otherwise provided by law.

Lee Harris
Council Member

Joe Brown
Council Member

Janis Fullilove
Council Member



Resolution to: introduce minimal transitional plan design changes to the City's Basic and Premier PPO plans, add a new Value PPO plan option, adjust total premium rates by plan, achieve "70/30" aggregate cost share split between employees/retirees and the City and "break-even" projected calendar year (CY) revenues with expenses.

WHEREAS, the Human Resources Division is responsible for administering and monitoring the results of the city's Healthcare and OPEB funds to ensure financial stability and completeness; and

WHEREAS, the premiums for the Basic and Premier PPO plans have not been increased since FY 2011 and for the past few years the healthcare fund's fund balance (equity) has been negative due to planned revenues not being increased to match planned expenses; and

WHEREAS, the Health Care Subcommittee recommended modifications only to the division of the premiums to reach a 70/30 split between the city and the employees and such recommendation is anticipated to result in a significant deficit; and

WHEREAS, the Human Resources Division is recommending minimal changes to the current plan design and a premium rate increase to avoid any deficit in CY 2014 and that will cover a projected deficit of \$2.5M for FY 2013; and

WHEREAS, in order to avoid surcharges, penalties and other expenditures, the city must adopt a Value Plan option to comply with the provisions of the Affordable Health Care Act; and,

WHEREAS, retirees of the city have not been obligated to enroll in Medicare Part B when they become eligible to enroll in that program; and,

WHEREAS, retirees who do not elect Medicare Part B coverage create additional OPEB funds to cover future medical claims; and,

WHEREAS, the city's OPEB funds current unfunded liability is \$1.3B.

WHEREAS, requiring any employee who retires subsequent to January 1, 2014 to seek Medicare Part B will reduce the unfunded OPEB liability by \$1M in FY 2014 and \$10 to \$16 M over the next 5 years; and,

WHEREAS, if an individual who retires subsequent to January 1, 2014, fails to enroll in Medicare Part B, the city's plan should pay the same percentage, 20%, that the city is obligated to pay for retirees enrolled in Medicare Part B; and,

NOW, THEREFORE, BE IT RESOLVED that City Council adopts the recommendations of the Human Resources Division and directs the following adjustments to the current Health Care Plans be adopted by the Administration effective January 1, 2014:

- Minimal plan design changes to the City's Basic and Premier PPO plans. Changes result in a 2 to 3% benefit reduction from current plan designs. *(See Exhibit A1 - 2)*
- Addition of a new Value PPO option. This allows the city to avoid possible penalties from Health Care Reform by offering employees a low cost option that meets federal "affordability" criteria and future auto-enrollment requirements. *(See Exhibit B)*
- Adjust total premium rates by plan. Total premium increased for both the employer and employee. Proposing a 22.6% or \$7.281M increase to employees/retirees and a 7.2% or \$6.166M increase to the city. Changes will move the cost share between the city and employees/retirees to a 70/30 split, respectively. *(See Exhibit C1 - 2)*
- Employees who retire subsequent to January 1, 2014, shall be required to seek enrollment in Medicare Part B when the individual becomes eligible to enroll in Medicare Part B. If an individual who retires after January 1, 2014, fails to enroll in Medicare Part B the city shall only pay the same percentage of the claim that it would be required to pay for the claim if the employee had enrolled in Medicare Part B.

Current 2013 Plan Offerings

Plan Feature	Current 2013 Plan Offerings			
	Basic Plan - PPO		Premier Plan - PPO	
	In	Out	In	Out
Deductible				
Single	\$350	\$350	\$100	\$500
Family	\$1,050	\$1,050	\$300	\$1,500
Coinsurance				
Single	10%	30%	0%	40%
Family				
Out-of-Pocket Max (Excluding Ded.)				
Single	\$1,500	\$3,500	None	\$3,000
Family	\$3,000	\$7,000	None	\$7,000
Office Visit (PCP/SPC)	Ded./Coins.	Ded./Coins.	\$20 copay/\$40 copay and Ded.	Ded./Coins.
Preventive Care	100%	Not covered	100%	Not covered
Inpatient Hospitalization	\$100 per admit and Ded./Coins.	\$300 per admit and Ded./Coins.	\$100 per admit and Ded.	\$300 per admit and Ded./Coins.
Outpatient Surgery	Ded./Coins.	Ded./Coins.	\$100 per admit and Ded.	Ded./Coins.
Emergency Room (Copay Waived if Admitted)	\$100 per visit and Ded./Coins.	\$100 per visit and Ded./Coins.	\$100 per visit	\$100 per visit
Mental Health/Substance Abuse				
Inpatient	\$100 per admit and Ded./Coins.	\$300 per admit and Ded./Coins.	\$100 copay and Ded.	\$300 per admit and Ded./Coins.
Outpatient	Ded./Coins.	Ded./Coins.	\$40 copay and Ded.	Ded./Coins.
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Retail Rx (MOD 2x)		\$10/\$20/\$40		\$10/\$20/\$40

Scenario 2 2014 Plan Changes (High-Level)

PPO Plan Offerings

Plan Feature	Scenario 2 - 2014 Transitional Plan Offerings		Premier Plan - PPO	
	In	Out	In	Out
Deductible				
Single	\$500	\$500	\$300	\$600
Family	\$1,500	\$1,500	\$900	\$1,800
Coinsurance				
Out-of-Pocket Max (Excluding Ded.)	15%	40%	5%	40%
Single	\$2,000	\$4,000	\$750	\$1,500
Family	\$6,000	\$12,000	\$2,250	\$4,500
Office Visit (PCP/SPC)	Ded./Coins.	Ded./Coins.	\$20 copay/\$40 copay and Ded.	Ded./Coins.
Preventive Care	100%	Not covered	100%	Not covered
Inpatient Hospitalization	\$100 per admit and Ded./Coins.	\$300 per admit and Ded./Coins.	\$100 per admit and Ded./Coins.	\$300 per admit and Ded./Coins.
Outpatient Surgery	Ded./Coins.	Ded./Coins.	Ded./Coins.	Ded./Coins.
Emergency Room (Copay Waived if Admitted)	\$200 per visit and Ded./Coins.	\$200 per visit and Ded./Coins.	\$200 per visit and Ded./Coins.	\$200 per visit and Ded./Coins.
Mental Health/Substance Abuse				
Inpatient	\$100 per admit and Ded./Coins.	\$300 per admit and Ded./Coins.	\$100 per admit and Ded./Coins.	\$300 per admit and Ded./Coins.
Outpatient	\$40 copay and Ded./Coins.	\$40 copay and Ded./Coins.	\$40 copay and Ded./Coins.	\$40 copay and Ded./Coins.
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Retail Rx (MOD 2x)	\$10/\$20/\$40	\$10/\$20/\$40	\$10/\$20/\$40	\$10/\$20/\$40

Scenario 2 2014 Plan Changes (High-Level)

"Affordable" Value Plan Offering

Plan Feature	2014 "Affordable" Plan Offering		
	Value Plan - PPO		
	In	Out	
Deductible			
Single	\$1,500		N/A
Family	\$3,000		N/A
Coinsurance	30%		N/A
Out-of-Pocket Max (Excluding Ded.)			
Single	\$3,000		N/A
Family	\$6,000		N/A
Office Visit (PCP/SPC)	Ded./Coins.		N/A
Preventive Care	100%		N/A
Inpatient Hospitalization	\$100 per admit and Ded./Coins.		N/A
Outpatient Surgery	Ded./Coins.		N/A
Emergency Room (Copay Waived if Admitted)	\$200 per visit and Ded./Coins.		N/A
Mental Health/Substance Abuse			
Inpatient	\$100 per admit and Ded./Coins.		N/A
Outpatient	Ded./Coins.		N/A
Lifetime Maximum	Unlimited		N/A
Retail Rx (MOD 2x)		\$20/\$40/\$80	
Monthly EE Contributions			
Single		\$84	
Family		\$295	

CY 2014 Scenario 2 Revenue Projection Analysis

Exhibit C-2

BASIC PLAN

Single

	Cost	# Members	Active	Total	Cost	# Members	Non-Medicare Retiree	Total	Cost	# Members	Retiree Medicare	Total
EE	\$180.44	265	265	\$573,799.20	\$184.36	285	\$630,511.20		\$169.91	550	\$1,121,406.00	\$2,325,716.40
ER	\$360.97	265		\$1,147,894.60	\$485.17	285	\$1,659,281.40		\$461.24	550	\$3,044,184.00	\$5,851,350.00
	\$541.41				\$669.53				\$631.15			

Family

	Cost	# Members	Active	Total	Cost	# Members	Non-Medicare Retiree	Total	Cost	# Members	Retiree Medicare	Total
EE	\$383.05	242	242	\$1,112,377.20	\$387.56	260	\$1,209,187.20		\$356.45	424	\$1,813,617.60	\$4,135,182.00
ER	\$659.19	242		\$2,495,087.76	\$942.93	260	\$2,941,941.60		\$988.15	424	\$4,518,907.20	\$9,955,956.56
	\$1,242.24				\$1,330.49				\$1,244.60			

PREMIUM PLAN

Single

	Cost	# Members	Active	Total	Cost	# Members	Non-Medicare Retiree	Total	Cost	# Members	Retiree Medicare	Total
EE	\$195.76	1995	1995	\$4,686,484.40	\$204.82	537	\$1,319,860.08		\$187.74	412	\$928,186.56	\$6,994,541.04
ER	\$376.45	1995		\$9,012,213.00	\$502.80	537	\$3,240,043.20		\$479.31	412	\$2,369,708.64	\$14,621,964.84
	\$572.21				\$707.62				\$667.05			

Family

	Cost	# Members	Active	Total	Cost	# Members	Non-Medicare Retiree	Total	Cost	# Members	Retiree Medicare	Total
EE	\$395.42	4034	4034	\$19,141,491.36	\$406.22	915	\$4,460,295.60		\$372.33	564	\$2,519,929.44	\$26,121,716.40
ER	\$917.46	4034		\$44,413,855.92	\$999.96	915	\$10,979,560.80		\$943.07	564	\$6,382,897.76	\$61,776,134.48
	\$1,312.91				\$1,406.18				\$1,315.40			

Increase over 2013 Rates:

	Employee Contribution	Employer Contribution	Total	Employee Contribution	Employer Contribution	Total
Total HC & OPFB Funds	\$39,517,155.84	\$92,205,365.88	\$131,722,521.72	\$25,514,162.16	\$57,069,041.28	\$82,583,203.44
	30.0%	70.0%		30.9%	69.1%	
Total HCF	4,701,222	3,729,560	8,430,782	2,980,150	2,436,495	5,416,645
	22.6%	7.2%		22.6%	7.5%	
Total HC & OPFB Funds	7,281,372	13,447,426	20,728,798	2,980,150	2,436,495	5,416,645
	22.6%	7.2%		22.6%	7.5%	
Total Plan Participants	10,483					

* Scenario is the Administration's proposal; increase of 22.6% to all employees/retiree contributions with plan reductions.
 * Scenario is based on May enrollment provided by Benefits, with an additional 276 current waivers opting into the plan.
 * Assumes the Addition of a Value PPO Plan.
 * Scenario develops rates that realign premiums to reflect true actuarial value, adjust contributions to be more cost neutral for the City, achieve a "70/30" and "break-even" with CY 2014 projected total cost.



Memphis City Council Summary Sheet

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

This item is a resolution to accept grant funds from the State of Tennessee Department of Labor and Workforce Development in the amount of \$328,168.00. These funds will be used for the WIA Title One Rapid Response Program.

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

The State of Tennessee Department of Labor and Workforce Development which acts as a pass-through for the U.S. Department of Labor, allocated these grant funds to the Workforce Investment Network.

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

This is a new grant award, pending council acceptance.

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

Acceptance of these funds will require a new contract between the State of Tennessee and the City of Memphis, which acts as the administrative entity for the Workforce Investment Network.

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

Acceptance of these will require an amendment to the FY2013 operating budget to appropriate the funds.



A Resolution to accept WIA Title One Rapid Response funds for the State of Tennessee Department of Labor and Workforce Development.

WHEREAS, the City of Memphis Workforce Investment Network has received grant funds in the amount of Three Hundred Twenty Eight Thousand, One Hundred Sixty Eight Dollars, (\$328,168.00) from the State of Tennessee Department of Labor and Workforce Development; and

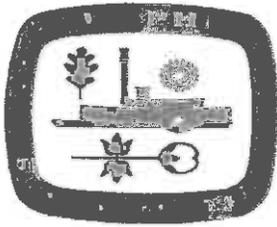
WHEREAS, these funds will be used to provide a contingency fund for WIA Title One Rapid Response Program; and

WHEREAS, it is necessary to accept the grant funding and amend the Fiscal Year 2013 Operating Budget to establish funds for the WIA Title One Rapid Response Program; and

WHEREAS, it is necessary to appropriate the grant funds in the amount of Three Hundred Twenty Eight Thousand, One Hundred Sixty Eight Dollars, (\$328,168.00) for WIA Title One Rapid Response Program;

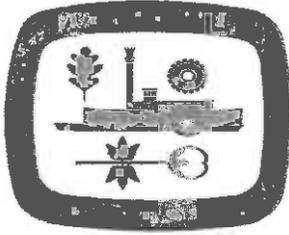
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the WIA Title One Rapid Response Program in the amount of Three Hundred Twenty Eight Thousand, One Hundred Sixty Eight Dollars, (\$328,168.00) be accepted by the City of Memphis

BE IT FURTHER RESOLVED, that the Fiscal Year 2013 Operating Budget be and is hereby amended by appropriation the Expenditures and Revenues for the WIA Title One Rapid Response Program in the amount of Three Hundred Twenty Eight Thousand, One Hundred Sixty Eight Dollars, (\$328,168.00).



Memphis City Council Summary Sheet

1. Item is Resolution appropriating the additional Revenues and Expenditures for the Neighborhood Stabilization Program funds in the amount of \$358,933.00.
2. The initiating party is the Division of Housing and Community Development / CD90006-Non Profit Housing Department.
3. This resolution is not a change to an existing ordinance or resolution.
4. Resolution will amend an existing contract.
5. There will be an expenditure of funds required.



A resolution appropriating additional Revenues and Expenditures for the Neighborhood Stabilization Program funds in the amount of \$358, 933.00.

WHEREAS, the City of Memphis, through the Division of Housing and Community Development, in response to the Neighborhood Stabilization Program (NSP) allocation, establishing a planning committee to examine foreclosure and sub prime loan data for the City of Memphis in order to identify the areas of greatest need for NSP funding; and

WHEREAS, the Division of Housing and Community Development (HCD) on behalf of the City of Memphis submitted a grant application to the U.S. Department of Housing and Urban Development (HUD) as required to amend the City's 2008 Annual Federal Action Plan, as authorized under Title III of the Housing and Economic Recovery Act (HERA) of 2008; and

WHEREAS, the City of Memphis was awarded Eleven Million, Five Hundred Six Thousand, Four Hundred and Fifteen Dollars (\$11,506,415.00) from HUD for a period commencing April 1, 2009 and ending September 30, 2010; and

WHEREAS, the City of Memphis, Division of Housing and Community Development (HCD) proposes making the majority of the NSP funds available for use by nonprofit and for profit affordable housing developers within 10 zip codes of Memphis. HCD expects that this funding will result in the acquisition, rehabilitation, and deposition of approximately 145 units; and

WHEREAS, the Division of Housing and Community Development has generated in Program Income a total of Nine Hundred Seven Thousand, One Hundred Sixty Eight and 00/100 Dollars (\$907,168.00) as of June 30, 2012. An additional \$245,042 was collected in FY 2012 and it is estimated for FY2013 an additional \$500,000.00 will be collected in Program Income under the NSP Program.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis, that the additional Program Income generated from HUD Neighborhood Stabilization Program (NSP) in the amount of \$358,933.00 be accepted by the City of Memphis; and

BE IT FURTHER RESOLVED, that the Fiscal Year 2013 Operating Budget be and is hereby amended by appropriating the additional Revenues and Expenditures for the Neighborhood Stabilization Program in the amount of \$358,933.00 as follows:

Revenue

<u>HUD Neighborhood Stabilization Program Grant (Award #12400)</u>	<u>\$358,933.00</u>
Total	\$358,933.00

Expense

CD90064-HARP 059600-HARP SF Rehab	\$170,000.00
CD90122-NSP1 Award 12400/059600-Rehabilitation	\$100,000.00
<u>CD90122-NSP1 Award 12400/059600-NSP Program Delivery</u>	<u>\$ 88,933.00</u>
Total	\$358,933.00



Memphis City Council Summary Sheet

Resolution appropriates funds for the Organized Crime Unit Special Revenue Drug Fund for Fiscal Year 2014 in the amount of \$4,175,608.10

- This resolution appropriates funds for the Organized Crime Unit Special Revenue Drug Fund for Fiscal Year 2014 in the amount of \$4,175,608.10
- It was initiated the by Police Services Division to appropriate funding for FY2014 Drug Fund 216.
- No change to an existing ordinance or resolution applies.
- This action does not presently require a contract or amend an existing contract or ordinance.
- This action requires an expenditure of Drug Reserve Funds but does not require a budget amendment.

RESOLUTION

WHEREAS, the Memphis Police Division is in acceptance of State and Federal funds as a result of cash seizures, fines and forfeitures from illegal drug actions for combating illegal drug trafficking; and enforcement of Vice laws related to alcohol, and to use for drug education and drug treatment; and

WHEREAS, the State Legislature amended the Tennessee Code Annotated relative to drug fines and forfeitures, requiring that such funds be accounted for in a special revenue fund; and

WHEREAS, the Mayor and Police Director recommend a budget for the fiscal year that is to be approved by the City Council; and

WHEREAS, it is necessary to establish the FY2014 Operating Budget for the Special Revenue funded by the State and Federal Funds; and

WHEREAS, it is necessary to appropriate \$4,175,608.10 for the FY2014 Operating Budget for the Special Revenue Fund Budget funded by State and Federal Funds as follows:

REVENUES:

State Drug Funds	\$3,067,950.00
Federal Drug Funds	\$ 790,000.00
Vice Funds	\$ 217,000.00
DARE	\$ 74,000.00
Chop Shop/ISU	\$ 7,000.00
DUI	<u>\$ 19,658.10</u>
TOTAL REVENUES:	\$4,175,608.10

EXPENDITURES:

Personnel	\$1,233,000.00
Materials and Supplies	\$2,497,658.10
Capital	<u>\$ 444,950.00</u>
TOTAL EXPENDITURES	\$4,175,608.10

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that State and Federal funds in the amount of \$4,175,608.10 be accepted by the City of Memphis Police Services Division.

BE IT FURTHER RESOLVED that the FY2014 Operating Budget for the Special Revenue Fund Budget be and is hereby established by the appropriation of \$4,175,608.10 as follows:

REVENUES:

State Drug Funds	\$3,067,950.00
Federal Drug Funds	\$ 790,000.00
Vice Funds	\$ 217,000.00
DARE	\$ 74,000.00
Chop Shop/ISU	\$ 7,000.00
DUI	<u>\$ 19,658.10</u>
TOTAL REVENUES:	\$4,175,608.10

EXPENDITURES:

Personnel	\$1,233,000.00
Materials and Supplies	\$2,497,658.10
Capital	<u>\$ 444,950.00</u>
TOTAL EXPENDITURES	\$4,175,608.10



**Memphis City Council
Summary Sheet
Ordinance to Amend the Stormwater Ordinance**

1. City of Memphis is authorized to regulate storm water discharges in accordance with applicable state law in order to protect the public health as well as to impose a civil penalty and assess damages against any person who violates the provisions of the City's storm water ordinance. This is an ordinance to amend the Stormwater Ordinance to clarify Enforcement Authority for the Stormwater Program.
2. This item is being submitted by Public Works Stormwater Program
3. This ordinance will amend Chapter 33 Article IV.
4. This item does not require a contract nor does it amend an existing one.
5. This item does not require an expenditure of funds.

AN ORDINANCE TO AMEND CHAPTER 33, ARTICLE IV, OF THE CITY OF MEMPHIS CODE OF ORDINANCES TO CLARIFY ENFORCEMENT AUTHORITY

WHEREAS, the City of Memphis is authorized to regulate storm water discharges in accordance with applicable state law in order to protect the public health; and

WHEREAS, the City of Memphis is further authorized to impose a civil penalty and assess damages against any person who violates the provisions of the City's storm water ordinance; and

WHEREAS, applicable law identifies various factors that may be considered by the City in imposing a civil penalty;

WHEREAS, the harm done to the public or the environment is merely one of the factors that may be considered in the assessment of a civil penalty or in any other decision to enforce; and

WHEREAS, the Administration seeks to further clarify the civil penalty that can be imposed for existing and future violations.

SECTION 1. NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS, that Chapter 33, Article IV, Section 33-207 is hereby amended as follows:

(1) By deleting the following language from Section 33-207(A):

It is not the City's intent to propose penalties for de minimis discharges that have no significant adverse impact on safety, health, the welfare of the environment, or the functionality of the City's storm water collection system.

SECTION 2. BE IT FURTHER ORDAINED THAT Chapter 33, Article IV, Section 33-231 is hereby amended to state as follows:

Section 33-231 ENFORCEMENT OPTIONS.

Maintenance criteria not performed as listed in Sec. 33-230, or other violations of this Article, may be subject to the provisions of Sections 33-247 through 33-251 as set forth herein.

SECTION 3. BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS, that the provisions of this Ordinance are hereby severable. If any of these sections, provisions, sentences, clauses, phrases, or parts is held unconstitutional or void, the remainder of this Ordinance shall continue in full force and effect.

SECTION 4. BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS, that this Ordinance shall take effect from and after the date it shall have been passed by the Council, signed by the Chairman of the Council, certified and delivered to the Office of Mayor in writing by the comptroller and become effective as otherwise provided by law.

Chairman Edmund Ford, Jr.

City of Memphis

MEMPHIS CITY COUNCIL

Inter Office Memo

TO: Bill Boyd
Joe Brown
Harold Collins
Shea Flinn
Edmund Ford, Jr.
Janis Fullilove
Wanda Halbert
Lee Harris
Reid Hedgepeth
Myron Lowery
Bill Morrison
Jim Strickland

FROM: Kemp Conrad

DATE: May 13, 2013

RE: Alternative to Administration's Solid Waste Fee Proposal

We recently received a memo from CAO Little outlining restructuring of solid waste collection. In the memo, the Administration stated that a savings potential of \$17MM per year exists, but that they were choosing a more expensive path. The attached proposed ordinances are an alternative that would save each household in Memphis up to \$85 per year.

Both options presented in this memo reduce the solid waste budget by \$17MM. Please note that this proposal is not instructing the Administration on which method of collection to pursue – but simply to pursue the best one for employees and tax payers.

Option one reduces the solid waste fee by 20% – or \$12MM – and the other \$5MM collected in the fee would offset the \$5MM in the Public Works budget spent on blight relieving the burden on the general fund. This option would save single-family households \$60 per year.

Option two reduces the solid waste fee by the full \$17MM – or 28.5%. This option allows a typical family to keep \$85 per year as opposed to subsidizing an inefficient operation that has drained over \$100,000,000 from the General fund over the last ten years.

Please also keep in mind that during the March 19, 2013 Public Works committee meeting we were told by Chief Little and Director Gilliom that a different approach to solid waste collection would 1) Allow citizens to keep more of their hard earned money 2) allow for better working conditions for employees and 3) allow employees to make more money.

OPTION 1

**SUBSTITUTE ORDINANCE AMENDING CHAPTER 15, SECTION 15-12, CITY OF
MEMPHIS CODE OF ORDINANCES, TO DECREASE SOLID WASTE FEES FOR
COLLECTION AND DISPOSAL.**

BE IT ORDAINED BY THE COUNCIL OF THE CITY

OF MEMPHIS TENNESEE:

SECTION 1.

**Chapter 15, Section 12, Code of Ordinances, City of Memphis, is hereby amended so as to
decrease solid waste fees as follows:**

Section 15-12. Solid Waste Fees for Collection and Disposal.

***The following monthly fees are established for the collection, removal or disposal of solid waste
including blight:**

****Residential units, including single family dwellings, mobile homes, duplexes,
triplexes, quadruplexes, apartment units with seven (7) units or less, for each
unit thereof..... \$ 20.02**

*****Additional cart(s) for residential units may be leased for..... \$ 4.00 ea.**

***** Apartment houses provided with non-mechanized collection, for each limit
thereof... .. \$ 14.77**

***** Apartment houses and mobile homes with centralized, mechanized
collection for each unit thereof..... \$ 9.60**

**Commercial businesses, churches, boarding houses with three (3) or more
living quarters, and other institutions shall be charged the appropriate
commercial rate based upon weekly containerized volume:**

0-180 gallons \$48.43

181-360 gallons \$91.85

361-780 gallons \$186.77

780-1,200 gallons	\$253.56
1,201-1,800 gallons	\$353.98
1,801-3,600 gallons	\$580.51
3,601-5,400 gallons	\$926.79
5,401-7,200 gallons	\$1272.20
7,201-9,000 gallons	\$1618.04
9,001-10,800 gallons	\$1958.75
10,801-12,600 gallons	\$2309.17

Notes:

*** 10.5% of fees are to be used for blight reduction initiatives. This additional fee should be reviewed yearly by city council.**

****1. Residents included in this category will be eligible for a reduced fee in the amount of seven dollars and fifty cents (\$7.50) if they meet the following criteria: Head of household, have an active utility account in their name, are at least sixty-five (65) years of age or one hundred (100) percent disabled and have a gross household income of twenty-five thousand dollars (\$25,000.00) per year or less.**

2. Households qualifying for the reduced fee, which generate more waste than what can be contained in one 90 gallon garbage cart per week, may request an additional City cart through the cart lease program.

Option A: The leased cart fee will be waived with the stipulation that the qualifying household must participate in curbside recycling each week. Should the qualifying household fail to participate in curbside recycling each week or fail to justify the need for the additional cart, the discount applicant will receive a written courtesy notice. Upon receiving three (3) notices within one calendar year, the leased cart will be removed by the City or the household will have the option of leasing the additional cart at the normal monthly fee.

Option B: Qualifying households in the discount program may lease an additional cart at the normal monthly fee without the mandatory recycling requirement.

*** * *This item may be adjusted as necessary by resolution with approval of the city council.**

This section shall become effective from and after July 1, 2013 as to coincide with Memphis Light, Gas and Water Division's monthly billing cycles.

SECTION 2.

BE IT FURTHER ORDAINED, that this ordinance shall take effect from and after the date it shall have been passed by the Council, certified and delivered to the Office of the Mayor in writing by the Comptroller, and become effective as otherwise provided by law.

OPTION 2

**SUBSTITUTE ORDINANCE AMENDING CHAPTER 15, SECTION 15-12, CITY OF
MEMPHIS CODE OF ORDINANCES, TO DECREASE SOLID WASTE FEES FOR
COLLECTION AND DISPOSAL.**

BE IT ORDAINED BY THE COUNCIL OF THE CITY

OF MEMPHIS TENNESEE:

SECTION 1.

**Chapter 15, Section 12, Code of Ordinances, City of Memphis, is hereby amended so as to
decrease solid waste fees as follows:**

Section 15-12. Solid Waste Fees for Collection and Disposal.

The following monthly fees are established for the collection, removal or disposal of solid waste:

***Residential units, including single family dwellings, mobile homes, duplexes,
triplexes, quadruplexes, apartment units with seven (7) units or less, for each
unit thereof..... \$ 17.92**

Additional cart(s) for residential units may be leased for..... \$ 3.58 ea.

**** Apartment houses provided with non-mechanized collection, for each unit
thereof... \$ 13.22**

**** Apartment houses and mobile homes with centralized, mechanized
collection for each unit thereof..... \$ 8.60**

**Commercial businesses, churches, boarding houses with three (3) or more
living quarters, and other institutions shall be charged the appropriate
commercial rate based upon weekly containerized volume:**

0-180 gallons \$43.35

181-360 gallons \$82.22

361-780 gallons \$167.19

780-1,200 gallons	\$226.98
1,201-1,800 gallons	\$316.87
1,801-3,600 gallons	\$519.66
3,601-5,400 gallons	\$829.65
5,401-7,200 gallons	\$1138.85
7,201-9,000 gallons	\$1448.44
9,001-10,800 gallons	\$1753.43
10,801-12,600 gallons	\$2067.12

Notes:

***1. Residents included in this category will be eligible for a reduced fee in the amount of seven dollars and fifty cents (\$7.50) if they meet the following criteria: Head of household, have an active utility account in their name, are at least sixty-five (65) years of age or one hundred (100) percent disabled and have a gross household income of twenty-five thousand dollars (\$25,000.00) per year or less.**

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