

## Haslam testifies before U.S. House Committee on state's rights to capture online sales taxes

BY CAROLE GRAVES  
TML Communications Director

Speaking before the U.S. House Judiciary Committee, Gov. Bill Haslam urged lawmakers to pass the Marketplace Equity Act of 2011, a bill to improve the states' rights to enforce the collection of sales taxes associated with online purchases.

His remarks were given last month on behalf of the National Governor's Association.

"This discussion isn't about raising taxes or adding new taxes. This is about states having the flexibility and authority to collect taxes that are already owed by their own in-state residents," Haslam said.

The Marketplace Equity Act of 2011 authorizes states to require all sellers making Internet sales to collect and remit sales and use taxes, without regard to the location of the seller, and provided that states implement a simplified system for remote sellers to collect taxes.

Currently, online retailers don't collect sales taxes in most states because of a 1992 Supreme Court ruling that said businesses only have to collect them in states where they have a physical presence (or Nexus).

As catalog, mail order, and Internet commerce have grown, state and local governments have been experiencing ever-increasing losses in sales tax revenue. A 2009 University of Tennessee study estimated that states collectively could lose as much as \$12.65 billion in 2012.

"In Tennessee, we believe that number to be \$400 million," said Haslam. "That money could fund critical state programs that vulnerable citizens rely on; it could help cover federal mandates that states face; or it could go back to the taxpayers in the form of further tax relief."

According to *Stateline.org*, in a report released last month, the non-

partisan State Budget Crisis Task Force identified the shift to untaxed online sales as a key reason that state tax bases are shrinking, exacerbating a budget crisis that threatens states' ability to "meet their obligations to public employees, to creditors and most critically to the education and well-being of their citizens," according to the report.

"As a governor, I realize in the coming years that Washington is going to be sending states and local governments less and less money as you tackle the nation's debt. And as a Republican, I am proud of you for doing that," Haslam said. "But if that is the case, then you should also allow each state to have the flexibility to make decisions about this issue and to collect taxes that are already owed."

Under the Marketplace Equity Act, states that didn't want to collect taxes on Internet sales could choose not to. Five states — Alaska, New Hampshire, Delaware, Montana and Oregon — have no sales tax. The bill would also exempt smaller Internet merchants, those who do not have more than \$100,000 in annual sales in an individual state per year, or \$1 million in sales nationally. The Senate bill has an even lower exemption of \$500,000 in yearly remote sales.

The legislation has received bipartisan support with 48 cosponsors in the House including Reps. Steven Cohen and Jimmy Duncan from Tennessee. Twenty lawmakers have signed on to similar legislation in the Senate, including Sen. Lamar Alexander as a primary sponsor and Sen. Bob Corker, who signed on as a cosponsor.

Tennessee has been actively involved in the push to collect sales and use taxes on Internet sales since 1999, when the Streamlined Sales Tax Project (SSTP) was created for the purpose of developing and implementing a simplified taxing

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"This is a conversation about fairness. Fairness to states in allowing them to manage their own budgets, and fairness to local businesses that are part of the fabric of this country, are vital to our economy and our entrepreneurial identity."

- Gov. Bill Haslam



## Report says state, local financial problems will continue

BY JIM MALEWITZ  
Stateline.org

Soaring Medicaid costs, woefully underfunded pension and health care benefits for state workers, eroding tax bases. All of these growing state liabilities will only worsen, if left unaddressed. And more trouble could lie ahead for state and local governments from measures Congress is considering to solve the federal budget crisis.

Such are the stark warnings of the State Budget Crisis Task Force, a nonpartisan group of respected budget experts, in findings released July 17. Its report probed budget conditions in six states — California, Illinois, New Jersey, New York, Texas and Virginia — representing a diverse assortment of governments where residents make up about 40 percent of the U.S. population.

"The ability of the states to meet their obligations to public employees, to creditors and most critically to the education and well-being of their citizens is threatened," warned the group's two chairmen, Richard Ravitch, New York's former lieutenant governor, and Paul A. Volcker, former Federal Reserve chairman.

Members of the task force say their findings might not be

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## ECD certifies population figures for 2012-13 state shared tax distribution

BY BRAD HARRIS  
MTAS Finance Consultant

Last year, the U.S. Census Bureau released decennial population figures for the United States, state, and local governments. The Tennessee Department of Revenue uses these population figures, which are adjusted annually, to determine the distribution of state-shared taxes beginning July 1, 2012.

According to U.S. Census Bureau figures, Tennessee's population for municipalities grew at a rate of about 10 percent from 2000 to 2010. The critical factor for cities in relation to distribution of state-shared tax revenues is the change

from the certified population at June 30, 2011, to the certified population at June 30, 2012.

The Department of Economic and Community Development (ECD) certifies these figures to the Department of Revenue in June of each year for use in the subsequent year's per capita distribution of certain state-shared revenues.

The chart below gives a breakdown of what cities may expect to receive during FY 2013. For those cities that have already adopted a budget, financial personnel should review this information to determine if adjustments to the budget document are necessary.

General Fund	Per Capita Amount
State Sales Tax	\$67.87
State Beer Tax	.50
Special Petroleum Products Tax (City Streets and Transportation Revenue)	2.05
Gross Receipts Tax (TVA in lieu of taxes)	10.23
<b>Total General Fund Revenue</b>	<b>\$80.65</b>
<b>State Street Aid Funds</b>	
Gasoline and Motor Fuel Taxes	\$25.65
<b>Total Per Capita (General and State Street Aid Funds)</b>	<b>\$106.30</b>

Based on economic projections for FY 2013, municipalities are expected to receive approximately \$106.30 per capita for the fiscal year beginning July 1, 2012.

## Knoxville wellness program charts path to healthy insurance savings

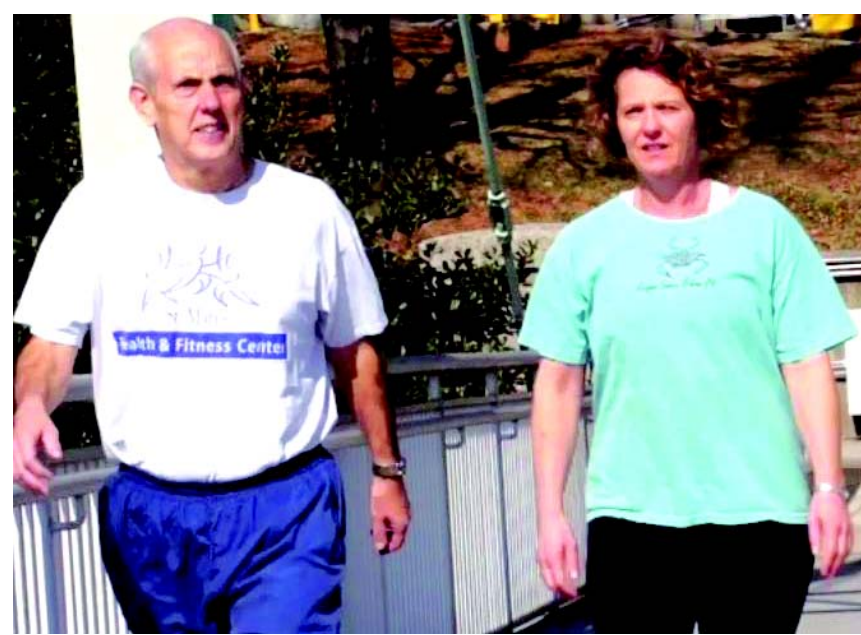
BY VICTORIA SOUTH  
TML Communications Coordinator

An ounce of prevention really is worth a pound of cure in Knoxville, where the city's wellness program, now in its sixth year, continues to make local and national headlines for saving millions in tax payer dollars, increasing worker productivity, and improving the health of employees and their families.

The city offers two plans; a regular plan and another called "My Health" a city funded health reimbursement account that rewards healthy lifestyles, featuring a chronic disease self-management program that focuses on the treatment and prevention of eight chronic conditions, money toward deductibles, prescription drugs and other medical services.

A model of convenience, the program features an on-site team of health experts, medical staff, nutrition experts, fitness staff, and a physical therapist to cut excessive outpatient rehab costs.

Keeping a closer eye on worker's compensation cases, Knoxville's risk management funding dropped \$605,640 in the current



Knoxville employees often utilize their breaktime to grab a brisk walk outdoors, since joining the city's new healthy lifestyles insurance plan.

budget, according to the *Knoxville News Sentinel*, as the city's workforce also focuses more on avoiding health issues than fixing medical problems. The worker's compensation claims reached an all-time, 10-year low in 2011 at \$1.4 million, beating a three-year average of \$3.7 million before 2009.

The city of Knoxville credits the vision and efforts of their risk manager, Gary Eastes, who helped overhaul the medical plan in 2006 by replacing the state plan with Blue Cross Blue Shield of Tennessee. When Eastes first began his job with the city, premiums had shot up 141

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## Pool offers new program to assist members in the event of disaster

The Pool has engaged in a new program to assist Pool property members in the event of a disaster.

According to Dawn Crawford, Pool president, they have contracted with Agility Recovery to offer a triage recovery program that provides four main components when an event happens.

An event can be for a member facility (i.e., building) that is out of commission for any number of reasons. It can be a water line break, fire or catastrophe, etc., that creates a need. Here are the services available for a member facility:

- up to 48-seat office space with computers;
- up to five Intel servers;

- power generation;
- phone and Internet connectivity (via satellite if necessary).

Also available:

- MyAgility – a free account on a secured, password-protected Web portal. With MyAgility, a member can store, view and update pertinent recovery-planning information. MyAgility's tools and resources offer the following capabilities:
- Send Alert Notifications via email and text to lists of employees, customers and vendors;
- Upload and store critical documents such as insurance policies, product warranties, data

- back-up procedures and more;
- Specify resource needs at time of recovery;
- Develop an internal communication strategy;
- Identify and store vital supply-chain contacts;
- Input, update and store fixed-asset inventory information.

Be on the lookout for additional details on how to access the MyAgility portal.

In the meantime, any questions on property claims event that requires this program, can be answered by Jim Morrison (615-371-6050) or by Crawford (615-371-0049).

# NEWS ACROSS TENNESSEE



## BY TML STAFF REPORTS

### BRENTWOOD

A retail power player plans to break ground on a new headquarters campus in Brentwood by the end of the year. One of the nation's fastest-growing retail chains, Tractor Supply plans to build an approximately 250,000-square-foot building at the corner of Virginia Way and Granny White Pike less than half a mile from the company's current headquarters, according to multiple sources. The project is estimated to cost \$50 million and represents a renewed commitment from one of Nashville's largest publicly traded companies.

### CHATTANOOGA

New government population estimates indicate a growing number of people are returning to the city, making Chattanooga one of the fastest-growing municipalities in the region. Chattanooga outpaced the state's other major cities in its growth rate since the 2010 census, according to new estimates by the U.S. Bureau of Census. The Census Bureau estimates Chattanooga added 2,158 residents last year, pushing the city's estimated population to a record high of more than 170,000.

### CHATTANOOGA/KNOXVILLE/MEMPHIS/NASHVILLE//

The four cities will each receive grants totaling \$170,000 over the next two years to assist in the continued operation and maintenance of permanent household hazardous waste facilities. The grants total \$680,000. State officials say the average Tennessee household produces 20 pounds of hazardous waste each year. Typical items include cleaning fluids, pesticides, fluorescent bulbs, mercury thermometers and thermostats, aerosols, lithium batteries and paint thinner. Because the products are considered flammable, toxic, reactive and/or corrosive, it should not be placed with regular garbage, officials say. The grants are funded through a solid waste management program funded by a 90-cent "tipping fee" on each ton of solid waste received by Class I landfills and a \$1.25 per tire pre-disposal fee on new tires.

### CHATTANOOGA

Bi-Lo expects to spend more than \$6 million this year in the area and add more than 100 new workers as it updates five area stores. Officials said they plan even more store renovations in the region in 2013. Company officials say Bi-Lo's blockbuster merger with the Winn-Dixie grocery chain that closed this spring has already helped the combined company streamline its buying operations.

### COLUMBIA

The Columbia Wastewater Treatment Plant received the Honored Institution Award from the National Weather Service in recognition of the facility's daily recording of weather observations for the past 50 years.

### DICKSON

The city will receive a nearly \$630,000 Transportation Enhance-

ment Grant to further revitalize its downtown. The grant will go toward Phase II of the city's downtown improvement project, which will continue on Main Street, from Railroad Street to East Walnut Street. Phase I, a \$1.5 million renovation was completed in November.

### DYERSBURG

A Mississippi River port in West Tennessee is scheduled for completion in December. The Port of Cates Landing is a slack water port that will handle barge traffic, improving bulk cargo handling for Northwest Tennessee. It is being built in Lake County. Port Authority Chairman Jimmy Williamson said the project is running on schedule and under budget. Construction of the port is being funded by a TIGER II grant, which is a joint state-federal funding mechanism.

### FRANKLIN

The Franklin Parks Department launched a Franklin Historic Parks audio cell phone tour. Visitors, residents, and students get a short history lesson simply by dialing a number on their phone. The tour is available to Spanish speaking visitors and is ADA compliant as those participating can call from their car, home or classroom.

### FRANKLIN

Recently, for the first time since 1963, the Harpeth River was flowing freely between its banks in Franklin. After years of planning, advocacy and nearly \$1 million in costs, demolition of the city's 6-foot-tall metal and stone weir, or lowhead dam, marks a milestone for local and state river advocates. The structure was the sole dam on the Harpeth and only the second on a main river in Tennessee to be removed, according to state records. Only 25 dams from 8 to 160 feet tall have come down in the past 40 years. Originally built to impound water for the city's use, the dam had become outdated. Franklin will employ a new method to pull water from the Harpeth, one that won't stop fish, wildlife and small boats from being able to traverse the river's entire 125-mile length. The Department of Environment and Conservation inspectors supported the dam's removal and money became available from federal, state and local sources. Eric Stuckey, Franklin's city administrator, says the restoration project should be complete by late fall.

### GATLINBURG

Phase VI of the Underground Utilities and Streetscape Project is substantially complete. The section of Parkway extending from the Gatlinburg Convention Center to the boundary of Great Smoky Mountains National Park now features aesthetic upgrades, including new streetlights, public sidewalks and furnishings, all without the clutter of utility lines and poles. The process began in mid-August of last year. At approximately 1,850 feet in length, Phase VI is the largest single Underground Phase to date. It included the construction of underground duct banks to house electrical, telephone and cable television lines on both sides of Parkway. Water and sewer improvements were also encompassed in the project. Including the

\$7.8 million that covers both design engineering and construction costs of Phase VI, the city and business community have invested approximately \$24 million in the Underground Utilities and Streetscape Project, dating to the late 1990s with the development of the original master plan and Riverwalk/Aquarium area.

### HENDERSONVILLE

Hendersonville-based MGM Industries is adding 75 jobs, part of a \$3 million expansion. MGM, which employs 218 people, manufactures vinyl windows and doors. The company will receive a \$30,000 state grant for job training. The additional jobs — in production, engineering and maintenance — will be added over three years. The company will also invest in technologies that offer custom colors created within the manufacturing umbrella of MGM Industries.

### JOHNSON CITY

The city will soon have a new claim to fame for being part of a brand name for PepsiCo's new product that is expected to make a trial run in local markets next month. According to *Beverage Digest* newsletter, Pepsi will be testing a new drink — "Mountain Dew Johnson City Gold" — from August through October. The test-run of the beverage will begin in August and it will be pushed hard in the Tennessee markets, as well as some from out of state. Johnson City Gold will be packaged and sold in 16-ounce cans, as well as in 1-liter and 24-ounce multipacks. Along with the Johnson City, the soda will also be distributed in the Midwest, Charlotte, N.C., and Denver. The new non-alcoholic malted soda was named for its gold tint and given the city name to symbolize the birthplace of the beverage.

### KNOXVILLE

The city is participating in the U.S. Department of Energy's Better Buildings Challenge. It is a national program calling on corporate chief executives, university presidents, state, local and school district leaders to reduce their portfolio-wide energy use by 20 percent by 2020 and showcase the solutions they use and the results they achieve. Knoxville's goal under the program is to improve energy efficiency in 2,063,961 square feet of its public buildings by 2020. Much of the necessary work to meet the goal is already underway as part of the city's contract with Ameresco, an energy-services company that has developed an energy-efficiency plan for the city's 99 public buildings and other facilities. According to the U.S. Department of Energy, commercial buildings and industrial plants in the U.S. account for 50 percent of the nation's primary energy use, cost about \$400 billion to operate, and produce 40 percent of the country's CO<sub>2</sub> emissions. By taking steps to become more energy-efficient, DOE estimates that many buildings can reduce energy use by 20 percent.

### KNOXVILLE

Less than a month after buying an Alabama corrugated box manufacturing company, RockTenn Co. announced it will close its Knoxville box-making plant. Eighty-eight workers will lose their jobs. RockTenn plans to end all production, sales and shipments at the Knoxville plant by the end of August. A company spokesperson said



Photo by: Dessislava Yankova

A new initiative that promotes healthier lifestyles through community walks has been launched by Portland Mayor Ken Wilber. The Strawberry Stroll features 20 community walks around the northern Sumner city. Residents gather at a designated place on Tuesdays and Thursdays for a 2.5-mile walk, and will ultimately walk 50 miles in two months. To help kick off the initiative, Nashville Mayor Karl Dean participated with the group July 17. Pictured: Mayors Wilber (L) and Dean walk alongside Janice Farrett and Richard Neal at Richland Park.

the closure is "an economic decision based on plant capacity."

### LAWRENCEBURG

TPR Federal-Mogul Tennessee, Inc. announced plans to locate a manufacturing plant in Lawrence County. The Lawrenceburg facility will serve the North American automobile manufacturing industry and create 72 jobs. The facility will produce cylinder liners for aluminum block engines and will house foundry, machining and warehousing functions and is projected to begin operations in May 2013. TPR America, Inc., the wholly owned subsidiary of TPR Co. LTD and controlling shareholder of the joint venture, is based in Schaumburg, Ill. and oversees North American operations. TPR manufactures a number of powertrain products for the automotive industry. Major parts include piston rings, cylinder liners, valve seats, and a number of aluminum, alloy, and resin products. Federal-Mogul Corporation designs, engineers, manufactures and distributes technologies to improve fuel economy, reduce emissions and enhance vehicle safety. The company serves as the world's foremost original equipment manufacturers of automotive, commercial, transport and industrial equipment, and the world-wide automotive aftermarket.

### MEMPHIS

Memphis has officially launched its largest war on gangs. Local and federal prosecutors and law enforcement officials say they are ready to attack the problem — linked to home and car break-ins, murders, shootings and armed robberies — with an unprecedented fervor through their Multi-Agency Gang Unit. "There will be more boots on the ground," Shelby County Dist. Atty. Gen. Amy Weirich said. The most violent gang members and leaders now can be prosecuted federally for being part of a criminal enterprise, a charge that can net them 15 years to life in prison, said U.S. Atty. Ed Stanton. Stanton said his office will work with prosecutors in the DA's office to determine whether to charge gang members in state or federal court. With a growing number of troubled teens participating in violent gang crimes, gang prosecutors will work with their counterparts in Juvenile Court to lobby for transfer to adult court.

### MT JULIET

A major project to widen Interstate

40 in Wilson County is underway. The \$56.5 million project will widen I-40 from four lanes to eight lanes. The improvements will include four 12-foot wide travel lanes, with one HOV lane in each direction, 10-foot wide paved outside shoulders and 12-foot wide paved inside shoulders. This project is the first large design-build project to be done in the Tennessee Department of Transportation's (TDOT) 26-county Region Three area. The project was not developed and funded in phases as the department traditionally has done. In a design-build project, one contractor is responsible for the final design work as well as the construction work. During a design-build project, some of the project's phases can occur concurrently, a concept that can reduce construction time.

### NASHVILLE

A change in Metro's zoning code by council members allows farmers to sell their goods to the public from roadside stands. The council unanimously approved legislation allowing farmers in agricultural zoning districts to make sales from temporary farm stands erected on their property. Such sales had been prohibited because they were considered a retail land use, which is allowed only in commercially zoned areas.

### NASHVILLE

Chem-Dry, a leading carpet cleaning franchise company, announced it has relocated its headquarters from Logan, Utah, to Nashville. Chem-Dry's parent company, Harris Research, Inc., recently moved into a 8,500-square-foot space in the Braid Building on 12th Avenue. The 30-person office houses the company's senior management, franchise development and marketing departments.

### NIOTA

The city received a \$156,800 transportation enhancement grant for the Depot Restoration Project. The Niota Depot, which was constructed in 1854, is the oldest standing train depot in the state and presently serves as the Niota City Hall. The project includes repairs to the depot's stone and brick foundation and restoration of the baggage room doors. The depot played critical roles in East Tennessee's railroad history, the Civil War, and late 19<sup>th</sup> and early 20<sup>th</sup> century textile industries.

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# Challenge-based report provides snapshot of Tennessee's future

BY VICTORIA SOUTH

TML Communications Coordinator

What lies behind the image of a successful Tennessee now serves as the springboard for a comprehensive new report by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR). "Charting a Course to Tennessee's Future," serves as a snapshot of the state's most pressing current and future challenges as determined by more than 40 of the state's past and present public officials, top leaders from the private sector, and members of academia, who contributed their opinions and concerns to the report's development.

Created in the 1970s as an intergovernmental body, TACIR is charged with studying and taking action on issues by examining questions of organizational patterns, powers, functions, and relationships among federal, state, and local governments. The agency encourages both communication and cooperation among all levels of government to foster positive solutions.

According to TACIR, while Tennessee is recognized worldwide for its numerous strengths and assets, it is also a place of stark contrasts, historically, geographically, and topographically, a contrast of mountains and farmland, prosperity and poverty. The state has climbed the pinnacle of economic and intellectual success with new industries such as Volkswagen, Wacker and Amazon and some of the nation's most brilliant minds can be found at Oak Ridge National Laboratories, yet Tennessee's students fall below the line in math and science. The report maintains that Tennessee is a state that could benefit from a long-term vision, one that reaches across county, city, state, racial, and political lines.

"Developing a common statewide vision could establish a foundation for both private and public sector leaders to work toward common goals and solve common problems," TACIR said. "It could help our governments deliver public services more efficiently and effectively, by setting priorities and targeting duplication."

Who should lead this effort? Gov. Haslam has taken initial steps to coordinate the efforts of state agencies through his Tennessee Forward initiative. "This gives other leaders something to build on," said TACIR. "All we lack is a vision to rally around. The Governor's Office and the legislature are places to start." The agency suggests the governor or the legislature could rally representatives from various leadership groups throughout the state to kick off the effort. "Other states have done it," TACIR explains. "The report explores why and how Tennessee should join them."

"Charting a Course to Tennessee's Future's," broadly categorized topics fall under the specifics of people, infrastructure, natural resources, and governance, and explore complex issues ranging from local government's fiscal challenges, to overall health and educational attainment, air quality and Tennessee's deteriorating roads, bridges, water pipes and sewer lines.

This brief overview of the report outlines some of TACIR's findings.

## Local governments as strange bedfellows

Financially struggling local governments will be forced to work together in the future just to provide basic services. That's what some officials responding to TACIR's poll said they believe, and already, in some communities, there's a change in the air. Neighboring municipalities along with cities and counties are striking up mutual agreements for everything from heavy equipment and water utilities to fire and emergency services.

Neighbor helping neighbor has taken on a whole new dimension in Franklin and Brentwood since the city's fire departments entered into an automatic aid agreement to respond simultaneously to structure fires in the Cool Springs area including southern Brentwood and northern Franklin. Under the new agreement, residents of both communities have the added security of having both fire departments on the scene each and every time at no cost to the taxpayers.

But cooperation doesn't come easy in every city. Some local officials cited examples where utility districts were clashing, either

with each other or with neighboring cities.

The report also forecasts a change in local business and leadership as the direct result of a global economy. Community staples such as the local bank president and town newspaper, for example, are rapidly disappearing, as local business folds into corporate conglomerates.

## Natural Resources

The signs are in the headlines—"Three Tennessee cities among the worst five in the nation for asthma," "Chattanooga reaches agreement with EPA," "Who's to pay for sewers and streets?"

Legitimate concerns about the state's environment and crumbling infrastructure will only intensify as Tennessee's population continues to grow adding more pollutants to water and air. Local governments will be making more long-range decisions concerning these issues when confronting future plans for land use, transportation and stormwater run off.

TACIR notes that policy makers will need to simultaneously consider the air quality as they make other decisions in the future. Air quality was definitely on the minds of local mayors serving on a transportation panel at the recent Power of Ten Summit hosted by regional planning visionaries Cumberland Region Tomorrow (CRT). "Health is a big issue in mass transit today," said Gallatin Mayor JoAnn Graves. "Asthma is on the increase. If we can take cars off the road and move people in a mass, large volume way, we can reduce the pollutants in the air and our quality of life goes up."

Former Tennessee transportation commissioner Gerald Nicely, in the report, says funding has become a serious issue and that building four-lane highways in some parts of Tennessee is simply unrealistic. Nicely said he believes the state needs to link land use planning and transportation and better utilize the waterways.

With more than 60,000 miles of rivers and streams and 570,000 acres in lakes and reservoirs, a shortage of water in Tennessee is often the furthest thought from people's minds. However, as of November 2010, the Department of Environment and Conservation had posted 62 streams, rivers, and reservoirs as public health threats and some areas are experiencing periodic water shortages due to drought.

The report notes the state is well positioned to begin statewide water resources planning. "With its water withdrawal registration program, its regulation of inter-basin transfers, and its strengths in water quality monitoring, Tennessee has some of the essential underpinnings for integrated, statewide water resources planning," Mary English of the University of Tennessee's Institute for Secure and Sustainable Environment writes.

The state's Water Resources Information Program collects information on the withdrawal and use of water within Tennessee. The information is used to identify water uses and resources that may require management at critical times, especially drought conditions. The purpose of the program is to protect the water resources of Tennessee from over-utilization. Under the authority of the Water Resources Information Act of 2002, TCA, Section 69-7-301, water withdrawals of 10,000 gallons or more on any day in Tennessee must be registered.

Environmentalists say they expect more stream restorations across the state like one just completed in Jackson. A small tributary of Cane Creek has been transformed from a channelized stream to an engineered, meandering stream as the inaugural project of the Tennessee Healthy Watershed Initiative. Several new approaches were used to manage stormwater, improve water quality and enhance wildlife habitat and viewing.

Before restoration, the site had a history of flooding after rainstorms. The initiative consists of the Tennessee Department of Environment and Conservation; the Nature Conservancy; the Tennessee Valley Authority; and the West Tennessee River Basin Authority.

The second Tennessee Healthy Watershed Initiative project is set to begin in Lebanon at the James E. Ward Agricultural Center in Wilson County. A \$134,000 grant was recently awarded to the county to create a unique



A comprehensive new report by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR). "Charting a Course to Tennessee's Future," serves as a snapshot of the state's most pressing current and future challenges from providing local services, to education, overall health, natural resources and infrastructure needs. The report includes recommendations toward positive solutions.

project at the fairgrounds that will include a constructed wetland, rain gardens, pervious pavement parking, arboretum, stormwater best management practices and more. The project also includes the city of Mt. Juliet.

## Infrastructure

Among the state's infrastructure issues, transportation, water and sewer, energy (electricity, petroleum, natural gas) some report participants suggest information technology is Tennessee's hope for the future. Meeting the technology and data needs of businesses and governments will continue to be a challenge, the report says. Expansion of broadband and Internet access will continue to be vital for economic development as well as for student success, TACIR says.

An *Associated Press* report notes that in the midst of fiscal challenges, cities throughout Middle Tennessee are looking to use more technology, but the cost is a barrier for many. In Brentwood, for example, water crews expect in the next few years, to be able to read every meter in the city with the push of a button to the tune of \$2.5 million.

TACIR's adds that some of Tennessee's local governments lack needed technology. According to Mike Ramage, former executive director of Connected Tennessee, "several cities lack websites, while many local officials still don't use e-mail." A public-private partnership, Connected Tennessee partners with technology-minded businesses, government entities and universities to accelerate technology across the state. Statistics provided by Connected Tennessee indicate that 82 percent of Tennessee's residents access the Internet either from home or another location, while 58 percent of all residents reported having broadband service at home, up from 43 percent in 2007.

## People Problems

As no surprise, education figures prominently in the report under the "Challenges of People" section. The Tennessee Department of Workforce and Development predicts an increase of 173,000 jobs in Tennessee through 2018 with the greatest increase in the industries of ambulatory healthcare services, educational services, and professional and technical services.

A national focus on the global marketplace, a decline in Tennessee's once heavy manufacturing base in rural communities, job outsourcing to other countries, and an increase in occupations requiring post secondary level degrees, are all components creating greater

demand for a highly skilled workforce for the future.

Although the *Nation's Report Card* indicates an improvement in student's math and science performance in the last two decades, in 2011, 36 percent of Tennessee's eighth graders scored below "basic" in math and 39 percent below "basic" in science. In addition, Tennessee's adult education programs are less developed than other states, according to a 2009 policy audit by the National Center for Higher Education Management Systems.

Tennessee's \$501 million prize in federal "Race to the Top" funds awarded in 2010, unleashed a firestorm of dramatic school reforms aimed at improving student achievement including: improving younger students' academic readiness, improving high school graduates' readiness for colleges and careers, and attaining higher rates of graduates enrolling and succeeding in post-secondary education. In the process, \$22.5 million was invested in programs and schools focusing on science, technology, engineering, and math — the STEM disciplines.

However, "just improving skills may not be adequate to compete in the global marketplace," according to TACIR, as countries such as China and India also produce more educated and highly skilled workers who are willing to work for lower wages and employers shift low-skilled, low-wage jobs to other countries or eliminate them altogether.

"Developing a statewide (education) policy will be daunting," TACIR cautions in the report, in part due to the very regional differences that makes Tennessee unique. "People tend to identify themselves as East, Middle, or West Tennesseans, rather than as Tennesseans," TACIR notes. "People from the state's opposite ends often appear to feel that they have little in common."

The report suggests that members of the General Assembly and organizations of local government officials, chambers of commerce and local leadership groups, regional visioning groups and neighborhood alliances, all have something to contribute.

In that spirit, the state saw the kick off of the nation's first bi-partisan STEM Education Caucus in January at the state capitol. As a non-voting block, the caucus will provide opportunities for all state legislators and staff to learn more about local and state models of excellence to improve STEM education that can be expanded and replicated.

The report surmises that although Tennessee abolished its earlier entities created in 1935 charged with preparing for the future, some of the state's local and regional agencies may provide ideas for the state as a whole. In addition to regional organizations, like CRT, several cities and counties have established local leadership groups, such as Memphis Fast Forward. The group reached the end of its five-year plan recently with improved statistics, including a 22.8 percent drop in violent crime, new anti-blight laws, and minority business receipts of \$576 million. A fifth initiative for improved health was also added.

"These groups bring together local leaders to encourage collaborative thinking and understanding about their communities," TACIR said. The report also suggests that other state's planning and visioning processes could serve as a model for Tennessee.

"Tennessee's governor plays an important role in initiating programs and determining funding priorities," TACIR said. "But the governor's influence is limited to one or two terms. Tennessee needs ways to work on long-term initiatives that transcend changes in administration and political battling."

To view the full TACIR report *Charting a Course to Tennessee's Future*, visit [http://www.tn.gov/tacir/PDF\\_FILES/Agenda/June12/Tab%207\\_Vision.pdf](http://www.tn.gov/tacir/PDF_FILES/Agenda/June12/Tab%207_Vision.pdf)

## Bringing a common vision to life

According to the report "Charting a Course to Tennessee's Future," the state would benefit from a common vision for the future to serve as a foundation to develop and work toward common goals and solve shared problems. The report's recommendations to help create that vision include:

- Collaboration—draw on the expertise of various groups and people and facilitate meaningful discussion of public problems.
- Engage leadership groups—build on the strength of existing regional and local leadership groups that are already focusing on the future of their local areas.
- Tap higher education institutions—partner with the state's colleges and universities, both public and private, to identify trends, assess problems and solutions, and strengthen students' improved understanding of governmental systems and responsibilities.
- Involve not-for-profit agencies—encour-

age Tennessee's not-for-profits to collaborate more, both among themselves and with government agencies, to achieve economies of scale and extend their reach.

- Exploit data—take better advantage of the vast array of data already collected and maintained by state agencies. Find out who had what and figure out how to use it to support efforts to create a better future. Develop a clearinghouse for commonly used data, expand the use of geographic information systems to analyze that data, transform data into knowledge, and make it widely available.
- Emphasize outcomes—consider ways to increase the emphasis on outcomes and performance. Also may want to consider incentives for state agencies and local governments to focus on long-term issues and solutions and improve cooperation among local govern-



ments.

- Create incentives—use grants as incentives to improve coordination among disparate interests focused on a shared vision for Tennessee's future. Think across existing "silos" to improve results and make more efficient use of resources.

## STATE BRIEFS

### BY TML STAFF REPORTS

#### TN transportation ranks among best in nation

For the third year in a row, Tennessee's transportation system ranks as one of the best in the nation, according to CNBC's 2012 study "America's Top States for Business." According to the report, Tennessee ranks fourth best in America in the category of "Transportation and Infrastructure," and is the only state topping the list that has no transportation debt. Many states across the nation carry transportation debt, and must allocate a large portion of their funds to interest payments. This is the sixth year the news network has performed the study.

#### State No. 1 for auto manufacturing

*Business Facilities*, a national economic development publication, issued its annual 2012 State Rankings Report and Tennessee has been named the No. 1 state in the nation for Automotive Manufacturing Strength for an unprecedented third consecutive year. Tennessee earned an additional seven Top 10 honors for economic growth potential, job growth, business and education climate, transportation infrastructure, data center hubs and Race to the Top. Among the reasons listed for the distinction are: VW ramping up production at its new plant in Chattanooga, Nissan rolling out the all-electric Leaf in Smyrna and General Motors giving a new mission to the former Saturn plant in Spring Hill. Last month, Magneti Marelli announced that the company will expand its Pulaski outfit, a \$53.7 million investment that will create 800 new jobs. The company is a top global automotive systems and components supplier, and a new automotive lighting operation will be housed inside the company's existing Pulaski facility.

#### State jobless rate climbing

Tennessee's unemployment rate climbed back above 8 percent in June, hinting at a possible stall in job growth and economic recovery. An estimated 8.1 percent of the state's workforce was jobless last month, up from 7.9 percent in May, the Tennessee Department of Labor and Workforce Development said. June was the second consecutive month that the state's rate had risen, and the rate was at its highest level since January. It was below last month's national rate of 8.2 percent, though. The state lost 12,100 jobs from May to June, excluding those in agriculture. Compared with a year ago, however, almost 32,000 more Tennesseans are at work. The jobs data were released amid other spotty signals throwing cold water on readings about future U.S. economic activity. The conference board said that its index of leading economic indicators declined 0.3 percent in June after a 0.4 percent increase in May. Many consider it the latest signal that the nation's economic recovery is sputtering.

#### DUI blood samples exempt from DNA database

The blood samples collected from suspected drunk drivers under a new "No Refusal" law are not added to a national DNA database used by prosecutors, according to Tennessee state public safety officials. "Blood samples obtained by a search warrant from a suspected DUI offender are tested for blood alcohol content only," Department of Safety Spokeswoman Jennifer Donnals said. The state this summer began enforcing a new law that allows police to seek a warrant to compel people accused of driving under the influence to involuntarily give up a blood sample if they refuse a Breathalyzer or blood test. State officials say the blood collected will not be used to bolster the national Combined DNA Index System, a database to which Tennessee adds tens of thousands of DNA profiles each year in an attempt to help prosecutors levy charges against crime suspects. Officials can only collect and keep DNA information from convicted felons and people accused of committing or being a party to a "violent felony," such as aggravated assault and carjacking. This year, lawmakers added that people charged with five additional crimes would also have to give up DNA samples, including various homicide and manslaughter charges.

#### TRA pilot for deaf-blind citizens

The Tennessee Regulatory Author-



Tennessee Department of Environment and Conservation Commissioner Bob Martineau and Deputy Commissioner Brock Hill announced the premiere of Tennessee State Parks' new traveling anniversary exhibit that will take state parks' unique history on the road. The traveling exhibit will tour state parks and various communities in honor of Tennessee State Parks' 75th Anniversary. Enclosed in a colorful trailer emblazoned with Tennessee State Park images and logos, the exhibit interprets the origins and heritage of the park system. The exhibit itinerary is at [www.tnstateparks.com](http://www.tnstateparks.com).

ity will participate in a national pilot program distributing communication devices to low income deaf-blind citizens. The agency has been awarded an annual grant of \$189,000 from the Federal Communications Commission to implement the project. TRA chairman Kenneth Hill said the program enhances a similar one already under way in the state. The TRA sets rates and service standards for privately owned utilities in Tennessee.

#### Three appointed to Fair Board

Gov. Haslam has appointed three people to the new State Fair and Exhibition Board, putting flesh on the bones on the body that will oversee the Tennessee State Fair three years after Metro government decided to stop running the annual event. The governor's appointees are Williamson County Mayor Rogers Anderson, Dr. Tim Cross of Knoxville and Nashville public relations executive Bo Roberts. The General Assembly approved legislation this year authorizing the state agriculture commissioner to create a new state commission to oversee the fair, which has been at Metro's 117-acre fairgrounds since 1906. The city continues to own the fairgrounds along with the legal rights to the fair's name.

#### ECD website spotlights state spending

The Department of Economic and Community Development now has a website to show where CEDC grant money is being spent. The website lists details for three state economic development programs, FastTrack, Community Development Block Grants, and TNInvestco, along with a question and answer section that explains how the department allocates grants and other state investment dollars. To view the information, visit the website <http://www.openecd.tn.gov/>

#### Drought disaster for corn crops

Record-setting temperatures and widespread drought are spelling disaster for the 2012 corn crop in Tennessee, and officials say there's little chance of enough rain the rest of the summer to even raise hopes for a rebound. Despite recent rains, Tennessee agriculture officials say farmers will lose about half of their corn yield this season — a crop typically valued at \$280 million to \$300 million a year. The loss will have an effect felt all the way to grocery store cash registers. "It's going to be a pretty significant loss for Tennessee farmers," state Department of Agriculture Director of Public Affairs Tom Womack said.

#### State parks eateries post calorie counts

Tennessee State Parks' eight restaurants now prominently post calorie content information, allowing visitors and staff members to make in-

formed decisions about their food choices. This partnership initiative of the Tennessee Department of Health and the Department of Environment and Conservation complements ongoing efforts to encourage personal fitness among Tennessee residents and visitors. The caloric information is posted on cards affixed to restaurant buffet tables. Each card features an image of the newly slim Tennessee State Parks mascot, Ramble the Raccoon, along with information about the food item and how many calories are contained in a portion.

#### THP targets unsafe trucks

The Tennessee Highway Patrol is using new technology to remove unsafe large trucks — including those with failing brakes or under- or over-inflated tires — from state highways. The THP demonstrated a new mobile command and inspection center at the Jenkins Road location of U.S. Xpress trucking service. The vehicle, about the size of a small bus, contains equipment that can perform roadside truck inspections, including a scale, an infrared scanner and readers for license plates and state Department of Transportation numbers, which give prior inspection data. There were 8,893 large truck crashes in 2008, the latest year in which total crash data is available. So far in 2012, there have been 52 large truck crashes which resulted in fatalities. The highway patrol received a grant of \$1.4 million from the Federal Motor Carrier Safety Administration to purchase the vehicle. Each highway patrol district has the opportunity to use the inspection vehicle — the only one in the state — by signing up for it for at least a week at a time.

#### Improved child health rankings

Last year, Tennessee ranked No. 39 in the Annie E. Casey KIDS COUNT National Data Book. This year, it's No. 36 — higher than most other Southern states. This year's rankings center around four main categories: Economic Well-Being, Education, Health and Family and Community. Tennessee scored highest in the Health category, ranking No. 16 among all state, and showed improvement in each of the four indicators. The number of children without health insurance also decreased by 29 percent, to a number lower than the national average.

#### TN loses 23 bank branches in 2011

As banks across the country scrutinize their ledger sheets to improve efficiencies, brick-and-mortar branches continue to get shuttered, an analysis from SNL Financial shows. Since the beginning of third quarter 2011, Tennessee has seen a net loss of 23 physical bank branches. In fourth quarter 2011 alone, 16 bank branches closed — compared to the 14 that opened from Q3 2011 through Q2 2012.

## Haslam announces TDOT grants for four communities

Four Tennessee communities, Linden, Lobelville, Milan, and Parker's Crossroads, received grants made possible through a federally-funded program administered by the Tennessee Department of Transportation (TDOT). A variety of activities such as the restoration of historic facilities, bike and pedestrian trails, landscaping and other non-traditional transportation projects are eligible for grant funds under the federal program.

- Linden was awarded \$446,419 to replace existing storm drainage, curbing and sidewalks along a portion of Main Street. Phase III of the Downtown Improvement Project will connect and extend west along Main Street (Highway 100/SR 412) as a continuation of the Phase II project, which is nearing the construction phase. The project will replace existing storm drainage, curbing and sidewalks along a three-block section of Main Street. The sidewalks will feature decorative brick banding to accent the existing brick building fronts. The project also includes new landscaping and pedestrian lighting. A variety of activities such as the restoration of historic facilities, bike and pedestrian trails, landscaping and other non-traditional transportation projects are eligible for grant funds under the federal program.
- Lobelville received \$592,017 to improve the pedestrian experience

in its town center. The Downtown Improvement Project in Lobelville focuses on Main Street and within the core of downtown by replacing current curb and sidewalks and adding new sidewalks. Shade trees and decorative lighting will also be added between Fourth and Fifth Streets, connecting the City Hall with the city fire station.

- Milan received \$793,534 for the second phase of a downtown revitalization project. Located on Main Street from Southwest Front Street to Church Street, the project includes resurfacing a section of Main Street and adding new sidewalks, crosswalks, and curb and gutter. The project will provide increased and safer mobility and an economic boost to area businesses. And will also feature decorative benches, trash receptacles, bicycle racks and raised stone planters. Shade and flowering trees and pedestrian lighting will be installed.

- Parker's Crossroads received \$330,831 to complete the city's Battle of Trail Project. The grant funds Phase II of the project, which will tie the existing trail on the southern end by constructing a trail loop in the northeast corner of the trail system, and construction of a new trail north of Interstate 40. The nine-foot-wide asphalt trail will feature signage, photos and markers to highlight historically significant areas and new benches.

## Report says state, local budget problems will linger

### BUDGET from Page 1

surprising to those who closely follow state and local governments, but they fill an information gap for the general public created by crafty political maneuvering, fewer reporters in statehouses and increased attention on the federal deficit.

"There is an appalling lack of understanding," of states' inability to address their budget issues, Ravitch told reporters.

Aging populations and struggles to implement efficiency programs are pushing up Medicaid costs, which will likely keep rising. Pension funds for state and local workers are underfunded by as much as \$3 trillion across the country, while unfunded health care benefits for state workers total more than \$1 trillion. As state governments try to balance their budgets, those liabilities — especially those assigned to Medicaid — are diverting resources from basic services, such as education and public safety, the report said.

Some states are trying to address the problems, but that's proved difficult, according to the task force. California proposed \$2 billion in Medicaid savings in its 2012 budget, but federal regulators rejected many of those items. One approved measure, projected to reduce physician payments by 10 percent, has been delayed by litigation.

The Illinois Legislature this year passed a \$2.3 billion plan intended to ease the burden of the state's \$1.9 billion in unpaid Medicaid bills, but much of it still awaits federal approval. Such approval issues have also plagued New Jersey and New York, although New York has managed to save nearly \$1 billion in 2012, according to the report.

At the same time, state tax collections have withered and grown more volatile. That's largely because state policy makers haven't addressed a shift to a service-based economy from one more dependant upon taxed goods. Political pressure has largely forced states to retain traditional tax structures, resulting in lower collections, task force members said.

Meanwhile, as Congress considers where to slash spending to address its rising deficit, the result could mean even less revenue for states, which rely on federal grants for about a third of their revenue. A 10 percent reduction in federal grants, for instance, would mean a loss of \$60 billion for states. "We are not thinking about the impact on state and local governments," said Alice Rivlin, former budget chief for President Bill Clinton.

Although the task force had few concrete solutions, it recommended more transparency and long-term planning, including building up rainy day funds and ending the long-practiced gimmick of balancing current budgets with anticipated future revenue. The group also recommends states borrow only to finance long-term capital projects — not to pay off debt.

Right now, state policymakers "don't look past the budget cycle" and simply pass on burdens to future administrations, said Donald Boyd, executive director of the task force. "What I learned in Albany, is that things aren't always as they appear to be," said Ravitch. "It's not to say that the apocalypse is around the corner, but it's going to be a heck of a lot more expensive to deal with these problems in five years, compared to today."

## TML Risk Pool Board to meet

Notice is hereby given that the Board of Directors of the TML Risk Management Pool will meet in regular session on Friday, September 7, 2012 at 10:00 a.m. local time in the Board Room at The Pool, 5100 Maryland Way, Brentwood, Tennessee for the purpose of considering and transacting all business which may properly come before the Board. Additional information concerning the meeting may be obtained by calling The Pool's office at 800-624-9698.

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## PEOPLE



**Mark Emkes**, Tennessee commissioner of finance and administration, has been named to the Nashville Business Hall of Fame. The former chairman, president and CEO of Bridgestone Americas will receive the award Oct. 9 at Loew's Vanderbilt Hotel at an event hosted by Junior Achievement of Middle Tennessee. The committee chose Emkes for his dedication to strong business practices and leadership within state government.



Emkes

**Mark Cate**, special assistant to Gov. Haslam, has been promoted to chief of staff. Cate joined the governor's staff after leadership roles in the gubernatorial campaign and transition team. Prior to joining Haslam's gubernatorial campaign, Cate worked for Knoxville real estate development firm Lawler-Wood as a vice president and previously served for 16 years in executive management for Maryville College. **Claude Ramsey**, who until Cate's promotion, had the dual title of deputy governor and chief of staff, remains deputy governor.



Cate

The newly reconfigured Tennessee Regulatory Authority (TRA) has its first full-time executive director and two new part-time directors. Business executive **Earl Taylor** is the new executive director and utility industry veteran **James Allison** is a director. Taylor practiced law in Johnson City for ten years and has an executive background as part owner of the CBS affiliate in Knoxville and as a business developer in Knoxville, the Tri-Cities area, Florida and Texas. Allison has utilities experience in Georgia, Kentucky, Tennessee and West Virginia, and is also regarded as one of the top instant replay officials in college football after having been an on-field official in the Southeastern Conference for more than 12 years. **Herbert Hilliard**, executive vice president and chief government relations officer of First Horizon National Corporation, is also a TRA director. Hilliard has spent 42 years at First Horizon and is currently the board chair for the National Civil Rights Museum, a board member of Blue Cross/Blue Shield of Tennessee and a commissioner for the Memphis/Shelby County Airport Authority.

La Vergne Police Officer **Steve Crofts** was chosen as "Officer of the Year" by the Rutherford County Crime Stoppers organization for outstanding service. Crofts received the award for his response to a 2011 911 call regarding a violation of an Order of Protection. Crofts restrained a male, who had stabbed a woman to death and was trying to break in a door to reach another.

After 13 years with the department, city planner **Jennifer Amacher** has been promoted to Tullahoma's planning and codes director. Amacher has been employed by the city since 1999 and has served as planner since 2008. The Planning and Codes director's position has been vacant since Dwayne Hicks left the post on Jan. 7, 2011, after accepting a position in Mt. Juliet.



Amacher

**Tina Treece**, former Spring City city recorder and interim city manager, is the new Oliver Springs city manager. She fills the vacancy left when longtime City Manager David Bolling resigned in February to accept a similar post in Maine.

The city of Greeneville recently hosted Denver Broncos quarterback **Payton Manning** during the production of a commercial featuring Buick automobiles. The national level advertisement premiered July 11 during the showing of the ESPY awards on the ESPN cable network. Several city departments worked with the 76 member crew to ensure a successful shoot.



Manning

Former state Sen. **Jamie Woodson** of Knoxville, has been appointed to the Tennessee Fish and Wildlife Commission for a six-year term representing the 5th Congressional District in Middle Tennessee. Woodson is now president and CEO of State Collaborative on Reforming Education, or SCORE.

**David Mays**, longtime finance director and city manager for East Ridge, has died at the age of 68. He had been honored by the city upon his retirement with the naming of the David Mays Parkway at city hall.

Sevierville Alderman **Claude Oliver Ownby Jr.**, 77, died after a long battle with a brain tumor. Ownby was elected to the Board of Mayor and Aldermen in 1993.

## Haslam testifies in support of online sales tax reform

**INTERNET** from Page 1 system. Initially, 34 states, including Tennessee, signed and expressed interest in conforming their state's laws to the requirements stipulated in the Streamlined Sales and Use Tax Agreement.

Since then, 44 states and the District of Columbia have worked with the business community and local governments to adopt the Streamlined Sales and Use Tax Agreement, in order to simplify their sales tax rules and administrative requirements.

However, opponents of the legislation still say it will overly burden Internet retailers because they would be forced to collect sales taxes for

## Clean City Coalition partners Athens, Kingsport make headlines with green initiatives

BY KATELYN ROUTH  
and EMILY WISE  
UT Interns

### Kingsport wins TDEC grant

The city of Kingsport, a Clean Cities Coalition partner, is among the 17 recipients of the Tennessee Department of Environment and Conservation (TDEC), Clean Tennessee Energy Grants. In all, \$2.3 million dollars were awarded between the recipients to fund projects that reduce air emissions, improve energy efficiency, and create cost savings.

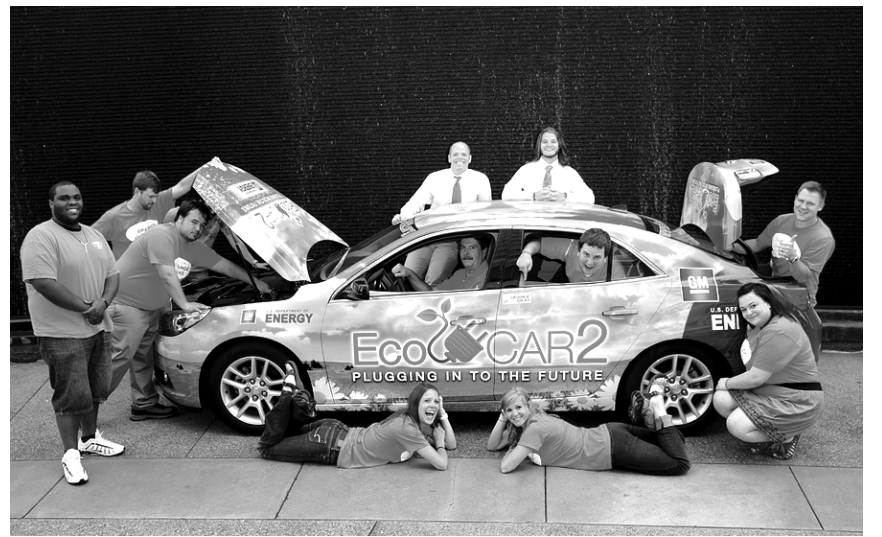
Kingsport's grant award was \$50,000, which will fund the purchase of two Nissan Leaf Electric Vehicles (EV), the installation of two EV charging stations, and the promotion of an EV/alternative fuels public education campaign.

The EV's will replace two gasoline powered vehicles in the city fleet, reducing energy use by 74 percent and CO2 levels by 39 percent. The addition of the two EV's to the city fleet is estimated to save more than 1,315 gallons of gasoline in five years, saving tax dollars and decreasing dependency on foreign oil. The city will also distribute 3,000 brochures focusing on EVs and alternative fuels options, and wrap the cars to further promote the usage of EVs in Kingsport.

Kingsport has been proactive in promoting and utilizing alternative vehicle options by incorporating the recent grant into Kingsport's Going Green campaign. The city recently completed a parking garage downtown featuring six public EV charging stations, and additionally, the city police force now has 15 propane fueled vehicles.

### Athens moves on Corridor CNG

Thanks to foresight and a key partnership, Athens is moving forward on building a public compressed natural gas (CNG) station along I-75. Athens Utilities Board (AUB) and PBG Energy, Inc. out of Knoxville were exploring the options and costs for such an idea and decided it was the right move in late 2011. In February 2012, the AUB board approved a budget for building the station, and the site is already selected: at Roberts Brothers Motors, Inc. at the end of Holiday Drive. The station will sit at the front of the Roberts Brothers facility and be 24/7 accessible with credit cards. The



The University of Tennessee's Year 1 EcoCAR team, Team Tennessee, in LA at competition. EcoCAR 2 is a program which involves the development of a hybrid electric vehicle throughout a three year time frame.

facility will also be able to refuel up to class-8 tractor trailers, with a capacity for almost any vehicle to refuel with CNG. It will also expand corridor access to CNG for any fleet wishing to travel I-75 through Tennessee.

AUB's General Manager Eric Newberry says, "We are excited to be building this for Athens and for the growing CNG movement in the U.S. and Tennessee. This is a cleaner, cheaper, American fuel, and for many reasons we need to make the switch." Philip Spurlin of PBG notes, "We are thrilled to be building and managing the site, but another great option that will be available is that Robert Brothers will be installing dual-fuel CNG systems for heavy-duty vehicles and be able to service those and other CNG vehicles."

Breaking ground will start in the next two months and if equipment is received in a reasonable time frame, the station is expected to open in early 2013. For more information contact Philip Spurlin at 865-405-0963.

### UT's EcoCAR 2 Team prepares for Year 2

The University of Tennessee's EcoCAR 2 team, one of 15 universities across North America that compete in the three year competition EcoCAR 2, is preparing to enter the second year of the competition. EcoCAR 2 is a program which involves the development of a hybrid electric vehicle throughout a three

year time frame. The competition is sponsored by the United States Department of Energy, General Motors, and several other engineering firms. The chief goals of the competition are designed to reduce petroleum and fuel consumption without sacrificing the vehicle's capabilities with performance and safety.

During the first year, Team Tennessee worked on designs for the vehicle. Mitchel Routh, graduate team leader, said "Year one is of immense importance. It focuses on the initial design of the vehicle in every aspect. Not only is our team forming a plan for fitting all of the additional components of a hybrid under the hood, we're also developing the computer system to coordinate the interactions of all these components that will never be witnessed by the user."

In May 2012, UT placed sixth overall in the final competition of the first year in Los Angeles, and the mechanical team won second place for designs. The second year is designated to the building and development of the vehicle designed in year one. To this end, Team Tennessee recently received their 2013 Chevy Malibu donated to the competition by General Motors to modify.

Team Tennessee will begin modifications to the car in the fall semester with the aim to have a functionally moving state of their chosen hybrid design by the early spring. The car will be both battery operated while also maintaining range with the alternative fuel E85.

nearly 10,000 tax jurisdictions in 46 states.

Haslam addressed those concerns saying, "Twenty years ago the Supreme Court said that states couldn't require out-of-state catalogs or online businesses to collect sales tax because it was too complicated for them to calculate the sales tax in each state, much less in local communities. But in the past two decades, technology has advanced more than almost anyone could have believed, and it is not only possible, but it is easy, for these businesses to collect the taxes owed just like local businesses with cash registers do. Current software covers over 12,000 state and local tax rates, and there are

at least eight companies already competing to provide software that is affordable to even the smallest businesses."

Haslam also addressed the fairness issue and leveling the playing field. Online companies currently enjoy a significant price advantage over bricks and mortar retailers who do have to collect state and local sales taxes.

"This is a conversation about fairness. Fairness to states in allowing them to manage their own budgets, and fairness to local businesses that are part of the fabric of this country, are vital to our economy and our entrepreneurial identity."

"TML has long supported this

effort. The 345 cities in Tennessee rely on sales tax dollars to support schools, pave streets, keep property taxes low, provide fire and police protection, provide sanitation services, and provide parks and recreation activities for our citizens. As the usage of the internet increases, we continue to see our local sales tax revenues decline," said Ken Wilber, TML president and Portland mayor.

"On behalf of the TML Board of Directors, we sincerely appreciate the leadership role Gov. Haslam has taken in promoting the Marketplace Equity Act of 2011. We look forward to working with the Governor and his administration on this important initiative," said Mayor Wilber.



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# GASB standards for fund balance reporting defines revenue types

BY KAY STEGALL  
MTAS Finance Consultant

The Government Accounting Standards Board issued Statement 54: Fund Balance Reporting and Governmental Fund Type Definitions. The implementation date for this standard is for periods beginning after June 15, 2010.

The statement has raised several issues related to the way cities now define governmental funds, mainly special revenue funds, and the classification of fund balance in financial reports. Fund balance is only used in the governmental fund types:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds
- Permanent Funds

Proprietary funds and internal service funds use the term "net assets" to describe the equity in the funds. That terminology changed with the implementation of GASB 34. Consequently, the changes resulting from GASB 54 do not affect fund types other than governmental fund types listed above.

## FUND BALANCE REPORTING

Governmental accounting standards now require the reporting of five classifications of fund balance.

### Non-spendable

This classification of fund balance includes amounts that, due to their nature, cannot be spent, i.e. inventory. Amounts that legally or contractually cannot be spent also are required to be classified as non-spendable. An example might include the corpus or principal in a permanent fund that is legally required to remain intact.

### Restricted

Amounts required to be classified as restricted result from restrictions placed on their use by:

- External enforceable legal restrictions that are imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- Imposed by law through constitutional provisions or enabling legislation.

Examples of restricted fund balance amounts include unspent grant funds, debt covenants and gasoline tax revenue for street purposes.

### Committed

Amounts defined as committed arise from self-imposed constraints put on the use of the funds by the government's highest level of au-

thority, which is the full governing body. The commitment must be made by the highest formal action (ordinance) and the action must be taken before the end of the fiscal year. An example might include the passing of an ordinance to commit \$20,000 for upgrading the city's computer system.

### Assigned

Amounts defined as assigned arise from intentions of the government to use the funds for a specific purpose. This action may be taken by the highest level of authority or a designated body (committee) or an individual (city manager or mayor). Assignment of fund balance is a less formal action than required for committed funds and the action may be taken after the end of the fiscal year.

### Unassigned

The amounts in the unassigned fund balance classification represent those funds that are left for spending after funds earmarked for specified purposes have been otherwise classified. The General Fund is the only fund that will record a positive unassigned fund balance. The nature of other fund types automatically makes those resources restricted, committed or assigned. The only situation where other types of funds would report amounts in the unassigned fund balance category is if the balance is negative. This might occur if the fund spends more resources than it has available in restricted, committed or assigned fund balance.

Note: the term "unrestricted fund balance" used in publications refers collectively to the three categories of committed, assigned and unassigned.

## FUND BALANCE POLICY

The statement requires that governments report certain policies and procedures in the footnotes to the audited financial statements. Does this mean cities have to adopt a formal fund balance policy? No, but adopting a fund balance policy is a good idea and is viewed favorably by credit rating agencies such as Fitch Ratings. Regardless of whether governments adopt a formal fund balance policy the following information must be included in the June 30, 2011 audited financial statements:

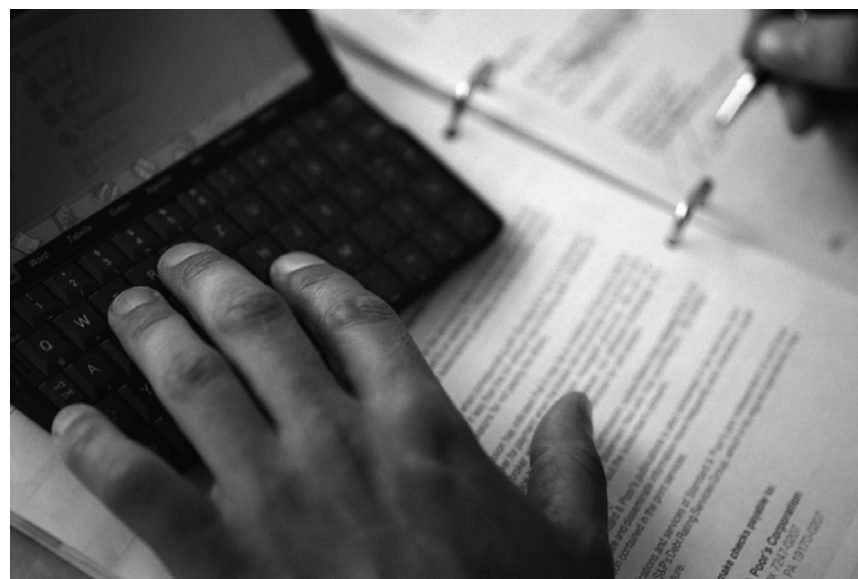
1. For committed fund balance:
  - a. What is the government's highest level of decision-making authority, i.e. full board?
  - b. What is the formal action required to be taken to commit resources, i.e. an ordinance.
2. For assigned fund balance:

- a. The body (committee) or individual (mayor, city manager or finance director) authorized to assign resources for a specific purpose.
  - b. The policy established by the governing body that gives that authorization. (See sample policies attached in exhibits A and B).
3. What order will fund balances be utilized?
    - a. The government must state whether restricted or unrestricted resources will be used when expenditures are incurred where either may be used.
    - b. Disclosure must also be made regarding whether committed, assigned and unassigned fund balances are considered to be used when the expenditure incurred is for the specified purpose of those classifications.
  4. The purpose of each special revenue fund, identifying each specific revenue stream that is committed or restricted.
  5. Detail of the nature of the non-spendable, restricted, committed or assigned fund balance amounts if not presented on the face of the balance sheet.

When developing a fund balance policy certain elements should be considered. The policy should include the above required disclosures as detailed in items 1-3, the minimum unrestricted fund balance requirement for the general fund and the policy for use and replenishment of stabilization (rainy day) fund resources if the government has one. The Government Finance Officers Association recommends that governments keep at least two months of operating revenues or expenditures in the general fund balance. Maintaining a comfortable cushion is crucial to good financial management because it helps governments compensate for unexpected events.

## Defining Governmental Funds

The definitions of special revenue, capital projects and debt services funds were changed or clarified in the new accounting standard. A special revenue fund can only be used if a significant amount of revenue supporting the activities is restricted or committed for that specific purpose (other than debt service or capital projects). Restrictions must be imposed by an external source such as the state or federal government. A common example is the state street aid fund, which is supported by revenues restricted by state law to be spent on specific street-related expenditures. The restricted source of revenue has to be



considered a substantial source of revenue for the fund. A committed revenue source would be one that the full governing board has passed a resolution committing that stream of revenue for a specific purpose and that constitutes a substantial funding source of the fund.

Capital projects funds may include expenditures for general capital purchases. In the past capital projects funds have been used primarily for major construction projects. Only general fund capital projects should be accounted for in capital project funds, any capital projects done by utilities (proprietary funds) should be accounted for in their respective funds.

Debt service funds are to be used when legally required or when resources are being accumulated to pay for principal and interest on long-term debt. This is simply a clarification from previous standards.

## PRACTICAL SUGGESTIONS Fund Types

Some special revenue funds currently established by governments may not meet the definition of a special revenue fund under GASB 54. Tennessee law currently requires that solid waste operations be accounted for in either a special revenue fund or operating landfill or incinerator in a proprietary fund. Fees charged for solid waste services are not considered restricted and are not committed unless the governing body adopts a resolution committing its use for only solid waste purposes. Any existing special revenue fund that does not meet the new definition must be combined into the general fund at the end of the fiscal year for reporting purposes. In other words, governments should continue to account for solid waste operations in a separate fund during the year. The Comptroller of The Treasury, Division of Municipal Audit has issued the following guidance:

"The activities being accounted for in a proprietary fund are not impacted. However, activities being accounted for in special revenue funds will be affected. Solid waste activities will not meet the criteria for being reported in a special revenue fund. To bridge the gap, the accounting records will still account for solid waste activities as they have in the past. However, for financial reporting purposes, the activities will be rolled into the general fund. A supplemental schedule should be created to reflect the activities to demonstrate compliance with T.C.A."

The complete directive from Municipal can be found in the Internal Control and Compliance Manual for Tennessee Municipalities, [www.comptroller1.state.tn.us/ma/citymanual.asp](http://www.comptroller1.state.tn.us/ma/citymanual.asp).

## Classifying Fund Balances

Classifying fund balances for implementation of the new standard will require governments to assess decisions made throughout the year regarding how resources are intended to be spent. Some of the steps necessary to properly classify fund balances include:

- Determine if the government has non-spendable assets such as inventory, pre-paid expenditures or long-term receivables (due from other funds) that should be classified.
- Locate any resolution or ordinance that earmarks a specific revenue stream or available resources for a specified purpose.
- Identify any restrictions placed on resources by external parties such as debt covenants and state or federal law.
- Document if authority has been given to a committee or individual to assign resources and create a list of assignments made by those parties.

## Internal Accounting & Reporting

T.C.A. § 9-2-405, known as the Local Government Modernization Act of 2005, requires that local government accounting and reporting comply with generally accepted accounting principles. Penalties may be assessed at the discretion of the comptroller's office for noncompliance with the act. What this means for governments is they must follow accounting standards established by the Governmental Accounting Standards Board (GASB). In order to record the new fund balances in the internal accounting system new account numbers must be established. Depending on the type of software used in each government this may have to be done with assistance from software vendors. MTAS recommends that governments consult with their software vendors and independent auditors prior to making any adjustments to fund balance in the accounting system. The best solution for the time being is to create a separate spreadsheet or file to reclassify fund balances and maintain supporting documentation for your classification decisions for the independent auditors.

Contact an MTAS finance consultant, if you have specific questions regarding the new fund balance requirements.

## GASB releases new analyst guide to government financial statements

Analysts seeking to better understand and navigate state and local governmental financial statements now have a new and updated resource to help them. The Governmental Accounting Standards Board (GASB) has published *An Analyst's Guide to Governmental Financial Statements*, 2nd edition, a comprehensive, easy-to-understand primer for organizations that need financial information about state and local government financial reports.

The guide is the third in a series of expanded, fully revised and updated resources published this year by the GASB, the independent, not-for-profit organization that sets accounting standards for almost 90,000 local and state governments across the U.S.

The new version combines the first edition with *What Else You Should Know about Your Government's Finances: A Guide to Notes to the Financial Statements and Supporting Information*.

The expanded edition includes 125 annotated examples of finan-

cial statements, note disclosures, and supporting schedules, including full sets of financial statements for a state government, municipality, school district, and public university. It also includes an example of complete management discussion and analysis.

The guide has been updated to cover major new reporting requirements issued by the GASB since the publication of the original guide in 2001. The new topics covered include retiree health insurance, fund balance, derivative instruments, deposit and investment risk disclosures, and also includes a new statistical section.

The new guide includes a chapter on the basic tools of analyzing the finances of state and local governments, but with additional attention to risk, efficiency, retirement benefits, service capacity, and revenue debt analysis. More information about the GASB can be found at its website, [www.gasb.org](http://www.gasb.org). To order the new guide, visit [at https://www.gasb.org/store](https://www.gasb.org/store)

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# NLC to attend national political conventions

 BY CAROLYN COLEMAN  
*Nation's Cities Weekly*

With less than 100 days remaining until the 2012 presidential election, planning is underway for the Republican and Democratic National Conventions, where delegates of both parties will officially nominate their candidates for President and Vice President. Recognizing the importance of connecting with key leadership in both political parties, NLC will once again send delegations to the conventions, each led by NLC President Ted Ellis, mayor, Bluffton, Ind.

The 2012 Republican National Convention will be held at the Tampa Bay Times Forum in Florida

from Aug. 27 to 30. According to the Republican National Committee, the convention will bring roughly 50,000 delegates, media, and other guests to the Tampa Bay area and generate more than \$175 million in economic gains for the region.

The Democratic National Convention will be held the week of Sept. 3 in Charlotte, N.C.. According to the Democratic National Committee, more than 35,000 media, delegates and special guests are expected during the convention. It is expected that this event will generate more than \$150 million for Charlotte and surrounding metropolitan areas.

"With the focus of the federal

political process shifting away from the Capitol and onto the campaign trail, it is essential that NLC and city leaders take their voices on the road too. That's why we'll be in Tampa and Charlotte," said Mayor Ellis.

City officials that are planning to be in Tampa or Charlotte and who would like to receive convention communications from NLC are encouraged to contact NLC soon to be added to NLC's distribution list.

Contact Stacey Levitt, Senior Outreach Associate at [levitt@nlc.org](mailto:levitt@nlc.org) to begin receiving updates from NLC.

Continue to follow [www.nlc.org](http://www.nlc.org) to learn more about the candidates' positions on issues affecting cities and towns as the election draws near.

## NATIONAL BRIEFS

**According to U.S. News & World Report, growing numbers of older Americans are spending their retirement years in poverty.** According to a recent Employee Benefit Research Study (EBRI), the proportion of older people living below the poverty line has been growing steadily since 2005, and many of those people are falling into poverty as they age and spend down their savings. Poverty rates for people ages 65 to 74 climbed from 7.9 percent in 2005 to 9.4 percent in 2009, EBRI analysis of University of Michigan health and retirement study data reveals. For older retirees ages 75 to 84, there was an even steeper increase, from 7.6 percent to 10.7 percent over the same time period. But it's the oldest retirees who are the most likely to live in poverty: 14.6 percent did so in 2009. In 2009, 6 percent of those age 85 older were new entrants in poverty, up from 4.6 percent in 2005. And while 3.3 percent of people ages 75 to 84 fell newly into poverty in 2005, that number increased to 5.6 percent by 2009. One of the biggest drivers are failing health and the associated medical costs. Most retirees living below the poverty line (70 percent)

have suffered acute health conditions such as cancer, lung disease, heart problems or stroke, compared with 48 percent for those above the poverty line. And almost all senior citizens living in poverty (96 percent) have some sort of health condition, such as high blood pressure, diabetes, psychological problems or arthritis, versus 61.7 percent of retirees with incomes above the poverty line. Many people also spend down their retirement savings too quickly, especially during recessions. A recent predicts that poverty rates for people at age 67 are likely to decline in the future. The analysis projects that 7 percent of Depression-era babies will live in poverty at age 67, compared with 6.1 percent of late baby boomers and 5.7 percent of Generation Xers. However, retirement poverty is expected to increase for people without advanced education. Retirement poverty rates for high-school dropouts could increase from 13.5 percent among Depression-era babies to 24.9 percent for the oldest baby boomers. Older retirees may have few opportunities to pull themselves out of poverty once they have crossed that threshold. The elderly may not have many op-

portunities for employment, and they could be further limited by health issues.

**As the US is in the midst of its worst drought since 1934, its infrastructure is taking the toll.** This year, the US witnessed the warmest spring since record-keeping began in 1895, and the period between July 2011 and June 2012 was the hottest 12 months on record. Nationwide, states are struggling to deal with the heat as well as storms and wildfires. Designed solely for the local climate, highway systems could face dramatic failures during severe weather changes. In regions across the U.S. highways are expanding, pressing against each other, and forming dangerous speed bumps. Additionally, last year, 14 extreme weather-related events cost the U.S. economy more than \$55 billion. The Georgetown Climate Center said that the federal government must do more to prepare for disasters attributed to climate change. "They are not acknowledging that the future will look different from the past," a spokesperson said. "And so we keep putting people and infrastructure in harm's way."

## MTAS Aug./Sept. MAP Class Schedule

### Dealing with difficult behavior

How to cope with a "difficult" person in your life (at work or home) is vitally important. Everyone in life encounters a difficult person who causes us to act abnormally and develop bad attitudes. This course will help you identify difficult people and analyze their behavior.

You will learn specific strategies to deal with the difficult person and buffers you must maintain in your life. You will learn how to turn negative encounters into positive ones.

**Who should attend:** Municipal professionals who wish to improve their skills in dealing with those who have difficult behaviors. CMFO continuing credit hour eligible: 4.5 hours (Other).

**Instructors:** MTAS legal consultants will con-

duct this course

**Time**

All classes are held from 8:30 a.m. to 12:30 p.m.

**Dates and locations**

Aug. 22—Knoxville

Sept. 05 — Franklin

Sept. 12 — Jackson

Sept. 13— Bartlett

Sept.26 — Collegedale

**Training Facilities**

**Collegedale, Collegedale City Hall, 4910 Swinyar Drive**

**Franklin, Williamson County Ag Expo Park, 4215 Long Lane**

**Jackson, West Tennessee Research and Education Center, Seminar Room 150,605 Airways Boulevard**

**Knoxville, University of Tennessee Conference Center, 600 Henley Street, 4th floor.**

**Bartlett, Location to be determined**

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The registration fee for MAP courses for Tennessee city officials is \$40 each. A fee of \$55 is charged for non-city officials. Registration is required. Seating is limited at all sites, so please register in advance.

To better meet the needs of our customers, MTAS has changed to an online registration system and will accept registration and payment by credit/debit card through your Solution Point account.

If you need assistance with registration or payment, call 865-974-0411.

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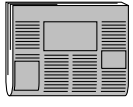
The city of Dyersburg closed a \$4.5 million loan to use on various municipal projects.



The town of Cumberland Gap closed a \$5,000 Highway Safety Grant Anticipation Note.

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Advertising: \$9.25 per column inch. No charge to TML members. Send advertising to: TT&C Classified Ads, Mona Lawrence, 226 Capitol Blvd, Suite 710, Nashville TN 37219; e-mail: mlawrence@TML1.org; or fax: 615-255-4752.

### AQUATICS COORDINATOR

**GATLINBURG.** The city's Recreation Department is accepting applications for an Aquatics Coordinator. Upon, a conditional offer of employment, the candidate must successfully pass a physical examination by a licensed physician and successfully pass a drug screen. The position performs difficult paraprofessional and programmatic work supervising the operation of a municipal swimming pool facility; performs related duties as required. Work is performed under the general supervision of the Recreation Center Manager. Supervision is exercised over pool personnel. The functions of the job include: planning, supervising, and participating in pool operations and staff; overseeing pool maintenance; preparing and maintaining appropriate records and files; provides emergency life saving services to swimmers in need. Qualifications are any combination of education and experience equivalent to graduation from high school supplemented with additional training and experience in supervising aquatics programs or related field, and considerable experience supervising a community swimming facility. Possession of CPR, First Aid, AED and Water Safety Instructor Certifications required. Possession of Lifeguard Instructor Trainer, CPO or AFO, and AAI or AEA Water Exercise Instructor certifications required within one year of employment. The current starting pay for an Aquatics Coordinator is \$31,690. The City currently provides the following 100% City-paid employee benefits: United Healthcare medical insurance, BlueCross BlueShield dental insurance, \$20,000 life insurance policy, long-term disability insurance, longevity pay, vacation leave, sick leave, 11 paid holidays, and bereavement leave. Complete and return the application by the deadline of August 13, 2012. Resumes may be included as a supplement to the application but NOT as a substitute. For some jobs, copies of diplomas, transcripts, or certifications may be required. The need for this documentation will be specified in the job announcement or as supplemental materials in the application. Applications must be received in City Hall at the Human resources office by 4:30 on the stated deadline or must be postmarked by that date. Applications cannot be faxed. Additional information may be obtained by calling Human Resources at 865-436-1414 or call the Gatlinburg Recreation Department at 865-436-4990. The City of Gatlinburg does not discriminate on the basis of race, color, national origin, age, sex, or disability pursuant to Title VI of the Civil Rights Act of 1964, Public Law 93-112 and 101-336 in its hiring, employment practices and programs.

### CITY MANAGER

**MILLINGTON.** The city is seeking a new City Manager. Positions that report directly to the city manager include the directors of: Arts, Recreation & Parks, Office of Planning and Economic Development, Public Works, Finance and Personnel along with the Police and Fire Chiefs. This position is responsible to an eight member board of mayor and aldermen. The successful candidate should have a bachelor's degree in public administration, finance, or a related field and a minimum of five (5) years of senior administrative level experience in local government. A Certified Public Manager and/or ICMA Credentialed Manager are preferred. This position requires strong supervisory, budgeting, and communication skills. Interested individuals may view the full job description at the city's website: <http://www.cityofmillington.org/job.aspx>. Letters of application, salary requirements, resumes, and three professional references with contact information should be sent to: City of Millington, Attention: Personnel Director, 7930 Nelson Road, Millington, TN 38053. Position will remain open until filled, with priority to those resumes received by Sept. 28, 2012.

### COURT/OFFICE CLERK

**MILLERSVILLE.** The city is accepting applications for a full-time court/office clerk. This is a front office position involving a variety of duties such as processing tickets, taking payments, preparing dockets, and filing all court-related paperwork with the state. Must work city traffic court two evenings a month, and safety school one evening a month. Seeking someone who is personable, detail-oriented, multi-tasked, and computer literate. Benefit package includes paid vacation, holidays, state retirement, and health insurance. Pay range \$11 to \$12/hr depending on skills and work history. Must apply in person M-F from 9-5 at: Millersville City Hall, 1246 Louisville Highway, Millersville, TN 37072. EOE.

**ECONOMIC & COMMUNITY DEVELOPMENT DIRECTOR**  
**CHEATHAM COUNTY.** The Joint Economic and Community Development Board of Cheatham County is accepting applications for the position of Director of Economic and Community Development. This full-time position reports to the county mayor and is responsible for the recruitment of new businesses to the county, as well as assisting existing industries with expansion projects. The full job description and application, along with instructions for applying can be found at: [www.cheathamconnect.com](http://www.cheathamconnect.com). EOE.

**HUMAN RESOURCES MANAGER**  
**PORTLAND.** The city is seeking qualified applicants for the position of Human Resources Manager. Currently the position reports directly to the mayor. This position has responsibility for the daily administration of the city's Human Resources programs, policies and procedures ensuring compliance with all applicable laws and/or regulations. The position coordinates and administers any combination of the following: benefits administration, payroll administration, worker's compensation administration, recruitment and selection processes, safety and wellness, insurance, training and development. The Human Resources Manager will be knowledgeable of federal laws affecting public sector entities, and certain portions of the Tennessee Code Annotated. Must have the ability to effectively communicate both orally and in writing; develop and conduct effective training programs; and develop and manage a budget. This position requires a bachelor's degree in Personnel/Human Resources, Business Administration, or a related field, and at least three years of experience as a human resources generalist. Salary: DOQ; comprehensive benefit package including the city retirement plan. Applications will be accepted until Sept. 7, 2012. A background investigation and pre-employment physical will be required. EOE/DRUG FREE WORKPLACE Submit a letter of interest, current resume with salary history and at least three professional references to: UT - MTAS, attn.: Portland Human Resources Manager; 226 Capitol Blvd, Suite 606, Nashville, TN 37219

### LIBRARY DIRECTOR

**SPRING CITY.** The town is seeking applicants for the position of Library Director. This position reports to the city manager and receives advisory direction from the Audrey Pack Library Board. In addition to performing library operation, administration, supervision, patron assistance, and fund raising duties, this position is also responsible for performing duties as defined in

the Municipal Charter and Tennessee Code Annotated. This position works closely with the volunteers of the Library Foundation and Friends of the Library non-profit library support entities. Successful applicants must have a high school degree or equivalent, be proficient with the Microsoft suite of software applications, automated office equipment, and have the ability to deal effectively & courteously with the public. Previous library experience is desirable. An application may be obtained at [www.townofspringcitytn.org](http://www.townofspringcitytn.org); download the application, fully complete, scan & e-mail, with resume, to [citymanager@townofspringcitytn.org](mailto:citymanager@townofspringcitytn.org) or mail application & resume to P.O. Box 369, Spring City, TN 37381. No phone calls please. Interviews will begin the week of Aug. 20, 2012; the position will remain open until filled. The town of Spring City is EOE and does not discriminate on the basis of age, race, religion, gender, or national origin.

### POLICE CHIEF

**GOODLETTSVILLE.** The city is seeking an experienced law enforcement professional to lead its agency into the future, a proven, dedicated, responsive, and experienced individual for its new Chief of Police. The successful candidate will possess a minimum of a bachelor's degree with a major in Criminal Justice, Public Administration, or a related field and 15 years of progressively responsible experience in the field of law enforcement and at least eight years as a chief, assistant chief or high ranking command position; or any combination of education, training and experience which provides the required knowledge, skills and abilities to perform the essential functions of the job. A related master's degree would be a plus. The chief is responsible for planning, organizing, and administering a comprehensive program to provide leadership and direction to the Police Department's operations and departmental staff. The starting salary will be market competitive, a range of \$76,431 to \$95,539, depending on experience and qualifications, plus an above average comprehensive benefits package. For a full search brochure, visit the website [www.cityofgoodlettsville.com/chiefsearch](http://www.cityofgoodlettsville.com/chiefsearch). E-mail is [chiefsearch@cityofgoodlettsville.org](mailto:chiefsearch@cityofgoodlettsville.org) All interested applicants should submit a resume with salary history and cover letter along with five personal and five professional references to: Police Chief Search, 105 South Main Street, Goodlettsville, TN 37072, no later than 4:30 pm on Aug. 24, 2012.

### UTILITY DIRECTOR/ASSISTANT CITY ADMINISTRATOR

**SPRING HILL.** The city is accepting applications/resumes for an utility director/assistant city administrator. This employee will be under the direct supervision of the city administrator. Administrative and managerial work is per-

formed in the planning, organizing, and directing of overall operations amongst the Water and Wastewater Treatment Plants; the Water Distribution, Sewer Collection, MS4/Storm water, and Streets/Maintenance Divisions. This employee must possess the ability to make prudent and independent decisions as they apply to daily activities. The incumbent in this position will supervise assigned employees; coordinate activities between departments, and maintain records and budgets for various projects. The Utility Director/Assistant City Administrator provides substantive and highly complex staff assistance to the city administrator. The employee will perform other related and/or non-specific work as required, some of which will be mechanical. B.S in Engineering, P.E. licensure required. Ten years of experience in water or wastewater system maintenance or construction, hydraulic or civil engineering preferred. Increasingly responsive administrative or supervisor work also preferred, but not required. Minimum Starting pay \$60,000-\$75,000. Send application and resume with cover letter to: City of Spring Hill, Attention: Shelley Taylor, HR Director, PO Box 789, Spring Hill, TN 37174. Deadline for submittal is Aug. 16, 2012. Applications will be considered on basis of qualifications, experience, and suitability for position without regards to race, color, religion, sex or national origin. The city of Spring Hill is an EEO/AA/Title VI Employer.

### PROPOSALS FOR SURPLUS TOWN PROPERTY

**GREENEVILLE.** The town will be accepting proposals for surplus property it no longer needs. Six parcels will be considered for disbursement through a request for proposal process. The six parcels include properties at: 312 E. Church Street, 334 E. Church Street, A parcel adjacent to 237 Baileyton Road, a vacant lot at the corner of Loretta Street and Simpson Street, a warehouse property at the corner of Loretta Street and W. Church Street, and a vacant parcel adjacent to 802 Redbud Drive. Proposals will be evaluated by the Board of Mayor and Aldermen based on the following criteria: The overall desirability, aesthetic quality, compatibility, and architectural concept of the proposed project as it relates to the surrounding community; purchase price; proposed use of the property; total tax revenues anticipated to be generated by the proposed redevelopment; Financial stability, size, and experience of the proposer to successfully complete the project; and the overall economic impact of the proposed project at completion. The request for proposal process is open to all, whether an individual or a business. Proposals are due back by Aug. 21 at 2 pm. To view the request for proposals visit the Town of Greeneville's website at <http://www.greenevilletn.org/>.



### Aug. 10-11: Jackson

**The Rockabilly Festival**  
Held at the International Rock-a-Billy Hall of Fame Museum. Gathers some of the biggest names in rockabilly music in the hometown of Carl Perkins, the founder and father of the genre. Concerts, celebrity golf tournament, and an arts and crafts market.

### Aug. 30—Sept. 1: Summertown

**Bluegrass Reunion**  
Held at 662 Monument Road. Enjoy live music, dancing, crafts, instrument vendors, contests, and good food. Camping sites available. Admission charge at gate. Stage show on Fri. begins at 7pm and Sat. at noon.

### Sept. 1: Athens

**Comcast Xfinity Fireworks Show**  
Postponed July 4, due to dry conditions and fires, the show will go on at 8:30 pm at the Athens Regional Park. For more information, contact the city Parks and Recreation Department at 423-744-2704 or email [recreation@cityofathensstn.com](mailto:recreation@cityofathensstn.com).

### Sept. 3: Harrogate

**Annual Labor Day Celebration**  
Held at Harrogate City Park at 3 pm with kids' games, live bands, food, crafts and business fair. Spectacular fireworks display at 9 pm. **Rain Date: Sept. 8.** For more information, call Harrogate City Hall at 423-869-0211.

### Sept 14-16: Bristol

**Rhythm & Roots Reunion**  
Celebrate Bristol's rich musical heritage. Held on State Street in historic Downtown Bristol, TN/VA. Concerts, children's activities, food, games, chili cook-off, corn hole tournament, 5-K race and much more. For tickets, show times and more information, visit <http://www.bristolrhythm.com/>.

### Sept. 15: Pittman Center

**Pittman Center Heritage Day**  
Held from 9am - 4 pm, features heritage-type crafts, food, music, clogging, genealogy, children's activities, dog show, and auction. Mayor Glenn Cardwell will be on hand to sign purchased copies of "A Dream Fulfilled," a story about the community and town, and "The Greenbrier Cove Story," a book that shares stories and photographs reflecting on the past days when Greenbrier Cove was first settled and where people lived until that land became part of the Great Smoky Mountains National Park. Vendor applicants call 865-436-5949, weekdays from 8 am to 4 pm.

### Sept. 22-29: South Fulton

**Banana Festival**  
Bristol Ky./Tn share this great festival featuring music, food, and arts & crafts in Pontotoc Park. A wide variety of treats and treasures from fried homemade pies to southern barbeque. Musical headliners Joe Diffie and Buddy Jewel, Banana Bake-off, 5-K run, fashion show, Kiddie Parade, banana greased pig, and more fun for the entire family. For more information, visit [www.thebananafestival.com/](http://www.thebananafestival.com/)

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The city of Bartlett closes a loan with the Tennessee Municipal Bond Fund (TMBF) totaling \$691,500 to finance various public works projects. Pictured are Finance Director John McCullough, Mayor Keith McDonald, Clerk Stephanie McGee, and TMBF Representative Tommy Green.

## Knoxville wellness program charts path to healthy savings

WELLNESS from Page 1

percent in the previous four years under the self-funded medical plan.

As an award winning risk manager, Eastes was recently named 2012 Public Risk Manager of the Year by the Public Risk Management Association and has been featured in numerous magazines for his innovative style. Since 2003, he worked tirelessly to develop incentives to motivate healthier living, implementing the health reimbursement account, plus an evolved complex approach to managing chronic health conditions such as hyperlipidemia, hypertension, obesity and tobacco use for an employee population with a particularly high demographic prone to chronic diseases.

According to his peers, Eastes not only takes management of employee health seriously; it is his passion. That means he was willing to endure the initially harsh criticism from the city's workers, who were uncomfortable with the innovative changes to the city's benefit plans along with risk management strategies not always popular with the public sector. Eastes was concerned about the large percentage of the city's workforce, comprised of police officers, firefighters and service workers, who typically have higher-than-average costs along with more chronic diseases.

To help combat employee skepticism, Eastes scheduled on-site health screenings to help employees better understand their existing or at-risk health conditions. "We felt the most important way to make real, lasting changes in the cost of medical care was for our employees to become more healthy. And for employees to become healthier, there has to be more personal responsibility," Eastes remarked in an interview with a national magazine.

According to the report in *Business Insurance* magazine, in the first year the city began offering more complete annual physicals and health screenings, 40 diabetes cases were diagnosed, 12 referrals were made to cardiologists due to heart blockages and other heart disorders, three employees received heart surgeries within four days of the assessment; and two cases of early prostate cancer were diagnosed.

A city study lists the top injury category as orthopedic injuries. Scenarios include police officers spending long periods of time sitting in their cars, then suddenly needing to react physically in stressful situations, which frequently include physical confrontation in unfamiliar environments. The second largest category are firefighters, who have first responder responsibilities to serious accidents and emergencies as well as firefighting activities. Highly strenuous demands in stressful situations and intensely difficult positions make use of normal physical techniques impossible. The third highest employment category, public service workers, maintain streets, right of ways, and other public areas. These employees perform physically demanding jobs in changing field work environments often under



Gary Eastes

pressure from traffic and varying weather conditions.

To reduce the number of orthopedic injuries, the Knoxville Police Department utilized the on-site physical therapist and fitness trainer/health coach to assist in designing training programs for new employees as well as annual in-service training to reduce injuries not only in the field, but also during the training itself (where hand to hand tactics training has historically produced a number of injuries).

The center's staff also met with fire department staff to design a program to address lifting bodies from unusual positions and under emergency conditions. Meetings with public service management help improve methods of performing awkward physical tasks, such as moving brush and maneuvering over rough or steep terrain. The city's fitness trainer is also attending police roll calls and visiting fire stations to promote and educate employees on practical ways to improve fitness and reduce injuries.

Additionally, with a physical therapy clinic conveniently located next door to the city's health clinic, therapy can often be initiated almost immediately after an injury, which can significantly speed healing in certain types of injuries. More treatment can be applied in the earliest stages of injuries, resulting in less treatment weeks later.

There is also a focus on greater coordination between the physical therapy staff and medical director and other treating physicians and health care staff members, to address health issues that might complicate injury recovery, and improve the likelihood future injuries will not occur.

The program includes more complete annual physicals for uniformed officers and similar volunteer screenings for non-uniformed employees, with a full blood workup, and depending on age, an electrocardiogram and prostate specific antigen test to screen for cancer.

Today, 78 percent of the city's workers, plus a growing number of retirees, are fully committed and reaping the benefits of the program.

"To save dollars and increase productivity, you have to get employees to make permanent lifestyle changes, and that is a long-term commitment on behalf of the city and its employees," Eastes said. "When you see more employees out walking and more of them participating in different programs, it's obvious it's working."

## Nashville welcomes NLC leadership, policy committees and YEF council

BY MICHAEL KARPMAN and STACEY LEVITT

Last month, municipal leaders from cities across the country gathered in Nashville for both the NLC Summer Policy Forum and a meeting of NLC's Council on Youth, Education and Families (YEF Council).

In hosting and welcoming the nearly 200 NLC leaders, Nashville Mayor Karl Dean and Councilmember-at-Large Ronnie Steine, co-chairs of the 2012 YEF Council, showcased many of the accomplishments that flow from strong municipal leadership and vision. Dean reviewed his three top priorities for the city – education, public safety, and economic development – and described in detail the ways in which they are interconnected. Even though he has no control over Nashville's public schools, he stressed that progress in education is the top priority and a key driver for success in reducing crime or violence and attracting companies or retaining business in the city.

"If you're producing students who succeed in school, go on to get college degrees and are work-ready, you're going to have a city that thrives," said Dean.

The Summer Policy Forum kicked off with two mobile tours of various sites across Nashville. Stops included the construction site at the city's new Music City Center, a convention and tourism space set to open in 2013; the Nashville neighborhood of Rolling Mill Hill, which features affordable housing for artists and historic landmarks converted into sustainable businesses and homes; the Country Music Hall of Fame; and the Omohundro Water Plant, a facility built in 1889 that became the unlikely hero during the 2010 floods.

Councilmember Steine led members of the YEF Council on a site visit to Nashville's highly acclaimed Youth Opportunity Center, which features an impressive range of co-located services for young people who are homeless, behind in school, in need of connections to caring adults, or struggling to cope with personal or family crises.

The committees joined together with their YEF Council colleagues for a dinner and reception on Thursday evening, sponsored by Mayor Dean and Councilmember Steine, the Nashville Convention and Tourism Bureau, the Tennessee Municipal League and Tennessee Municipal Bond Fund, Gaylord Entertainment and the Wildhorse Saloon.

In a series of meetings on Friday and Saturday, both the YEF Council and the Policy Committees maintained a focus on collaboration and shared knowledge and resources that all in attendance could bring home to their own communities.

The YEF Council discussed creative approaches to local collaboration, including through multi-sector partnerships that rely upon shared vision, common outcome measures and accountability mechanisms to achieve "collective impact." Youth-adult partnerships, small-city initiatives and strategies for linking children and family efforts to other top municipal priorities also dominated the YEF Council



Nashville Mayor Karl Dean and Councilman-at-Large Ronnie Steine

agenda.

The Policy Forum meetings began with a presentation entitled, "State of the Cities: Views from a Municipal Analyst," from Natalie Cohen, managing director and head of Municipal Research for Wells Fargo Securities, an NLC Capstone Corporate Partner. Cohen offered an overview of the forces that are shaping the national economy and the fiscal outlook for cities over the next 12 to 18 months. The business portion of the Forum followed, when individual and cross-committee meetings were held to discuss and develop federal policy positions that the full NLC membership will consider at the Congress of Cities in Boston in November.

The Community and Economic Development (CED) Committee discussed emerging local economic conditions and met with Yolanda Chavez, deputy assistant secretary, U.S. Department of Housing, to consider options for strengthening support at the federal level for the Community Development Block Grant (CDBG) program.

In a joint meeting with the Finance, Administration, and Intergovernmental Affairs (FAIR) Committee, the CED Committee discussed creative ways cities are leveraging the CDBG program and other resources to help improve access to credit for small businesses in their communities.

The FAIR Committee and the Information Technology and Communications Committee (ITC) met together to continue their ongoing joint work to establish principles to inform telecommunications tax reform from a hometown perspective.

The ITC Committee also met with the Public Safety and Crime Prevention Committee (PSCP) to discuss the benefits and risks of operating a municipally-owned broadband network and the role of local governments in planning for and constructing a nationwide public safety broadband network.

Joined by representatives from U.S. Department of Homeland Security and the Federal Emergency Management Agency, PSCP and the Energy, Environment, and Natural Resources (EENR), and the Transportation Infrastructure and Services (TIS) Committees discussed strategies for building communities that are resilient against disasters.

The EENR Committee also discussed the need to strengthen funding options for water infrastructure with Rick Farrell, executive director

of the Council of Infrastructure Financing Authorities, and engaged with the U.S. Environmental Protection Agency regarding concerns that hydraulic fracturing may present to drinking water resources and public health.

The committee also met with Kerry Duggan, director of Legislative, Regulatory, and Urban Affairs at the U.S. Department of Energy for an update on the agency's federal priorities and to share with her opportunities and challenges for cities in implementing energy efficiency and renewable energy programs.

Among other issues, the TIS Committee, discussed active transportation, and the use of technology to manage transportation. Michael Skipper, executive director of the Nashville Area Metropolitan Planning Organization (MPO), discussed the region's support for active transportation (a transportation strategy that incorporates public health considerations) through its urban investment strategy. The MPO has been proactive in adding these factors into their planning since current federal standards do not address the impact of transportation on public health.

In her presentation to the committee, Erika Young, transportation director for the National Association of Regional Councils offered perspectives from MPOs and Councils of Government on strategies for integrating public health and transportation and reviewed different options communities are implementing to do this. Young's presentation can be viewed here: <http://narc.org/wp-content/uploads/Public-Health-and-Transportation-Info-0606121.pdf>. Of the Committee's work, Dunlap said, "The committee members were able to share best practices and really learn from each other."

The Human Development (HD) Committee discussed the impact the new health care law will have on cities and towns and strategies for urging Congress to reauthorize the Workforce Investment Act and the Elementary and Secondary Education Act. "These are important programs that need to be modernized and updated," said Johnson. "We must urge Congress to move forward with these bills."

The committee and YEF Council meetings concluded on Saturday, setting the stage for additional discussions in the fall, as well as for NLC advocacy efforts in the months leading up to the presidential elections and beyond.

## NLC program supports cities' "Let's Move!" projects

National League of Cities (NLC) announced a new project to provide long-term support for local elected officials, including those participating in Let's Move! Cities, Towns and Counties (LMCTC). The announcement came as NLC President Ted Ellis, mayor Bluffton, IN, joined First Lady Michelle Obama in Philadelphia to promote the Let's Move! initiative which is dedicated to solving the problem of childhood obesity with a generation.

"I am proud to announce that NLC will be enhancing our work in assisting local elected officials in getting their residents moving and creating healthier lifestyles," said Ted Ellis.

He continued, "I have seen the benefits in my own community, with real costs savings in the form of health care premiums. This is a tangible financial benefit. The real benefits come, not from the dollars saved, but in the additional years lived."

With financial support from the Robert Wood Johnson Foundation and in coordination with the United

States Conference of Mayors and the National Association of Counties, NLC is leading this initiative in collaboration with the U.S. Department of Health and Human Services, the U.S. Department of Agriculture, and nonprofit organizations to provide local elected officials with tools and technical assistance as they seek to promote improved nutrition and increased physical activity in their communities. The project will address the policy and environmental factors that contribute to obesity.

Local elected officials who sign up their communities to participate in LMCTC commit to achieving five key goals that align with the pillars of Let's Move! to improve the health of local residents:

**Goal 1: Start Early Start Smart** To provide children with a healthier start, local elected officials commit to helping early care and early education incorporate best practices for nutrition, physical activity, and screen time into their programs.

**Goal 2: MyPlate, Your Place** To empower parents and caregivers, local elected officials commit to

prominently displaying MyPlate in all municipal or county venues where food is offered or sold.

**Goal 3: Smart Servings for Students.** To provide healthy food in schools, local elected officials, commit to increasing participation in school breakfast and lunch programs.

**Goal 4: Model Food Service** To improve access to healthy, affordable foods, local elected officials commit to implementing healthy and sustainable food service guidelines that are aligned with the Dietary Guidelines for Americans at municipal and county facilities.

**Goal 5: Active Kids at Play** To increase physical activity, local elected officials commit to mapping local playspaces, completing needs assessments, developing an action plan and implementing a minimum of three proven policies, programs, or initiatives aimed at increasing access to play.

Local elected officials can learn more and sign up at [www.healthycommunitieshealthyfutures.org](http://www.healthycommunitieshealthyfutures.org)

# Comptroller's Jason Mumpower strives to make governments work better

BY GAEL STAHL

Jason Mumpower has been blessed since his birth Sept. 22, 1973. An avid Boy Scout, he earned the Eagle Scout badge, worked four years bagging groceries at Food City and got to know the Bristol people well. He graduated from Bristol Tennessee High in 1991 and from King College in 1995 with a degree in economics where he was a student leader. During his college years he got involved in the Sullivan County Republican Party. Mumpower worked in Ron Ramsey's campaigns, in fact managed the second one. He had a work-study job in the Office of Advancement where he learned how to raise money. After graduation he did that full-time and four years later went to work for the Corporate Image, a Bristol-based public relations and marketing firm, where he worked until November 2010 when he became chief of staff of the Comptroller's Office.

His scouting, grocery work, and King College connections paid off when a year after graduating college, 17-term Congressman Jimmy Quillen announced on April 1996, he'd not run for re-election. Mumpower's state House representative Richard Venable said he'd run for Quillen's seat. Twenty-three year-old Mumpower ran for Venable's House seat. In a four-way primary, the young man who knew most everyone in town won 32 percent of the vote in the primary and 57 percent in the general election. In 2006 Mumpower, the Republican Caucus assistant leader, ran against his good friend Minority Leader Bill Dunn and won. In 2008, the 50-49 majority made him the first ever Republican leader of the House.

His early work with Ron Ramsey grew into a continuing partnership especially after Ramsey became speaker of the Senate and Lt. Governor while Mumpower became the House leader. With a Republican majority of 50-49, Mumpower was set to be elected House speaker in 2009 until the last minute when Republican Kent Williams left the Republican Caucus, and voted for himself along with the 49 Democrats. Months later, Mumpower stunned political observers by retiring from the House.

Mumpower never really explained why he resigned as majority leader from the House with so many expecting him to easily win the speakership two years later. What he said on the House floor was that it's always best to leave the party early. He'd always believed things happen for a reason and while he utterly enjoyed being a representative of the community he represented and enjoyed serving as minority leader and as the first Republican majority leader in history, what happens, happens. He'd been elected at age 23, served 14 years, and felt it was time for the next step.

He cited the words of Bill Watterson who quit doing the beloved comic strip of Calvin and Hobbes in 2010 when it was running in a record number of 2,400 newspapers worldwide and was at its pinnacle. When Watterson finally gave an interview, he said that it's best to leave the party early. And that became Mumpower's mantra when he felt after a wonderful experience it was time to move on to further himself personally and professionally.

He did not know what he wanted to do next but a part of him didn't really want to leave the game so much as he wanted a new position on the field. He knew a new governor would be coming aboard and there might be some opportunities there. Then one day, he was talking to his good friend and supporter for 16 years, Justin Wilson, whom he'd worked with when Wilson was deputy for policy to Gov. Don Sundquist. Wilson had been elected Comptroller and had never hired a chief of staff. He asked Mumpower if he would be interested in the position. Mumpower left the legislature in November 2010 to start his new job in December 2010. He found he loved it more than he thought he would. He'd loved his time in the House but he loves what he's doing now and says it's not wholly different here from what he did in the House.

While in the House, Mumpower married Alicia Point in 2001. In May, they adopted their first child, Maxwell Bolden Mumpower, born May 1.

**TT&C: The Tennessee Municipal League has always worked closely with the state Comptroller's Office. How do you view the relationship of your office with Tennessee cities and counties?**

**JM:** Let me say first, as a member of the legislature for 14 years, I worked closely with the Comptroller's Office and felt like I had an idea of what the Comptroller's Office did. When I left the legislature in 2010, after Comptroller Wilson asked me to come on board as chief of staff, I thought I knew what I was getting into but I soon learned that I had barely touched the hem of the garment. I found out the Comptroller's Office is much deeper, broader and wider than I knew.

One of the things I like most about being in the Comptroller's Office is the opportunity to work with local governments so much. I hope



Photos by Todd Stringer, Nashville Business Journal

*"The comptroller and I both feel a partnership with TML is fundamental to the work we do. We appreciate the organization and we've tried more than ever before to have an open door and open line of communication with TML."*

- Jason Mumpower, Comptroller chief of staff

we provide assistance more than oversight, though we do have an oversight function and perform audits on every county and every city in the state and our Office of State and Local Finance, to some degree, oversees the finances of all entities in the state. Sometimes that can seem authoritarian but I hope we are a helping hand too. That's what we want to do. This week, our director of State and Local Finance and I met with finance directors from cities and counties in upper

East Tennessee and tried to make sure they have what they need. I have attended TML conferences and was recently invited to participate in a session in Knoxville. I also have worked with TML on legislation, as we sponsored legislation such as tax increment financing (TIF), as well other issues.

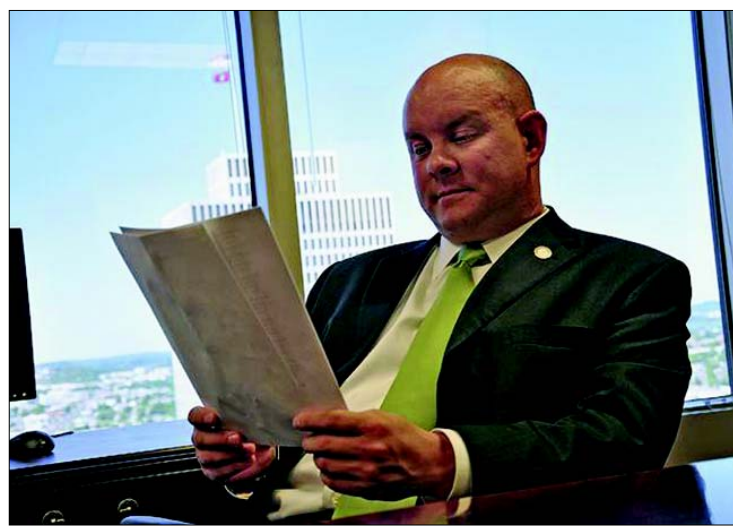
**TT&C: Explain what the new TIF tax increment financing legislation did for cities.**

**JM:** We believe that the current mantra is all about jobs and that the TIF changes we proposed met with great support from cities and counties and is the biggest if not the only jobs bill of this past legislative session. It gives cities and counties tools they did not have before to retain, recruit, and grow business and industry within their boundaries. While TIF has been in use for some time, this bill gave them the opportunity to use property tax revenue in a tax increment financing way. Property tax revenues now can be used to build a vertical construction facility and at the end of the project, deed that construction to a private owner. In the past, TIF was used for horizontal construction infrastructure such as roads, sewers, and infrastructure. Now cities can use TIF property tax to build a building and give it to a private owner at the end to lure someone to locate a new factory. We think this can benefit economic development for cities and counties.

The new TIF legislation also requires local governments to report those projects to the state so we can keep track of them. As we meet with various bond rating agencies, they have been asking about the fiscal health of those local governments and their debt loads to determine the overall fiscal health of the state. We didn't have a list of all the projects that are out there and needed to develop one.

Another thing the legislation did that local governments appreciated is that under the old law, if a TIF project with say a 20-year term was a successful project that paid off in 14 years, during the final six years, the industrial development board continued to collect that tax increment and squirrel it away as a slush fund with no oversight or recourse by the local government. This bill said the city council or county commission can reclaim that property tax revenue for general government purposes. It is the people's money and shouldn't stay off the books.

Another piece of legislation that affects local governments is the development of a model debt policy. When Comptroller Justin Wilson took office he instituted through the State Funding Board the idea of a model debt policy for every local government. That helps local governments understand what they are getting into in terms of debt and debt structure and to be transparent with their citizens as to



how much debt they are taking on. The policy has worked well and has received nationwide attention. We try to air it out and work out the wrinkles with the TML staff as well as the County Services Association and County Officials Association before bills are even filed.

**TT&C: What do you see as your primary responsibilities now as chief of staff?**

**JM:** My duties are varied. We have 525 dedicated employees, most of them in Nashville with satellite offices in Jackson, Cookeville, Murfreesboro, and Knoxville for auditors and property assessors. Besides managing our employees we have a multitude of divisions that do state audits, local government audits, and property assessment. We also have the Office of State and Local Finance, State Assessed Properties, and the State Board of Equalization. Every day the comptroller and I work with the different divisions to provide service to citizens in Tennessee. The Comptroller's Office mission statement is to make government work better at all levels. We try to do that every day.

I also serve as the comptroller's liaison to the General Assembly. When the legislature is in session January through May, I'm focused on legislative matters. We formed a small group of employees within the Comptroller's office to work as a legislative team, meet with legislators and promote our legislation, and to help members work on their legislation. Every bill issued in the legislature has a fiscal note attached. There were 2,800 bills issued last year and the Comptroller's Office helped write the fiscal note on more than 1,400 of them. We have a great responsibility with anything that touches on local government legislation.

When I came, I changed the way we lobby legislators. I said that we are going to meet with all 132 legislators whether they've been here a day or 30 years. That was very much appreciated and was very effective. Our bills all passed with majorities of 92, 93, or 94 votes. That's because we explained our legislation to all 132 members. That's another reason we've been more overt about where the bills are coming from. It's important to be transparent.

**TT&C: Have you begun working on next year's legislative agenda?**

**JM:** We have. The minute one legislative session ends, we have a large staff meeting and start thinking of the next session. We'll be working more with county governments this year in terms of some financial management legislation since we've already worked with cities in the past in the creation of the certified municipal finance officer programs. We hope to have our first draft of legislation by September with the final draft by Nov. 14. But we're working on it now and the call is out there

to TML and to county officials if you have any legislative ideas, let us know. If you see something out there out of kilter, if any of your readers or members have ideas, let us know.

**TT&C: Your local government audits are ongoing.**

**JM:** The mission statement says the Comptroller Office is to make government work better including the local government level. I hope we're providing assistance to them and provide oversight functions. It's unfortunate that in our audits over the last couple of years we have found more theft than before. I don't know if it's a function of the economy but we're finding it and helping in the prosecution of thieves. That's not a good thing. But it's a good thing we're finding it, able to end the theft, and return some of that loss to local governments. I think local governments are glad that we're watching. This economy has been floundering nationwide and statewide but where the economy is toughest of all is at the local government level, especially in the smaller or rural communities.

Our Office of State and Local Finance tries to help communities that feel the strain of the local economy by helping them manage their budget and by approving loans or the debt structure. While we can try to be a helping hand, we are never going to get past the point that we're really an oversight office, a regulator of sorts. No one necessarily enjoys being regulated or enjoys having someone looking over their shoulder all the time, but it is important in preserving the public trust and the public's confidence in government. Somebody's got to do it at the state level and at the local level and it's us.

**TT&C: When you served in the House, you helped establish the position of the small business advocate within the state's comptroller's office. Why did you feel this position was important?**

**JM:** I carried that bill with Lt. Gov. Ron Ramsey as a direct result of our hearing from small businesses that we represented. Small businesses struggling to start a business had to go to the Dept. of Commerce and Insurance and get this license and to the Dept. of Environment to get that permit and file a statement with the Dept. of Revenue. How do they get in touch with them? Who do they call? Help!

We wanted a one-stop shop for small business people who felt beleaguered by creating for them a position they could call and find a person to help them navigate through the bureaucracy of state government. It's been extraordinarily successful. When Ron and I carried that bill, we purposely housed that office within the Comptroller's Office because that office is an independent office. We mandated that every commissioner of every department appoint a point person so that when the small business advocate calls, they answer. That's worked very well. We've received hundreds of calls from small businesses across the state. I have an email in my box right now from a woman in East Tennessee singing the praises of the current advocate. She is making a difference daily in the lives of small business owners.

**TT&C: TML appreciates the working relationship it has with you and the comptroller's office. Will you continue to have meetings with the TML staff in 2013?**

**JM:** I will tell you that the comptroller and I both feel a partnership with TML is fundamental to the work we do. We appreciate the organization and we've tried more than ever before to have an open door and open line of communication with TML. We think it's been great and we'll absolutely continue it both at the TML staff level and the TML member level. We realize that we cannot talk with every mayor or councilman every day or month but we can talk to TML staff every day. The purpose of the organization is to represent cities so we're going to be working with you.

**TT&C: What kinds of challenges do you anticipate local governments will have in 2013?**

**JM:** Multifaceted. What comes to mind immediately is financial concerns. How can we get around mentioning that? We can't. It's the overriding concern. We're working with local governments and the economy has hit them hard. Businesses are struggling, especially the smaller ones. Through our audits and Local Government Finance function we want to help. The comptroller always says, "Call the comptroller before the comptroller has to call you." I want to put out the welcome mat. If you're a local government official and are struggling, call us. We want to help you. Beyond our office is the Utility Management Review Board that deals mainly with utility districts. And we have the Wastewater Financing Board that deals with municipal sewers and water systems. Those organizations are struggling as well - water, sewer, gas - and we want to help wherever we can.