

SUMMARY OF THE NEW CHARTER

August 18, 2010

Introduction

In September 2009, Memphis and Shelby County Governments adopted resolutions creating the Metro Charter Commission: "The citizens are concerned about the direction of their community and are demanding an ethical, efficient, effective, and streamlined government that prepares and positions Memphis and Shelby County to address current economic crises and the increasing competition for new jobs and economic expansion."

In November 2009, fifteen citizens from across Shelby County were appointed to the Charter Commission and began their work of writing a new charter for a new government. After dozens of public meetings and citizen input sessions, the Charter Commission filed the new charter on August 10, 2010, and it was put on the November 2 referendum ballot.

The preamble for the new charter says: "The citizens of Memphis and Shelby County, with pride in our heritage and confidence in our future, choose to form a new metropolitan government that represents our values of integrity, accountability, and respect for every citizen, that is committed to efficiently delivering quality, citizen-centered services, and that champions our shared vision of a community that offers prosperity and opportunity for all."

Summary:

Ethics and Professionalism

1. Ethics: Iron-clad rules and independent Ethics Commission.

The charter has the most stringent, binding ethics rules of any government in Tennessee. Forbidden are gifts, solicitations, doing business with the government, family members doing business with government, nepotism policy and more. The Ethics Commission is independent and oversees ethics in all departments, agencies of the Metro Government, as well as the constitutional officers and courts/clerks offices. Currently, ethics rules are not included in either city or county charters, and City Council and Board of Commissioners can change them without a citizen vote to do so.

2. Inspector General: Full-time program of evaluation and fraud prevention.

This new position reviews all internal controls to prevent waste, fraud, and inefficiency; to ensure accounting accuracy; to monitor compliance of policies, and investigate contracts, grants, and agreements to prevent fraud, preferential treatment, and illegal acts. The inspector general protects and supports a professional environment for public officials.

3. Professionalism: Required professional credentials for key department heads and executive staff.

All department heads and executive staff are required to have professional qualifications and may be hired by contract by the mayor. In particular, professional qualifications are required for positions like the chief administrative officer, who directs daily operations; the head of information technology so more innovative applications of technology could increase productivity and cut costs, and the chief financial officer.

4. Human Capital and Civil Service Management System: Professional director.

Civil Service is guaranteed by Tennessee law for current “classified,” or Civil Service protected, public employees. The proposed Human Capital and Civil Service system is created by the Council subject to safeguards listed in the Charter and requires a fair system based on performance. The charter allows government to create a new retirement system for future employees and to develop incentives for early retirement to rightsize the workforce, and it requires a chief personnel officer with professional credentials.

5. Strategic Planning and Quality: Five-Year plan required.

In addition to requiring strategic budgeting, the Charter also requires better and more long-range planning for the new government’s delivery of service. The department of Strategic Planning and Quality prepares project revenue trends, costs of government trends, and assesses all areas for efficiency. Its five-year strategic financial and management plan encompasses all government services and requires citizen involvement and input. The strategic plan binds together all public employees in pursuit of one vision for government and provides citizens with assessments of their government.

Elected Officials and Transition Period

1. Elections: Nonpartisan and Runoffs.

Elections of the mayor and Metro Council are nonpartisan, and if neither candidate receives a majority, a runoff election is held. No person can accept a position to fill a vacancy if this person intends to run for the office. Any resignation from office is irrevocable once submitted.

2. Mayor: Chief Executive Officer.

The mayor serves four-year terms with a two term limit. Mayor must be 21 years old. Mayor must prepare five-year strategic and financial management plan and report its contents to public. Two-thirds vote of Council is required to override veto. Mayor has all contracting authority but Council approval required for all contracts over a specified amount. Mayor cannot rescind resignation once it is given.

3. Elected Officials: Sheriff, trustee, register, clerk, and court clerks remain, as required by state law.

State law does not allow for elimination of constitutional officers in county government, but it does allow for their duties to be modified. For example, the trustee is to have an expanded role in tax, fees, and licensing collections, and the sheriff is put in charge of all corrections county-wide.

4. Metro Council: Part-time, term-limited, neighborhood-based legislative body.

The Metro Council is term limited to two four-year terms. The Council levies taxes, makes appropriations, funds public schools, approves appointments of mayor, contracts over a set amount, and approves MLGW rates. No one can run for office that is delinquent in their metro taxes. Every person in Shelby County will be represented by four members of the Council: 13 single member districts and four at-large districts with three members in each. The districts are laid out to provide more neighborhood-based representation and to encourage broader participation in campaigns for elected office.

5. Judiciary: City and General Sessions Court combined.

The City Clerk's office and City of Memphis court will merge with the General Sessions Court and Clerk's Office to eliminate duplicative operations, bureaucracy, and costs for citizens.

6. Transition Plan: New Government takes office September 1, 2014.

The first mayor and Council for the new countywide government will be elected August, 2014, and will take office September 1, 2014. Their terms will be for four years. After approval of the new charter, a 15-member Transition Committee appointed by the mayors of Memphis and Shelby County will be created by December 2, 2010, to guide the transition to the new metro government.

Education

1. Responsibility for Memphis City Schools and Shelby County Schools stays with elected schools boards.

Because city and county school systems are governed by their own elected school boards and Memphis City Schools is established by state law, the Charter Commission does not have authority to make changes to the present structure. As a result, only the city and county school boards, elected by the public within their respective boundaries, can jointly agree to merge the districts.

2. School Funding: Funding set by court ruling.

Funding for schools comes from the countywide (or general services district) tax base, in keeping with the Tennessee constitutional requirement for county governments to provide school funding. The Charter Commission is watching for the decision by the appeals court about whether city government is required to fund schools and what impact this has on the Charter Commission's decisions on school funding.

Efficiency and Economy in Government

1. Centralized Support Services include security, fleet management, information technology, printing, property management, purchasing, and finance.

Centralized support and operational departments offer significant opportunities to reduce costs. For example, Shelby County spends \$12 million for information technology and City of Memphis spends \$19 million; each spends \$1 million for purchasing, and Shelby County spends \$3 million for human resources and City of Memphis spends \$9 million. There is potential for savings by flattening management and eliminating duplicative positions. A new information technology department, led by a professional chief information officer, is charged with finding ways to increase productivity, reduce fragmentation and duplication, and cut costs through better use of technology.

2. Legal Services: Centralized office eliminates public agencies suing each other.

Today, various departments of city and county governments have their own attorneys, and because of it, there are times when different parts of the same government are suing each other in court. A single law office removes the significant costs from these internal battles, and streamlines the two offices - \$15 million budget in City of Memphis and \$4 million in Shelby County. The centralized department will issue legal opinions that are binding for all of the new government.

3. Charter Review: Sunset Provisions and Mandatory Review.

The charter mandates a review by an independent Charter Revision Commission every ten years. All departments and agencies of government are reviewed and do not continue unless they have accomplished objectives, achieved their measurable goals, and demonstrated value to community. Any changes to the charter are submitted to the voters for approval.

4. Taxing Districts: Flexibility from three districts.

As required by state law, there are three types of taxing districts: a “general” taxing district which is the equivalent of today’s countywide taxing district, an “urban” taxing district which is like today’s Memphis taxing district, and “special” taxing districts which are established to accommodate specific service needs of citizens in a particular area of the county. Parks, recreation, and museums; economic and job development; health and welfare; roads and traffic are among the general services that are funded countywide. Urban services include fire and police protection.

5. Tax Increases: Requirement for super-majority.

A three-fourths vote of the entire Metro Council is needed to increase taxes over 5 percent.

5. Finance & Accountability: Three-year freeze on property tax rates.

Property taxes are frozen for the first three years of the new government. In freezing the tax rate, the Charter Commission forces the new government from its first days to identify and implement efficiencies such as reducing duplicative management and support services such as purchasing, finance, information technology. The Trustee collects all taxes and fees to streamline existing

system. Bond debt created by Memphis and Shelby County will be paid by the respective Urban and General Tax Districts. A five-year strategic financial and management plan is required for all operations and capital projects, replacing haphazard budget processes that often result in unplanned expenses to the taxpayers such as when a new facility in the capital improvements budget has no corresponding operations budget.

6. Annexation and Growth Agreements: Preserving existing growth agreements and requiring voter approval for annexation.

The present City of Memphis annexation reserve areas become the “urban services district reserve areas,” but the district cannot be expanded unless the people who live within these boundaries vote to approve it. All suburban cities will have the same annexation reserve areas that they have now, but residents in those reserve areas will not have a vote unless the Mayors/Board of Aldermen of those cities decide to allow it.

Public Safety and Protection

1. Law Enforcement: Appointed Police Director as chief law enforcement officer and sheriff as head of corrections, court security, and warrants.

The metro mayor appoints a metro police chief, confirmed by the Council. This structure is similar to the one in Nashville-Davidson County, Louisville, and Jacksonville. With a countywide approach, there is shared technology including a countywide Real Time Crime Center, seamless enforcement, and much improved coordination, professional training and deployment. The sheriff adds management of the corrections center to his current responsibility for Shelby County Jail to encourage efficiency and economy and continues to provide court security and to serve warrants.

2. Fire Department: Merger of firefighting services.

The charter calls for the merger of firefighting services in city and county governments and the improvement of training and service. Urban firefighting will be paid from the urban services tax district and firefighting in the unincorporated area of the county will essentially be funded from a special services district tax.

3. 9-1-1 Emergency Communications: Centralized operations to eliminate delay and confusion.

A seamless 9-1-1 system eliminates lost time and confusion inherent in the present set up that can threaten the safety of a person in an emergency. It merges the fragmented 9-1-1 call centers into a single, larger, more professional and modernized approach that combines the five public safety answering points into one.

4. Health and Environment: Personal and Environmental Health.

Metro Department of Health and Environmental Management manages health services, ensures quality environmental planning and standards, and enforces regulations for a healthy community. It also works with the private sector to align sustainable regulations.

Economic Growth/Quality of Life

1. Transportation & Utilities: Develops unified transportation policy; MLGW becomes an authority.

The charter establishes a Department of Transportation and a Multimodal Commission to replace the fragmented, often conflicting departments that exist now so that coordinated multi-modal policies and plans will maximize competitive opportunities for Shelby County. Memphis Light, Gas & Water Division, Memphis International Airport, and MATA are set up as authorities of metropolitan government with boards appointed by the mayor and confirmed by the council.

2. Public Amenities, Conservation & Betterment: Network of parks and recreation, zoo, museums, and quality of life initiatives.

Countywide quality of life assets are the responsibility of the new Public Amenities and Betterment Department. It will manage a network for the first time of countywide parks and recreation, Shelby Farms Park, Zoo, Pink Palace Museum, and Brooks Museum of Art. These community amenities are funded from the general services tax district and will form a network of quality of life assets.

3. Economic Development Department: Laser-like focus on jobs creation.

All public and contract agencies dealing with economic development are coordinated in this office, where they support a shared vision that is tied to the strategic plan and plan of action aimed at jobs creation and business investment. The department also creates a “one stop shop” for marketing our community, accessing incentives and resources, and engaging private sector support.

4. Office of Diversity and Small Business: Watchdog for more business with local minority and women-owned businesses.

This office will be a constant advocate and monitor to encourage the new government to do more business with minority and women-owned businesses in Shelby County. It will also work to create more entrepreneurs and start-up businesses, because they are sources of most new jobs today.

5. Planning and Community Development Department: Focus on neighborhoods and livable community.

Planning and community development are merged into a single department that will focus on creating a neighborhood canvas that creates a better community focusing on neighborhood rebirth, sustainability, and smart growth. It also consolidates planning functions that are scattered in various departments of city and county government into one centralized office with an overriding philosophy and coordination. This department works closely with the Strategic Planning, Quality and Budgeting Department and Economic Development. There will also be a Neighborhoods

Commission that will lead programs affecting the quality of life of our neighborhoods, including zoning, walk/bike issues, safety, and public investments.