

City Spotlight: Spring Hill



Located 30 miles south of Nashville, Spring Hill boasts of rich historical sites, lush farmland, businesses, industry and booming residential growth.

Established:
1809

Population:
2011 Certified: 29,036
2000 Census: 7,715

Counties:
Maury and Williamson

Grand Division:
Middle Tennessee

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From the Executive Director

By Jim Thomas, Executive Director

I know that I'm "preachin' to the choir" when municipal officials across Tennessee hear me say that one of our greatest challenges is to anticipate and keep up with change and react in a way that benefits all who are affected by it. Just as in every city hall, we, in MTAS, experience change. Recently, another opportunity was provided me as I became executive director of MTAS ... an opportunity for which I am grateful for the confidence Vice President Dr. Mary Jinks has expressed in making it available.



Jim Thomas

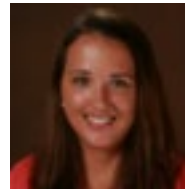
One person's movement in responsibility inside an organization should never significantly distract the organization from continuing to carry out its mission. MTAS is wonderfully staffed with professionals who clearly understand this and who, I am confident, will continue serving its municipal customers effectively and efficiently. Steve Thompson, prior to moving to his new position as IPS assistant vice president, continued building MTAS on its strong history. We all have the responsibility to continue strengthening the agency.

To my city government colleagues, know that MTAS looks forward to continuing as a reliable part of your team. To my MTAS co-horts, join me as I ask myself frequently, "Is what I'm doing right now helping somebody somewhere in some Tennessee city hall?" and let's look to each other to only respond, "Yes."

Health Care Reform At-a-Glance

By Bonnie Jones, Human Resources Consultant

Have you visited the MTAS health care blog? It is accessible via our website at www.mtas.tennessee.edu. Click on Human Resources, and look for the Health Care Corner link. While developments were slow in the last year, recently the Supreme Court made an important ruling, and you can expect much more clarification and guidance in the near future. The Health Care Corner will also allow you to submit questions and read helpful resources.



Bonnie Jones

THE LATEST

June 28, 2012, the Supreme Court upheld Health Care Reform (HCR) in the landmark case *NFIB v. Sebelius*, specifically stating that the government did have the authority to require individuals to purchase health insurance via a tax penalty (otherwise called the Individual Mandate).

The court held that although the insurance mandate was not constitutional under the commerce clause, it was in fact valid under the government's taxing powers.

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Health Care Reform At-a-Glance

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A portion of Health Care Reform has already gone into effect, and most group plans have been amended with the following:

- Dependents covered until age 26
- Higher annual limits/elimination of caps
- Free or reduced cost wellness benefits
- Creation of high risk pool (PCIP) pre-existing condition insurance plan
- Greater protection for children with pre-existing conditions
- Business tax credits
- Patient bill of rights
- Expanded rights of appeal
- Early Retirement Reinsurance Program
- Individual coverage and pricing assistance by state (healthcare.gov)

WHAT'S IN STORE FOR GROUP HEALTH PLANS?

Employers offering group benefits will continue to be able to provide coverage through employer sponsored benefit plans. The market changes will impact rates, but it is too early to forecast the full financial impact on group rates based on HCR. Some analysts say small employers will save, while bigger employers may see increases in rates.

49 EMPLOYEES OR LESS

Cities with less than 50 employees will be treated as a small business under the act and must notify workers of their health care options under state health exchanges. Employers with less than 50 full-time equivalent (FTE) are exempt from the employer coverage requirements and applicable penalties under HCR.

50 EMPLOYEES OR MORE

The largest impact will be on cities and towns with more than 50 applicable employees. Cities with 50 or more employees must provide affordable and minimum credible health coverage to employees by 2014 or face financial penalties.

If a city with 50 or more FTE employees does not provide the minimum required coverage and an employee obtains coverage in the Exchange or if the city offers coverage but has employees that obtain coverage through the Exchange, the city would be required to pay a penalty (determined monthly; 1/12 of \$3,000 x number of full-time employees who receive insurance in the Exchange or 1/12 of \$2,000 x the total number of full-time employees,

less the first 30 full-time employees (whichever is the lesser amount).

200 EMPLOYEES OR MORE

Auto enrollment options are required. The employer must auto-enroll new full-time employees. Opt out notices are required.

TEMPORARY/SEASONAL EMPLOYEES

Cities are not required to provide health insurance to seasonal or temporary employees. However, seasonal or temporary employees may be used in the calculation of determining health care reform participation requirements (i.e., 50 FTE threshold). Part-time workers are exempt, except when determining the total number of employees for health insurance. Penalties are based on the number of full-time employees – not FTEs.

MEDICAID EXPANSION

The court ruled that the Medicaid Expansion was constitutional, but further stated the federal government could hold only a portion of the Medicaid matching funds if they did not agree to expand Medicaid eligibility.

W-2 REPORTING REQUIREMENTS

Reporting new 2012 numbers will start in 2013. Employers will need to add a new number (value of benefits) to employees W-2 statements. It would be advisable to discuss this change with employees prior to the new W-2 change going into effect.

In summary, HCR is here and will stay in one form or fashion. While changes are likely, the concept of health insurance reform as an expansion of coverage appears to be here for the long term.

SOME ADDITIONAL INFORMATION

- Much of the required employee summaries may be provided electronically but must be made available in paper on an individual request basis.
- An employee is defined by the IRS – not the Affordable Care Act (ACA). The IRS uses a common law employee definition. An FTE is an employee who works an average of 30 hours per week or more. Additional clarification is expected to come later.
- Flexible Spending Account rules apply to healthcare accounts. The new limits do not apply to dependent care accounts (pre-taxed accounts for daycare expenses).
- Loss ratio rules (MLR) only apply to fully insured plans

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Health Care Reform At-a-Glance

(continued from page 2)

As a whole, health care reform remains much the way it was prior to this decision. The primary change as a result of the Supreme Court decision surrounds Medicaid.

We are awaiting clarification and guidance on much of what is contained in the Patient Protection Affordable Care Act (PPACA). In the meantime, your city should be continuing to implement the changes as required by health care reform.

Here are some helpful links on the recent Supreme Court decision and Health Care Reform:

<http://admin.wlswd-2.lawoffice.com/CM/Alerts/Alerts116.asp>
<http://www.zanebenefits.com/blog/bid/97281/>
<http://health.heraldtribune.com/2012/07/02/health-care-reform-101-your-questions-answered/>

Look for the next blog update for more information on how this will affect cities under 50 employees.

Planning Commissioner's Ethics Disclosure

By Ron Darden, Municipal Management Consultant

T.C.A. 8-50-501(a) has been amended to include ethics disclosure requirements for members of any local or regional planning commissions. Current office holders must file a disclosure statement by January 31 of each year. Newly appointed office holders must file within 30 days of appointment to office. The appointing authority must send notice of appointment within three days of appointment.

If filing the paper form, mail the statement to the Tennessee Ethics Commission, 404 James Robertson Parkway, Suite 104, Nashville, Tenn. 37243. If filing electronically, go to <https://apps.tn.gov/conflict>.

If you maintain a list of planning commissioners from jurisdiction, please forward that list to Rebecca Bradley, ethics specialist, at rebecca.bradley@tn.gov.

The failure to timely and properly submit the required disclosure statement can, under T.C.A. 3-6-205, result in the imposition of civil penalties in amounts up to \$10,000.

Questions may be addressed to the commissioner's office at (615) 741-7959 or e-mail at ethics.counsel@state.tn.us.

Budget Continuation Requirements

By Ron Darden, Municipal Management Consultant

The state's general budget laws require that municipalities have an adopted budget for the upcoming fiscal year by June 30.

If the legislative body cannot adopt a budget for the new fiscal year, it may adopt a continuation budget and then submit a final budget no later than Sept. 30, 2012. A continuation budget may not be adopted if any fund deficits exist at the close of the fiscal year. The continuation budget allows a municipality to make operational expenditures at the same level as the prior fiscal year until adoption of the annual budget ordinance.

If the municipality is unable to adopt a budget by the beginning of the fiscal year, a continuation budget is needed to operate under state law. Submit a signed continuation budget ordinance with a three-column schedule of each fund showing the prior year's original appropriations, final appropriations and an estimate of actual revenues and expenditures with beginning and estimated ending fund balances. Also include a letter requesting approval, signed by the chief executive officer.

A timely submitted budget will prevent the city from having to submit two budgets to the state comptroller's office.

For more information or assistance on the requirements of a continuation budget, contact Mary Margaret Collier, Office of State and Local Finance, at (615) 401-7872, or contact your municipal management consultant or finance consultant.



Ron Darden



Parliamentary Procedure: Robert's Rules of Order— Debate – Part II



Margaret Norris

By Margaret Norris, Municipal Management Consultant

Did you know that there are rules governing debate in *Robert's Rules of Order Newly Revised*? The rules are called also called decorum, and if they are followed, debating will not become disputing, bickering, quarreling or fighting. Five of the nine rules were covered last month and the remaining four are the topic this month.

Rule number six "Refraining from Speaking Against One's Own Motion." (§ 43, p.393). If you want to make a motion just to get a discussion started, you can do that, but you cannot speak negatively about it. That said, feel free to vote against it when it comes to that point, just don't speak ill of it in debate.

Rules seven and eight are typically used in larger assemblies; and smaller bodies may be less formal and not use such procedures. They are "Reading from Reports, Quotations, Etc. Only Without Objection or with Permission" and "Being Seated During an Interruption by the Chair." (§ 43, pp.393-4). This basically means that you should not read a lengthy

letter or report to better describe a situation without getting the okay from the other members first. The other rule has to do with the fact that person who has the floor (the right to speak) is supposed to be standing. If you have the floor and the chair (mayor) has to interrupt you, you should take your seat or move back from the microphone until he or she is done.

The final rule governing debate is "Refraining from Disturbing the Assembly." (§ 43, p.394). With today's technology, this may be even more relevant than when *Robert's* was first written in 1876. *Robert's* references whispering and walking across the floor but a ringing or vibrating phone can be disruptive as can checking e-mails and responding to texts during a meeting. Please be courteous to your colleagues and citizens, and give the meeting the respect it deserves.

Next month's article will explore tips and tricks that, if everyone knows them, can make meetings run more efficiently.

Proper Application of Municipal Court Costs

By Ron Darden, Municipal Management Consultant

Tennessee courts, including municipal courts, impose fines on each cause, not each separate offense. So, regardless of the number of separate offenses a municipal court should only impose costs once on a defendant if all of the citations arise out of the same incident and are heard at the same time.

City "A" has established court cost by ordinance to be \$100 including the state and local litigation tax and the court training fee. When a police officer issues a citation that includes, for example, four offenses, the court cost should be assessed for \$100 – not \$100 for each offense. If the police officer issues four citations, the assessment of court cost should be \$100 – not \$100 for each citation.

Cities are advised to review T.C.A. 40-25-123(a), T.C.A. 40-25-124, T.C.A. 67-4-603 and Attorney General Opinion 99-056 (1999).

While other applications may produce more court revenue, the city runs the risk of a judge ordering the refund of excessive court cost.



On June 28, Governor Bill Haslam and Tennessee Department of Environment and Conservation (TDEC) Commissioner Robert Martineau announced the winners of the 2012 Governor's Environmental Stewardship Awards, with an awards ceremony scheduled for Aug. 24.

The Tennessee Renewable Energy and Economic Development Council (TREEDC) is one of 11 award recipients and will receive an award for "exceptional leadership in 2011 by partnering with 75 cities and counties to facilitate the advancement of renewable energy and energy efficiency in Tennessee." Congratulations to **Warren Nevad** and the mayors, members and volunteers supporting TREEDC!



Need to Know Which Cities Are in TCRS?



One of the frequent questions MTAS gets is "Which cities participate in TCRS?" This information can be found in the TCRS annual report as provided on the Tennessee Department of Treasury website.

CLICK HERE to read or download the 2011 annual report. The list of participating political subdivisions can be found on page 92 of the PDF document. This listing also includes other entities, such as 911 emergency communications districts, housing authorities, special school districts, utility districts and more.

Salary Survey Open for Data Entry

The 2012 MTAS Salary Survey is now open for data entry. It is time to either update your city's salary data or input your city's data for the first time.

Last year only 82 cities responded to the survey yielding a response rate of only 24 percent, the lowest in the survey's history.

We want to increase that number this year. Even if your city salaries haven't increased in the last year, we still want you to participate. Your city's information can benefit others.

If you have questions, feel free to contact your human resource consultants. The database is available for data entry until December 3, 2012.

NEW MTAS PUBLICATIONS

HOTEL-MOTEL TAX IN TENNESSEE (2012)

By Ron Darden, Municipal Management Consultant
This report discusses how cities levy the hotel-motel tax, limitations on levy of the tax, exceptions, collecting the tax and estimating proceeds from the tax and includes a list of Tennessee city and county hotel-motel tax rates. | [READ](#)

NEW REQUIREMENTS FOR PUBLIC SWIMMING POOLS

By Rick Whitehead, Municipal Management Consultant
Existing public swimming pools must meet 2010 accessibility standards by January 31, 2013; newly constructed or altered pools should follow standards on or after March 15, 2012. | [READ](#)

RELOCATION OF UTILITIES FOR STATE HIGHWAY CONSTRUCTION (2012)

By Ron Darden, Municipal Management Consultant
State statutes allow cities a maximum of 120 days to mark the drawings and develop a time schedule for relocation of utilities. | [READ](#)

TAMCAR CONFERENCE AGENDA

Tennessee Association of Municipal Clerks and Recorders (TAMCAR) conference will be held on September 19-21 in Murfreesboro at the Embassy Suites Conference Center. Make plans now to attend. The agenda is listed below:

Municipal Clerk Institute

WEDNESDAY, SEPTEMBER 19, 2012

8 a.m.	Tennessee Consolidated Retirement System
9 a.m.	Internal Controls
11 a.m.	Lunch and TAMCAR Business Meeting
1 p.m.	Issues in Human Resources Management
2:45 p.m.	City Recorder Duties: Beyond the Basics
6 p.m.	Awards Banquet

THURSDAY, SEPTEMBER 20, 2012

8 a.m.	Record Retention
9 a.m.	Individual vs. Group Behavior
Noon	Lunch
1 p.m.	Move Your Office to a Paper-Free Environment
2:45 p.m.	Is Your City Ready for a Drug Fund Audit?

FRIDAY, SEPTEMBER 21, 2012

8 a.m.	Funding Your Projects through the Tennessee Municipal Bond Fund
9:45 a.m.	Current Issues in Local Government
Noon	Adjourn

Municipal Clerk Advanced Academy

WEDNESDAY, SEPTEMBER 19, 2012

8 a.m.	Navigating the State Business Tax
11 a.m.	Lunch and TAMCAR Business Meeting
1 p.m.	How Can I Improve the Organization?
2:30 p.m.	Requesting Municipal Debt and Budget Submission Requirements
6 p.m.	Awards Banquet

THURSDAY, SEPTEMBER 20, 2012

8 a.m.	Government Building Security
10:15 a.m.	Saving Your City on Healthcare Costs
Noon	Lunch
1 p.m.	How to Make an Effective Budget Presentation

Mark Your Calendar! MTAS Training Events

MUNICIPAL LEGISLATIVE UPDATE

This course will provide a summary of legislation with municipal impact passed by the Tennessee General Assembly during the 2012 session. Public acts touching every aspect of municipal operations will be discussed. Of particular concern to cities this year were bills related to non-conforming uses, planning, zoning, sign regulation, taxes, firearms, code enforcement, synthetic drugs, stormwater and many other issues. This course will be conducted by MTAS legal consultants and will offer participants the opportunity to ask questions about any new legislation.

Aug. 16 Jackson
Aug. 23 Knoxville

[CLICK HERE](#) for more information or to register.

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.

Aug. 22 Knoxville

[CLICK HERE](#) for more information or to register.

DRUG FUND OVERVIEW AND PROPERTY AND EVIDENCE DISPOSAL

This course covers all aspects of drug fund administration and the proper disposal of sensitive property and evidence items, such as drugs, firearms and vehicles.

Discussion will include the accounting process required for confidential expenditures; allowable expenditures; and how the special revenue account (drug fund) differs from the confidential expense account.

The course will review recent legislative mandates for the disposal of firearms and comptroller’s regulations concerning drugs and forfeited vehicles.

Aug. 7 Murfreesboro
Aug. 24 Cookeville

[CLICK HERE](#) for more information or to register.



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