

**MINUTES OF SPECIAL CALLED SESSION
PIPERTON BOARD OF MAYOR AND COMMISSIONERS
JUNE 7, 2016, 7:00 P.M.**

The Piperton Board of Mayor and Commissioners met in a special called session on June 7, 2016, at 7:00 p.m. at City Hall, with Board members: Mayor Henry Coats, Vice-Mayor Hugh Davis, Commissioner Preston Trotter and Commissioner Mike Binkley were present. Commissioner Mike Ulczynski, Police Chief Phil Hendricks and City Planner Brett Morgan were absent. City Manager Steve Steinbach, Finance Director Maria George, City Engineer Harvey Matheny, Public Works Director Terry Parker, City Recorder Beverly Holloway, Fire Chief Reed Bullock were also present, along with Charlotte Johnson, Bill and Vicki Hancock, Police Officer Daniel Hyde, and Police Office Corey Traughber, et al and others in the audience.

Agenda item 1. Call to order, establish quorum

Action taken: Mayor Henry Coats called the meeting to order at 7:00 p.m., and established that a quorum was present.

Agenda item 2. Prayer and Pledge of Allegiance to the American Flag

Action taken: Public Works Director Terry Parker led in the opening Prayer and Vice-Mayor Hugh Davis led in the Pledge of Allegiance to the American Flag.

Agenda item 3. Any changes to Agenda; Motion to adopt Agenda

Action taken: There was a change to the Agenda with the addition of a new item #7, Discussion on Mosquito Abatement Program, Commissioner Mike Binkley moved to adopt the Agenda with changes, seconded by Commissioner Preston Trotter. The Motion received all affirmative votes.

Agenda item 4. Fletcher Creek Bridge Replacement – Awarding of Construction Contract

Harvey Matheny, City Engineer, recommended that the Board approve the bids that were received on May 19th at 10:00 am for the Fletcher Road Bridge replacement and as you know this was done about a month earlier and we had one bidder and the prices were considerably higher and that was out of line with the engineer's estimate and the most notable change between the previous bid and this bid was the change to the construction time from 90 days to 120 days that involves more than the bridge work it also involves some roadway approach work so the project was rebid and received two bidders this time, JR Construction Company was the low bidder with a total of \$463,168.25 and this contractor has done quite a bit of bridge replacement work in Shelby County and did speak with Jim Smith, the Fayette County Public Works Director, and this contractor has also done work for the County and Mr. Smith spoke highly of this contractor, so with that staff recommends approval.

Mayor Coats stated this is a 98/2 contract where Piperton will actually pay the 2% of the total cost of the bridge.

Mr. Matheny stated it will take TDOT about two months to prepare the contract for signature and then the preconstruction meeting will be held to get started but the one thing that needs to be done is certification that the City has acquired the two right of ways on the north and south side that will go with the contract.

Steve Steinbach, City Manager, stated with regard to the right of way he has discussed with Mr. William Cleveland the owner of the property on the northside of Fletcher but has siblings that have to review that and then Frank Fitzgerald owns the property on the southside and the Mayor has had discussion with Frank and expects the affected property owner would dedicate that part of the right of way and at worst Mr. Cleveland is going to ask for an appraisal of the

property for donation purposes but the extreme is condemnation and that is lengthy and no one wants to engage in that process so feels that staff will be successful in securing that.

Action taken: Commissioner Trotter moved to award the bid to JR Construction Company, seconded by Commissioner Binkley. The Motion received all affirmative votes.

Agenda item 5. First Reading, Ordinance No. 265-16, Amending the Budget for Fiscal Year 2015-2016 (Third Amendment)

Steve Steinbach, City Manager, stated this is the final amendment to our fiscal year 2016 Budget and most of these items are clean up items in the recognition of revenue and they effect the General Fund, Sewer Fund, Water Fund, Garbage Fund and Gas Tax Fund and will give a brief review, on the General Fund, staff is recognizing new revenues for the sale of the police cars, contributions/donations, building permit income has exceeded our budgeted amount by a considerable amount, excise tax, citation fees for the electronic citation fees, the expenditures are recognized in red such as the overtime for the Fire Department is a significant issue since going to a 24 hour system and staff is still learning from a personnel standpoint along with Dennis Wolfe from MTAS has consulted with us regarding how 24 hour shift people accrue time and as we grown into a larger department the impact on the overtime aspect won't be as great, for calls and meetings Chief Bullock has done a good job in trying to find other sources to cover that overtime and so we are helping to mitigate that impact through a reduction in the budget amount for the calls and meetings and the wages for our budgeted amount that is about \$10,000.00 that we are able to throw at the \$16,000.00 number, the office server has long been a hope to be able to connect all of the Departments and last year the Board approved appropriations for a server that would allow all departments to connect and all data files to reside in a central location which is critical and we are asking the Board to approve an amendment in amount of \$2,000.00 which will cover the additional cost for the installation and that is the extent of the General Fund Budget items, moving to the Sewer Fund, Exhibit B, we are recognizing the reduction in lab testing and transferring that to materials and supplies which we were underfunded to cover unexpected items, on the Water Fund with the increased residential growth we under forecast the metered water sales so asking for the Board's concurrence in amending that line item to recognize the increased water sales, on materials and supplies the increase on this item is due to an increase in residential meter sets that is related to unforeseen repairs and additional meters required by Terry and the Mt. Zion water line engineering fees and the subsequent item 4 is an accounting measure by simply assigning different account numbers and with the utility truck there is no increase or decrease just a recognition of switching account numbers for auditors purpose for recognition of those items in our budget, on the Garbage Fund due to the increased growth we had under budgeted and we are recognizing the increased revenue item and same thing for Waste Connection with increased customers comes the increased payments to the vendor that supplies that service and for pothole repairs that was a budgeted item and we are simply changing the account numbers for that and the same for materials and supplies and next there were emergency backhoe repairs and repairs to a bush hog tractor that elevated the line item that was budgeted so we are covering those expenses and asking for fund balance appropriation to purchase an angle utility trailer and again most of this is house cleaning items and will correct formatting issues before second reading.

Action taken: Commissioner Trotter moved to approve Ordinance No. 265-16, amending the Budget for Fiscal Year 2015-2106 (Third Amendment) on first reading, seconded by Vice-Mayor Hugh Davis. The Motion received all affirmative votes.

Agenda item 6. First Reading, Ordinance No. 266-16, Adopting the Annual Budget and Tax Rate for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017

Mr. Steinbach stated this is the first reading and presentation of the entire Budget, our Budget is broken down into three exhibits, Exhibit A which is the overall comprehensive review of

the Budget, Exhibit B is the detailed breakdown including revenues by department and Exhibit C is required by the State and is the identification of our outstanding debt service and the bottom line is there is no tax increase proposed and we are anticipating revenues exceeding \$3,313,000.00 in the final column and all of the sources of revenue which will be set forth in Exhibit B, the \$3,313,000.00 in projected revenues is relative and compared to the total expenditures of \$2,795,000.00, the overall revenue over expenditures is a half million dollars and most of that is due in the increase of sales tax and our robust building activity and a lot of the revenue streams are based on water tap fee that are related to new development, the capital outlays and the fund balance appropriation which are identified and we are looking somewhere in the neighborhood of \$690,000.00 in fund appropriation and have increased our fund balances every year and our revenues are well in excess of any projected expenditures at this point, this is a detailed source of the projected revenues and its broken down by General Fund, Enterprise Fund which consists of Water and Sewer Funds and our special revenue funds which consists of Sanitation, State Street Aid and Drug Fund, with regard to the General Fund the forecasted increase is \$240,515.00, the Enterprise Fund consists of the Water Fund and the Sewer Fund and these funds have to operate as a business enterprise meaning they pay for themselves and can't be supported or subsidies by General Fund activity and the Special Revenue Fund consists of Sanitation, Street Aid, which is a dedicated revenue stream provided by the State that can only be expended for streets and the Drug Fund and the forecasted increase is \$3,210.00, the total forecasted revenue is \$411,715.00 and now for the Department Budgets, the General Administration consists of the Board of Mayor and Commissioners, Planning Commissioners, Contract Staff and the City Administration Department consisting of the City Manager, City Recorder, Finance Director, and Admin Clerk, the Mayor had ask staff to propose an increase in the Commissioner's salaries and this can be budgeted but it will take an action of the Board before the election to enact the increases and this would not go into effect until after the election, staff has added that increase per the request for 7 months (December to the end of the fiscal year), the Planning Commission staff consists of the Contract Inspectors, the City Engineer, GIS Mapping consultant and the City Planner and most of the professionals the staff bills out as the City doesn't subsidize any of their review fee, the Deferred Comp. reflects the increase starting on January 1 and now the Operating Expenses, the City will farm out the payroll service at \$500.00 a month that will reduce the computer software expense and the telephone expense is going up due to upgrading the system and beyond that most of the items are seeing a reduction and there is an overall reduction of in operating expenditure of \$2,690.00 and so the total forecasted increase is \$10,225.51 against projected revenues of \$240,515.00 for the General Fund, next is the Fund Appropriations/Capital Expenses for the current fiscal year, these are comprised of directives by the Mayor and Board, items from the Department Heads and with regarding to General Administration, staff is proposing the addition of fireproof file cabinets, updating regulatory documents (Zoning Ordinance, Design & Review Guidelines, Sub-Regs, Strategic Planning), Alarm Systems, City Hall Painting, City Hall Roof, marketing materials for the Industrial Development Board, GPS Monitoring and the Third Party Payroll Processing (Trial Year to see if it works and if so will add it to operating expenses if not we will lose it) and on the Building and Codes Department, the most significant item is the Officials position going to a contract position, Mr. Johnson is in the office 5 hours a week for administrative oversight and the rest is paid by the amount of inspections he does, bottom line is a projected savings of \$15,400.15 in the Building Department, operating expenses are going down because a lot of the expenses related to Mr. Johnson have gone away and there is a reduction in the operating expense of \$2,866.43 and the total savings for the fiscal year is \$18,266.58 and the fund balance appropriation staff is continuing to propose funding for lot cleanup and demolition and to add GPS monitoring to every City vehicle that will be applicable to the Police Department, Building & Codes, Public Works, this will allow us to monitor the locations of all of the City vehicles and next the Public Works Department has an increase of \$41,774.01 that isn't what is seems when Terry started to grow

the department there were a variety of employees that were utility-based and under the law if they were utility-based then the City had to have them in the utility funds because the City had more revenue generated in our enterprise fund we put those employees there and now that our enterprise funds are up and running well and enable to sustain staff, we are now moving the burden of those salaries back over into the General Fund where it belongs although you see a substantial increase in the personnel cost you will see a reduction in personnel cost for the sewer and water funds.

Terry Parker, Public Works Director gave a brief overview of his staff to the Board as requested by Mr. Steinbach.

Mayor Coats inquired if all water meter change outs were complete.

Mr. Parker stated yes sir.

Mr. Steinbach stated he is also proposing a part-time Administrative Assistant for Terry and again a reduction in operating cost across the board also operating expenses are going down for their department so the total operating reduction is \$13,227.05 and with regard to fund balance and capital appropriations for 2017 there are a lot of things going on that will have to be addressed such as the Fletcher Road Bridge replacement of which the City is only paying 2% of a half-million dollar bridge that is \$10,000.00 but the City is having to pick up some of the cost associated with that such as engineer fees, survey fees that will be reimbursed, road brush/limb clearing which is an on-going annual maintenance program and our road repair, patch and culvert replacement, Keough drainage issues that is representative of all of the things that we have to address, street lights is a project to change out lights to move to a more energy efficient LED lighting system, Ridgewood Grove had another design bust in the engineering calculations by the private side it has resulted in a drainage situation at the south end of the development and the design engineer has recognized the design bust and will play a role in assisting with the City in eating that cost especially since the letter of credit has expired and the City returned and released that subdivision, funding for Commerce Road study-it is a valuable industrial corridor but the road has fallen into tremendous disrepair, the issue is that staff doesn't quite understand ownership on that roadway, the previous City Engineer, Bob Conrad, had looked at it briefly, the pallet facility is a leased facility owned by a couple of out of town sisters so the City has got to understand the right of way of that roadway before we can go out and make improvements because it is likely the City could be making improvements on private property and we can't do that and on Fletcher Dr./Gravel Replacement/Contract Grading this is reimbursement for the County to assist the City in maintaining that road, next is the Fire Department's budget that proposes increases in compensation for the personnel relative to their peers and with that he ask Chief Bullock to address the overtime matter with regard to going to a 24 hour shift.

Chief Bullock gave a brief overview of this matter and the conclusion is the overtime is the cheaper way and still provide the service to the residents.

Mr. Steinbach stated we are still looking to get a better understanding of what the ramifications are and the operating expenses are pretty much flat lined across the board with the noticeable increase for medical supplies and the total personnel and operating expenses \$25,307.06 and in fund balance appropriations the single largest purchase is the carry-over of the ambulance that has been budgeted and if it doesn't happen the funds will be reabsorbed and on the Police Department represents increases for personnel across the board that is offset by reductions in overtime payroll and holiday expenses which were changed under the new personnel manual, a reduction in overall personnel cost of \$6,722.76 and operating expenses has tremendous reductions across the board, police car maintenance will go down, fuel costs are going down and proposing the acquisitions of new vehicles as we upgraded our fleet and will see the reduction in maintenance cost associated with that, also accounting software reductions and the bottom line is a reduction in total personnel and operating cost of \$28,895.76 and we are proposing the acquisitions of three new SUVs and the equipment for those vehicles and are proposing to pay cash for those vehicles and the purchase of software from a public safety cd that

was collected and split between the Fire Department who acquired the Lucas Device and the Police Department is proposing to acquire software and hardware that will actually store the video interactions, also GPS monitoring as previously discussed for their fleet as well, next is Municipal Court which shows increases for personnel as well as the prosecutor that total \$5,806.75 with nominal increase in operating expenses for their office of \$426.00, no capital expenses proposed for Municipal Court and next is the Enterprise Fund which is comprised of the Water, Sewer and Fund appropriations and a lot of the personnel are represented in the Public Works budget too and again staff was to relieve the burden of our Enterprise Funds and place that burden on our General Fund which is growing faster that gives us greater flexibility and we won't have to increase rates as much to stay on top of that, operating expenses have increased largely due to amount of money we pay Collierville for water but that is also a wash because of increased revenues from sales of water and so the total personnel operating expenses shows a reduction of \$2,089.95, on fund balance appropriations there are several items proposed such as a water locator, altitude valve replacement on Water tower, payment of TDOT Utility relocate bill, and proposing a rate study for both the water and sewer which the amount has been split between the water and sewer fund and on the sewer fund just as with the water fund the burden of the personnel cost has been shifted to Public works and that results in a reduction of \$ 8,834.94 and the operating expenses have ballooned due to the increase in the depreciation number for our sewer infrastructure and we also extended our depreciation schedule from 40 to 50 years and on fund balance appropriation for the sewer fund consists of sewer pumps, WWTP inspection along with other professional services, Master Sewer rate study, has also added a line item for Sewer Line Debt Service which the only City debt is the fire engine but the City will have to go into debt that could be anywhere from ¾ to a 1.5 million dollars depending on how far the Board wants to fund infrastructure down Hwy 57 and staff amortized 1.5 million at 3% over 20 years and is asking the Board and has asked the Mayor to appoint a finance committee consisting a Board liaison and a couple of citizens to review best financing options and would like to go to bid hopefully in the fall sometime and make that connection as Mike Russell is counting on that connection for his phase II so when that occurs that number will come out of this line item and go into debt service but feels the 1.5 million is a good estimate and on the Special Revenue Fund items are funds we don't budget a tremendous amount of expenditures and the street aid is a fund category that helps pays for anything dealing with road right of way for example, materials, street signs, utility lights and small equipment repairs and staff is proposing a small increase in the operating budget of \$2,200.00 with most of that related to increased material costs and with regard to fund balance appropriations staff is proposing purchase of 2 zero turn mowers to replace older equipment and on Sanitation staff is showing a decrease and the Drug fund, the Chief has budgeted for Patrol Unit equipment and weapons-handgun replacement from the fund balance that has accumulated, and on Exhibit C, this is the schedule of outstanding long term debit that shows the original loan amount of the Fire Truck of \$198,171.74 and the loan balance is projected by the end of the fiscal year of \$ 124,021.83 and it shows the interest rate, principle, interest fees and this is a requirement by the State so the total debt service is shown at \$41,620.80 and regarding this the Board adopted a debt management policy several years back and it basically said the City's debt service obligation will not exceed 6% of the total General Fund revenues with would be a \$148,000.00 and this gives us the idea of our debt capacity and now the enterprise debt for the sewer will be an enterprise operation so it must stand on its own and there is no limits on that as long as rates can pay for that debt service and this is first reading with the public hearing to be held at the end of the month.

Charlotte Johnson inquired when there is an ambulance call is there a fee charged to the person who receives the services.

Chief Bullock stated no the Fire Department does not but the ambulance service itself does.

Bill Hancock inquired about the centralized data connection of all departments.

Mr. Steinbach stated its problematic having different servers that he can't access for checks and balances but having centralized data is a goal so that everything will reside on one server and can be accessed and having connectivity between all departments.

Mayor Coats and the Commissioners commended Staff for their work on the Budget.

Action taken: Commissioner Trotter moved to approve Ordinance No. 266-16 on first reading, seconded by Commissioner Binkley. The Motion received all affirmative votes.

New Agenda item 7. Discussion on Mosquito Abatement Program

Mayor Coats stated that he sent emails and half of people talked to said driving down the street spraying doesn't do anything and there are other things to do but it sounds like spending \$1,000.00 a month to spray could be a waste of money and would like for the Board to give some guidance here also Orkin would like to come out and look at the City and see if there are specific places that need to be treated specifically that could be more effective instead of driving down the street spraying and he will meet with Orkin and there could be certain liabilities with regard to what is being sprayed.

Action taken: Mayor Coats will gather more information.

New business.

1.) Fire Department-Dress Code- Chief Bullock

Mr. Steinbach stated the Chief came to him about a request from the Fireman about the proposition of wearing shorts with black socks and black tennis shoes.

Chief Bullock showed the shorts to the Board and stated Nashville and Germantown are doing this.

Commissioner Trotter inquired in the event of a fire they would put the turnouts over them.

Chief Bullock stated yes sir, they wear the turnouts and following Germantown's guidelines that allow their personnel to wear them anytime of the year with the exception of their ambulance service which we do not have that service, if approved they would be wearing this at their discretion as part of their uniform, would mandate the pants style with black socks and black tennis shoes.

Vice-Mayor Davis stated it is professional, it's clean and neat.

Action taken: The Board approved the Fire Department's request.

2.) Vicki Hancock stated there is a substantial sink hole on Windbrook at one of the intersection.

Mr. Parker said Public Works is aware of it.

Agenda item 9. Adjournment

Action taken: Commissioner Binkley moved to adjourn, seconded by Commissioner Trotter. The Motion received all affirmative votes and the meeting was adjourned at 8:36 p.m.

Respectfully submitted,

Beverly Holloway, City Recorder

Approved: _____ date: _____