

**MINUTES OF REGULAR SESSION
PIPERTON BOARD OF MAYOR AND COMMISSIONERS
JUNE 28, 2016, 7:00 P.M.**

The Piperton Board of Mayor and Commissioners met in regular session on June 28, 2016 at 7:00 p.m. at City Hall, with Board members: Mayor Henry Coats, Commissioner Preston Trotter, and Commissioner Mike Binkley present. Vice-Mayor Hugh Davis, Commissioner Mike Ulczynski, City Engineer Harvey Matheny and City Planner Brett Morgan were absent. City Manager Steve Steinbach, Finance Director Maria George, Public Works Director Terry Parker, City Recorder Beverly Holloway, Police Chief Phil Hendricks, Fire Chief Reed Bullock were also present, along with Butch Rhea, Bill and Vicki Hancock, Ronnie Graves and Family, Angela Kerby, Elizabeth McCommon, Raymond Palfrey, Neil Taylor, Police Officers Matt Kittrell, Corey Traugher, Wayne Williams, Joe Moynihan, Daniel Hyde, Lt. Shawn Bennett, Firefighter Lindsay Loftin, 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: Mayor Coats led in the opening Prayer and Commissioner Preston Trotter 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 new item #12, Discuss Proposed Special Event by the Fayette County Animal Rescue, Commissioner Mike Binkley moved to adopt the Agenda with one change, seconded by Commissioner Preston Trotter. The Motion received all affirmative votes.

Agenda item 4. Any changes to the Minutes of the Regular Session of May 17, 2016: Motion to adopt the Minutes of May 17, 2016.

Action taken: There were no changes to the Minutes of May 17, 2016, Commissioner Trotter moved to approve the Minutes of 05/17/16, seconded by Commissioner Binkley. The Motion received all affirmative votes.

Agenda item 5. Recognition of Officer Ronnie Graves

Chief Phil Hendricks stated Ronnie joined our department in December of 2008 and since then his performance has been stellar the whole time he has been here, he has been a great officer, has been fun and easy to work with, three times Officer Graves was awarded the West Tennessee Law Enforcement Officer of the Year (2011, 2014 and 2015), Officer Graves entered law enforcement in 1990 and after twenty-six years he has decided it is time to let it go and on behalf of the City, Chief Hendricks presented Ronnie with a plaque in recognition of his performance and for all you have done for the City and the Department-Thank you.

Mayor Coats stated you are the best.

Officer Graves stated he couldn't have done it without these guys and this Chief, thank yall.

Agenda item 6. Review/approval of Financial Reports, Building Inspector's Report, Fireman's Report and Police Report

Steve Steinbach, City Manager, stated we are fast approaching the conclusion of the fiscal year 2016 budget, Maria is working feverishly to close the books and we will add money back to fund balance for the fifth year running, our cash positions are strong and have accumulated \$3,300,000.00 in cash or cash equivalents and we are in budget and looking forward to another robust fiscal year.

Commissioner Trotter inquired on the cost sheets for May, the line items for salaries and wages were significantly over budget for that month, is there are reason for that.

Maria George, Finance Director, stated there are some months we have three pay periods but will check that.

Mr. Steinbach stated all of the items that we knew were going to be increased as a result of events we anticipated have been reflected in the budget amendments so some of those could have been increased but none of the salaries other than overtime primarily with the Fire Department are over budget.

Mr. Steinbach stated on reviewing the Code Enforcement-Building Inspection report for the last couple of months, Tommie has been running at a strong pace and thinks a lot of the inventory has been absorbed and our building activities has been strong and has spoken with the development community and there has been discussion with the developers about adding lots to their inventory and does anticipate a cooling off period after the next couple of months, Mike Russell is scheduled to add new inventory with his phase II and Twin Lakes may provide additional lots to the market place so we are in a good position and the development committee is in a good position to take advantage of what is going to be a slim inventory until Mr. Russell is able to deliver new lots in the spring of 2017.

Fire Chief Reed Bullock stated May was a fairly quite month with only 13 total calls with 3 outside of the City and two of those were down on I-269 between Hwy 72 and the Mississippi stateline, on the first responder call we did arrive first on the scene then Collierville arrived and we did work together on that call.

Mayor Coats stated he is seeing less and less of Rossville activity, does that mean they have more volunteers.

Fire Chief Bullock stated they don't have any more volunteers but since they have 1 full time on staff and some regulars they are absorbing a lot of the first responder calls and things of that nature that we use to help them with.

Commissioner Binkley stated the response times are a little better.

Fire Chief Bullock stated the average City time stays around 5 minutes the only thing that will throw that off is if we receive anything up on Raleigh LaGrange and the one call in the City for an alarm, it was storming so bad and so weather hindered that response time.

Police Chief Phil Hendricks stated during the month of May, there were 101 dispatched calls, 6 incident reports, 3 arrest, and 5 motor vehicles crashes.

Action taken: Commissioner Trotter moved to approve all reports as given, seconded by Commissioner Binkley. The Motion received all affirmative votes.

Agenda item 7. Recess: hold Public Hearing concerning Ordinance No. 265-16, an Ordinance amending the Budget for Fiscal Year 2015-2016 (Third Amendment)

Action taken: Commissioner Binkley moved to recess, seconded by Commissioner Trotter. The Motion received all affirmative votes.

Mr. Steinbach stated this is the final budget amendment for fiscal year 2016, it covers the General Fund, the Sewer Fund, Water Fund, Enterprise Fund-Operations, Special Revenue Fund-Garbage Fund and Gas Tax, most of these items are reflecting increases in revenues that exceeded forecast substantially, in regards to the General Fund-item 1 reflects police cars sold, item 2 reflects accepted grant, item 3 reflects the increased building activity which is our highest year ever and it is doubtful we will hit that mark again because of lack of inventory, the items 4 through 8 again are reflective of revenue, item 9-seizures wasn't a budgeted item because we

never know what to budget so it is generally left at zero until we see what the year brings, the expenditures primarily deal with labor and personnel related to the Fire Department and the impact of our 24 hour shifts and we are making adjustments to move expenditures from other line items to cover that as the department grows that particular item will go down as we have more available personnel to cover personnel that are out sick or on vacation, on Exhibit B-the Sewer Fund, we decreased items and shifted those to cover other line items and recognized increased sewer tap fees, we attempted to project based on a model that has a certain number of users and on item 5 we increased this line item for expenses to Chickasaw Trails, the development fees that they charged are based on a fixture amount and there were 23 fixtures for a small building so it was a significant bill and until we are in control of our domain with regard to sewer that is a reality that our businesses will face and on Exhibit C-Water Fund, item 1 we are again recognizing increased revenues over projections, item 2 reflects an increase due to increases in residential meter sets and more than usual maintenance repairs, items 3 through 6 are changes in account numbers to reconcile accordingly, item 7 reflects increase for Piperton Preserve Phase I connection fees, Exhibit D-Garbage Fund, recognizing increased revenues due to new customers, Exhibit E-Gas Tax Fund is our Street Aid fund dealing with our road maintenance, item 1-reflects a change in account numbers and the other expenditures are related to unforeseen expenditures where we had to add additional monies for maintenance line item to conclude our road repairs for the fiscal year by \$2,000.00 otherwise we were in line and on Exhibit F-Drug Fund, this is recognizing receipt of the sale of a police car and the cost of facilitating that deal through GovDeals.

Mayor Coats inquired if we have had a chance to start looking at special pickups in the Garbage area.

Mr. Steinbach stated no, it was anticipated concluding this fiscal year then sitting down and having a discussion with our garbage vendor regarding the recycling operations.

Mayor Coats stated we are going to investigate a service that might take refrigerators, tires etc. that picks up periodically.

Action taken: Commissioner Trotter moved to reconvene, seconded by Commissioner Binkley. The Motion received all affirmative votes.

Agenda item 8. Second Reading, Ordinance No. 265-16, amending the Budget for FY 2015-2016 (Third Amendment)

Action taken: Commissioner Binkley moved to approve Ordinance No. 265-16 on second read, seconded by Commissioner Trotter. The Motion received all affirmative votes.

Agenda item 9. Recess: hold Public Hearing concerning Ordinance No. 266-16, an Ordinance adopting the Annual Budget and Tax Rate for Fiscal Year beginning July 1, 2016 and ending June 30, 2017

Action taken: Commissioner Binkley moved to recess, seconded by Commissioner Trotter. The Motion received all affirmative votes.

Mr. Steinbach stated the Budget summary is before the Board for Fiscal Year 2017 with no tax increase proposed and staff is proposing revenues over expenditures of over \$519,100.00 dollars and that is a strong increase that has to do with our improving sales tax numbers, we also conducted a special census and added new residents and for each resident that we were able to count and turn into the State that is another \$120.00 per man, woman and child and with regard to the operating budgets for the various departments-you will note the increases/decreases where we had increases we tried to offset with decreases and the bottom line is the proposed increase for fiscal year 2017 for the operating expenditures is \$20,180.00 and that represents less than a 1% increase over last fiscal year and was pleased with the efforts of the department heads to address their budgets as to what is needed today as opposed to yesterday and we did have significant increases in Public Works and that is due to a growing personnel size also the increase

is representative of moving the burden of personnel from our enterprise funds and you will note the decrease in the Water Fund and on our fund appropriations we are proposing a slight decrease in capital expenditures for the fiscal year an 8% decrease over last year and we did not expend all the monies for capital items in fund balance appropriations that we budgeted for example the ambulance but for the most part we were able to address capital needs, we conducted studies such as a master sewer study which has given us insight as to how to expand our infrastructure and we are utilizing that now as part of the Rossville connection and the design is complete and we will be costing that out and the Mayor will appoint a Financing Committee to determine the best way to finance that and the results of the expenditures are indicated as we are adding an administrative assistance to help the ladies in the front office but primarily for Terry's benefit to help with administrative work and on our health insurance premiums staff has managed to keep them under double digit increases as we have gone to a high deductible plan and the City is shouldering the risk of that but it has been beneficial to us and we have implemented a cost saving approach that is directly passed on to the employees and this also marks the first year we are moving away from a static amount of \$650.00 that the City had previously provided to be applied towards the employee's share of the health premium and now we have gone to a percentage to reconcile that to bring a greater equilibrium across the personnel characteristics and lastly we have increased the employer match to become more competitive we started off with 1% and proposed a ½% increase and the Mayor recommended an increase to 2% starting January 1 and the revenues for General Fund are in excess of \$140,000.00 so when looking at the operating increases we are able to absorb that and put money back into the bank so that is a summary of capital expenditures and now an overview by department of the capital items anticipated and proposed for this Budget and with regard to Administration we are looking at adding fireproof file cabinets, adding GPS monitoring system for all public vehicles in all departments, proposing to paint and add a roof to City Hall in our efforts to keep the building in good repair.

Chief Bullock stated the Fire Department is proposing to replace turnouts, thermal imager, security cameras upgrades and the HVAC package for the sleeping quarters.

Chief Hendricks stated the Police Department is proposing the replacement of three Crown Vics with 3 SUV style vehicles equipping those vehicles and in addition to that the hardware/software for the video storage that will allow the upload the video from the vehicles and the body cameras to the server.

Mr. Steinbach stated several expenditure items for the Police Department and the Fire Department were covered with a Public Safety CD.

Commissioner Binkley inquired if we have taken into consideration the amount of support that the body cameras are going to take inside City Hall with regards as to what Memphis has done by postponing theirs because of all the personnel it is going to take to get people the information when it's requested.

Chief Hendricks stated last year Memphis looked at trying to remove that from public record but that didn't go through and as it is we provide all of our information to the DA and what they do with it after that is up to them.

Commissioner Binkley inquired if we think it will cause our office at lot of excess calls.

Mayor Coats stated the main thing with Memphis is the massive amount of storage but we are taking care of that this year in the third line item.

Chief Hendricks stated there is a retention period and that is based per policy and make our determination but we may have to shorten the retention period.

Terry Parker, Public Works Director, stated on capital projects we have Fletcher Rd. Bridge Replacement, road repair, patch & culvert replacement, street lights, Keough drainage issues, Ridgewood Grove drainage, Fletcher Drive gravel replacement/grading and Commerce Road Study.

Mr. Steinbach stated with regards to the Building and Codes Department there is the GPS monitoring which is applicable to every department and continuing to deal with properties that are not maintained and going through due process with the property owner to ensure the property is maintained or hire a contractor to cut the grass.

Mr. Parker stated for the capital expenditures for water are a water locator to find values or any mains, altitude valve replacement for the Water Tower, TDOT Utility relocation bill balance payoff and a water rate study.

Mr. Steinbach stated with regards to the water rate study the biggest challenge as a City is understanding where we are on our infrastructure situation, the City is on the verge of experiencing tremendous development and growth and with that comes the burden of providing infrastructure and one of the first things is to understand what the existing liability is with regard to depreciation cost of the infrastructure on our books that is passed on to the rate payers and the four decentralized systems the City has in operation, there is real cost associated with that and the books may not accurately reflect that so staff has been spending considerable time over the last couple months updating all of our infrastructure because the previous auditors just passed it over to the next auditor and used the number and the staff asked the question where this number came from so there may be a real possibility that the depreciation that we are legally bound to account for is going to be higher than what it has been so having an understanding of that is critical and the other thing is with the connection to Rossville we will avail ourselves of the first centralized sewage and are looking at between a quarter of a million dollars and a million dollars for the extension of that line and the first customers will essentially be 27 lots and that will not happen at one time, it will be a series of months so that will take working with the State and the State has previously provided three years to run in the red before the State steps in to increase the rates so we need to understand this to our advantage and we have to understand what the rates are going to be and what our tap fees are going to be and has meet with the City Engineer on a couple of occasions and we have got to develop a methodology for determining what the tap fee needs to be for each lot and so staff is recommending and proposing in this budget that we hire a specialty firm to do a complex rate analysis and equation so we get on top of it so that expenditure is proposed in both the water and sewer fund.

Mr. Parker stated there are 4 water type treatment facilities and also 175 homes that contain pumps so a variety has been installed from 8 to 10 years and the decentralized facilities may have 5 to 6 pumps at one location and based on when they went on line the age could be 7 to 10 years on those also and due to age staff is experiencing problems with some of those so replacements are needed and would like to have pumps on hand in case of emergencies, also proposing professional services such as inspections and with the sewer lines to Rossville there will be a sewer line debt service to pay for and also with the four decentralized facilities that we run we must also renew the permits that is a requirement of the State every five years and the professional design service for the Rossville sewer line extension.

Mr. Steinbach stated on capital expenditures for Street Aid, Terry is proposing 2 zero turn mowers and on Capital Drug purchases we don't know how to project a budget for it and so based on the fund accumulation we are proposing patrol unit equipment and weapons-handgun replacement and that is an overview of the proposed capital expenditures for Fiscal Year 2017.

Mr. Steinbach stated this is an overview of our projected revenue for the new Fiscal Year, the actual numbers have changed since the initial budget since Maria is continually reconciling the books and will for another 30 to 60 days after the fiscal year concludes, staff is anticipating and projecting revenues exceeding \$120,000.00 in General Taxes and again most of that is due to a strong robust growth in sales tax revenue, and we have budgets conservatively for that number, State Shared Taxes we are forecasting an increase of over \$27,000.00 taking together that is the lion share of the increase and that is a 12% increase over last year's general taxation and on Permits/Fees-the budget you reviewed at last meeting showed a slight increase but Maria has updated that and part of the Third Budget Amendment was to recognize the increase in building

permit income and staff believes the building permit income will be slightly down and that could be offset by large commercial users or an industrial user of significant size that could come in but for budgeting purposes staff wanted to be conservative on that and on Fines/Forfeits-all of our State Routes have been reviewed by TDOT to establish the correct speed limits and the reality is with Hwy 57, 196, 72 and 385 we are going to have a lot of vehicular traffic and the result is that we are going to have significant revenue but the revenue that is proposed for collection has now decreased to 35% of the General Fund Operating Budget and it use to hover around 50% which is not good and the General Assembly was looking at passing a law from than 50% of its revenue from traffic citations and the activity has increased but the amount of the revenue generated from that relative to our General Fund has continued to decrease and on Enterprise Fund Operations-miscellaneous revenue deals with grants, interest on savings and staff is anticipating and forecasting slight increases across the board for water and sewer revenues and again this is an enterprise business operation-it is directly related to the number of users on the system to the extent that our user base grows the revenue base is going to increase and the challenge again is to keep down maintenance and operating expenditures associated with maintaining that system and the depreciation previously talked about, and the last category is our special revenue fund that consists of our Sanitation, Street Aid and Drug Fund; again we have discussed the fact that it is impossible to forecast and budget for drug fund revenues and we don't base any of our ongoing fixed expenditures on that revenue source and the State Street Aid is related to shared revenue that is related to our special census so for every resident increase we get additional dollars from the State and that is reflected in the increase and there is a slight decrease in Sanitation and that is based on the forecast that ultimately we will wean away from the recycling business and doesn't know exactly how that will play out but our special revenue-Sanitation is a payer supported system and we don't budget any City operations other than what we have to pay the vendor for that and our new vendor has improved over the last vendor and the final analysis is a 4% projected increase overall revenue sources for fiscal year 2017 and lastly our Exhibit A summary sheet-this is a reconciliation of data that has been presented to you, the end result is an overage of \$519,100.00 almost enough to cover the entirety of our capital expense but we are currently blessed to be able to fund all of our capital operations primarily from our General Fund operations and the difference between what we are projecting and the overage of revenue versus expenditures and our capital expenditures is about \$171,000.00 meaning that you take the ambulance out and a few other items that may or may not happen and we are paying for all of that with the General and Enterprises revenues that are generated, feels this is a strong budget.

Mayor Coats stated the numbers are conservative.

Commissioner Binkley stated we are at a blessed position.

Mr. Steinbach stated Exhibit C shows all of our debt which is the fire truck and you see the current loan balance and what our total debt service is and that is considerably below what our debt capacity is as a community but we do anticipate taking on debt for the construction of the new sewer line but that will be an enterprise operation and is separate from General Fund so this is the extent of our General Fund debt.

Commissioner Trotter complemented staff on putting together a very good budget and holding the operation costs in line.

Commissioner Binkley stated for matching the budget last year so every year we do a good job with matching the budget and it's not always easy to do.

Mr. Steinbach stated its good staff, good people, and Thank you.

Action taken: Commissioner Trotter moved to reconvene, seconded by Commissioner Binkley. The Motion received all affirmative votes.

Agenda item 10. Second Reading, Ordinance No. 266-16, an Ordinance adopting the Annual Budget and Tax Rate for FY 2016-2017

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

Agenda item 11. Resolution No. 16-183, Adoption of State Mandated Internal Controls Manual

Mr. Steinbach stated the State Comptroller based on the General Assembly Law that required all municipalities in the State of Tennessee to adopt an internal control manual, this document was provided to us as a model and so over the last couple months staff has gone through this and there are essentially five components that are mandatory and won't go through all of these but for the record the Control Environment which is an oversight of what's going on in our day to day operations, Risk Assessment-we need to be vigilant with regard to cash operations, staff does a stellar job, and Checks and Balances-mean one person is not taking receipt and making deposits, one person takes receipt and the other person checks it and some of the changes that will be implemented in this document, we are proposing to the Board a new lengthy comprehensive personnel manual this year that will have job descriptions and salary ranges for every position in the City so that will be standardized and that is required by this document and we will start having a Police Officer take deposits instead of other staff members, one of the other measures is an annual risk assessment by the City of its operations and what is anticipated is the City is either going to hire an outside risk management entity to review and report to the Board most like the audit but preferably and more transparency for the citizens is the Mayor to appoint a risk assessment committee with the assistance of a MTAS management consultant to identify areas that need to be strengthened in our operations, staff recommends based on the State requirement that the Board consider adopting this internal control manual.

Mayor Coats stated he is in agreement with bringing in outside MTAS people.

Action taken: Commissioner Trotter moved to adopted Resolution No. 16-183, seconded by Commissioner Binkley. The Motion received all affirmative votes.

New Agenda item 12. Special Event – Lindsay Loftin

Chief Bullock stated as a growing community we are the ones that are called upon but the greater responsibility we have is to be proactive and ensure that we head things off before they happen with public education and safety programs; Lindsay with her background prior to joining us, has expressed an interest in this and earlier this year she attended the Fire/Life Safety Educator program at the Tennessee Fire and Codes Academy and part of that program requires her to complete certain projects and upon return she identified a pet safety program and there is a national date for that and this is the start of our public education program that she will be heading up and is very enthusiastic about it.

Firefighter Lindsay Loftin stated she is also a volunteer with Fayette County Animal Rescue and had a previously held a dogfood and cat litter fund raiser and received a good response from the community on that, and there have been previous times where pets have died in fires and different situations so this is a need that we could meet and July 15th is National Pet Fire Safety Day and on Saturday, July 16, the Bank of Fayette County has offered to help us not only as a sponsor but let us use their property to hold an event for awareness, still seeking individual sponsorship and business sponsorship, it will be on the website, in the Fayette Falcon, on the Facebook page and flyers.

Mayor Coats stated he will volunteer for the dunk tank if in town but charge more than five dollars for that.

Mr. Steinbach stated this is a good cause but the City has an Ordinance and responsibility to vet these things out so we didn't want the Board members being called and so the Ordinance does require the Board to sanction special events and staff ask Lindsay to come before the Board, so we ask the Board to consider that but on larger scaled events would necessitate staff reviewing traffic control plans etc., and on the record staff would ask the Board to discuss, acknowledge and support it.

Action taken: Commissioner Trotter moved to approve the Special Event, seconded by Commissioner Binkley. The Motion received all affirmative votes.

Agenda item 13. Any other old/new business, questions or matters from the audience
There was none.

Agenda item 14. Adjournment

Action taken: Commissioner Binkley moved to adjourn, seconded by Commissioner Trotter. The Motion received all affirmative votes and the meeting was adjourned at 8:37 p.m.

Respectfully submitted,

Beverly Holloway, City Recorder

Approved: _____ date: _____