

**MINUTES OF REGULAR SESSION
PIPERTON BOARD OF MAYOR AND COMMISSIONERS
August 16, 2016, 7:00 P.M.**

The Piperton Board of Mayor and Commissioners met in regular session on August 16, 2016 at 7:00 p.m. at City Hall, with Board members: Mayor Henry Coats, Vice-Mayor Hugh Davis, Commissioner Preston Trotter, Commissioner Mike Ulczynski and Commissioner Mike Binkley present. City Planner Brett Morgan was absent. City Manager Steve Steinbach, Finance Director Maria George, City Engineer Harvey Matheny, 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 & Liz McCommon, Alan Howell, Bill Meacham, Mr. & Mrs. Kerry Morris, Gwen Brown, Mike Medling, John McCarty, Jack Murphy, 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: Fire Chief Reed Bullock led in the opening Prayer and Commissioner Mike Binkley 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 tabling of item #10 and item #11, Commissioner Binkley moved to adopt the Agenda with changes, seconded by Vice-Mayor Hugh Davis. The Motion received all affirmative votes.

Agenda item 4. Any changes to the Minutes of July 19, 2016; Motion to adopt the Minutes of July 19, 2016.

Action taken: There were no changes to the Minutes of the July 19, 2016, Commissioner Binkley moved to approve the Minutes of 07/19/16, seconded by Vice-Mayor Davis. The Motion received all affirmative votes.

Agenda item 5. Review/approval of Financial Reports, Building Inspector's Report, Fireman's Report and Police Report

Steve Steinbach, City Manager, stated that we have concluded the first month of the new fiscal year 2017 and all cash positions are strong and are getting close to placing money into savings, the financial report with regards to the City's operating cost, the provided excel sheet before you shows the revenues and the corresponding expenditures for the month and it provides an explanation of the overages as a result of previously approved capital expenditures for example in the water fund there was the payment to TDOT for utility relocation that were based on a 10 year old bill that was presented to staff along with other expenditures for sewer.

Mr. Steinbach stated on reviewing the Code Enforcement-Building Inspection report, activity continues to be robust, conducted a lot of inspections and when looking at current activity relative to last years the inventory is continuing to wane as discussed last month and is hopeful that Boyle will start their second phase in the interest of growth.

Fire Chief Bullock stated July was a light month with 12 calls, there was a 64 hour Basic Firefighting course held with 7 of our reserves completing that and they are scheduled to go to the State Fire Academy for a Live Burn Class in September, and also a full time firefighter, Jordan Smith received his Fire Dept. Instructor 1 certification and another full time firefighter, Brandon

Allen received his Fire Officer 1 certification, the Pet Fire Safety Day was held and it went very well with 540 people in attendance.

Police Chief Phil Hendricks stated during the month of July, there were 91 dispatched calls, 11 incident reports, 5 arrest, 4 motor vehicles crashes and 1 private property crash.

Vice-Mayor Davis stated on the past Sunday at Mt. Zion Church, a community forum was held with law enforcement officers from Shelby County, the City of Memphis, Fayette County and Piperton and we were represented by Officer Williams and he was fantastic, his message was well received and he does credit to our force.

Action taken: Commissioner Trotter moved to approve all reports, seconded by Vice-Mayor Davis. The Motion received all affirmative votes.

Agenda item 6. 2017 Police Vehicles quote – Chief Hendricks

Police Chief Hendricks stated the quote from the State was recently received regarding the purchase of three new vehicles, the prices is \$27, 628 per vehicle and that will total \$82,884 with an additional \$13,000.00 in equipment outfitting installation, for all vehicles the total combined price is \$122,585.

Vice-Mayor Davis inquired if these are new and Ford SUV's.

Chief Hendricks stated yes sir.

Commissioner Trotter inquired how that compare to the budget.

Chief Hendricks stated we are \$415.00 under budget and after receiving the cars and getting them road ready with the installations we have the three vehicles that will be sold.

Mayor Coats inquired on the value of those.

Chief Hendricks stated he would like to get \$9,000 but would be satisfied with \$8,000 apiece.

Chief Hendricks stated the Police Department has a television that was donated 10 years ago that has died so he will be submitting paperwork to dispose of that item.

Action taken: Commissioner Trotter moved to approve the purchasing of the vehicles, seconded by Vice-Mayor Davis. The Motion received all affirmative votes.

Agenda item 7. BZA Appointments

Mr. Steinbach stated the appointments of two BZA members are up and the Mayor is to appoint.

Mayor Coats stated Dr. Darryl Dixon will be reappointed for another term, Mrs. Chris Johanson's term is also expiring and Hart Hartwig will replace Mrs. Johanson to join Commissioner Mike Binkley who serves as Chairman on the BZA.

Action taken: Commissioner Ulczynski moved to approve the Mayor's appointments to the BZA, seconded by Commissioner Binkley. The Motion received all affirmative votes.

Agenda item 8. Sewer Financing Analysis Committee Appointments

Mayor Coats stated that Commissioner Mike Binkley will be Chair, Jack Murphy and former Mayor John Huffman will be on this committee making the financial analysis for the sewer financing to Rossville.

Commissioner Binkley inquired if we have received the estimate.

Mr. Steinbach stated staff should have that estimate very soon and we want to go to bid preliminarily so we can fine tune that and the committee can make recommendations on the various options.

Agenda item 9. Water Bill Adjustment Request – PT Pinckney, Sr.

Mr. Terry Parker, Public Works Director, stated that one of our residents has submitted a request for an adjustment on their water bill due to a leak on their property, the City has investigated and it wasn't on the City regarding meters or service lines.

Commissioner Binkley inquired if there was a hardship.
Mr. Parker stated no sir.

Mayor Coats stated the policy of the Board since the City buys all the water from Collierville that we have to pay the bill and it is only fair that since the leak is the homeowner's side it is the homeowner's responsibility unless there is a hardship until we stop buying from Collierville.

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

Agenda item 10. Recess: hold Public Hearing concerning Ordinance No. 267-16, amending Zoning Ordinance bulk requirements for residential, commercial and industrial zoning districts

Action taken: Item was previously tabled at the beginning of the meeting until the September meeting

Agenda item 11. Second Reading – Ordinance No. 267-16, amending Zoning Ordinance bulk requirements for residential, commercial and industrial zoning districts

Action taken: Item was previously tabled at beginning of meeting until the September meeting.

Agenda item 12. Recess: hold Public Hearing concerning Ordinance No. 268-16, establishing City of Piperton centralized sewer connection fees and user rates

Action taken: Vice-Mayor Davis moved to recess, seconded by Commissioner Binkley. The Motion received all affirmative votes.

Mr. Steinbach stated the Board has commissioned the design of the sewer force main connection to Rossville based on the Interlocal Agreement that the two communities entered into last year and that design is on-going, Mike Russell who has been the developer of many subdivisions and most recently Piperton Preserve who is looking to move forward with phase two which has been approved by the Planning Commission is awaiting a development contract approval by the Board but before we can enter into that we need to establish the development fees are related to the connection of the very first centralized residential subdivision so staff has ask Harvey Matheny to prepare the basis in an outline of a fee structure that is innovative in its approach in that the bulk of the fee lies with where the impact is incurred with the builder and generally it is collected mostly upfront with the developer and we are recognizing the value of the infrastructure the developer has to put in, the developer is essentially paying for the burden of the depreciation charge which we will have to book for a period of time, Mr. Russell is waiting and is aware of what we are doing and this will be applicable to him and before we look at the development contract we want to have the Board act on this and then sit down with Mr. Russell and his consultant to discuss how it is applicable to them but staff couldn't advise the Board to enter into a binding development agreement with the developer until we have a fee structure.

Mr. Harvey Matheny, City Engineer, stated Ordinance 268-16 is to establish centralized sewer rates, we currently have a fee structure that addresses sewer fees into Marshall County and decentralized sewer fees and Piperton Preserve Phase II will be the first project and the Ordinance would recommend three different types of sewer fees, one would be the sewer connection fee which would be paid at the time of the building permit application by the builder, there is a development fee that will be part of the development agreement with the developer and that will cover the initial three years of depreciation cost of the infrastructure that the developer installs, the third sewer rate is the user rate, which the Ordinance doesn't calculate a specific rate at this time but that will be visited in a future date, this Ordinance just outlines what the rate is intended to cover and the user fees is intended to cover long term maintenance and eventual replacement of that system and that would be the maintenance cost associated with personnel, equipment, fuel, electricity, supplies etc. along with the long term depreciation cost beyond that

initial three year depreciation that the developer would pay for with the developer fee, with regards to the handout given to the Board the first page is a comparison of the proposed sewer fees for Piperton with other nearby Cities such as Rossville, Collierville, Memphis, Bartlett, Millington, Arlington and Lakeland and as you can see fee structures are all over the board and it varies significantly and there is also some variation in who they apply fees to, the industry standard is to use 300 gallons per household per day and speaking of ERU's we speak of equivalent residential units and we are proposing a similar structure for our tap fee and we want to base our proposal to you based on something that was quantifiable and on the next page is the basic calculation of how we came up with the \$3,000.00 per ERU for the connection fee, again the connection fee would be paid by the builder at the time of the building permit application so our waste water treatment plant is designed to handle 500,000 gallons per day and if divided by 300 gallons per day for the typical single family home so the wastewater plant could serve approximately 1,667 homes or equivalent residential units and the capacity would be used by not only by single family residential units but also commercial properties that tie onto that system, so we have estimated the total capital cost for the construction of the wastewater plant and the Piperton-Rossville connection of \$5,000,000.00 so the sewer connection fee is a capital cost recovery that everyone who ties onto the system will pay, the depreciation term is 50 years for pipes and infrastructures and 15 years for equipment such as pumps and meters.

Mayor Coats inquired if this is estimated before the pipe and everything goes into the ground or is it based on actual invoices after the developer has done his thing.

Mr. Matheny stated these are based on estimated cost on the front end, typically for development agreements we will get an estimated cost either from the developer's engineer or if they already have a contractor's estimate or a quote to do the work then we look at the numbers and see if they are appropriate for industry cost and that is what this is based on.

Vice-Mayor Davis inquired once that is collected, how will we fence those dollars off will they go into a special fund to take care of that.

Mr. Steinbach stated the fees that are collected will go into our sewer fund saving fees largely to book future depreciation charges against and once the development is up and running and collecting user charges there is a component again for capital cost recovery and depreciation and those two are designed to cover operation cost.

Commissioner Binkley inquired if that was where the other 47 years of depreciation will come from.

Mr. Matheny stated yes.

Mr. Steinbach stated the three years is the time period that the State generally allows a City to run in the red on a depreciation until you build up a user base so that you are able to cover those charges.

Commissioner Trotter stated the capital should be there when we use up the 500,000 gallons a day capacity of this unit so that we would have the capital to expand the treatment plant and he also questioned whether we would charge for partial ERU's or round to the next full ERU and if so we should include language to that effect. Discussion concluded that the calculations should be based on whole ERUs with fractions rounded up.

Mr. Matheny stated when we near that capacity we would start planning in advance for the expansion of the plant.

Mr. Steinbach stated the methodology was easy to understand and easy to defend and is necessitated by the developer who needs an answer and the second part can be seen as a temporary segway because one thing that the Board has been ask to approve was \$30,000.00 for a firm that does this by coming in and access our fee and rate schedule and producing a study that would either support this or recommend adjustments so one way or the other either the developer is going to bear the burden of that cost and he passes that on to the lot or the builder bears the cost based on the impact to the infrastructure.

Mr. Matheny stated to the point of memorializing how we came up with the fees, we could put a narrative into the Ordinance that explains that and so the actual numbers aren't actually listed but the basis for the calculation of the numbers is there.

Commissioner Ulczynski inquired if it would be appropriate to attach this schedule as an example and create an attachment to the Ordinance to capture it and how does this tie to the Adair agreement.

Mr. Steinbach stated it wouldn't be inappropriate and can easily create a footnote with addendum; see example, and with regards to the Adair agreement, it is pretty straight forward and it basically provides that Mr. Adair constructs a wastewater treatment facility and in exchange for that the benefit to the Piperton Hills property is that any newly created parcel lot utilizing the sewer infrastructure pays development no fee ever and that is transferable but that doesn't extend to the subsequent builder on the lot it is just the fee associated with the creation of the lot and the infrastructure, the property has not been officially titled yet, the land use plan was changed to identify a large portion of it for mixed use zoning but it hasn't been rezoned yet so the presumption is that the property will be able to be developed at the density level per our mixed use zoning, and it is waiving the fee associated with the creation of the lot (developer's fee) and not the tap fee.

Commissioner Binkley stated on the centralized sewer rate on the last paragraph where it states the volume charge will be based on the monthly water meter readings, less any volume of water usage that is not connected that would only be in the case of a second water meter-correct.

Mr. Matheny stated it is for an irrigation system.

Commissioner Binkley stated that needs to be verbalized that it would be in case of a second water meter for the purpose of something different because whatever that water meter says is what you will charge for so there is no way to say that 2000 gallons was used on irrigation and it needs to be subtracted, but it is reading if there is only one meter and irrigating that usage will be reduced so it will have to be a separate meter.

Mr. Matheny stated that will be based on the meter reading and will have to have a second water meter for irrigation.

Commissioner Trotter stated since this is the second reading we need to come up with actual language to put in here, so would we add based on meter reading?

Commissioner Binkley stated it would be on the actual meter reading other than a separate meter used for non-discharged use.

Mr. Steinbach stated the actual rate will come back to you before Mike's customers come back on so we need to adopt the distinction as explained knowing that you will see that part again because we will have to come up with the actual rate based on Rossville's charge to us, their premium and a number, so if we included that change is that acceptable to the Board for this version.

Mr. Matheny stated we could add to the sentence and is metered separately.

Commissioner Binkley stated the volume charge will be based on the monthly water meter reading, less any volume of water usage that is metered separately.

Mayor Coats stated also include the clarification of using whole ERUs.

Commissioner Trotter inquired if in each case where it is listed as so many dollars per ERU, could we just add "or a portion thereof" would that cover it, for example it could be \$3,000.00 per ERU or a portion thereof.

Commissioner Ulczynski stated that any fees tied with ERU are charged in whole ERU increments and any partial or fractional ERU are rounded up to the next whole ERU.

Commissioner Trotter stated that could be added as a note to the bottom.

Jack Murphy, a Piperton resident, stated we are basing this on a 1000 lots being developed and until those 1000 lots are developed the City is going to carry some portion of the burden for this, inquired how many lots have been developed in the past year so if it were 50 lots that means the City will carry a 20 year burden before it reaches full capacity and that is an

extremely long period of time and the other data point that was used that there are 40 lots that will be tapping into it and inquired if a smaller amount of lots so that the City doesn't carry this burden for that long of a period of time.

Commissioner Binkley stated that is the reason we are going to Rossville first so that we don't have to have the burden of the wastewater treatment plant right off the bat and that is a big burden but it is not the \$5,000,000.00 burden at the beginning.

Mr. Matheny stated there are 35 lots and the initial burden will be somewhere between \$500,000.00 to a \$1,000,000.00 with it being closer to the \$500,000.00 and the burden of the wastewater treatment plant is not a debit service the City has to book since Mr. Adair is building that plant and as Mr. Steinbach mentioned it is in exchange for future development fees.

Mayor Coats stated we would have the depreciation on it.

Mr. Matheny stated the \$3,000.00 per ERU is to create that fund of money so when the when the plant needs to be expanded the money is there, so when we do utilize the capacity of that plant over time whether it is 10 years, 20 years or 30 years we will be establishing a fund to expand that plant.

Commissioner Ulcynski stated a fee structure needs to be created to cover the depreciation.

Vice-Mayor Davis stated one of the things we haven't finalized is when that actually does start.

Mr. Steinbach stated we don't know and we have consulted with a variety of professionals with regard to when the depreciation burden actually begins and if we can get creative with the burden or if we can defer the burden for a number of years until we have an established customer base and that is why I've asked the Board to fund a study from a firm that does this every day and this Ordinance isn't perfect and missing from it is a description of credits and how that would work if a developer extends a major portion of the capital infrastructure that serves a host of people and this can be an accounting nightmare and doesn't want to see the City in that position, it doesn't have a time limit and discussed whether we collect on the front end or the back end so it seems intuitively that you would collect when the impact and the capacity is used up when a tap is turned on but other than that it is pretty straight forward and Mr. Murphy brought up some good points and this will have to be a floating formula because it is based on a known or estimated capital cost for this infrastructure and how many lots it can serve and as we expand into other basins our fees will need to be addressed and they will need to change, based on the makeup of each basin.

Commissioner Ulcynski inquired if we don't permit 2% of the capacity that is planned here then the City will fill the gap on that depreciation.

Mr. Steinbach stated these are enterprise funds so the General Fund can't subsidize it so it will be felt by the users.

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

Agenda item 13. Second Reading - Ordinance No. 268-16, establishing City of Piperton centralized sewer connection fees and user rates

Action taken: Commissioner Trotter moved to approve Ordinance No. 268-16 on second reading with two additions that we discussed: 1) adding a note - to the effect that fractional ERUs are rounded to the next whole ERU, and 2) at the end of paragraph 6 adding at the end of the last sentence - and is metered separately, seconded by Commissioner Binkley. The Motion received all affirmative votes.

Agenda item 14. Recess: hold Public Hearing concerning Ordinance 269-16, repealing Ordinance No. 257-15 in its entirety, and revising/adopting various fees for the City of Piperton

Action taken: Commissioner Binkley moved to recess, seconded by Vice-Mayor Davis. The Motion received all affirmative votes.

Mr. Steinbach stated this is the Ordinance that incorporates the previous Ordinance into our comprehensive fee schedule and suggests that the second reading and one of the things Commissioner Ulcynski brought up was the example and this might be the more appropriate location for that item.

Mayor Coats stated to also include the same changes as Mr. Trotter addressed on the previous Ordinance.

Commissioner Trotter inquired if late fees after the 10th of month was too short a period of time to allow payments to be made, maybe it should be the 15th instead of the 10th.

Mr. Steinbach stated we have the policy already on the books but it was not listed in the fee structure so this was incorporated into the comprehensive fee schedule and when conducting the fee study that will be included and will have a recommendation.

Action taken: Commissioner Binkley moved to reconvene, seconded by Vice-Mayor Davis. The Motion received all affirmative votes.

Agenda item 15. Second Reading – Ordinance No. 269-16, repealing Ordinance No. 257-15 in its entirety and revising/adopting various fees for the City of Piperton

Action taken: Commissioner Ulcynski moved to adopted Ordinance No. 269-16 on second reading with changes previously approved on Ordinance No. 268-16 and adding an exhibit to section B to capture the examples presented, seconded by Commissioner Binkley. The Motion received all affirmative votes.

Agenda item 16. Resolution No. 16-184, to enact a Limited English Proficiency Policy

Bev Holloway, City Recorder, stated this Resolution is presented due to grants that have been applied for and this policy is requested by the State through Title VI, also a translation service named Avaza will be contracted and since this is a state contract our initial fee is waived but would be charged when used.

Action taken: Commissioner Binkley move to adopted Resolution No. 16-184, seconded by Vice-Mayor Davis. The Motion received all affirmative votes.

Agenda item 17. Any other old/new business, questions or matters from the audience

Mrs. Liz McCommon, a resident on Rebel Rd, stated there are three matters concerning the residents of Meadowlark subdivision and photos of a two lots were distributed to the Board showing overgrown grass, one lot owners has been taken to City Court but she doesn't know if judgement was rendered against her but the next court date is October and the lot hasn't been cut and we need something done and if staff could check with City Attorney and have the lot cut and a lien placed on the property.

Mr. Steinbach stated the owner was cited by the Court and to date her penalty fee is somewhere around \$50,000.00 and the attorney had advised that wait for due process to adjudicate and I have directed our Codes Officer to have it cut immediately and have a lien filed against the property and will deal with the ramifications as we didn't want to conflict with the Judge's order, the second lot will not be cut but as understood the owner who purchased the lot has been cited and has cut it twice and will make sure.

Mrs. McCommon stated the second matter is the City now cuts around 385 and Hwy 57 and it looks real nice and we would like the same done for Hwy 72 and I-269 interchange which the right of way has just recently been mowed but hasn't mowed around and under the overpass and it looks awful and the Piperton sign will soon be covered up.

Mr. Parker stated he had spoken with the TDOT representative and Fayette County only gets three cuts per year based on the State contract so we need to petition our politicians to get five cuts because Hwy 385 is getting five cuts and as far as brush etc up under 269 that comes out of the local office and is not included in the State contract so whoever is contracted will only do the median so we need to put pressure on the local office in Arlington to clear the brush part

and the City does Hwy 385 and Hwy 57 and has been doing it for years but again we are small staffed and really don't have the equipment to take on additional grass.

Mayor Coats stated we need to discuss this at the next staff meeting because we need to get it cut around the intersections with the understanding that in the middle will be Collierville's.

Fire Chief Bullock stated actually on 269 at Hwy 72 everything under the Bridge is Collierville and our sign is not in the exact location of the line, none of that highway is ours, only the exit ramp to north bound 269 and 72 and the entrance ramp for 72 to northbound 269 that side is all that is in the City of Piperton, the GIS data shows that everything under the bridge is in the City of Collierville.

Mrs. McCommon stated the third matter is to do some planning so our subdivision on the southside could be hooked up to the Marshall County Sewer, if you could see what it will cost and how long it would take.

Mayor Coats asked Mr. Matheny, City Engineer, to take this and get estimates and check with Marshall County to see what their capacity is and report back to Meadowlark next month.

Vice-Mayor Davis stated if this can be done can you compel everyone to hook up to it.

Mr. Steinbach stated if the residents agreed to a fee structure that was amortized and they would have receive a notice that it cost this amount and would have to hire their own plumber to decommission the septic tank.

Mrs. McCommon stated some residents may have to do it on a payment plan but we received a favorable response when it was mentioned at the Community Club about hooking on and having sewer because the State did a survey many years ago and there is a letter about the failure rate of septic tanks.

Mr. Steinbach stated the conversation regarding the retirement plan last month, Maria and I did meet with the TCRS representatives and we are going to be proposing that we transfer the City retirement assets from Nationwide 457 over to the State's 401k, there are similar tax deferred plans and the difference is the municipal 401k does not require the City to pay the fica portions and the administrative fees are less and that will save us hundreds of dollars and they also offer a hybrid defined benefit plan that we can look at including the vesting and they will come in to do a presentation and they have a fixed fee that they charge municipalities to do an actuarial to determine hypothetical how old your employees are, when it start, what the vesting is and just wanted to let the Board know there is a possibility that the City may be able to ultimately offer that benefit to employees thereby making you more competitive moving forward.

Mayor Coats stated the Planning Commission is inviting everyone to a presentation by MAAG (Memphis Area Association of Governments) on the results of the Piperton Economic Study that will be at Living Hope Church on Thursday, August 25th at 7pm.

Agenda item 18. Adjournment

Action taken: Commissioner Binkley moved to adjourn, seconded by Commissioner Trotter. The Motion received all affirmative votes and the meeting was adjourned at 8:24 p.m.

Respectfully submitted,

Beverly Holloway, City Recorder

Approved: _____ date: _____