

**MINUTES OF REGULAR SESSION
PIPERTON BOARD OF MAYOR AND COMMISSIONERS
February 21, 2017, 7:00 P.M.**

The Piperton Board of Mayor and Commissioners met in regular session on February 21, 2017 at 7:00 p.m. at City Hall, with Board members: Vice-Mayor Mike Binkley, Commissioner Hugh Davis, Commissioner Preston Trotter, and Commissioner Neil Taylor present. Mayor Henry Coats, City Planner Brett Morgan and City Engineer Harvey Matheny 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 Carolyn and Butch Rhea, William Meacham, Liz McCommon, Nell Percer, Bill Hancock, Jack Murphy, Linda Coffman, Brett Baurndind and Officer Kittrell in the audience.

Agenda item 1. Call to order, establish quorum

Action taken: Vice-Mayor Mike Binkley 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 Preston Trotter led in the Pledge of Allegiance to the American Flag.

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

Action taken: There was a change to the Agenda with the addition of receipt of donation for the Fire Department at the end of the agenda becoming new item #12 and Commissioner Trotter moved to adopt the Agenda with the change, seconded by Commissioner Hugh Davis. The Motion received all affirmative votes.

Agenda item 4. Any changes to the Minutes of January 21, 2017; Motion to adopt the Minutes of January 21, 2017.

Action taken: There were no changes to the Minutes of January 21, 2017, Commissioner Davis moved to adopt the Minutes of 01/21/17 as presented, seconded by Commissioner Trotter. 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 as we round the half way point on fiscal year 2017, positions look good and pointing your attention to revenues on the General Fund the local sales tax collections continue to be very strong and the other item is the local beer tax which is just under where we would typically see that number above 50 percent and Collierville recently passed an Ordinance to permit beer sales on Sunday and that will affect our revenue stream but staff will continue to monitor, and cash positions for all funds are strong.

Mr. Steinbach on the Building Inspector's report stated that lots will be coming on line soon with Piperton Preserve and are fairly stable with new single family dwelling units relative to last year, Twin Lakes will be submitting the second and final phase that will add additional new lots with the conclusion of that phase, we will be at a point where the market will probably continue to respond to strong growth throughout the metropolitan area, reports indicate that the residential market is still strong especially in Collierville and Desoto County and we can continue to be strong too with new development interest in adding additional lots and Mike Russell will have subsequent phases that will be coming on line and will continue to see our residential market move forward.

Fire Chief Reed Bullock stated for the month of January there were 25 total calls, motor vehicle and medical calls are still trending and in coming months there will be a short visual presentation for the Board of an extraction class that Chief and one other fireman attended for heavier extraction dealing with truck traffic that we expect to come through.

Police Chief Phil Hendricks stated during the month of January there were 88 dispatched calls, 9 incident reports, 6 arrest reports, and 5 motor vehicles crashes.

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

Agenda item 6. Presentation of FY 2016 Audit – Linda Coffman

Linda Coffman with Linda's Accounting Firm stated she has performed the audit for the City for the last four years and this year was very achieving due to significant growth of the City, financial statements were prompt and most are accurately prepared and counted, also performed extensive testing to make sure everything is in line and in compliance and also commended the City Manager and Maria George, and then presented the audit to the Board and stated the audit has been presented to the State and the State will publish the Audit on their website.

Commissioner Davis stated that Ms. Coffman really did a great job for the City of Pipeston the last four years and the audit is easy to read and user friendly as compared to previous ones, and also to Steve and staff for the work that they did.

Agenda item 7. Water Bill Adjustment Request – Leslie Helton

Terry Parker, Public Works Director, stated the following resident has requested a bill adjustment due to a leak which was not on the City's behalf and there was no hardship involved.

Commissioner Trotter stated since there was nothing on behalf of the City and to be fair and consistent we always ask if there was a hardship case that the Vice-Mayor had ask and the other question is: was the leak in anyway related to the City's meter where the City would have been responsible for connection and the piping associated with that.

Mr. Parker stated that the answer to both questions is no.

Commissioner Trotter stated in the past when both of those answers have been no, the Board has to be consistent and denied the request.

Action taken: Commissioner Trotter moved to deny the water bill adjustment request, seconded by Commissioner Neil Taylor. The Motion received all affirmative votes.

Agenda item 8. First Reading, Ordinance No. 276-17, amending Zoning Ordinance height requirements for M-1, M-2 and M-3 Industrial Zoning Districts

Mr. Steinbach stated this is a recommendation from the Planning Commission for an amendment to the Zoning Ordinance text to the bulk requirements for our industrial districts, our current height limitation is 35 feet which is a standard measurement that is fairly common throughout rural communities where the lack of fire apparatus equipment prevents professional Fire Departments from fighting multi-story structures, and the City is in the process of entertaining site development plans for a new industrial user and part of that process is the review of their building plans and their architectural plans provide for an extension on their building that exceeds our 35 feet and we are not exceeding the habitable structure height but this is consistent with the larger industrial buildings we are seeing, we are seeing more clear height in the warehouse area of the buildings themselves and in reviewing this I ask our City Planner, Brett Morgan, to consult with our Fire Chief on any subsistent impacts that this may have the department's ability to address this and a concern was the ability of the fire department to get on top of a roof, access that we had in the course of approving MCR, where we approved a height restriction or maximum height of 45 feet but understand that was in the context of a planned development approval which allows the City to vary the bulk standards with the zoning ordinance, and this is a conventionally zoned site so the City is compelled to adhere to the bulk standards of that particular district and in

this instance the M-1 district and so to facilitate this applicant's request and not compromise our ability to provide the necessary life safety service and the recommendation of the Planning Commission is sufficient at this time and so staff recommends its adoption on first reading and proposing a slight modification to that definition as well.

Action taken: Commissioner Taylor moved to approve Ordinance No. 276-17 on first reading, seconded by Commissioner Davis. The Motion received all affirmative votes.

Agenda item 9. Resolution 17-188, repealing Resolution 08-79 and establishing return check charge for all departments of the City of Piperton

Bev Holloway, City Recorder, stated last year we updated our City wide fees and in that Ordinance it was stated there was a \$30.00 return check charge and this Resolution is to repeal the previous and bring all departments up to a \$30.00 return check charge.

Mr. Steinbach stated the City has a comprehensive fee Ordinance where all the fees in the City were brought together under one document.

Action taken: Commissioner Trotter moved to adopt Resolution 17-188, seconded by Commissioner Davis. The Motion received all affirmative votes.

Agenda item 10. City Engineer recommendation regarding acceptance of Milton Dr. extension for Maintenance

Mr. Parker, on behalf of Harvey Matheny-City Engineer, stated Milton Dr. extension was repaired and presented for acceptance by TDOT and under inspection by myself and the City Engineer it was verified that the road barricades, signs and all appropriate apparatus has been placed in that road and one small correction was noted which was minimal and would not cause too much of a concern based on a small amount of travel on the road but that will increase and spoke with the engineers that any repairs at this time would do more harm than good but it is acceptable and requests approval from the Board to execute the agreement.

Commissioner Davis inquired if the Public Works department would have to cut the right of way.

Mr. Parker stated that is correct, will have the maintenance and officers will have to patrol it.

Commissioner Trotter stated this road is a major benefit to the City in that TDOT has spent their fast track funds to provide industrial access to this area that our plans in the future called for making that area light industrial and that road will connect with the extension of Milton Drive around our industrial park area so this is phase 1 of that road being extended and it was free to the City and the City just has to accept it and maintain it.

Action taken: Commissioner Davis motioned to accept the Milton Dr. extension, seconded by Commissioner Taylor. The Motion received all affirmative votes.

Agenda item 11. Resolution 17-189, transfer deferred compensation plan from Nationwide to State of Tennessee

Mr. Steinbach stated the document before you is the State of Tennessee standard language referencing and regarding their deferred compensation plan, currently the City supports a defined contribution plan for its employees that is administered by Nationwide and six months ago staff initiated conversations with the State of Tennessee to look at the possibility of introducing a defined benefits plans for the employees, meaning a pension, but the first step of that was the conversation regarding our deferred compensation, a defined contribution is effectively a fund set aside (pre-tax dollars) and the employees direct where their investment dollars go, they have the option and choice among a variety of fund offerings and in looking at this with the State and always cognizant about administrative costs associated with these plans since you have to plan the fund managers and the State's administrative fees are considerably less to manage the employees plans and staff is proposing to move from 457 to a 401k and both are pre-

taxed, there are comparisons between the two and they offer similar benefits to the employees but the primary benefit to the employer is with the 401k the City will not have to pay fica taxes on the match to the employees investments and the single biggest benefit aside from the reduced administrative cost is the fact that the State will assume the fiduciary responsibility of the plan and right now that is on the City with regards to the Nationwide plan and that is a tremendous liability and additionally the Board had approved the funding of an actuarial study by the State and that will provide the Board a variety of options including hybrid plans that would combine the defined contribution with the defined benefit and a pure defined benefit plan, and the proposals would provide a cost to the City based on a percentage of overall payroll, it allows the Board to consider whether it is appropriate time to pursue a defined benefits plan or delay pending additional growth to ensure we offer competitive benefits.

Commissioner Trotter inquired if the current 457 would transfer into a 401k.

Mr. Steinbach stated the State offers a very similar 457 so initially the assets will transfer to a 457 and the employees will be given the opportunity to move their monies into lifetime investments and they won't be the same managed funds but will be comparable, there are benefits to the employees and there are loan provisions and the 457 allows a greater amount of money for catchup for older employees but once the City decides which of the plans to contribute the matching funds that is the way the City will proceed, the City will look at making subsequent investments in terms of matching dollars to 401k an employees can roll over their 457 dollars to the 401k with the same fund offering and the only difference is the tax code and description, they are both pre-taxed deferred compensation plans that grow without any tax liability to the employee until after the employee retires and they can roll it over into other tax deferred investments as desired.

Commissioner Trotter inquired on the time frame for the actuarial study.

Mr. Steinbach stated he doesn't have a definitive time schedule on this as he is still working with the State as to when they will be able to come and they will have to collect a lot of data from us and has ask for it to be expedite that study for us so the Board would have the information it needs to consider a decision at the time it adopts the budget for the fiscal year 2018 and was told with a City our size it won't take that long but will take a couple of months at least, the actuarial study is good for a 12 month period and we are not locked into any defined benefit option or the lack to pursue the defined benefit option, the adoption of this Resolution is just moving from one fund family administrator trustee to another and doesn't have an impact on which way the Board will move in the future.

Commissioner Trotter inquired on the investment fees.

Mr. Steinbach stated the administrative fees that are associated with the fund families that he reviewed across the board were 30 to 50 basis points lower so the employees are not offered to buy individual shares of a company so there are no commissions on that, and the administrative fees are based on the particular fund that the employee selects and are silent fees and it effects your money over time and the State was considerably lower than the others he looked at, the State of Tennessee is one of the top five State managed retirement funds in the Country and the fiduciary responsibility will fall on the State and not on the City.

Commissioner Trotter inquired on the vesting immediately versus vesting over three years versus vesting progressively over five years, typically companies and other entities tend to go with delayed vesting simply for employee retention and noticed it says vest immediately with zero years of service.

Mr. Steinbach stated that the current plan provides immediate vesting so proposing to move I didn't want to change anything that we have in place right now, and if moving forward the Board determines that it is in the City's best interest to increase its compensatory match then it is appropriate certainly if you go to a defined benefits to change.

Commissioner Trotter stated that is a question we can readdress later after we get the feedback from the actuarial study.

Action taken: Commissioner Taylor moved to approve Resolution 17-189, seconded by Commissioner Davis. The Motion received all affirmative votes.

New Agenda item 12. Receipt of Donation for the Fire Department

Fire Chief Reed Bullock stated the first part of this is on January 26th the Fire Department received a donation of \$3000.00 from Memphis Claims Association, who has a fund raiser every year that benefits Fire Departments and the area and Piperton was their benefactor this year and that money is geared towards fire investigations and things in that nature and we recognize the receipt of that money, the second part is there was capital money left over from last year and that amount was \$3,476.32 and along with the donation this will allow us to buy a new thermal imager camera and the quote for that item (Bullard Thermal Imager) is before you in the amount of \$6,470.00, the department currently has a Bullard imager which is a little over 10 years old, and the third part of this which was approved in the Budget was for an upgrade in the amount of \$4,000.00 for that Bullard imager and so we would like to take the donation and marry that with the capital money and purchase a new camera and then do the upgrade to existing Bullard imager.

Action taken: Commissioner Trotter moved to approve the purchase of a new thermal imager unit, upgrade the old thermal imager unit and take receipt of the grant money, seconded by Commissioner Davis. The Motion received all affirmative votes.

Agenda item 13. Any other old/new business, questions or matters from the audience

Bill Hancock, Piperton resident, stated he spent most of his working life in positions where he had to make sure that the equipment was up to date and the liability for not having that is great, and the question is by not having all three of the thermal imaging cameras up to date and up to par should Reed have to go into a building to see if there is a hot spot and if he doesn't detect one because technology is old or inadequate what is the liability that you will have and I suspect it is very great, the second question has to do with the zoning, what additional equipment will be needed to achieve 50 feet as opposed to what you have right now and the next question is how committed to making sure that he has the right equipment and supplies are you.

Vice-Mayor Binkley stated the answer to your first question, feels it is very important that Chief has the equipment and it's why he voted to upgrade and purchase the other.

Chief Bullock stated it is an older backup so he has something when he arrives with the others coming right behind him and he is comfortable with the arrangement that he has right now.

Vice-Mayor Binkley stated on the other questions during the second reading and the public hearing we will get into a lot more specifics on the items and that is a consideration of what additional equipment we will have to have as far as a ladder truck or something like that.

Bill Hancock stated Reed already has a program of toys to address that.

Agenda item 14. Adjournment

Action taken: Commissioner Taylor moved to adjourn, seconded by Commissioner Trotter. The Motion received all affirmative votes and the meeting was adjourned at 7:39 p.m.

Respectfully submitted,

Beverly Holloway, City Recorder

Approved: _____ date: _____